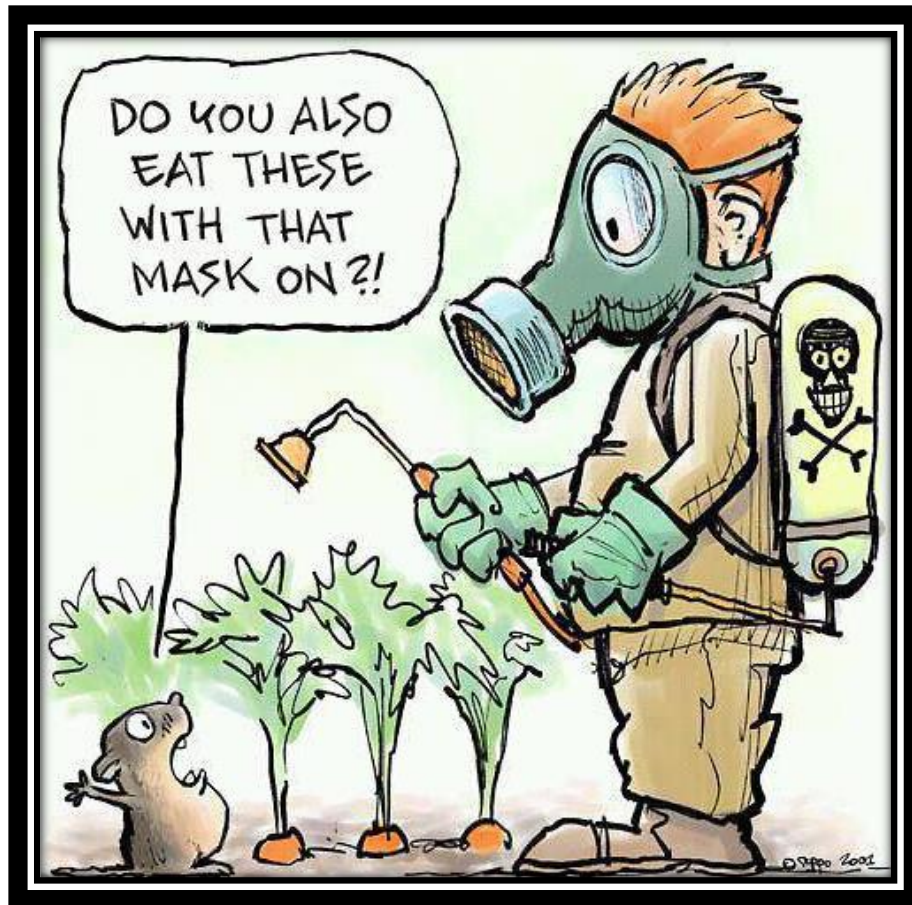


# An Investigation on the Dutch Organic Vegetables and Fruits Market:

## General Retailers Perspective Focused



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## Acknowledgement

In the course of writing this report, I have the great honour to have got assistance and support from many people, so I would like to take this opportunity to express my gratitude.

First of all, I would like to express my appreciation towards my supervisor Mr. Veldman. This report was finished under his guidance and I really appreciated Mr. Veldman's suggestions on this report. Besides, I also would like to thank Mr. Veldman for his supervising in other courses over the past four years. Secondly, I would like to take this opportunity to thank all the teachers who taught me during the past four years for their guidance and support in other relevant fields. Thirdly, I would like to thank my classmate Ru Wang for her advice on this report and I also want to thank Ms. Katherine for revising the English writing of this report. Last but not least, I would like to express my appreciation towards my parents for their supporting all the time.

## Executive Summary

This report seeks to provide marketing guidance and recommendations for general retailers in order to increase the market share of organic vegetables and fruits in the Netherlands. This report seeks to answer the central question of “How to increase, from the perspective of general retailers, the organic vegetables and fruits market share in the Netherlands?”. In order to provide comprehensive marketing guidance and recommendations, previous literature was consulted and surveys were conducted.

Research demonstrates that organic vegetables and fruits effectively meet consumer needs for fresh and healthy food at an affordable price. However, due to limits in education, awareness about organic vegetables and fruits is relatively low among the majority of Dutch consumers. Many consumers of organic food have incorrect information. The consumption of organic vegetables and fruits is relatively low, with a small annual increase, and the majority of organic food consumption is still made in general retailers, especially in supermarkets. Further investigation reveals that currently, the consumers of organic vegetables and fruits are generally people who are older and well educated. However, in attempting to expand the organic foods market in the Netherlands, the two consumer groups with the greatest potential for purchasing organic vegetables and fruits in the future are households with children and the young generation.

In accordance with the findings, the report concludes that the prevailing reason for the small market share of organic vegetables and fruits in the Netherlands is low awareness among consumers about organic products. It is recommended that general retailers increase consumer awareness about organic vegetables and fruits; this recommendation can be implemented by strengthening marketing strategies. Online marketing strategies can be strengthened by refining websites, adding functions to mobile applications and sending promotional emails. Additionally, brochure marketing strategies can be improved by adding detailed information about organic products in supermarket brochures, on publicity boards and on manuscript posters. Changing colours can also enhance sensory marketing strategies. Finally, in-store marketing strategies can be improved by providing free samples of organic vegetables and fruits.

## List of Abbreviations, Figures & Tables

### List of Abbreviations

ABELL.ac	The ABELL model in the academic stage
ABELL.spm	The revised ABELL model for supermarket in the practical stage
ABELL.sgr	The revised ABELL model for small general retailers in the practical stage
Survey	The survey in the academic stage (In this report, the word “survey” indicates the survey in the academic stage unless stated otherwise.)
Survey.2	The survey in the practical stage
OTA	The Organic Trade Association
IOBC	International Organisation of Biological and Integrated Control
ITC	International Trade Center
AAFC	Agriculture and Agri-Food Canada
CBS	Central Bureau voor de Statistiek (Central Agency for Statistics)
IFOAM	The International Federation of Organic Agriculture Movements
VMBO	Vorbereidend Middelbaar Beroepsonderwijs (preparatory middle-level applied education)
MBO	Middelbaar Beroepsonderwijs (middle-level applied education)
HAVO	Hoger Algemeen Voortgezet Onderwijs (higher general education)
VWO	Vorbereidend Wetenschappelijk Onderwijs (pre-university education)
HBO	Hoger Beroepsonderwijs (higher professional education)
AH	Albert Heijn (a Dutch supermarket)
CDC	The Federal Centers for Disease Control and Prevention
OECD	The Organisation for Economic Co-operation and Development
PLMA	Private Label Manufacturers Association

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## Introduction

In 2013, retail sales of organic foods in the Dutch market amounted to only €840 million, lagging behind Germany, France, the United Kingdom, Italy and other major European countries. Sales of organic vegetables and fruits accounted for only 3.9% of total sales in the Dutch organic food market in 2013 (“Organic farming and market development in Europe,” 2015). As one of the most developed countries in the world and a significant market in the EU, the Netherlands still has significant progress to make in increasing its market share of organic food and of vegetables and fruits in particular. General retailers play an important role in increasing the market share of organic vegetables and fruits in the Netherlands, as they are responsible for approximately 60% of total organic food sales (“Organic farming and market development in Europe,” 2015). The current poor status of the Dutch organic vegetables and fruits market leads to the central question of this report: “How to increase, from the perspective of general retailers, the organic vegetables and fruits market share in the Netherlands?”. All Dutch citizens are potential consumers of organic vegetables and fruits, but this report specifically targets the young generation and households with children.

With the aim of presenting recommendations for improving the market share of organic vegetables and fruits in the Netherlands, this report is divided into two stages: the academic and the practical. The academic stage includes an analysis of the organic vegetables and fruits market in the Netherlands, and it examines four sub-questions.

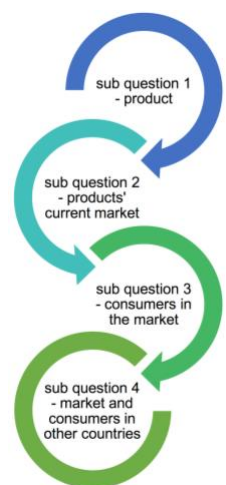
## Research design

### ⇒ **Central research question**

How to increase, from the perspective of general retailers, the organic vegetables and fruits market share in the Netherlands?

### ⇒ **1<sup>st</sup> sub-question: What is organic food?**

Although organic food has become extremely popular in recent years, very few people know the exact definition of organic food. Many consumers do not know the difference between the concept of organic food and different concepts such as healthy, natural and biological foods. Understanding the actual definition of organic food is useful for consumers when making purchasing decisions. Therefore, the first sub-question seeks to define the concept of organic food.





⇒ **2<sup>nd</sup> sub-question: What is the current status of Dutch organic vegetables and fruits market?**

The current organic vegetables and fruits market in the Netherlands is not highly developed. Studying the present Dutch market and its development prospects is necessary in order to provide appropriate recommendations for general retailers. Because of this, the second sub-question examines the current status of the organic vegetables and fruits market in the Netherlands.

⇒ **3<sup>rd</sup> sub-question: What is consumer food purchasing behaviour in the Netherlands?**

Consumers vary significantly across different markets. In market research, it is crucial to understand the purchasing behaviour of consumers. Dutch general retailers can only identify effective ways to influence consumer purchasing decisions by studying and understanding their purchasing processes and behaviours. The third sub-question explores the food purchasing behaviours of Dutch consumers.

⇒ **4<sup>th</sup> sub-question: What are successful experiences of other countries on improving organic vegetables and fruits market?**

Learning from the developed organic markets of other countries is another way to provide useful recommendations for the current Dutch market. Therefore, the fourth sub-question examines the successful experiences of other countries in improving their markets for organic vegetables and fruits.

Tentative conclusions and recommendations are drawn in the academic stage. In order to ensure the accuracy of the final recommendations, the tentative conclusions drawn in the academic stage are tested and adjusted in the practical stage based on feedback from general retailers.

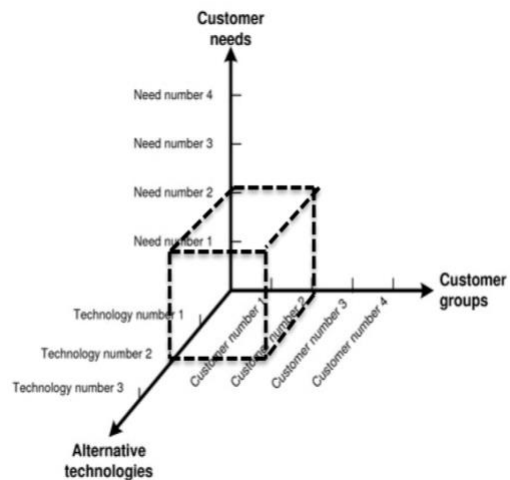
## Methodology

This report begins with an academic stage, which consists of four chapters that analyse the current organic vegetables and fruits market in the Netherlands. In this stage, previous literature is consulted and field research is analysed in order to gain specific knowledge about the organic market and consumer behaviour in the Netherlands. The first chapter answers the first and second sub-questions. Specifically, the first chapter provides readers with an exact definition of organic food that is distinct from concepts with which it is commonly confused. It also presents readers with an understanding of the current organic vegetables and fruits market in the Netherlands and future market prospects. The first chapter consists of a literature review; the sources consulted include Internet sources, journal, research, reports, published papers and academic articles.

The second chapter answers the third sub-question, providing specific results of an analysis of Dutch consumers and a study of supermarket psychology. The examination of supermarket psychology was conducted by consulting previous literature, while the consumer analysis in this chapter is based on both a review of the literature and field research. The field research in this stage includes quantitative research conducted using online and offline questionnaires. The majority of questions in the questionnaires focused on the affect and cognition of Dutch consumers and their purchasing behaviour. Statisticians define the confidence interval as “the estimated range of values, which is likely to include an unknown population parameter” (Easton & McColl, n.d., para.1); the confidence level is defined as “the probability value (1- $\alpha$ ) associated with a confidence interval” (Easton & McColl, n.d., para.8). In order to guarantee reliable results, the accuracy of data must be ensured. To calculate a reliable sample size for this report, the confidence interval was set at ten and the confidence level was set at 95%. Based on the setting of the confidence interval and confidence level, 96 respondents were needed in order to study the organic vegetables and fruits market in the Netherlands. Consequently, the quantitative research was conducted using 50 online questionnaires and 50 offline questionnaires.

Following the consumer analysis, chapter three answers sub-question four by providing two case studies developed using Internet sources, published papers and academic articles. Chapter four also includes an analysis of the results from the previous chapters and draws

conclusions using the ABELL.ac model from the academic stage. ABELL is a three-dimensional model, which includes consumer groups, consumer needs and technologies for fulfilling consumer needs ("Abell model," n.d.). The ABELL.ac model is the conclusion of the academic stage. It defines the marketing definition of the Dutch organic vegetables and fruits market. However, the ABELL.ac model only focuses on the perspective of consumers, as it does not contain feedback from general retailers.



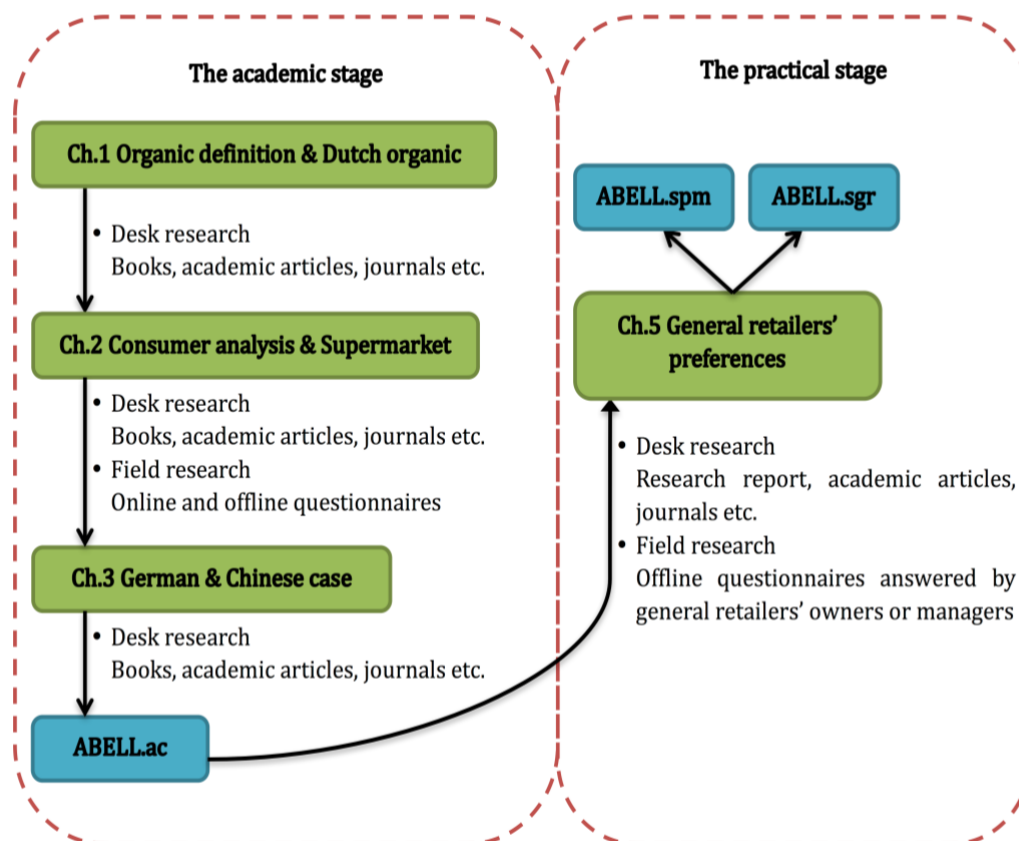
General retailers are also extremely important in the organic vegetables and fruits market, as they make final decisions in the market. Because of this, the practical stage presents feedback from general retailers collected in Survey.2, and it provides modified conclusions and recommendations.

The practical stage of the report is detailed in chapter five. It includes an analysis of the results of the literature review and Survey.2. This analysis is followed by revisions of the ABELL.ac model, referred to as the ABELL.spm model and the ABELL.sgr model. According to the ABELL.ac model developed in chapter four, the practical stage focuses primarily on supermarkets and small general retailers. Specifically, Survey.2 in the practical stage consists of ten questionnaires completed by four supermarkets and six small general retailers. Another research method used in chapter five is the field research conducted in different general retailer stores. The author visited ten general retailers in order to investigate the situation of each. The results of Survey.2 are compared with the present situation. The final conclusions and recommendations are provided after chapter five. The ABELL model is used to draw conclusions in both stages of this report.

## Theoretical Framework

The theoretical framework explains the theories used in this report. As Figure 1 illustrates, the consumer analysis wheel theory is used in the academic stage in order to gain a better understanding of Dutch consumers and to formulate appropriate marketing strategies. The ABELL model theory is utilised throughout the report.

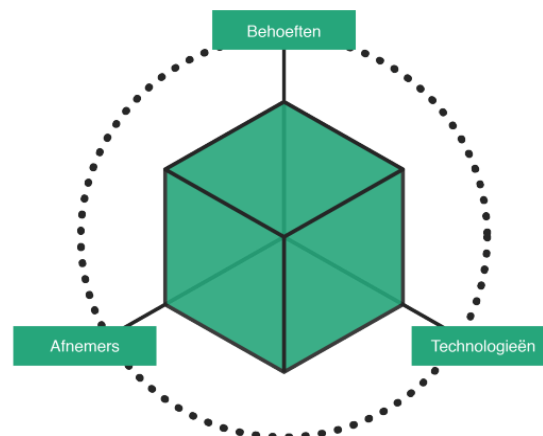
Figure 1: Conceptual Framework



## The ABELL model theory

According to the explanation in the book *Export Management: A European Perspective* by Mr. Veldman and his lectures, the ABELL model can also be referred to as the business definition model. This three-dimensional model can be used to formulate the business definition of a certain market. In analysing the three dimensions, companies can gain a better understanding of the market (Veldman, 2010).

Figure 2: The ABELL Model



(Bruil, 2015)

- WHO: Target Consumer Groups

The WHO dimension refers to the consumers that a company will serve in a market (Veldman, 2010). In this report, the WHO dimension specifically refers to consumers who have the potential to become the main purchasers of organic vegetables and fruits from general retailers.

- WHAT: Consumer Needs

The WHAT dimension refers to the needs of target consumer groups (Veldman, 2010). In this report, the WHAT dimension refers to the desires of consumers when they are shopping for vegetables and fruits.

- HOW: Technologies

The HOW dimension refers to the strategies that a company uses in order to fulfil the needs of target consumers (Veldman, 2010). The HOW dimension in this report refers to marketing strategies that general retailers can use to meet the needs of consumers in order to increase the market share of organic vegetables and fruits.

### Consumer analysis wheel theory

According to the explanation in the book *Consumer Behaviour & Marketing Strategy*, the consumer analysis wheel is a framework for understanding consumer behaviour and formulating successful marketing strategies. The model contains three elements: consumer affect and cognition, consumer behaviour and consumer environment (Peter & Olson, 2010).

Figure 3: The Consumer Analysis Wheel



(Source: Peter & Olson, 2010)

Consumer affect and cognition refer to consumer feelings and thoughts about certain products. Consumer behaviour refers to the physical actions of consumers that can be directly measured and influenced by other actors in the market. All of the external factors that have an influence on consumer behaviour and consumer affect and cognition belong to the consumer environment. Each of these elements is affected by the others (Peter & Olson, 2010). To provide an illustration of this theory, if a Dutch consumer sees an advertisement (consumer environment) in a supermarket that displays the benefits of organic vegetables and fruits, then the consumer's thoughts (consumer affect and cognition) about organic vegetables and fruits will likely change and the consumer will likely purchase (consumer behaviour) organic vegetables and fruits.

## THE ACADEMIC STAGE

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### Chapter 1: Organic Vegetables and Fruits in the Netherlands

The different definitions of the term “organic” and other seemingly interchangeable concepts impede consumer purchasing decisions regarding organic vegetables and fruits. This chapter begins by defining the concept of organic food and continues with an explanation of the differences between organic food and other comparable concepts. Additionally, the present situation and development prospects of the Dutch organic market are described in this chapter.

#### 1.1 Organic Food Definition

The term “organic” has become very popular in recent years, but consumers rarely know the correct definition of the word. People’s living conditions have greatly improved over the past decades, they are no longer satisfied with eating their fill. Now they are pursuing higher standards of food quality. Consequently, the term “organic” has become one of the most popular words today. People are seemingly proud to label themselves as organic food enthusiasts. However, very few people understand the actual meaning of the term “organic”. In fact, most people confuse the term “organic” with many similar words. According to Bionext, organic food refers to the comestible that are germinated without the use of chemical pesticides and artificial fertilisers. Moreover, organic foods contain no flavourings, preservatives, artificial aromas or colouring agents (“Organic in the Netherlands,” n.d.). Generally, food can only be labelled as organic if it meets four requirements. Firstly, all raw materials in the food must come from established organic agriculture systems. Secondly, organic principles must be strictly adhered to during the production process. Thirdly, during the production and circulation process, producers must have well-established quality tracking and reviewing systems and complete production and sales records. Lastly, independent food certification authorities must authenticate products (Li, 2007).

##### 1.1.1 Organic VS Natural

Natural food is a broad concept and does not have a unified standard, but organic food is strictly regulated. Many consumers consider organic food to be the same as natural food; however, “natural” is simply an adjective which can be used to describe many foods. The prices of organic foods are higher than those of many natural foods. Because of this, the misconception that “organic” and “natural” are the same can lead to a decline in the consumption of organic vegetables and fruits. It is important for consumers to understand the

differences between organic and natural. Research from the OTA demonstrates that the differences between organic foods and natural foods are primarily related to food production and food processing. The OTA explains that “organic” is a term that refers to one of the strictest and clearest regulatory processes in the world. In order for a food to be labelled as organic, no toxic and persistent pesticides, synthetic growth hormones or petroleum-based fertilisers may be used during the food growth process (“Natural vs. organic,” n.d.). However, it is not prohibited to use chemical pesticides and other hazardous substances during the production of natural foods. In fact, natural is a vague term without a specific definition. Based on research, any food can be labelled as natural provided that it contains few added chemical agents (“The difference between natural foods and organic foods,” n.d.). In other words, any food in which these harmful materials have not been overused can be referred to as a natural food product. Therefore, natural is an ambiguous concept, which contains no real meaning and does not guarantee anything to consumers. Essentially, natural food and organic food are two completely different items.

#### *1.1.2 Organic VS Healthy*

The healthiness of a food is important to Dutch consumers when they are making a purchasing decision; therefore, having more knowledge about the concepts of healthy and organic food will make consumer decision-making processes easier. “Healthy” is a widely used, highly subjective term. This term can be applied to many different foods. No specific definition exists to describe healthy food. In reality, any food that an individual considers good for himself or herself can be labelled as a healthy food. However, organic food is strictly defined and regulated. A popular view is that healthy food contains more nutrition. Research and many individuals indicate that food that contains more nutrition is healthier. “Organic”, though, is a term used to indicate food that is not exposed to any pesticides or harmful chemical agents during production and processing. Nutrition can serve as a reference point for healthy food but not necessarily for organic food. Organic food can be considered as healthy food primarily because organic food grows in a relatively healthy and safe environment that does not include chemical pesticides and fertilisers.

#### *1.1.3 Organic VS Biological/Ecological*

In Europe, general retailers use the terms “biological” and “ecological” as synonyms for the word “organic”; in other words, biological foods and organic foods are the same. Many consumers are willing to eat organic food products. Sometimes, though, they do not know the difference between organic food and food labelled as biological or ecological in an organic



speciality store. Food is often labelled as biological or ecological in Europe, but it is rarely labelled as organic. Knowing that the terms “biological” and “ecological” are synonyms for “organic” in Europe is important for consumers. German Prof. Dr. Ralf-Udo Ehlers, the researcher in IOBC, explains the usage of the terms “organic” and “biological”. English-speaking countries such as the United States and the United Kingdom use “organic”, while European countries prefer to use the synonyms “biological” and “ecological” (Ehlers, 2011). Hence, products labelled as biological or ecological and organic products are essentially the same.

## 1.2 Dutch Organic Vegetables and Fruits Market

Organic agriculture’s earliest development started in Europe and later developed rapidly. The United Kingdom and Germany have led Europe in the past decades and are still recognised as the continent’s leaders in the organic food sector. The Netherlands and other developed European countries are continuously increasing their market shares and sales. According to the published organic agricultural paper by The China Huafu Trade and Development Group Corp., organic agriculture was originally developed in the United Kingdom and Germany and was later introduced to the Netherlands, France, Sweden and other Western European countries. Organic agriculture has existed in Europe for decades, but it has begun to develop rapidly only in the last 15 years as European consumers have started paying more attention to their health. Benefiting from its position as the world’s leading continent for organic food production, Europe also has the largest market of consumers of organic food (Li, 2007). The ITC explains that Germany is the largest producer and consumer of organic products. Elsewhere in Europe, France and the United Kingdom have higher levels of organic food consumption. The Netherlands and Denmark have lower market shares, but these shares are increasing rapidly (Li, 2007).

### 1.2.1 *The present Dutch organic market*

The market for organic products in the Netherlands is relatively small, but it is expanding every year. According to FreshPlaza, the consumption of organic vegetables and fruits increased by 1.6% in 2012; this trend continued in 2013, when organic vegetables and fruits consumption grew by 5.6% (“Netherlands: organic sector still growing,” 2014). Even though spending on organic vegetables and fruits has gradually increased in the last few years, the size of the organic market is still unsatisfactory. FreshPlaza explains that the organic foods market is relatively small and the organic vegetables and fruits market is even smaller (“Netherlands: organic sector still growing,” 2014).

Three types of market channels exist in the Netherlands: general retailers, specialised organic retailers and caterers. Specialised organic retailers are retailers that only sell organic products; Eko Plaza and Marqt are two such retailers. Caterers are a part of the service industry, and they provide food service. Caterers include businesses such as restaurants, transport caterers and food delivery services. General retailers are retailers that do not belong in the same category as specialised organic retailers or caterers; general retailers include hypermarkets, supermarkets, small general retailers and farmers' markets. In this report, the term "general retailers" is used to refer to supermarkets and small general retailers specifically. According to research, in 2013, general retailers conducted approximately 60% of the total organic food sales. General retailers play an important role in increasing the organic vegetables and fruits market share in the Netherlands ("Organic farming and market development in Europe," 2015).

#### *1.2.2 The development prospects of the Dutch organic market*

The increasing health consciousness of consumers influences the organic market in the Netherlands. In recent years, affected by the increased awareness of eating healthy, more and more Dutch consumers have started purchasing organic food. The Dutch organic food market share has expanded continuously in recent years, and it is likely to continue rising in the future. However, the vegetables and fruits market appears to have a fluctuating trend, and sales occasionally decrease. According to the Dutch News company, in 2014, the sales of vegetables and fruits decreased by 3% while total food sales rose for the fourth consecutive year ("Dutch consumers buy more environment and animal friendly food," 2014).

Supermarkets are becoming the primary general retailers in the Dutch organic market. According to a market indicator report published by the AAFC, supermarkets are likely to become leaders in the sales of organic vegetables and fruits in the future. In the past, Dutch supermarkets have seemed reluctant to sell organic vegetables and fruits, but this is no longer the case. Now consumers can easily find organic vegetables and fruits in Dutch supermarkets. General retailers are responsible for 60% of total organic food sales, and supermarkets are responsible for almost 50% of these sales. Both of these numbers are very likely to increase in the future ("Organic packaged food in the Netherlands," 2011).

### 1.3 Summary

Chapter one provided the specific definition of organic vegetables and fruits and discussed their benefits. The growth of organic food products is subject to strict regulation. No chemical pesticides or other hazardous substances may be added to organic vegetables and fruits. This chapter also compared the definition of the word “organic” with different terms such as “natural”, “healthy” and “conventional”. The following table summarises the main differences that are described in this chapter. This chapter also described the current organic vegetables and fruits market in the Netherlands and its development. The Dutch organic food market is relatively small, but it is expanding annually; the market share of organic vegetables and fruits is even smaller. Currently, older people with higher levels of education are the main consumers in the Dutch organic market.

Table 1: Similar Concepts Comparison

Processing	Organic	Natural	Healthy	Conventional
Chemical Pesticides	NO	YES	YES	YES
Artificial Fertilisers	NO	MAYBE	MAYBE	MAYBE
Flavourings	NO	MAYBE	MAYBE	MAYBE
Preservatives	NO	MAYBE	MAYBE	MAYBE
Artificial Aromas	NO	MAYBE	MAYBE	MAYBE
Colouring Agents	NO	MAYBE	MAYBE	MAYBE

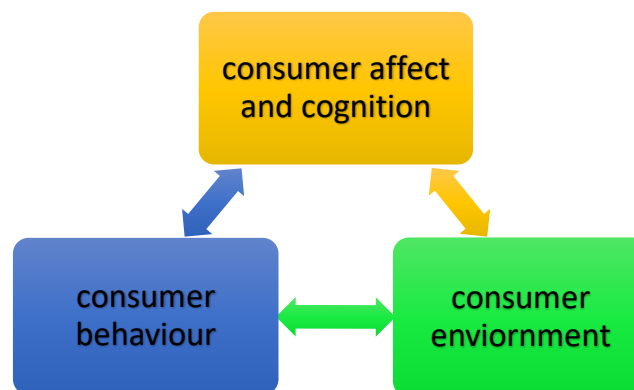
## Chapter 2: Dutch Consumer Analysis & the Psychology of Supermarkets

Consumers are the final users of organic vegetables and fruits. It is key for general retailers to understand consumer affect and cognition, consumer behaviour and consumer environment, because an increase in purchases of organic vegetables and fruits leads to an increase their profits. In this chapter, the purchasing behaviours of Dutch consumers of organic vegetables and fruits is analysed. The psychology used by supermarkets to attract more consumers is also described in this chapter.

### 2.1 An Analysis of Dutch Consumers

Peter and Olson define three elements of consumer analysis: consumer affect and cognition, consumer behaviour and consumer environment. The framework of consumer analysis is referred to as the consumer analysis wheel (Peter & Olson, 2010).

Figure 4: Dutch Consumer Analysis Wheel



(Source: Peter & Olson, 2010)

#### 2.1.1 Consumer affect and cognition

***Affect indicates the feelings of consumers while cognition indicates their thoughts*** (Peter & Olson, 2010).

Freshness, price and health are the three major components of consumer affect and cognition in the organic market in the Netherlands. The feelings and thoughts of consumers can affect their purchasing behaviours and so as to influence their final purchasing decisions. Research suggests that some people are idealistic consumers. Those who buy organic foods most frequently are driven by environmental concerns. However, this portion of consumers is not large (Shepherd, Magnusson, & Sjöden, 2005). A study of Dutch consumers concludes

that health is an extremely important purchasing motive for incidental buyers. Heavy buyers purchase organic foods for health-related reasons as well as because of environmental concerns (Shepherd, Magnusson, & Sjöden, 2005). The survey suggests that freshness is ranked as the most important factor for consumers when purchasing vegetables and fruits. Price and health are at the second and third most important factors respectively. Consumers usually consider price to be important during the purchasing process. However, a study conducted by Wageningen UR and Louis Bolk Institute suggests that reducing the price of organic foods is not necessary in order to increase the organic food market share (Sukkel and Hommes, 2009). Common sense suggests that lower price differences between organic and non-organic foods will lead consumers to purchase more organic foods. However, the survey displays the same results as the study conducted by Wageningen UR and Louis Bolk Institute.

The top two reasons that consumers do not purchase organic vegetables and fruits are that they consider it too expensive or they do not know what organic food is. On the survey, 43 respondents stated they will purchase more organic vegetables and fruits if prices were lower; 13 respondents stated that they maybe will consider purchasing more organic vegetables and fruits if the price were lower. According to the official AH website, the price differences between organic foods and conventional foods are not large. As illustrated in Figure 5, the price of 1kg of organic apples is €3.39, while the price of 1kg of conventional apples is €2.99 ("Producten," n.d.). The price of 1.5kg of organic oranges is €2.99 while the price of 1.5kg of non-organic oranges is €2.79 ("Producten," n.d.). The price of 1kg of organic potatoes is €1.85, while the price of 1kg of non-organic potatoes is €1.99 ("Producten," n.d.).

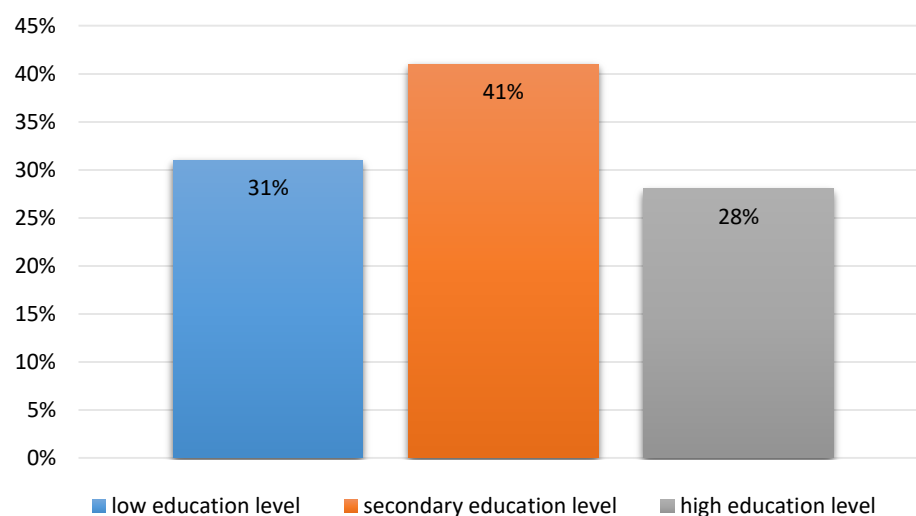
Figure 5: Price Comparison



(Source: The desk research)

Education significantly influences consumer purchasing decisions regarding organic vegetables and fruits. A report produced from the Aarhus School of Business finds that consumers with higher levels of education often purchase organic vegetables and fruits because they have a better understanding of health concerns and environment issues. It is likely that consumers with higher levels of education earn more. Therefore, an indirect link exists between consumer education levels and their purchasing decisions regarding organic vegetables and fruits (Saltavareas, 2012).

Table 2: Dutch Education Status



(Source: Bierings, 2013)

Education is the most effective tool for influencing consumer affect and cognition. In other words, thoughts and feelings of consumers can be changed through education. In the Netherlands, education levels of citizens are divided into three categories. Firstly, Dutch citizens who have received only a VMBO, a primary education or an MBO 1 are considered to have the lowest levels of education. Secondly, Dutch citizens who have received an HAVO, a VWO, or an MBO 2-4 are considered to have the second highest levels of education. Lastly, Dutch citizens who have received an HBO, a bachelor's degree, or an advanced degree are considered to have the highest levels of education ("Education level," n.d.). As illustrated in Table 2, CBS statistics indicate that 31% of the Dutch population are in the lowest educational category, 41% are in the middle educational category and the other 28% are in the highest educational category. The amount of people in the highest educational category

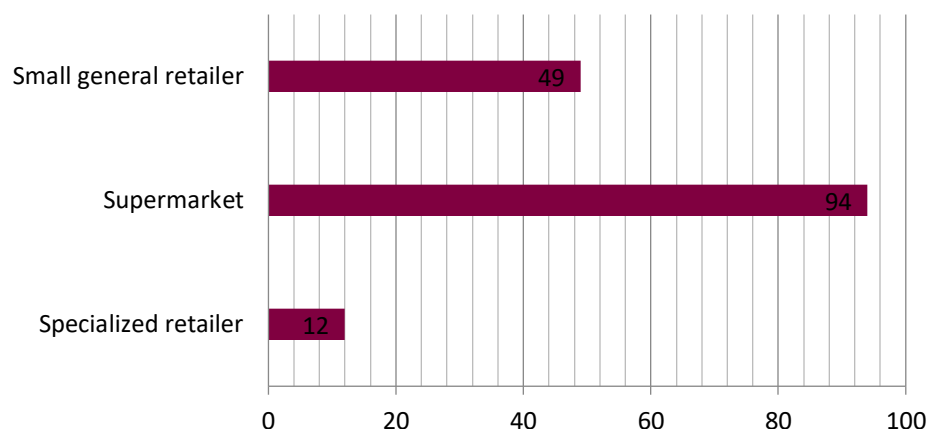
has increased 6% between 2003 and 2013, while the amount of people in the other two categories has decreased (Bierings, 2013).

### 2.1.2 Consumer behaviour

**Consumer behaviour is defined as the “physical actions of consumers that can be directly observed and measured by others”** (Peter & Olson, 2010, p.22).

The eating habits of Dutch people have changed significantly in recent decades. Today, Dutch people eat more meat and eat fewer vegetables than in the 1950s. According to statistics, meat consumption at the beginning of the 21<sup>st</sup> century was two and half times higher than in the 1950s. Meanwhile, vegetable consumption has decreased dramatically since the 1950s (Saltavareas, 2012). As a result of this shift to eating fewer vegetables and more meat, the number of overweight Dutch people is increasing daily. Additionally, increasing numbers of Dutch people have been diagnosed with different diseases caused by being overweight or obese. In response to this, Dutch people are now regulating their diets more strictly; the consumption of vegetables may begin increasing in the future.

Table 3: The Place Where Dutch Consumers Do Groceries



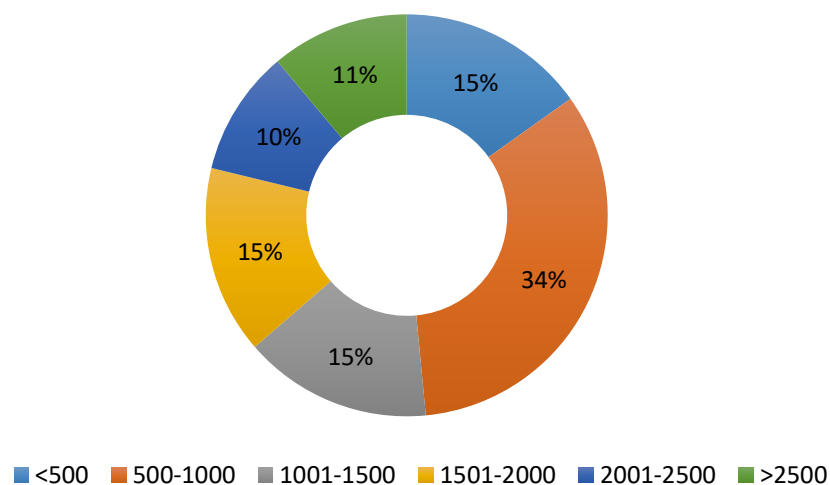
(Source: Survey)

The majority of Dutch consumers purchase organic food from supermarkets. According to research, convenience, availability and price are three factors that significantly influence consumers in the Netherlands. Dutch consumers who purchase organic vegetables and fruits are familiar with the differences between organic food products and normal ones. These consumers most frequently purchase from supermarkets (“Organic packaged food in the

Netherlands,” 2011). As illustrated in Table 3, 94% of respondents in the survey indicated that they usually purchase vegetables and fruits in supermarkets, while 49% indicated that they usually purchase from other small general retailers. Only 12% of respondents indicated that they purchase vegetables and fruits from specialised organic retailers. General retailers such as supermarkets are still the primary sellers of vegetables and fruits in the Netherlands. The majority of these general retailers stock organic vegetables and fruits. Only 8% of respondents indicated that they could not find organic vegetables and fruits at the location at which they usually shop for groceries.

It has been demonstrated that education influences consumer purchasing decisions regarding organic fruits and vegetables. Highly educated people are more concerned with their health and with the environment. Moreover, education can also influence consumer purchasing decisions because a person’s level of education can affect their income. According to the OECD, the average disposable monthly income of a Dutch person is €1,956.37 (“Better life index,” 2013). The findings show that 28% of the Dutch population are in the highest educational category (Bierings, 2013). Meanwhile, the survey indicates that 21% of Dutch people have a higher income than the average disposable monthly income. People with higher levels of education are likely to have higher incomes, and as a result, they can more easily afford organic food.

Figure 6: Average Monthly Income

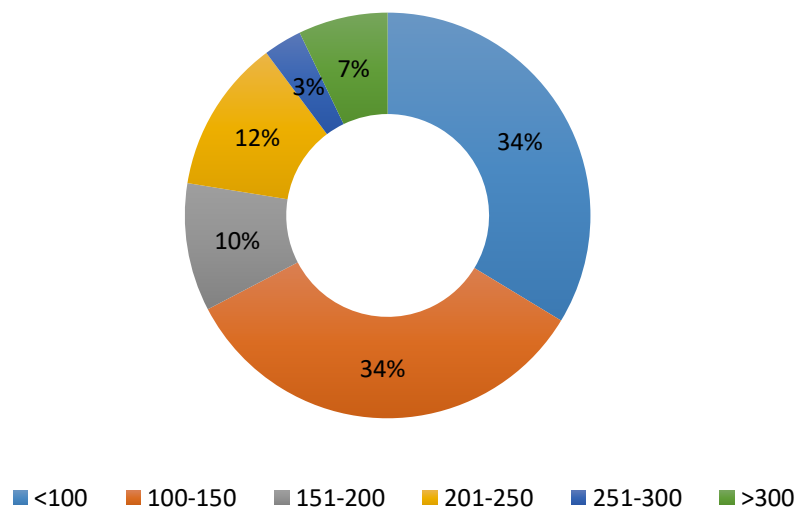


(Source: Survey)



A person's monthly income is proportional to their average monthly spending on vegetables and fruits. According to the survey and illustrated in Figure 6 and Figure 7, 11% of respondents earned over €2500 every month, while household spending on vegetables and fruits was more than €300 per month for 7% of respondents. Additionally, 15% of respondents earned between €1500 and €2001 every month, while 12% of respondents lived in households that spend between €200 and €251 on vegetables and fruits each month. According to the survey, 15% of respondents earned between €1000 and €1501 every month, while household spending on vegetables and fruits was between €150 and €201 every month for 10% of respondents. Moreover, 34% of respondents earned between €500 and €1001 every month and exactly 34% of respondents lived in households that spend between €100 and €151 on vegetables and fruits every month. The results of the survey indicate that people who earn more money are more likely to buy more vegetables and fruits.

Figure 7: Average Monthly Spending on Vegetables and Fruits



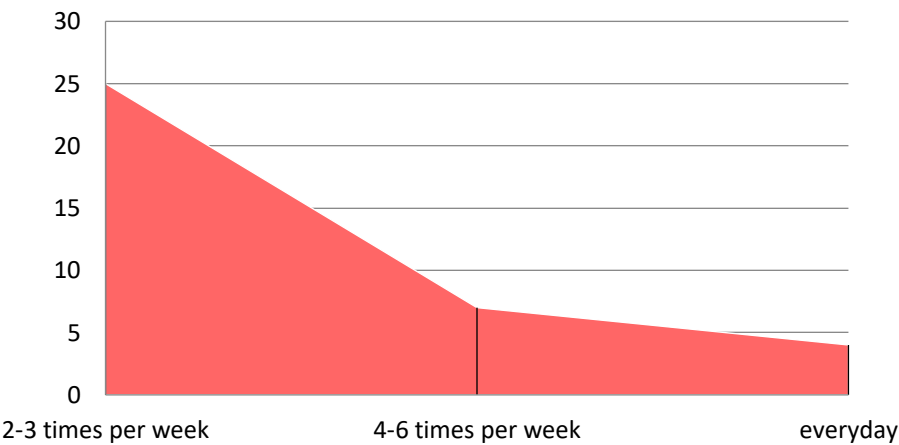
(Source: Survey)

Promoting knowledge about organic vegetables and fruits among consumers is extremely important. Specifically, consumers should be educated about the definition of organic food products and their benefits. Mutlu explains that "Regular organic consumers in most of the countries are found to be high educated than occasional and non-buyers {...} regular organic consumers have more information about products" (Mutlu, 2007, p.43). It has been demonstrated that highly educated consumers are more likely to possess this knowledge. With this in mind, promotions and advertising should target consumers with lower levels of

education. Multu’s research supports this idea, highlighting the positive link between consumer knowledge of organic food and the frequency with which they purchase (Mutlu, 2007).

Purchasing frequency is an important measurement index for consumer behaviour. According to the survey and illustrated in Table 4, 36% of respondents bought organic vegetables and fruits more than twice every week. Purchasing more than four times every week is considered to be a very high frequency. In the survey, 11% of respondents purchased organic vegetables and fruits at least four times every week.

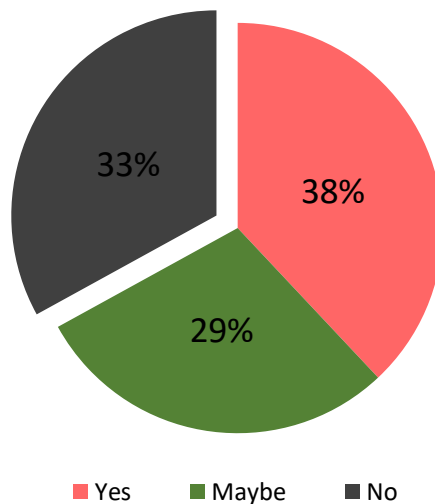
Table 4: High Buying Frequency



(Source: Survey)

The majority of Dutch consumers consider the Internet to be a useful tool in the purchasing process. Consumers who frequently purchase organic vegetables and fruits often receive product information from three channels. According to the survey, 81.48% of respondents received information about organic vegetables and fruits from the Internet, while 59.26% of respondents received such information from various types of social networks. Supermarket brochures are another popular channel through which consumers acquire information. In the survey, 46.30% of respondents indicated receiving information from brochures. As demonstrated in Figure 8, 38% of respondents indicated that they are willing to purchase vegetables and fruits online, while 29% of respondents indicated that they may be willing to purchase produce online. The other 33% of respondents indicated that they would not consider purchasing vegetables and fruits online in the future.

Figure 8: Attitude Towards Purchasing Vegetables and Fruits Online



(Source: Survey)

Children are an important consideration in the purchasing decisions of consumers. Mutlu states that "{...} children have effects on changing buying decisions of the parents when they are shopping in a supermarket, therefore, advertisements are more relevant to children in some countries {...}" (Mutlu, 2007, p.31). A Finnish study and a Swiss study also find that households with children have more positive attitudes towards organic food consumption (Mutlu, 2007).

### 2.1.3 Consumer environment

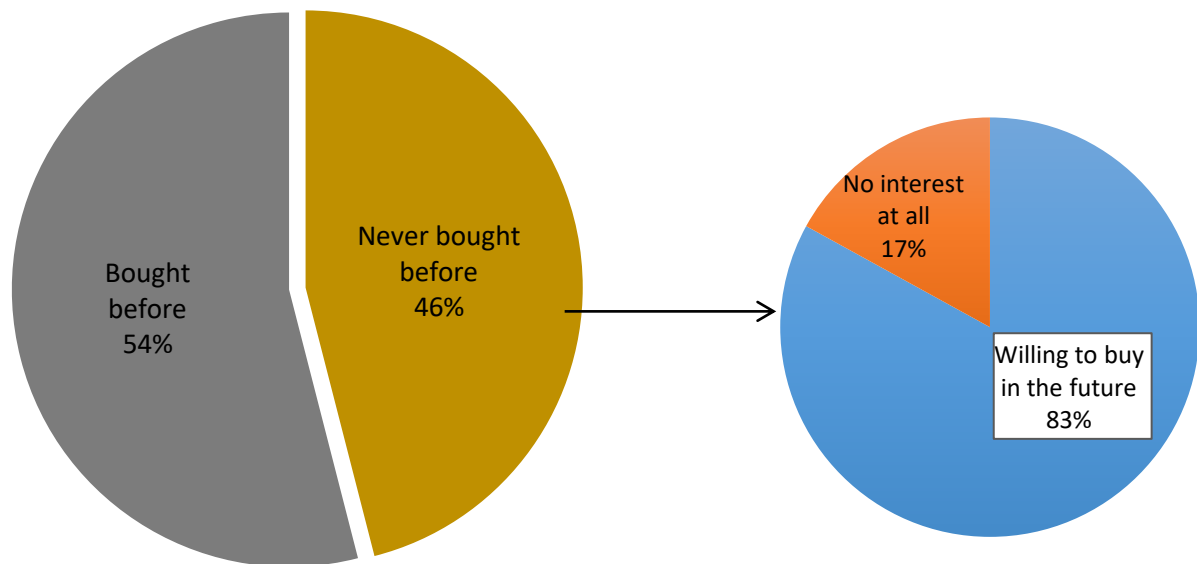
**Consumer environment refers to all external elements that influence consumer affects, cognitions and behaviours** (Peter & Olson, 2010).

Consumers can be divided into two groups based on food subcultures. Wageningen UR and Louis Bolk Institute defines consumers who purchase organic food because they value environmentally friendly products as heavy users. To increase the market share of organic vegetables and fruits, general retailers should focus on light users rather than heavy users. Light users as a group represent significant potential for expanding the organic food market (Sukkel & Hommes, 2009).

The current social composition of Dutch households is characterised by two features. Household size is small, and it has the potential to increase. According to the OECD, in the Netherlands, 65.1% of households do not contain any children, 13.6% of households only

contain one child, 15.2% of households contain two children and the other 6.1% of households contain three or more children. OECD statistics suggest that household size in the Netherlands is the smallest of all OECD member states. Households in the Netherlands include only 2.28 people on average; this number is lower than the OECD average of 2.63 ("Doing better for families," 2011).

Figure 9: Consumer Purchasing Experiences on Organic Vegetables and Fruits



(Source: Survey)

Currently, more people are willing to try organic vegetables and fruits in the future. As illustrated in Figure 9, 54% of respondents in the survey indicated that they have had experiences with purchasing organic vegetables and fruits. Only 12 of the respondents who had purchased organic vegetables and fruits know the precise definition of organic food. These 12 respondents can be considered as heavy users who have a better understanding of organic food. The other 34 respondents did not understand that the definition of organic is distinct from that of similar words such as "natural". Fortunately, as a result of education about health issues, Dutch consumers are currently seeking more knowledge about the benefits of organic food ("Organic packaged food in the Netherlands," 2011). Additionally, 82.61% of respondents who had never purchased organic vegetables and fruits indicated that they would like to do so in the future.

Diet culture is an important food subculture that influences the food purchasing decisions of many consumers. The CBS's study suggests that the diet environment has changed significantly over the past few decades. The current trend suggests that Dutch citizens are more focused on quality and prefer purchasing more food of a higher quality; this includes organic food (Van der Veen, 2012). As living conditions have improved, purchasing power in the Netherlands has increased. At the same time, CBS statistics indicate that more Dutch people are overweight, and the number of people with diabetes has increased significantly. Among adults in the Netherlands, 54% of men and 43% of women are overweight; these numbers are considerably higher than they were 20 years ago. In total, 6 million adults are overweight; of these people, 1.4 million are considered obese. One of the hazards associated with being overweight is diabetes. In 2001, only 2.8% of Dutch people had diabetes. However, this number has increased sharply, reaching 4.7% in 2011 (Van der Veen, 2012).

Without a doubt, food safety is becoming one of the most challenging problems in the world. Developing countries are not the only ones that suffer from food safety scandals; developed countries also suffer from such problems. The food supply in the United States is considered to be the safest in the world. However, the CDC published statistics at the beginning of 2015 indicating that approximately 48 million cases of foodborne illness occur in the US every year, affecting one out of every six Americans. Such illnesses have led to over 128,000 hospitalisations and 3,000 deaths. Unsafe food can easily cause illness and may even result in death (Seltzer, 2015). Most developed countries in Europe, including the Netherlands, the United Kingdom, Belgium, France and Germany have comprehensive regulatory systems. However, the food safety problem cannot be completely solved. In 2013, a horsemeat scandal caused many European consumers to begin paying more attention to the food on their tables.

## 2.2 The Psychology of Supermarkets

The psychology of supermarkets significantly influences sales volumes. Few consumers ever consider the logic behind the positioning of items, the use of certain colours, the choice of background music or the free samples in a supermarket. These often-overlooked features are actually significant for both supermarkets and consumers.

### 2.2.1 Background Music VS Consumer Behaviour

Music can affect the consciousness of consumers. From a marketing perspective, music can be used not only to affect consumer mind but also to influence their purchasing decisions. According to the research, slow music makes consumers walk slower and stay longer in a store; as a result, they purchase more (Klosowski, 2013). This result has been found in many studies. Milliman in the Western Kentucky University conducted a study on the link between background music and in-store purchasing behaviours. The results suggest that a consumers walking pace correlates positively with the tempo of music. Consumers shop more slowly when the tempo of the music is slow, and they shop at a faster pace when the tempo of the music is faster. Background music also significantly influences sales volume. In Milliman's study, slow music makes consumers move slowly, and they typically purchase more in such instances (Milliman, 2010). Therefore, selecting appropriate background music is crucial for retailers.

Presently, Dutch general retailers do not use background music effectively. In the Netherlands, most supermarkets and other food retailers have background music. However, observation demonstrates that the background music is usually soft and played at a relatively low volume; it cannot be heard when consumers speak loudly. Under regular circumstances, the background music in most Dutch supermarkets can only be heard in the early morning and the late evening.

### 2.2.2 Colour VS Consumer Behaviour

The use of colours is one of the most important aspects of supermarket psychology. Different



colours have different meanings, and they deliver different messages to people. These different messages register in people's minds and influence their decisions. Many researchers have found that red, yellow, green, orange and blue are colours that are frequently used in food marketing ("How colour influences your grocery shopping," n.d.).

(Source: Syed, n.d.)

## RED

*Passionate, exciting, energetic, active, youthful, bold...*

Red stimulates consumer senses and grabs the attention of consumers. Studies suggest that red is the most appetising colour in a supermarket; it can trigger consumer appetites. Consumers are more likely to make quick decisions when looking at red items. Because of this, many supermarkets and grocers use red in their food marketing ("How colour influences your grocery shopping," n.d.).

## ORANGE

*Optimistic, warmth, dynamic, hearty, satisfying...*

Studies explain that the colour orange is regarded as dynamic and energetic; orange is often used to describe the item that is enthusiasm, creativity, interest and ambition ("Colour use in marketing," 2015). In food marketing, orange is usually associated with hearty and satisfying foods ("How colour influences your grocery shopping," n.d.).

## YELLOW

*Happy, satisfactory, cheerful, clear, joyful...*

According to research, yellow is another colour that supermarkets use in the food marketing process. Yellow represents happiness, satisfaction, cheerfulness and optimism. Studies indicate that yellow can cause the human brain to release serotonin. Serotonin deficiency is one possible cause of melancholia. Therefore, serotonin is also referred to as the "happy hormone" ("How colour influences your grocery shopping," n.d.).

## GREEN

*Natural, organic, sustainable, healthy, safety...*

People usually have the impression of naturalness and healthiness at the sight of green. Most organic and sustainable certification labels are green; therefore, many people consider green to be synonymous with the meaning of words like "organic", "healthy" and "sustainable". Consumers who are organic-oriented are sensitive to the colour green ("How colour influences your grocery shopping," n.d.).



## BLUE

### *Controlled, rescued, calm, stable, trusted...*

The opposite of the colour red, blue can decrease appetite. An experiment carried out by researchers suggests that people react negatively to food that is blue in colour. In the experiment, selected participants ate steak and French fries in an environment with standard grocery store lighting. standard grocery store lighting caused the food to appear blue in colour; appetites of most participants decreased and some participants felt ill. The blue colour was likely the appetite suppressant in this experiment. Many weight loss products and plates are blue in colour ("How colour influences your grocery shopping," n.d.).

#### *2.2.3 Supermarket Sales Techniques VS Consumer Behaviour*

Supermarkets and small general retailers use certain sales techniques to influence the purchasing decisions of consumers. These techniques include providing free samples and positioning certain products in different places.

#### **Free samples**

Providing free samples is a useful way to attract the attention of consumers. Many food retailers provide free samples for consumers to taste, especially samples of fruit and bread. Satisfaction with the foretaste convinces consumers to purchase a product more effectively than any advertisement. According to the research, free food samples in supermarkets and other small general retailers frequently attract consumer attention. Consumers are more likely to purchase food products if they have the chance to taste the food in stores (Urban, 2014). Research suggests that the majority of consumers enjoy purchasing food after receiving free samples at grocery stores (Urban, 2014). Many Dutch supermarkets provide free food samples. Observation suggests, though, that most of these free samples are of bread and cheese. Free fruit samples are not usually seen in Dutch supermarkets.



(Source: Coulson, 2012)



(Source: Coles, 2014)



## Positioning

Positioning strategies have a strong influence on the purchasing decisions of consumers. Through observation of consumers in supermarkets and other small general retailers, it is clear that consumers rarely squat on their heels or jump high to reach certain food products when shopping. The results of this observation demonstrate the meaning of a widely used marketing practice in supermarkets referred to as, “eye level is buy level”. This means that foods positioned at the same height as a person’s eyes are more likely to sell. This is the reason why expensive products and high margin products are frequently placed at eye level (Kendall, 2014). Most supermarkets do not place milk at eye level and instead place it at the bottom of shelves or in other unremarkable places. Supermarkets do this because milk is a necessity for almost every consumer; consumers will search for milk regardless of where it is positioned. On the other hand, important non-necessities are positioned to attract attention from consumers.

### 2.3 Summary

Chapter two discussed the results of the consumer analysis and the psychology of supermarkets. The consumer analysis included the consumer affect and cognition, consumer behaviour and consumer environment in the Netherlands. All of the findings in the consumer analysis in some way affect the final purchasing decisions of consumers regarding organic vegetables and fruits. In addition, general retailers use different marketing strategies to influence consumer purchasing decisions; these marketing strategies are explained in the section of the chapter about the psychology of supermarkets.

## Chapter 3: Successful Organic Markets Overseas

Despite being one of the most developed countries in Europe, the Netherlands has not achieved major success in the marketing of organic fruits and vegetables. Examining the successful experiences of other countries is an effective method for learning about ways to expand the market in the Netherlands. This chapter provides case studies of the German organic market and the Chinese organic market. The German organic market consists largely of members of the young generation; this is a key trend from which the Netherlands can learn. The use of online platforms in the Chinese organic market is also a useful example for the Netherlands.

### 3.1 German Organic Market

Germany is a leader in the European organic market and especially in the market for organic vegetables and fruits. Vegetables and fruits represent a large share of the organic market in Germany, and this share is increasing. Organic vegetable sales occupy 10.7% and fruit sales occupy 8.9% of the total organic food market in Germany (Schaack, 2013). The success of the organic market is not accidental but the result of efforts that have been made over a long period of time. On one hand, German consumers and especially young German consumers value healthiness and environmental friendliness; they tend to be knowledgeable about organic products. On the other hand, German general retailers actively work to encourage consumers to purchase organic foods. For instance, they provide various types of organic food and offer competitive prices and discounts. German leading position in the organic market is the result of efforts on the part of both general retailers and consumers.

Unlike in many other countries, German consumers are highly aware of being healthy, and this awareness is on the rise. Research suggests that German consumers are less concerned with taste and more focused on living healthier and longer lives. Therefore, the primary motivation of German consumers to purchase organic food is a desire to live healthy lives ("The German organic market," n.d.). In the Netherlands, consumers who purchase organic foods are usually relatively older and well educated ("The organic market in the Netherlands," 2011). The situation of German consumers is very different. According to the survey released by German Agricultural Ministry, young Germans are driving the boom in the sale of organic food in the country. German consumers under the age of 30 purchase more organic food. Specifically, 23% of respondents in the survey stated that they often purchase

organic vegetables and fruits ("Young Germans lead organic food boom," 2013). An awareness of the importance of living a healthy life and protecting the environment motivates German consumers purchase organic foods. The executive director of IFOAM states that "People are fed up with being responsible for environmental destruction. More and more people realise that we have one planet only and that we have to care for it" (Huebner, 2009, para.15).

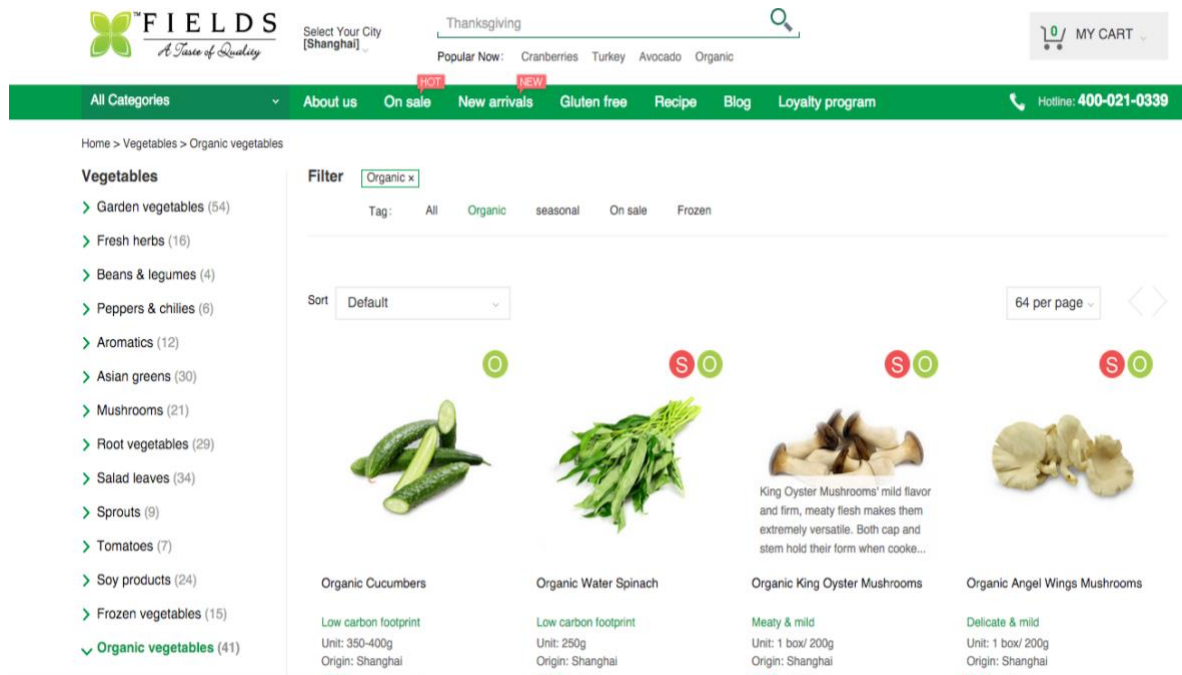
Organic foods are easy for German consumers to find, and the price of organic foods is relatively competitive with the price of non-organic foods. In Germany today, consumers can easily find organic vegetables and fruits in supermarkets and other small general retailers. Over 300 German supermarkets provide 8,000 varieties of organic foods at reasonable prices (Huebner, 2009). Recent research suggests a new trend is occurring in Germany in which organic food sales of supermarkets are increasing ("The German organic market," n.d.).

### 3.2 Chinese Organic Market

Concerns of Chinese consumers about food safety issues have stimulated the development of the organic market in China. Unlike in many developed countries, Chinese organic agriculture began late and developed slowly. In recent decades, though, this development has sped up as a result of a special opportunity. Chinese consumers have suffered from several food safety scandals, and as a result, they have lost confidence in the quality of domestic food. In China today, consumers tend to prefer imported and organic foods, especially in the case of fresh foods such as vegetables, fruits and dairy products. The price of imported food is high for the majority Chinese consumers and they cannot always afford to purchase it. At the same time, the price of organic food is much lower than that of imported food. As a result, organic food has become popular and the market is expanding rapidly.

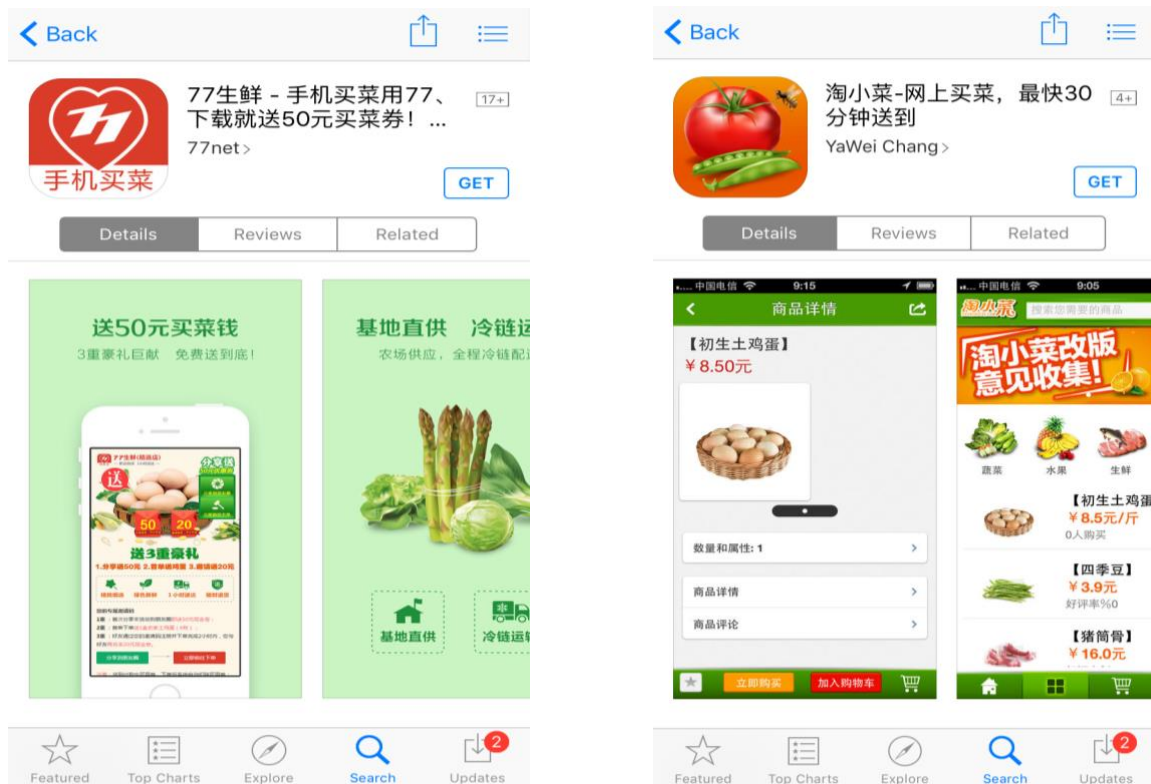
As a developing country, China's organic market is evolving at a relatively rapid pace. In China, the organic food industry is also referred to as the "sunrise industry". According to research, China has become the world's fastest growing consumer market for organic foods in recent years. The compound average growth rate for the market between 2005 and 2012 was approximately 35%. Vegetables and fruits are the most popular of all organic foods among Chinese consumers; the market share of these items is extremely high ("China has a big potential in organic vegetables and fruits market," 2013).

Compared with the markets of other countries, the Chinese organic market makes excellent use of online platforms. Online sales of vegetables and fruits are high within the Chinese organic market. Fields is an online platform established in 2009 that provides high quality, safe, fresh and organic food to consumers ("About us," n.d.). Fields is just one example of the thousands of online food platforms in China. Since it was founded in 2009, Fields has become one of the most popular online food platforms in China.



(Source: Fields, n.d.)

In addition to online platforms, the food distributor APP is also a popular channel through which Chinese consumers purchase organic food. In many cities, and especially in large cities, people have a lot of pressure, and they frequently work overtime. Because of this, most people prefer to purchase vegetables and fruits through APP rather than spend time going to the supermarket. Services like APP have become very popular in recent years because they are convenient for consumers.



(Source: The desk research)

### 3.3 Summary

In order to provide useful suggestions to Dutch organic vegetables and fruits market, this chapter provided two case studies of Germany and China. The following table highlights the main differences between the Dutch organic market and the German and Chinese organic markets.

Table 5: A Comparison of Different Organic Markets

	Netherlands	Germany	China
<b>Main Purchasing Power</b>	Older people with high levels of education	Young generations	Households with children
<b>Consumer Awareness of Organic Food Products</b>	Low	High	Middle
<b>Online Marketing Maturity Level</b>	Low	Middle	High
<b>Easily to Find Organic Vegetables and Fruits</b>	Yes	Yes	Yes

## Chapter 4: Analysis of the Dutch Organic Vegetables and Fruits Market

Increasingly serious food safety problems are causing a growing number of consumers to doubt the food on their tables and pay more attention to their decisions about food. Numerous food safety scandals highlighted by the public media have led some consumers to lose confidence in conventional foods. Meanwhile, Dutch people have begun purchasing meat and other high calorie foods with increasing frequency. This has led many Dutch citizens to become overweight and has caused them to contract many diseases. Therefore, now is the perfect time for general retailers to promote organic vegetables and fruits. This chapter mainly analyses methods through which general retailers can raise awareness about organic vegetables and fruits; the analysis is based on survey results and the review of previous literature presented in the previous chapters.

### 4.1 A Consumer Perspective Analysis

#### **Defining selling points**

Before retailers begin promoting organic vegetables and fruits, it is extremely important that they clearly understand their selling points. Based on the survey and the review of previous literature, many consumers spend money on organic vegetables and fruit even though they do not know the accurate definition of organic food. The purchasing motives of consumers are more crucial than the precise definition of organic food. Based on previous research and the results of the survey detailed in the previous chapters, health, food safety and price are the top three purchasing motives of Dutch consumers.

The majority of consumers assume that organic vegetables and fruits are healthy and safe by default, even though the definition of organic is much more specific than these concepts. Health and safety are crucial concepts to emphasise when promoting organic vegetables and fruits. The price difference between organic and conventional foods is not large. Consumers who believe that organic vegetables and fruits are too expensive wrongly assume that organic products must be expensive. General retailers need to clarify for consumers that the price difference is actually relatively small.

#### **Targeting on the young generation and households with children**

In the Netherlands, consumers who purchase organic vegetables and fruits are usually older people who are also well educated. This demographic of consumers usually knows about

organic food; therefore, awareness does not need to be increased among this group. In order to expand the market and increase sales, Dutch general retailers need to target the young generation. This generation includes not only young people but also households with children.

As a country, Germany consumes a high amount of organic food, and young Germans contribute significantly to this consumption. The young generation is a long-term potential consumer group. Young people are more receptive to new ideas. Therefore, Dutch general retailers should focus on the young generation as a target consumer group. As for families with children, health and safety are important considerations for families when purchasing food for their children. Organic food is labelled as healthy and safe. Because of this, households with children have the potential to become key consumers of organic vegetables and fruits.

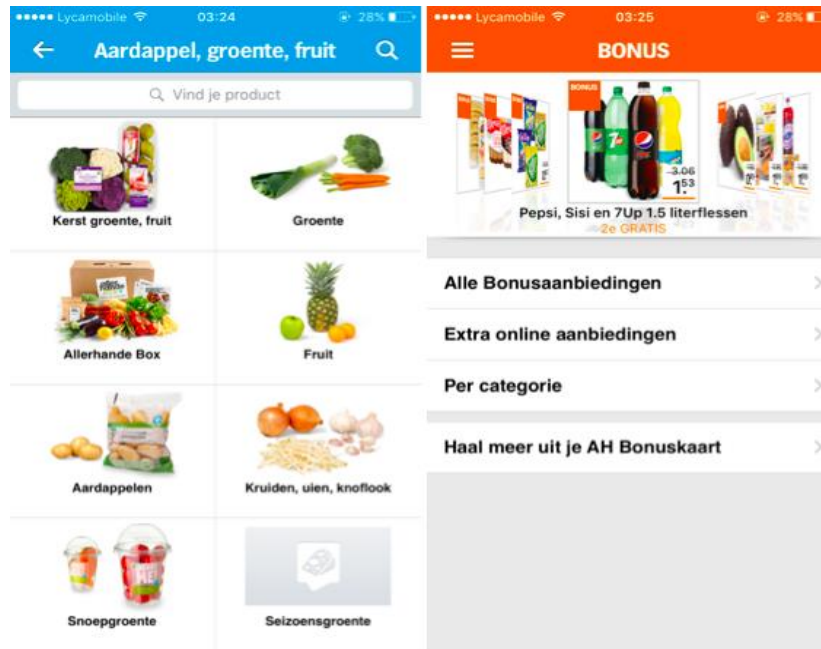
### **Raising product awareness**

Raising product awareness is the same as promoting the selling points of organic food. As explained in the previous chapter, education has an influence on the sales of organic food products. Currently, the main purchasers of organic food in the Netherlands are older, well-educated consumers, as they already possess knowledge about organic food. In order to increase the market share of organic vegetables and fruits in the Netherlands, general retailers need to promote to larger consumer groups. Because consumers with lower levels of education do not know about organic market, general retailers should market the concept of organic products and their benefits to these consumers.

#### **➤ Internet**

The Internet is the most popular channel through which consumers receive information about organic products. The Internet can be divided into two categories: official websites and mobile applications. Supermarkets may place advertisements on their official websites that discuss the benefits of organic vegetables and fruits and provide information about discounts. These advertisements can be placed in prominent positions on homepages. Applications are another useful tool for advertising. Using the AH application as an example, this application has a separate organic foods section in the “Aardappel, groente, fruit” category. The application also separates the information about bonuses for organic foods and other foods.





## ➤ Brochures

Almost every consumer can receive brochures at home, but brochures do not currently contain enough useful information. In the current situation, supermarket brochures only include information about regular foods. Using the AH as an example, it could provide price comparisons and bonus information on the first page of brochures. AH brochures are seldom printed in other colours besides blue and orange. Using the colour green, though, would easily attract consumer attention. In addition to conventional bonus cards, supermarkets could also provide bonus cards for organic products to consumers.





➤ Free samples

Today, Dutch supermarkets and small general retailers usually provide free samples of cheese and bread but not vegetables and fruits. Free samples of fruits could be provided as well. In particular, supermarkets can provide free samples of organic fruits that are discounted. Supermarkets can allocate at least one staff member to be responsible for free sampling activities, and this staff member should target the young generation.

**Positioning and Colouring**

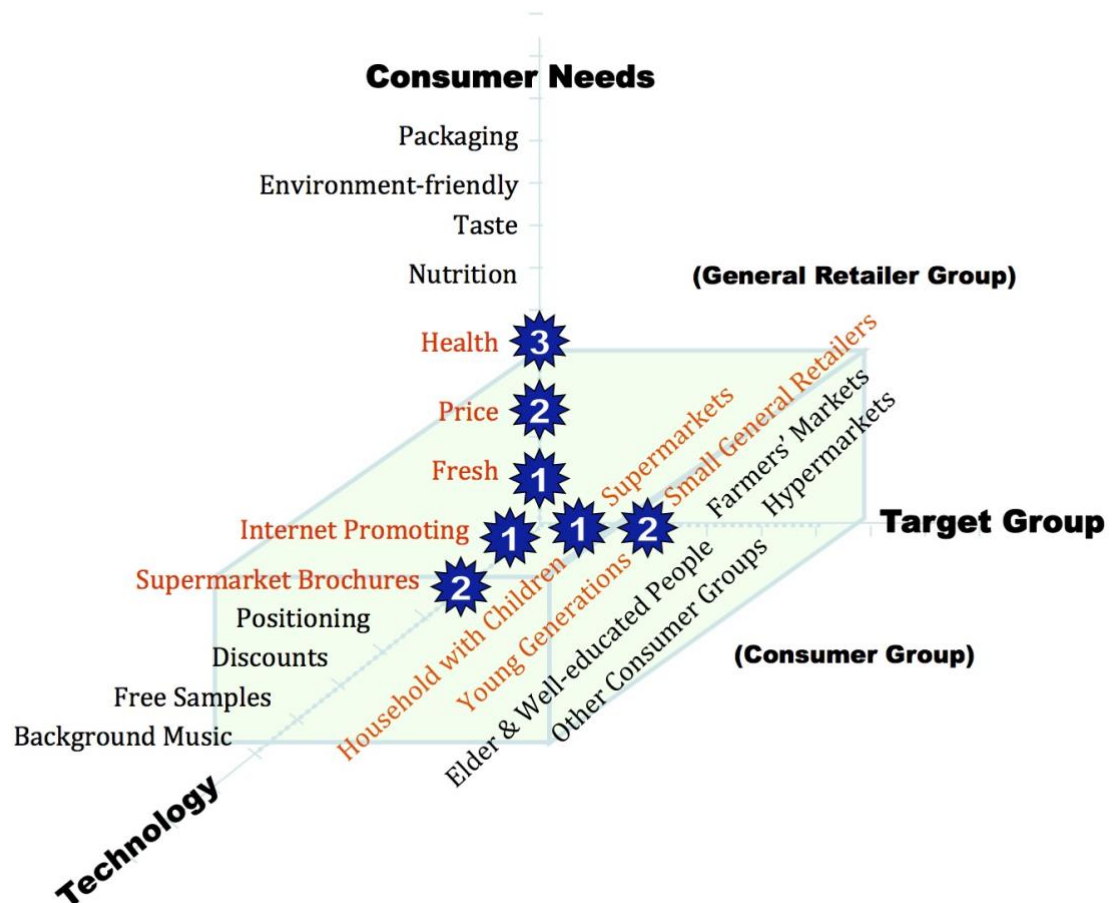
Organic vegetables and fruits are positioned in conspicuous places near the entrance of supermarkets, causing consumers to see them first. Almost no physical difference exists between organic and non-organic food. In mixing organic vegetables and fruits with conventional ones, general retailers actually reduce the amount of attention that consumers pay to organic vegetables and fruits. Placing food crates distinguished by two dominant colours in a limited area can lead to the visual stimulation of consumers. Currently, most supermarkets and other small general retailers use dark blue or other food crates that are dark in colour on their shelves. General retailers should distinguish organic vegetables and fruits by using green food crates. Rather than changing food crates, general retailers could also use green labels or posters to differentiate organic vegetables and fruits from conventional ones. Green implies health and safety to consumers; it is also brighter than dark blue and other dark colours, causing it to attract consumer attention easily.

**Background music**

In the Netherlands, background music in supermarkets does not produce the desired influences on consumers because many consumers do not hear it. The two periods of time that can be considered as slow times for consumer flow are the early morning, before 10:00, and the late evening, after 20:00. During these two periods of time, supermarkets can still play background music at the current regular volume as many consumers can hear it. During other hours, though, supermarkets can increase the volume of background music because the flow of consumers increases.

## 4.2 The ABELL.ac Model

Figure 10: The ABELL.ac Model



In order to increase the market share, it is important for Dutch general retailers to understand the market. The ABELL model can be used to define the market for organic vegetables and fruits in the Netherlands.

### 4.2.1 Consumer groups

In order to increase the market share, general retailers should define new target groups. Currently, the loyal consumers in the Dutch organic vegetables and fruits market are older people who are well educated. The new target consumer group can be divided into two subgroups: households with children and the young generation. The large population of households with children cannot be ignored as a consumer group. The position of children in a family's purchasing decisions is extremely important; it is likely that organic food could become their first choice. Because of this, targeting households with children is the first priority. Considering the increasing purchasing power of the young generation in the

Netherlands and this generation's openness to new ideas, targeting this generation is the second priority. Older and well-educated consumers are more likely to prefer shopping at organic specialty stores; because of this, they are not a target group for Dutch general retailers. Supermarkets maintain the dominant position in the food market, while small general retailers are developing rapidly as the result of increasing numbers of purchases. With this in mind, the target retailers in the next stage are supermarkets and small general retailers.

#### 4.2.2 Consumer needs

Organic food is popular because it is associated with the concepts of safety and health. The growth and processing procedures for organic vegetables and fruits ensure that they are safe and healthy for consumers. Consumers who purchase organic food value the fact that it does not contain any harmful chemical ingredients. The top three needs of consumers in relation to vegetables and fruits are freshness, healthiness and price. It has been demonstrated that organic vegetables and fruits are healthier than conventional ones; this reality matches with the health needs of consumers. The strict regulation of organic foods in Europe ensures that all organic products are safe. The prices of organic foods are not as low as those of conventional ones. However, research illustrates that the prices of organic vegetables and fruits are not significantly higher than those of conventional ones. Therefore, the value of organic vegetables and fruits are the best in the food market.

#### 4.2.3 Technology

##### USP-Unique Selling Points: Health and Safety

***“Food certified in the Netherlands as 'organic' can be identified by the EU- and the EKO-trademark. These products are grown without using artificial fertilisers or chemical pesticides and they do not contain any artificial aromas, colouring agents, flavourings or preservatives. European legislation sets the minimum standards throughout the EU that are guaranteed by organic certification”*** (“Organic in the Netherlands,” n.d., para.1).

As described in the previous chapter and in the quotation above, the unique selling points of organic vegetables and fruits are that they are safe and healthy. The organic vegetables and fruits market in the Netherlands is a growing market, and it has enormous potential. Sadly, the majority of consumers do not know enough about organic food products to make

purchasing decisions. In order to increase sales and the market share, general retailers need to deliver knowledge to consumers including an explanation of the definition of organic vegetables and fruits, their benefits and the reasons that consumers should purchase them. Dutch general retailers currently spend little time and energy promoting and advertising this knowledge, and they can increase sales by improving their promotion channels. The Internet and supermarket brochures are two of the most effective tools for Dutch general retailers to test in the market in the next stage.

### 4.3 Summary

Chapter four is the last chapter of the academic stage. This chapter provided a discussion of the results presented in the first three chapters from the consumer perspective. In addition, chapter four concluded the academic stage with the ABELL.ac model, which presents the business definition of the Dutch organic vegetables and fruits market from the perspective of consumers.

## THE PRACTICAL STAGE

### Chapter 5: The Preferences of Dutch General Retailers

General retailers are one of the most important factors in the organic vegetables and fruits market in the Netherlands. In order to make the most appropriate recommendations for Dutch general retailers, the practical stage begins with a survey (Survey.2) that is based on the summarised conclusions and possible recommendations of the academic stage. The sample of Survey.2 consists of ten general retailers in the Netherlands, including four supermarkets and six small general retailers. The small general retailers discussed in this report can be divided into two specific categories: convenience stores and greengrocers. A convenience store is defined as “a small retail store that is open long hours and that typically sells staple groceries, snacks and beverages” (“convenience store,” n.d., para.1). A greengrocer is defined as “a retail seller of fresh fruits and vegetables” (“greengrocery,” n.d., para.1). The six small general retailers in Survey.2 include three convenience stores and three greengrocers.



(convenience store)



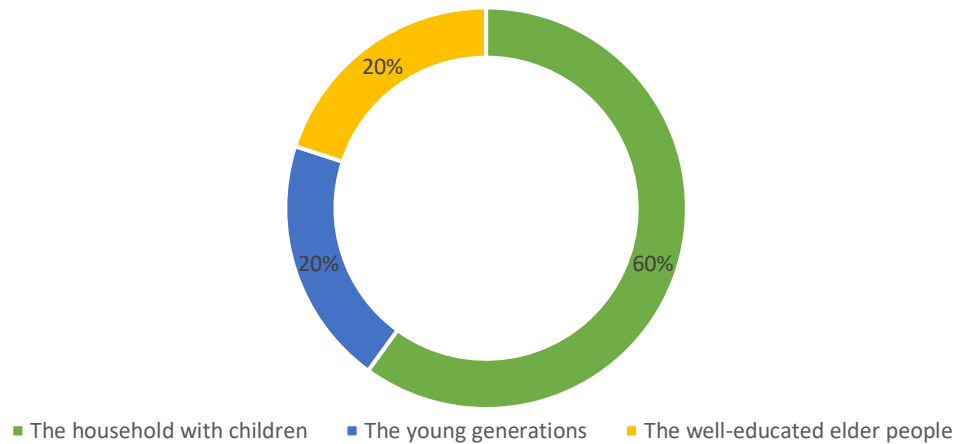
(greengrocery)

#### 5.1 The Preferences of Dutch General Retailers

Households with children are the main target group of Dutch general retailers. As illustrated in Figure 11, 60% of respondents considered households with children as the largest group of

consumers of organic vegetables and fruits, while 20% of respondents believed that the young generation are the main consumers in the Dutch organic vegetables and fruits market. Specifically, 50% of supermarket respondents, 66.67% of convenience store respondents and 66.67% of greengrocer respondents agreed that households with children will become the largest consumer group for organic vegetables and fruits.

Figure 11: Target Consumer Groups

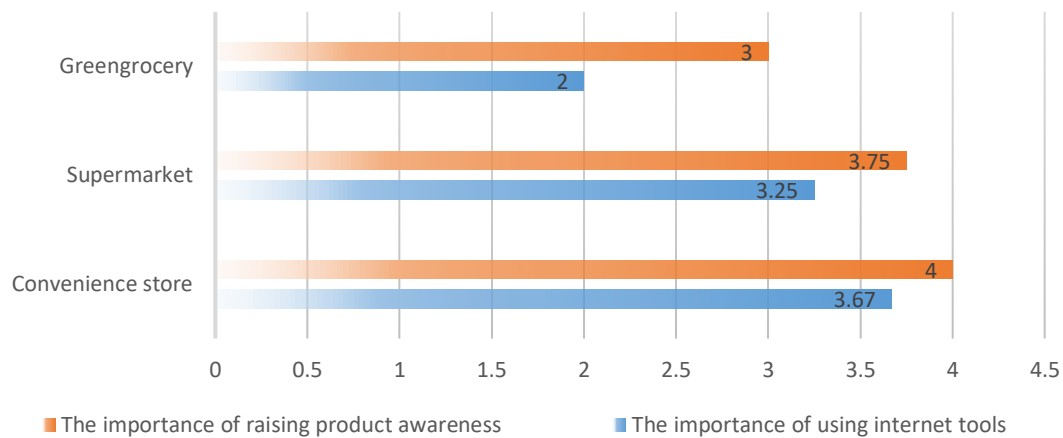


(Source: Survey.2)

Due to the different characteristics of supermarkets, convenience stores and greengrocers, these three types of general retailers have their own preferences regarding target consumer groups. Knerl states that young people shop quickly in convenience stores and greengrocers and when they only need items for that day's dinner (Knerl, 2014). According to a study conducted by the PLMA and Gfk Custom Research, in society today, approximately 60% of women spend at least one hour in every type of supermarket ("Women dominate grocery shopping: study," 2013).

Raising consumer awareness about organic products is an urgent task for general retailers in the Netherlands. As showed in Table 6, on a scale from one to five, with five being the most important, respondents ranked raising product awareness at 3.8. Convenience stores ranked raising awareness about organic vegetables and fruits at 4. Supermarkets ranked raising awareness at 3.75 and greengrocers ranked it at 3.67.

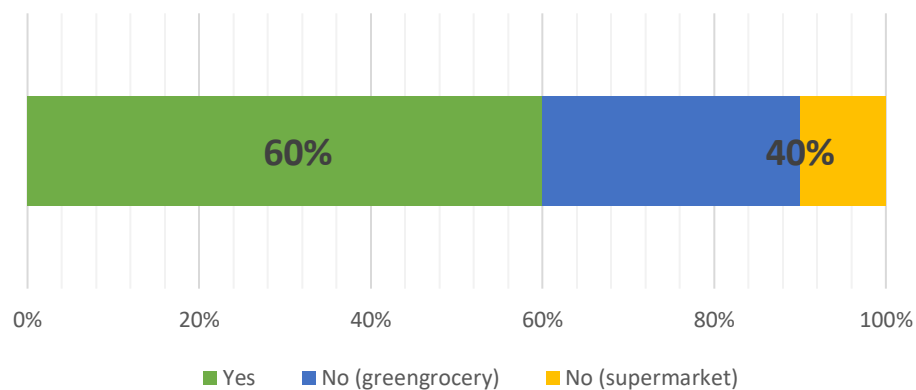
Table 6: The Importance of Raising Product Awareness



(Source: Survey.2)

The Internet is a useful tool for raising consumer awareness about organic vegetables and fruits. On a scale from one to five, with five being the most important, respondents ranked the importance of using Internet tools at 3.1. In detail, convenience store respondents ranked the importance of using Internet tools at 3.67, supermarket respondents ranked it at 3.25 and greengrocers ranked it at 2.33. As illustrated in Table 7, 60% of general retailers had already used the Internet as a marketing tool to promote organic vegetables and fruits. Of the other 40% of respondents who had not used Internet tools, 75% were greengrocers and the other 25% were supermarkets. Among the 60% of respondents who had already used the Internet as a marketing tool, half were convenience stores and half were supermarkets.

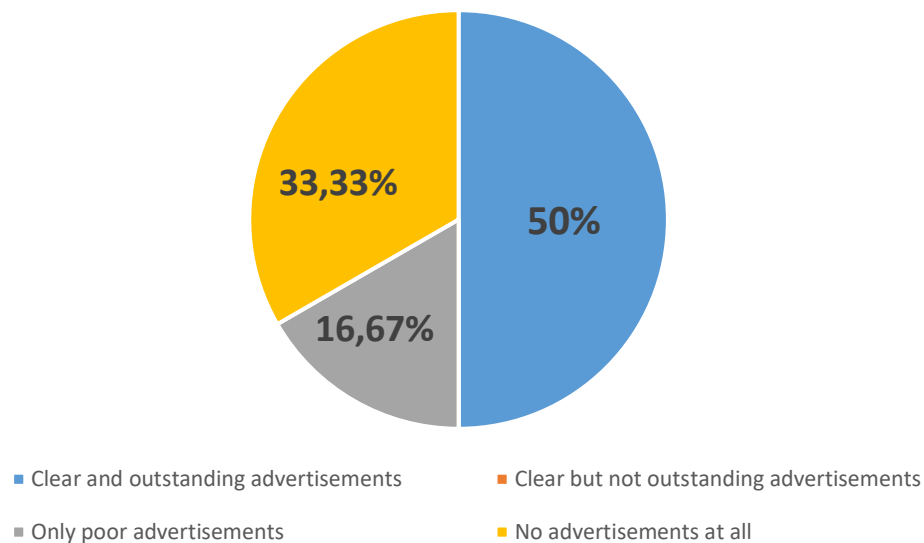
Table 7: Using the Internet as a Marketing Tool



(Source: Survey.2)

Many general retailers do not use clear and outstanding online advertisements of organic vegetables and fruits. As illustrated in Figure 12, six general retailers had already used Internet tools to market organic vegetables and fruits. Of these six general retailers, 50% had clear and outstanding advertisements on their official websites and mobile applications, 16.67% had low-quality advertisements on their official websites and mobile applications and the other 33.33% did not have any advertisement.

Figure 12: Online Advertisements



(Source: Survey.2)

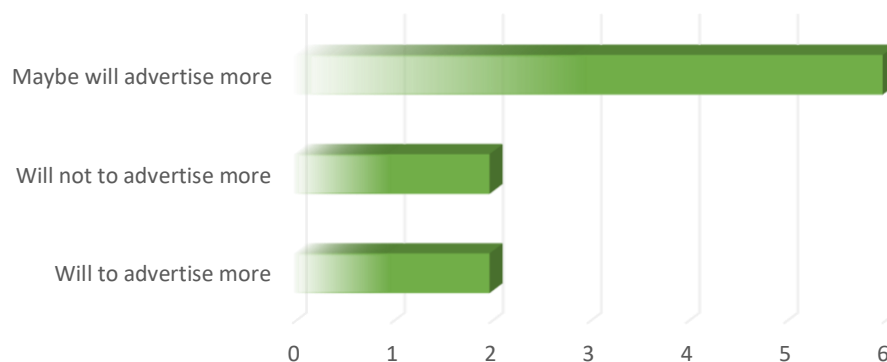
Online marketing is not the preferred marketing method of every general retailer. According to Survey.2, among all respondents that were greengrocers, none had used the Internet as a tool for marketing organic vegetables and fruits. All of the convenience stores and 75% of the supermarkets had already used the Internet as a marketing tool. Results of Survey.2 show that among all respondents that had already used the Internet as a marketing tool, 66.67% of the supermarkets and 33.33% of the convenience stores had clear and outstanding advertisements, 33.33% of the convenience stores had advertisements that were clear but not outstanding. The other 33.33% of the convenience stores and 33.33% of the supermarket respondents had low-quality advertisements.

The majority of respondents believed that it is necessary to create more online advertisements. Table 8 illustrates that 80% of respondents expressed that they are willing to



advertise more in the future and only 20% of respondents definitely refused to create more online advertisements for organic vegetables and fruits. In particular, responding to the question “Would you like to make more online advertisements for organic vegetables and fruits?”, all of the convenience stores and greengrocers responded positively, and half of the supermarkets responded positively.

Table 8: Advertisements in the Future

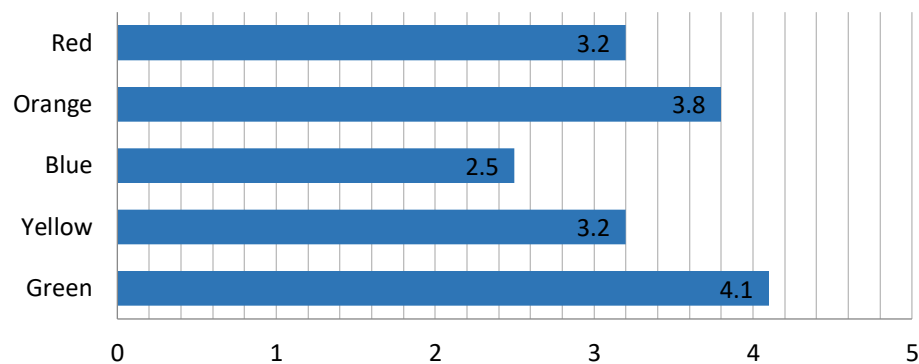


(Source: Survey.2)

Providing free food samples can easily catch the attention of consumers. Prof. George strongly recommends that general retailers provide free food samples to consumers. He also states that offering free samples is important when general retailers would like to promote a food product that may be difficult to explain and describe quickly (“The Psychology of Free,” 2013). Offering free samples to consumers obliges them to purchase organic vegetables and fruits. Ariely, a behavioural economist at Duke University states that “if somebody does something for you, you really feel a rather surprisingly strong obligation to do something back for them” (Pinsker, 2014, para.6).

Colour marketing can influence the purchasing decisions of consumers. As demonstrated in Table 9, referring to the colour marketing of organic vegetables and fruits, green was selected as the most effective colour with a ranking of 4.1, while blue was selected as the least effective colour with a ranking of 2.5. General retailers ranked the effectiveness of red and yellow at 3.2, while they ranked the effectiveness of orange at 3.8.

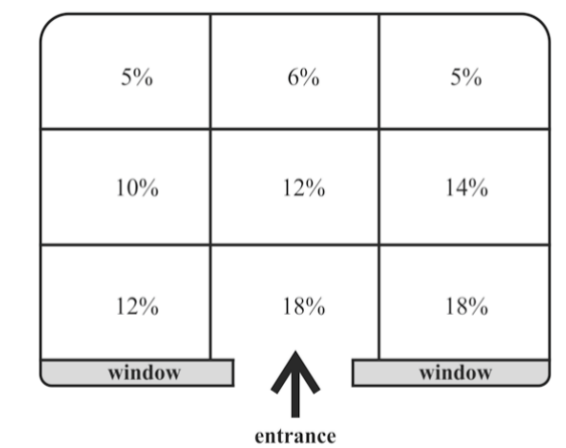
Table 9: Colouring Marketing



(Source: Survey.2)

The majority of general retailers did not answer the question about positioning or gave the answer "I do not know". According to a study, the value of different positions within a store varies considerably and this value mainly depends on the distance between a position and the entrance. A position that is far away from the entrance is less valuable than one near the entrance (Knego, Petljak & Vouk, 2014). As Figure 13 illustrates, the position directly opposite from the entrance has the highest value. In the Netherlands today, the majority of general retailers already position vegetables and fruits in the position directly opposite the entrance.

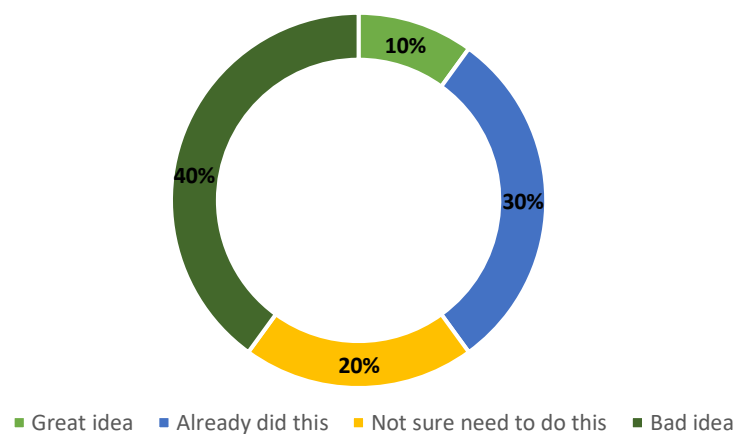
Figure 13: Value of the Store Space of a Retailer



(Source: Knego, Petljak & Vouk, 2014)

Many studies suggest that background music in a supermarket has a positive influence on the purchasing decisions of consumers, but general retailers in the Netherlands have a different opinion about this. As demonstrated by the survey and illustrated in Figure 14, 40% of respondents thought that increasing the volume of background music during busy hours is not advisable, 20% of respondents were not sure that this measure is necessary, only 10% of respondents thought that this is a good idea and 30% of respondents had already taken this measure.

Figure 14: Background Music



(Source: Survey.2)

## 5.2 An Analysis of the Dutch General Retailer Perspective

### Targeting on different consumer groups

Many consumers in the young generation prefer to shop at convenience stores and greengrocers for convenience. Most Dutch convenience stores and greengrocers are located near residential areas and have fewer consumers during rush hour than supermarkets. As a result, young consumers can save time by shopping at convenience stores and greengrocers after school or work rather than supermarkets. According to the results of Survey.2, approximately one third of convenience stores and greengrocers viewed the young generation as their largest target consumer group for organic vegetables and fruits. In stark contrast, supermarkets did not consider the young generation as their target group and instead they mainly focus on households with children. Unlike the young generation, women in households with children usually spend more time shopping for groceries, and they prefer to purchase food that can be eaten for several days. Members of households with children

usually shop for groceries on the weekends; as a result, they prefer to go to supermarkets where they stay longer and have more choices than at greengrocers and convenience stores.

### **Raising product awareness**

No matter how superior organic vegetables and fruits are, general retailers cannot make a profit if consumers do not know about organic food and its benefits. The results of the survey conducted in the practical stage suggest that most Dutch general retailers think that it is very important to raise awareness about organic vegetables and fruits.

#### **➤ Internet**

Today, the Internet allows people to consume new information at an unprecedented speed. Because of this, the Internet is a useful tool for marketing organic vegetables and fruits. Supermarkets, convenience stores and greengrocers have different attitudes toward Internet tools. Supermarkets and convenience stores view the Internet as more important than greengrocers do. Moreover, the majority of supermarkets and convenience stores already use their official websites and mobile applications to promote organic vegetables and fruits, and they are willing to focus more on online marketing. However, the Internet has not been used by most greengrocers. The business scale of greengrocers is relatively small, and most of their consumers live nearby. Taking into account the cost of setting up, operating and maintaining a website, online marketing is not an ideal promotional tool for greengrocers.

#### **➤ Brochures**

Generally, consumers do not spend a significant amount of time reading brochures; they quickly look for the information that they want. Because of this, it is extremely important for general retailers to position clear and important information in the right place. In the Netherlands, greengrocers rarely have their own brochures, while almost every supermarket and convenience store has their own brochure. Currently, supermarkets and convenience stores do not utilise brochures to promote organic vegetables and fruits effectively. The majority of brochures in Dutch supermarkets and convenience stores only contain information about discounts on organic vegetables and fruits. However, the top concern of consumers during the purchasing process is the special benefits of organic vegetables and fruits. The managers of general retail stores also rank the benefits of organic fruits and vegetables as more important than discount information. Rather than including more price information in

brochures, Dutch supermarkets and convenience stores should add more information about the benefits of organic vegetables and fruits.

Dutch greengrocers do not have brochures, but they do have publicity boards or manuscript posters at their entrances. Compared with brochures, these publicity boards and manuscript posters have two distinguishing characteristics: they are convenient and cheap. Moreover, the information on publicity boards and manuscript posters is usually changed frequently. Changing this information is cheap and convenient for greengrocers. Taking into account the cost of making a large number of brochures, convenient and cheap publicity boards or manuscript posters are more suitable for greengrocers.

➤ Free samples

The vast majority of general retailers are willing to try providing free samples of organic vegetables and fruits for consumers in the future. Taking into account the research results from Prof. George, it is quite necessary to provide free samples of organic vegetables and fruits. It is not easy to provide detailed information about the definition and benefits of organic vegetables and fruits in a short time. Considering this circumstance, it is wise for general retailers to provide free samples to attract consumer attention. If consumers experience organic vegetables and fruits, it is likely that they will become interested and purchase such products.

### **Positioning & Colouring**

It is difficult for general retailers to position organic vegetables and fruits. In the majority of stores, organic vegetables and fruits are located in the same area as conventional ones, directly opposite from the entrance, as this is the most advantageous position in a store. General retailers believe that consumers may wonder about the differences between organic and non-organic foods if these items are located in the same place. Rather than changing the position of these items, general retailers can apply labels on crates to denote organic vegetables and fruits.

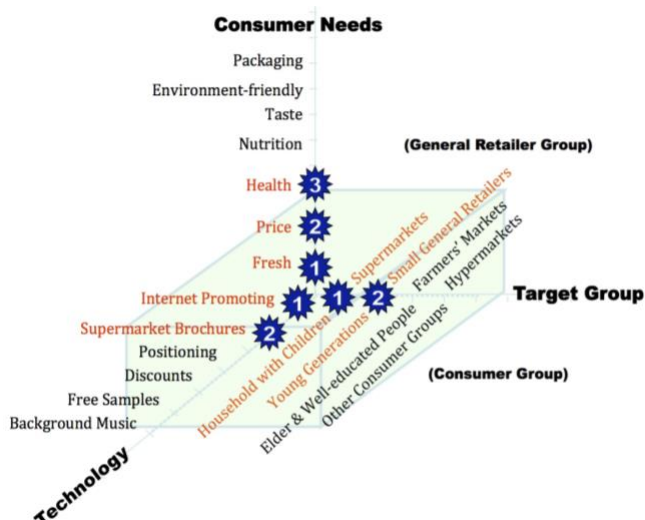
In Survey.2, Dutch general retailers selected green as the most effective colour for promoting organic vegetables and fruits. The majority of general retailers are ambivalent about using

green crates for vegetables. Currently dark blue and yellow crates are widely used for vegetables and fruits by general retailers. Replacing all crates with green ones is not cost effective. This strategy may be not suitable for organic vegetables either, as many vegetables are already green; using green crates may reduce visual comfort. The majority of vegetables are cool colours. One possible marketing strategy for general retailers is to neutralise these cool colours with crates that are warm in colour. The warm colour most preferred by general retailers is yellow. Some general retailers, such as the supermarket Jumbo, already use yellow as the dominant hue in their stores. General retailers that use dark crates can place paper that is warm in colour at the bottom of crates rather than replace their crates. For instance, some of the AH supermarkets place light green paper at the bottom of their crates.

### Background music

Consumer preferences regarding background music are personal, and it is difficult to identify a genre of music that, when played at a certain volume, can please every consumer. Because of this, it is possible that increasing the volume may anger some consumers; most supermarkets do not want to assume this risk. The concerns of supermarkets are not unreasonable. A basic requirement for consumer satisfaction is to avoid angering consumers. If a company is not sure that a strategy will please the majority of consumers and believes that it may anger them, then this is not an appropriate strategy to use in a market. For many Dutch general retailers, increasing the volume of background music during rush hour may anger certain consumers; they do not want to risk doing this. Many supermarkets share this concern, as 75% of the supermarkets in Survey.2 responded negatively to the idea of increasing the volume of background music.

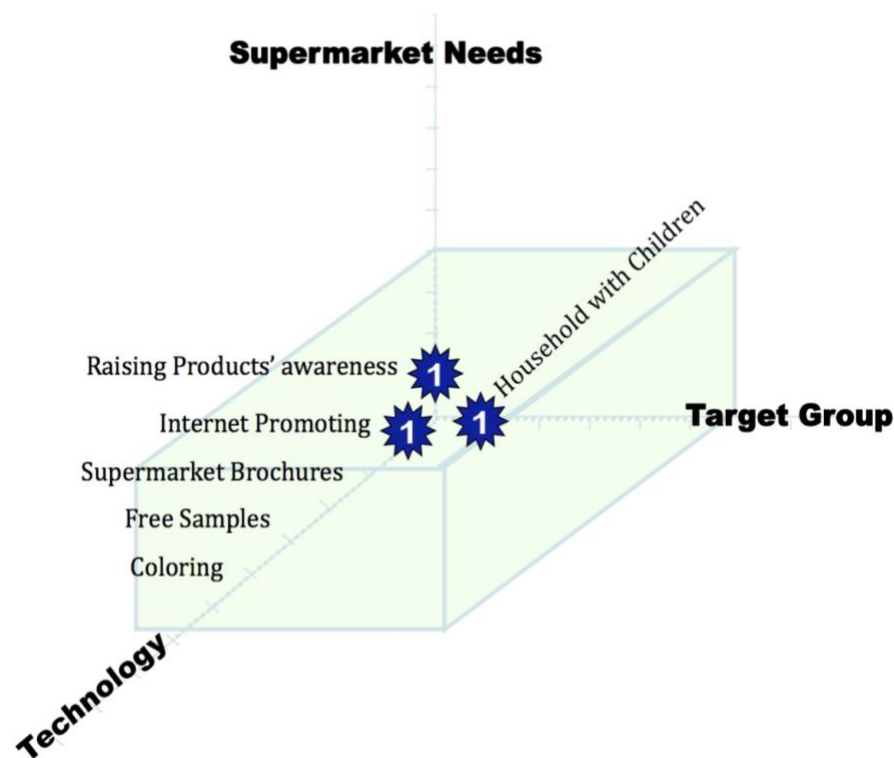
### 5.3 The ABELL.spm and ABELL.sgr Models



The ABELL.ac model from the previous stage has been adjusted to create two models in this stage: the ABELL.spm model and the ABELL.sgr model. These models focus on supermarkets and small general retailers respectively.

### 5.3.1 Supermarkets

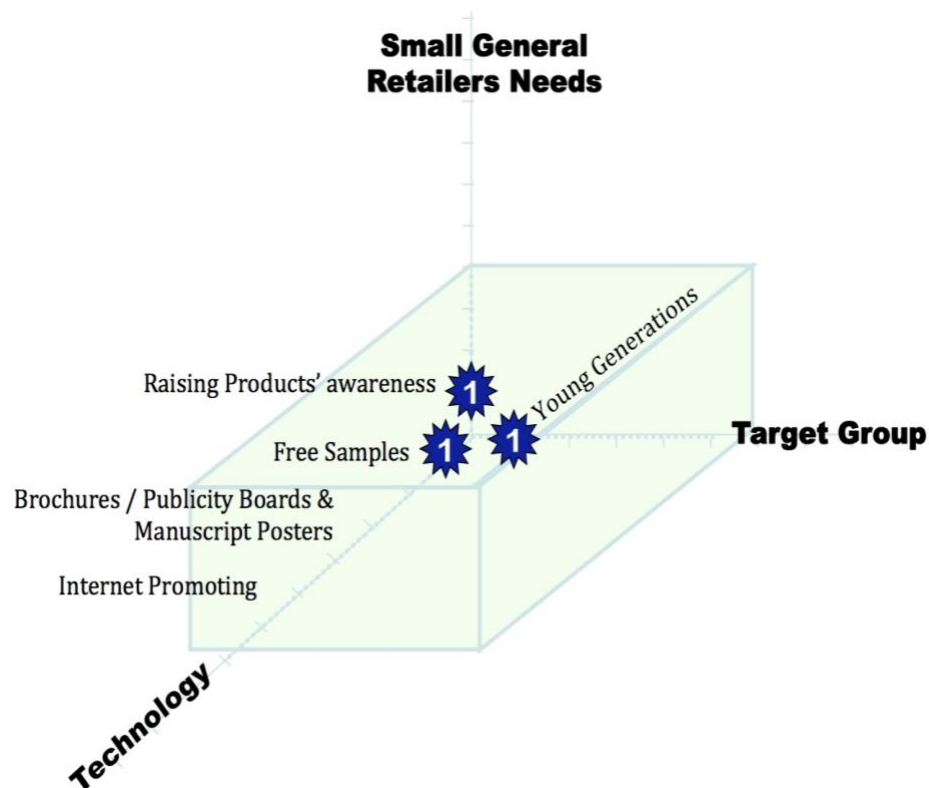
Figure 15: The ABELL.spm Model



Supermarkets are large in size and usually have a wide selection of products; these two characteristics determine that households with children are the target group of supermarkets. In order to increase profits from organic vegetables and fruits, the priority of supermarkets should be to raise awareness about organic vegetables and fruits. Three possible strategies can be used to increase awareness about organic vegetables and fruits. Increasing the quantity of advertisements on official websites and mobile applications is the most effective method for supermarkets to promote organic vegetables and fruits to a large number of consumers. In addition to using Internet tools, supermarkets also need to use brochures more effectively by placing information about the benefits of organic vegetables and fruits inside of them. Taking into account shopping psychology, providing free food samples can help supermarkets to increase their sales of organic vegetables and fruits. Supermarkets that use dark crates can place papers that are warm in colour at the bottom of the crates to make consumers notice organic vegetables and fruits, thus increasing the possibility that consumers will purchase them.

### 5.3.2 Convenience stores and Greengroceries

Figure 16: The ABELL.sgr model



Compared with supermarkets, convenience stores and greengrocers are smaller in size and usually have a limited selection of products. Consumers who shop at convenience stores and greengrocers usually do not shop for groceries for an entire family; they shop for their daily dinner. Because of this, the target group for convenience stores and greengrocers is the young generation. The priority of every general retailer, regardless of type, is to raise awareness about organic vegetables and fruits. Depending on the characteristics of a convenience store or greengrocer, three methods exist that can be used to increase awareness about organic vegetables and fruits. Providing free samples to consumers in a store is much more effective than promoting through the Internet for small general retailers. Additionally, convenience stores can promote knowledge about organic vegetables and fruits by using brochures, while greengrocers can do this by using publicity boards and manuscript posters. Convenience stores can also insert more outstanding advertisements on their official websites and mobile applications.



## 5.4 Summary

As the only chapter that discusses the practical stage, chapter five presented the results of Survey.2, which includes feedback and opinions from general retailers on the conclusions from the academic stage. This chapter provided a specific analysis of the perspective of general retailers based on the survey results. At the end of chapter five, the ABELL.spm and ABELL.sgr models are presented as the conclusion of the practical stage.

## Conclusions

The ancient Chinese saying “humanity's most fundamental relationship is with what we eat”, wonderfully explains the importance of food. Today, people have begun to focus more on what they eat every day. When preparing daily meals, organic vegetables and fruits are the ideal choice of many consumers because they are healthy and safe.

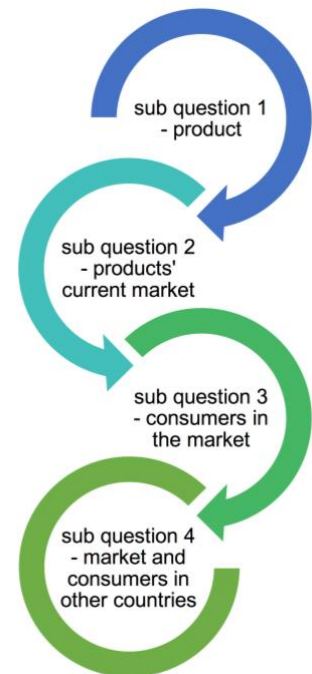
According to the results and analysis, the conclusion of every sub-question can be drawn in order to answer the central question.

### **Central research question:**

***“How to increase, from the perspective of general retailers, the organic vegetables and fruits market share in the Netherlands?”***

### **Answer:**

***In order to increase the market share of organic vegetables and fruits in the Netherlands, general retailers need to target two new consumer groups: the young generation and households with children. Dutch general retailers also need to increase awareness about organic vegetables and fruits among these new consumer groups.***



A major potential market for organic vegetables and fruits exists in the Netherlands. The top three concerns of Dutch consumers when they purchase vegetables and fruits are freshness, price and health. Viewed through this lens, organic vegetables and fruits have the potential to become the most appropriate choice for many Dutch consumers. Not only does the European Union forbid organic foods from coming into contact with any persistent chemical pesticides and other hazardous substances, but the European Union also has an extremely strict system for regulating organic foods in member states. This system ensures that organic foods are absolutely healthy and safe. The price of organic vegetables and fruits is not as high as many consumers assume. The reason that the market share of organic vegetables and fruits is low in the Netherlands, despite the fact that these products have a high value added, is that consumers lack awareness about organic food products. In other words, Dutch

consumers view organic vegetables and fruits as expensive, and they do not understand the value of these products. Hence, a lack of awareness about organic vegetables and fruits is the most significant obstacle in the Dutch market.

“Good wine needs no bush”, is an Asian archaism; it means that a quality product can attract consumers without marketing. However, in today’s consumer-driven market, marketing is more important than a product itself. Consumers will only purchase organic vegetables and fruits if they understand the value of these products. In the Netherlands, consumers prefer to shop for groceries at many types of general retailers, and different types of general retailers use different features and target different consumer groups. Considering their influence and reach, Dutch general retailers can play an extremely important role in increasing the market share of organic vegetables and fruits. The most effective way for them to achieve this goal is to increase awareness about these products.

## Recommendations and Implementations

This section provides several recommendations based on the ABELL model, which is based on the perspective of general retailers. It also includes specific directions about how to implement these recommendations. As stated in the conclusion, learning about methods for improving awareness about organic vegetables and fruits in order to increase their market share is a priority for general retailers in the Netherlands. Different types of general retailers have to achieve this goal using different marketing strategies.



### Common recommendations

Providing free samples to consumers is a very effective marketing strategy, as doing so stimulates their appetites and, in turn, their desire to purchase foods. If consumers have positive experiences with free samples, they will return and even assist general retailers in promoting organic vegetables and fruits.

#### **The implementation of free samples**

Offering free samples can be a powerful marketing strategy only if the samples are provided in an intentional way; in particular, retailers should provide samples that appear appetising during a strategic time and in a strategic location.



(Source: "LONDON BOROUGH MARKET," 2011)



(Source: "Little things in life," n.d.)

There are four suggestions for Dutch general retailers. Firstly, retailers should provide free samples of several organic vegetables and fruits, and these samples should include a combination of different coloured items. Secondly, stores should also place these samples in individual small cups or place samples together on the same toothpick. Thirdly, stores should distribute these samples at times when consumers are hungry; such times include lunch, which usually occurs around 12:00, and dinner, which usually occurs around 18:00. Lastly, samples should be located beside the organic fruits and vegetables, and if possible, a staff member should stand by the samples and answer questions for consumers.

### **Supermarket recommendations NO.1**

The most effective strategy for supermarkets is online marketing that informs about the benefits and prices of organic vegetables and fruits. The online marketing of supermarkets can be divided into three categories: website marketing, marketing through mobile applications and email marketing.

#### **The implementation of online marketing-official website**

Supermarkets should create popup advertisements that will appear on their official websites. The content of the popup windows should provide information about prices of and discounts on organic vegetables and fruits. The benefits of organic vegetables and fruits can be located separately on the home page.

#### **The implementation of online marketing-mobile applications**

Mobile applications should facilitate online purchasing through the inclusion of an organic foods section; they should also focus on the collection of consumer feedback through a consumer suggestion board. By collecting feedback, supermarkets can better understand the

needs and preferences of consumers regarding organic vegetables and fruits. Supermarkets with defective online shopping systems can learn from AH's mobile application. In order to provide convenience to consumers, AH not only offers an online shopping option but it also offers different choices of delivery methods for consumers. Using supermarkets with complete online shopping systems such as AH as an example, other supermarkets should add a separate shopping sector for organic food on their mobile applications.

### **The implementation of online marketing-email**

Supermarkets should send regular promotional emails with simple contents and colourful pictures to consumers. The contents of emails should mainly focus on information about discounts on organic foods; the pictures should include price comparisons between organic foods and conventional ones. This will help to disprove the stereotype that organic products are expensive.

### **Supermarket recommendations NO.2**

Utilising brochures is another useful marketing strategy for supermarkets to promote to large groups of consumers.

### **The implementation of supermarkets brochures marketing**

People who look at supermarket brochures are generally searching for discount information. Therefore, the contents of brochures should only focus on price information for organic vegetables and fruits. Currently, supermarket brochures only contain discount information for conventional foods; it would be better for supermarkets to add a separate page of a different colour about organic foods. The picture on the left below is an example of an AH brochure that includes a separate page with a white background for organic products.





Supermarkets should send small booklets to consumers along with brochures. The picture on the right above is an example of a booklet with simple but crucial information for raising awareness about organic vegetables and fruits. If supermarkets are not willing to spend additional money on booklets, they should insert the contents and formatting of the booklet on the last page of their brochures. In addition, if supermarkets have additional money, they should attach bonus cards for organic products to brochures and booklets.



### **Supermarket recommendations NO.3**

Promoting organic vegetables and fruits through sensory marketing is effective to attract consumers as well. General retailers should use colour marketing to make consumers stay longer in front of organic vegetables and fruits and, in doing so, increase the possibility that they will make a purchase.

#### **The implementation of colouring marketing**

Supermarkets should stimulate consumer desires to purchase products by changing the colour of the crates in their stores. If their budgets allow, supermarkets should change the colour of the crates used for organic food to yellow while continuing to store non-organic food in dark coloured crates. Supermarkets with limited budgets should use paper crates instead or place yellow paper around the plastic crates.



(Source: Alexander, 2015)

## Small general retailer recommendations

Small general retailers rarely have official websites or mobile applications, and it is difficult for these retailers to obtain all consumer email addresses. Small general retailers that have websites can insert popup windows about organic vegetables and fruits. The target consumer group for small general retailers is members of the young generation who live nearby. Because of this, the most effective marketing tools that small general retailers can employ are publicity boards and manuscript posters.

### The implementation of publicity boards and manuscript posters marketing

Considering cost, small general retailers should use publicity boards and manuscript posters rather than brochures for their marketing. Most consumers who shop at small general retailers will quickly look at the board in the front of the store to learn about product and price information for that day. The contents of publicity boards should contain some small pictures with simple product descriptions and price information. Colourful chalks can cause consumers to notice the information about organic vegetables and fruits.



(Source: Sphere, 2011)



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## Appendices

### Appendix 1. Survey

Welcome to this survey! I am Tong Tong, who currently studied in the forth year of The Hague University of Applied Sciences. This survey is mainly about the customer food buying habits and behaviors. The results will only be used for my final dissertation report. Thank you for your cooperation in advance. (Welkom bij deze questionnaire! Mijn naam is Tong Tong en ik ben vierdejaars student aan de Haagse Hogeschool. Deze questionnaire gaat voornamelijk over de koopgewoonten en het koopgedrag van de consument wat betreft eten. De resultaten zullen alleen voor mijn scriptie gebruikt worden. Bij voorbaat dank voor uw medewerking.)

1. What is your age? / Wat is uw leeftijd?
  - a. <18
  - b. 18-30
  - c. 31-50
  - d. 51-70
  - e. >70
2. What is your average monthly income (€)?/ Wat is uw jaarlijks inkomen?
  - a. <500
  - b. 500-1000
  - c. 1001-1500
  - d. 1501-2000
  - e. 2001-2500
  - f. >2500
3. How many people currently do you live with in your household? / Woont u alleen of met meerdere mensen?
  - a. Live alone (woont alleen)
  - b. 2-4
  - c. 5-7
  - d. 8-10
  - e. >10
4. How much does your family / you (if you live alone) usually spend on vegetables and fruits monthly (€)? / Hoeveel geeft u ongeveer uit aan groente en fruit in een maand?
  - a. <100

- b. 100-150
  - c. 151-200
  - d. 201-250
  - e. 251-300
  - f. >300
5. Where do you usually buy vegetables and fruits? / Waar koopt u meestal uw groente en fruit?
- ☐ Supermarkets/Supermarkten
  - ☐ Other small general retailers (grocers, food market, etc.) Andere kleine voedsel winkels/ groente boeren
  - ☐ Specialty food retailers/ speciaal winkel
  - ☐ Others, please indicate \_\_\_\_\_ (anders, namelijk)
6. Can you find organic vegetables and fruits there? Kunt u in deze supermarkten ook biologische groente en fruit kopen?
- a. Yes
  - b. No
7. How do you rank the following features when you buy vegetables and fruits? (5 is the best)/ Waar baseert u uw keuze op en vind u dus het belangrijkste wanneer u groente en fruit koopt? (5 is het hoogst)
- ☐ Health/ gezondheid
  - ☐ Nutrition/ voeding
  - ☐ Taste / smaak
  - ☐ Environment-friendly / goed voor het milieu
  - ☐ Price / prijs
  - ☐ Fresh / vers
  - ☐ Packaging / verpakking
8. Did you ever buy organic vegetables and fruits?/ Heeft u ooit biologische groente en fruit gekocht?
- a. Yes (please skip Q13 & 14)/zo ja, sla vraag 13 & 14 over
  - b. No (please go to Q13 & 14)/ zo nee, ga naar vraag 13 & 14
9. Which channel do you usually receive information on organic food?/ Via welk kanaal bouwt u uw kennis op van biologische producten?
- ☐ Newspaper / nieuwskrant

- ☐ Internet (Facebook, Google, etc.) / Internet
- ☐ Magazine / tijdschriften
- ☐ Book / boeken
- ☐ Supermarket brochure / supermarkt brochures
- ☐ Social network (friend, family, etc.) / sociaal netwerken (vrienden, familie etc)

10. Do you know what organic means? / Weet u wat 'organisch' betekent?

- ☐ Biological / biologisch
- ☐ Ecological / ecologisch
- ☐ Healthy / gezond
- ☐ Natural / natuurlijk
- ☐ Nutrition / gezondsheidsvoeding
- ☐ No chemical pesticides, artificial fertilizers, etc. / geen chemicalien, extra voedingstoffen
- ☐ Others, please indicate \_\_\_\_\_ (anders, namelijk)

11. How often do you eat organic vegetables and fruits? / Hoe vaak eet u organische groente fruit op een wekelijkse basis?

- a. <5 times monthly/ <5 per maand
- b. 2-3 times weekly/ 2-3 per week
- c. 4-6 times weekly/ 4-6 per week
- d. Everyday/ elke dag





- b. Nee, zo nee ga naar vraag 6  
Heeft u nee geantwoord, zou u dan wel in de toekomst van het Internet gebruik willen maken? \_\_\_\_\_
5. Hoe effectief zijn uw communicatiemiddelen die u op dit moment gebruikt?
- Duidelijke, en uitstekende advertenties op onze website en App
  - Duidelijk maar geen uitstekende advertenties op onze website en App
  - Alleen magere advertenties op onze website
  - Helemaal geen advertenties
6. Zou u meer online willen adverteren om organisch fruit en groenten meer te promoten?
- Ja
  - Nee
  - Miscchien
7. Vind u het belangrijk om product informatie te adverteren via brochures? U ziet beneden drie voorbeelden. Per voorbeeld rankt u de belangrijk graad.
- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| a. Definitie van organisch groenten en fruit | 1 | 2 | 3 | 4 | 5 |
| b. Voordelen van organisch groenten en fruit | 1 | 2 | 3 | 4 | 5 |
| c. Aanbiedingen                              | 1 | 2 | 3 | 4 | 5 |
8. In welke product schap (positive) denkt u dat organische fruit en groenten de hoogste sales kunnen produceren?
- 
9. Kleur coördinatie: Als veel supermarket merchandisers al weten heeft kleur een belangrijke invloed op mensen hun reactie vermogen en daardoor ook op het koopgedrag. Welke kleur zou het meest effectief zijn om organisch fruit en groenten te separeren maar ook uit te laten springen? ( 5 kan maar een x gekozen worden en is dus de beste)
- |           |   |   |   |   |   |
|-----------|---|---|---|---|---|
| a. Green  | 1 | 2 | 3 | 4 | 5 |
| b. Yellow | 1 | 2 | 3 | 4 | 5 |
| c. Blue   | 1 | 2 | 3 | 4 | 5 |
| d. Orange | 1 | 2 | 3 | 4 | 5 |
| e. Red    | 1 | 2 | 3 | 4 | 5 |
10. Achtergrond muziek speelt een grote rol in de ambiance van een supermarket en speelt een rol in de totale winkel ervaring van een consument. Wat vind u ervan om de volume

van de muziek tijdens spit uren hoger te draaien? En hiernaast een relatief zachte volume aan te houden gedurende de dag door.

- a. Goed idee
- b. Wij doen dit al
- c. Wij zien geen reden om dit wel te doen
- d. Slecht idee

11. Zou u willen samplen in uw supermarkt met organisch fruit en groenten (dezelfde manier hoe dat gedaan word met kaas, vlees in steeds meer supermarkten) Dit vooral om gezonde keuzes ook te promoten naar de klanten toe?

- a. Ja
- b. Nee
- c. Misschien

12. Welke andere suggesties heeft u om het koopgedrag en de sales te vergroten van de organische fruit en groente sector?

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