

## How can consumer trust in organic products be enhanced?

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The study presented explores consumer trust in organic food and the effectiveness of enhancing consumer trust by communication strategies on traceability. The research is based on the general finding that trust is one of the most crucial aspects when consumer decide whether to buy or not to buy organic products. However, there are hardly any empirical works which analyse in detail consumer trust in organic food and the ways it can be enhanced. First, based on a quantitative inquiry of 600 persons in Germany the study presented investigates consumer trust in the different actors involved in the organic supply chain (farmers, processors, traders, labels), in distinct attributed qualities such as benefits for health, ecology and animal welfare as well as the customers' criteria for assessing trustworthiness of the organic products. Empirical data is analysed by multivariate statistics such as cluster analysis to identify distinct consumer segments with respect to their trust characteristics. In a second step there will be a qualitative research method using interviews combined with a visualizing technique. The aim of this method is to understand the consumers' attitudes towards the supply chain of organic food and the complex construct of trust better. The results shall help to develop communication strategies for enhancing consumer trust in organic food.

Keywords: consumer trust, organic food, qualitative and quantitative approaches

### Introduction

When consumption of organic products should be widened, it will be important to motivate new consumer segments to buy organic food. A number of previous studies on the consumption of organic food identified trust as one of the most crucial aspects when consumers decide whether to buy or not to buy organic products (e.g. Zanolini, 2004). The importance of trust in buying organic foods can be explained by the fact that consumers generally cannot distinguish organic products from conventional ones by their appearance or taste. Neither before nor after purchase are consumers able to directly discern typical product attributes of organic food such as advantages for the environment, animal welfare or health. When buying organic food, they have to trust in the significance of the organic labels or in the words of salespersons. They have to trust farmers, processors and retailers not to cheat, and certification bodies to do their job. To speak in terms of Darby and Karni (1973) organic products have a high degree of 'credence attributes' which are not directly observable by consumers. This is in contrast to 'search attributes' which can be discerned by consumers before purchase (e.g. price, colour and size), and 'experience attributes' which can be verified after purchase (e.g. taste and shelf life).

There are relatively few studies which explore trust in organic food. Bech-Larsen and Grunert (2001) investigated credence attributes using the example of organic products. They conclude that in case of credence attributes the credibility of information and information carriers (neutral guaranties) plays a crucial role. Karstens and Belz (2006) and Kaas and Busch (1996) argue for transforming credence attributes in 'quasi-search' attributes such as labels, self-declarations, product brands, corporate brands, personality and internet presence. There are other studies which analyse credibility of assurance schemes such as organic certification (van Amstel et al., 2008), however, there are very few studies which analyse the credibility as

perceived by the consumers. Nilsson et al. (2004) state that the majority of consumers have faith in organic labels, but they are uncertain about what the concept organic is about, and consequently, they require more information. Other authors, however, conclude that information is not enough in establishing trust (Meijboom et al., 2006). Eden et al. (2008) even found that assurance schemes and information may increase scepticism rather than to strengthen trust, as people start to re-consider food production and regulation processes.

While there is general agreement on the importance of trust in decisions on organic food, the investigation of trust in organic food is still at the beginning. In particular, there is little knowledge on why consumers trust/distrust organic food, in what consumers put their trust in, how consumer trust in organic food can be gained and what the relations between consumer trust and buying behaviour are. Furthermore, there are few attempts to conceptually grasp the construct of 'trust in organic food' by linking it to the broad literature on trust. The aim of this study is therefore to close this gap by an explorative study on consumer trust in organic food. In a first step, we intend to build a comprehensive framework for conceptualising 'trust in organic food'. This framework will be explored, tested and refined in two empirical studies in Germany. On the one hand, consumer trust in organic food is investigated by means of a quantitative inquiry. On the other hand, there will be a qualitative research method using interviews combined with a visualizing technique. Special emphasis will be placed on how consumers evaluate trustworthiness of organic products and what the role of traceability is. The paper begins with an overview of the conceptual reflections. Then, the research design and the final remarks are presented.

### **Conceptualisation of trust in organic food**

By looking for a suitable conceptual foundation of 'trust in organic food' it is striking to notice the number of different ways to approach the phenomenon of trust. Trust is investigated in many different disciplines ranging from philosophy, sociology to psychology and marketing research. There is neither complete agreement about its definition, nor about the conditions that determine its development as well as its measurement. Against this background, we explored the literature on trust in organic food to identify basic dimensions, processes and structures of trusting relationships with regard to organic food. Subsequently, we tried to link these insights to the existing trust concepts.

We found that if consumers trust in organic food, different forms of trust may be relevant. Consumers may base their trust on the normative foundation of the organic movement, namely the shared values and convictions related to ecological and healthy food. Furthermore, consumer trust may also depend on personal trust in the competence and integrity of known representatives of the organic movement such as neighbouring farmers, political advocates, doctors, and other consumers. Moreover, a more abstract and institutional form of trust will probably also be involved. Consumers may base their trust on the confidence that all actors of the organic supply chain will act in the desired way, because there are clear guidelines and sufficient control measures. Finally, consumers may also trust in what we term the 'brand personality of organic food'.

As regards personal trust between the consumers and actors of the organic movement we can refer to a broad set of research. There is a prominent view stating that personal trust can be seen as multidimensional construct consisting of two distinct, but inter-related dimensions: the trusting intention and the trusting beliefs of the trustor (McKnight et al., 2002). The trusting intention is seen as the cognitive, emotional or habitual willingness of the trustor to depend on somebody else in a risky situation. The trusting belief is the associated belief that the object of trust is trustworthy. It is the trustor perception that the trustee possesses

characteristics that would benefit the trustor. In literature, trustworthiness is often described as consisting of three dimensions: competence (ability of the trustee to act as expected by the trustor), integrity (honesty, promise keeping and acting according to its stated values) and benevolence (caring and acting in the interest of the trustor).

The importance of personal trust in organic food is reported by several research projects. For example, consumers currently state that they have more confidence in small shops where they experience the competence, integrity and benevolence of the sales staff. Or, consumers prefer to buy organic products directly from the farmer to be sure that they really buy organic food (Zanoli, 2004).

Furthermore, trust in organic food has similarities in what Lahno (2001) describes as trust in an 'organisation' or 'institution'. According to Lahno, institutional trust is predominantly directed to the efficacy of the rules and principles in guiding the behaviour of people. In this regard, consumers trust the actors of the organic supply chain not only for their personal trustworthy characteristics, but also for the existence of efficient guidance and control systems. Some consumers state, for example, that they trust the organic labels because they know that farms are regularly checked. Others say that they doubt that organic labels guarantee organic production as farmers may try to cheat to earn more money (e.g. Zanoli). However, institutional trust is not only about the reliability of some mechanisms ('technical dimension'). Lahno proposes to speak of institutional trust only if this technical dimension is associated with the normative dimension that the rules are actually valid and justified demands and obligations. "In this way, institutional trust is characterized by the perception of being connected to the people whose behaviour is being determined by the institution, in sharing their respect for the normative foundation of the institution" (Lahno, 2001). Consumers currently mention aspects which refer to this normative dimension of institutional trust: On the one hand, they mistrust the stated benefits of organic food; this is if organic production is really better for human health, animal welfare, taste or ecology. On the other hand, consumers do not consider these advantages as meaningful for their life. Thus, they do not share the normative foundation of organic rules.

So far, we have looked at forms of trust which focus on direct or indirect relationships between the consumers and other actors of the organic supply chain. However, trust in organic food may also emerge from the customers' interaction with the 'brand personality of organic food'. In marketing research there is a growing stream of research which argues that consumer trust in brands may not only come from institutional trust in the brand organisations, but from trust in the 'brand personality' (Wünschmann and Müller, 2006). A 'brand personality' can be defined as a set of human characteristics associated with a brand (Aaker, 1997). The concept is based on the premise that brands can have personalities in the same way as humans. As a result, consumers can perceive a brand as trustworthy, because they regard it as competent, integer and benevolent. In other words, consumers can have very similar relationships to brands as to humans and they can trust in brands as much as in humans.

Against the background of the previous considerations, we conceptualise trust in organic food as a multidimensional concept embracing the consumers' willingness to depend on other actors be they farmers, retailers, certification bodies or labels ('trusting intention'), on the one hand, and consumer beliefs in the trustworthiness of these actors ('trusting beliefs') on the other hand. (figure 1). Consumer trusting intentions and trusting beliefs towards organic food are seen as a result of their general disposition to trust, personal trust in specific actors of the organic movement, and institutional trust in the effectiveness and justification of the organic rules and the associated feeling of being connected to the actors of the organic movement.

These different forms of trust are not regarded as independent from each other, but present an interplay between them. Institutional trust is formed in personal encounters with salient representatives, but the existence of institutional trust may also strongly influence whether you trust a person or not.

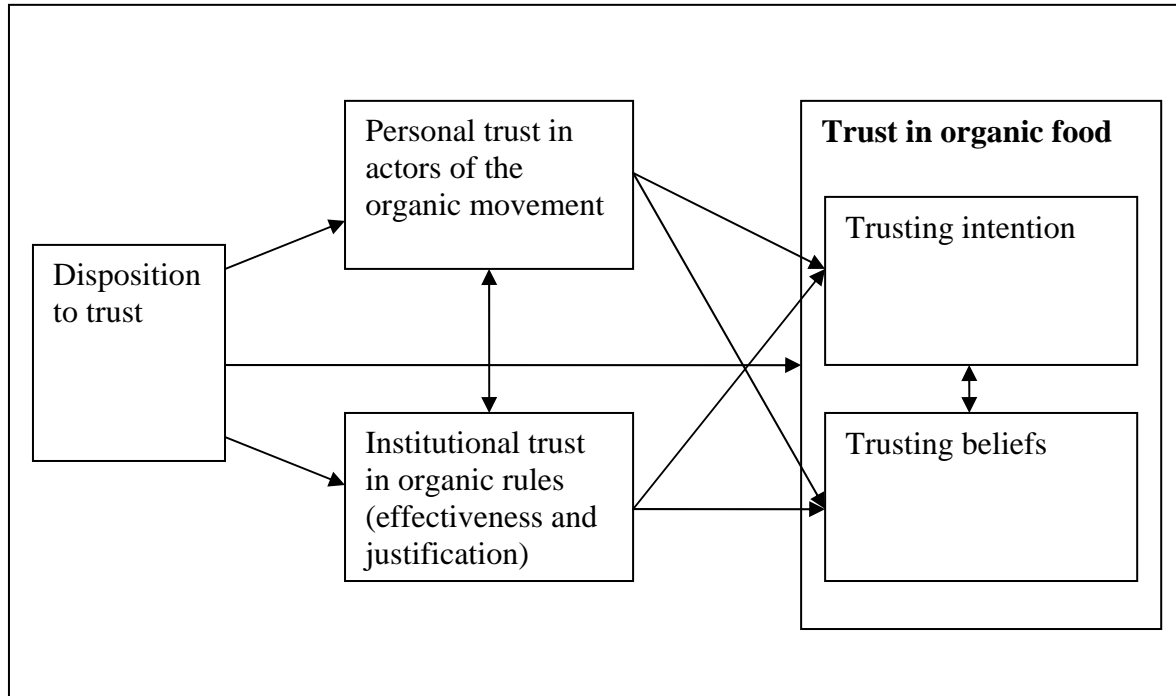


Figure 1: Model on trust in organic food (following McKnight and Chervany, 2001)

## Research Design

In the following we will give a short overview of the research design of the empirical part of the study. The research project is subdivided in two main tasks:

### *Task 1, quantitative inquiry*

Within task 1 consumer trust in organic food is investigated based on a quantitative inquiry of 600 persons. Data collection will be done in April. The inquiry aims to explore different dimensions of trust in organic food. Special emphasis will be placed on the following research questions: To what extent do consumers trust in organic food? In which organic quality attributes (benefits for health, ecology and animal welfare etc.) do consumers trust? In which actors of the organic movement (e.g. farmers, processors, traders, labels) do they trust? How do consumers evaluate trustworthiness of organic products? What is the role of label information, personal contacts and traceability? How can trust in organic food be enhanced? Empirical data is analysed by multivariate statistics such as cluster analysis and regression analysis. Using regression analysis we will explore causal relationships between consumer trust in organic food and different trust building variables. By means of cluster analysis we will identify distinct consumer segments with respect to their trust characteristics.

### *Task 2, qualitative interviews*

Based on the results of the quantitative questionnaire the interviewed consumers will be classified according to their extent of trust into three groups: consumers with high, middle and low trust in organic food. Approximately 25 to 30 of them, 6 up to 10 out of each group, will

be chosen for the second part of the study. The aim is to get deeper and more detailed information about the influencing factors according to the three trust levels for a better understanding of this complex construct. Furthermore it is expected to get information about trust-building factors to develop trust-building strategies for the actors involved in the supply chain of organic food.

The applied method is the structure-formation-technique. It is a qualitative research method characterized by a two step process, first the investigation of the knowledge of the interviewee about a special theme and second a structure-laying-process (Scheele, Groeben 1988). The person questioned describes his activities and there is a dialogue between the interviewer and the person questioned in which the interviewer can check if he has understand everything in the right way. As a result diagrams are put up which show the contents of the concepts of the person questioned and the formal relations between them. The concepts are linked with the formal relations (Dann 1992). So the presented study starts with an interview with open questions. The consumers will be asked about their attitudes towards organic food and the evoked feelings, motivations etc.. Furthermore they should tell about their trust in the different actors involved in the organic supply chain and the system of traceability.

In the second step the attitudes and answers identified in the interview will be structured. For this procedure they will be written down on cards during the interview. The possible relations between them (e.g. from very important to unimportant; positive or negative) are also prepared on cards by the interviewer. The result of this process is a structure of the answers and attitudes and the relations between them.

One expected result of this qualitative method is to find out if trust refers to the organic product or to the supply chain of organic foods. Another expected result is to identify the crucial determining factors and characteristics influencing the decision making process to trust and the expectation in the given trust. Particularly it can resolve, which the main expectations of the consumers regarding to systems of traceability are and if these have an influence on trust or not.

### **Final remarks**

The research project will provide deeper insights into the complex construct of trust in organic food from both qualitative and quantitative perspectives. Synthesizing the results of the two streams of inquiry will aid the development and refinement of communication strategies for enhancing consumer trust in organic food. At the Eursafe Conference 2009 we will present first results of the quantitative inquiry.

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