Outline

Retailing organic food
Status Quo

Trends, influencing factors

Prospects, Conclusions
Retailing organic food 2008 >> Status quo

- Organic national markets in Europe developed in a different way
- Growth in organic sales slowed down (but not in all countries)
- Consolidation by saturation
- Growth mainly by new sales area // competition between organic players more intensive
- Market development and penetration reached an advanced phase in Western Europe
- In Eastern Europe in most countries already phase of emerging markets
Retailing organic food 2008 >> Trends

- LOHAS
- Organic 2.0 Communities
- Organic sector with conventional trends
- Economic crisis reach the organic sector
Development
Market Environment

LOHAS

VIPs
Organic promotion campaigns focus LOHAS

Pour les Gourmets

Subjet for a Swiss organic retailer campaign
Organic product development does focus LOHAS
Organic product development does focus LOHAS
Retailers/producer markets focus LOHAS
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Retailers focus LOHAS
Organic 2.0 communities influence the buying decision

- Internet communities, neutral product test organisations make organic supply and producers transparent globally
- They are able to influence buying decisions stronger than advertising campaigns
- Negative organic cases get identified faster
Organic 2.0 communities influence the buying decision
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Communities recommend each other which products to buy/blame
Organic 2.0 communities influence the buying decision.

Communities recommend each other which products to buy/blame.
Organic sector with conventional trends

- Convietional retailers gain market shares in the organic market
- Organic processing industry loves to use certain conventional practices
- Number of highly processed organic food increases
- More energy, transport miles and package material for organic food used
- Global organic sourcing and selling
- Increasing concentration of organic processing, wholesaling and retailing
- Seasonal aspects loose relative importance as organic marketing issue
- 'Global Organic' get competition by 'Local Conventional'
- Missing partnership between organic farmers and their conv. market partners (conv. supermarkets and discounters)
- Consequence: Organic becomes more anonymous and exchangeable
Prospects: Organic on sale?
Prospects: Organic Market consolidation

- Yes, there is an economic crisis.
- But, countries, sectors and also consumer groups are affected differently.
- Typical organic heavy buyers (teachers, public servants, students, higher income groups) are less affected.
- Growth in organic sales will slow down or consolidate (0-5% growth), but not crash.
- Organic Food decision in many cases is made by attitude, there are other fields to save money.
Conclusions

- The share of sold organic food via conventional chains is permanently growing.
- Discussion: ‘Is there already a mechanism of conventionalism in the organic market/sector?’
- Answer: ‘Yes it is. It is a consequence to bring organic out of the niche. But it opens new niches for ethical and quality players.’
- The economic crisis will slow down the dynamic of organic market development.
- However it is a chance to look for sustainability and real partnership and within the organic supply chains.
- It is a chance to promote values rather than to discount organic food.