



## **Organic tea in the supermarket**

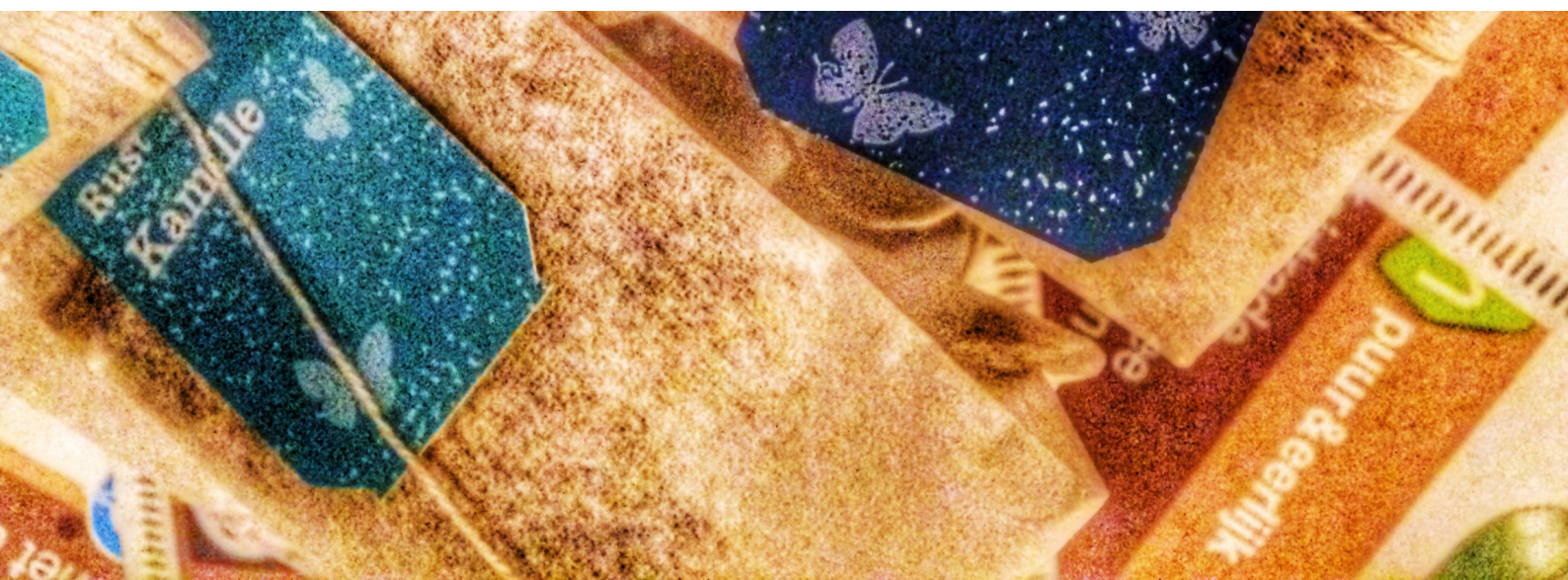
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**December 13, 2013**

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## Executive summary

Over the past few years the terms 'fair trade', 'sustainable' and 'organic' have become more present in combination with tea products in the supermarkets. These terms are used for many different goals. Some suppliers actually try to provide the consumer with a product that has been produced following strict rules and did not damage humans or environment in the process. Others use the buzz-factor of these words to upgrade the reliability of the image of their brand or product.

For this reason so-called label organisations exist to certify producers, processes and products. At this moment there are many different organisations that are able to certify tea and most use different standards, which causes a lot of confusion with the consumer.

The Food and Agriculture Organization of the United Nations established guidelines for organic production and the European Union adopted these in European law. Unfortunately for the idealistic producer there still is a grey area, which offers many opportunities for competition to mislead the consumer with nearly certified products.

The Dutch consumer has a certain decision making process that conflicts the shopping behaviour when shopping for organic products. Often a link is made with a wealthy lifestyle. The balance between the minimum price and the quality of the product is a common principal requirement for the daily groceries. Furthermore, the consumer often cannot tell the difference between 'fair trade', 'sustainable' and 'organic'. In fact, these marks have become vague and indistinguishable for them.

A current market analysis of tea in supermarkets has been done by examining three tea brands. Puur&Eerlijk by the Albert Heijn supermarkets, Fairglobe by the Lidl supermarkets and Zonnatura that has been brought by the enterprise Royal Wessanen.

There is a difference between the promotional possibilities these brands have to present their products in the stores. Clearly the two brands brought by a supermarket have the home advantage of their own supermarket. Zonnatura on the other hand has secured a complete separate section for their products in many supermarkets. This has been achieved by becoming the recognised supplier for organic consumer products, while engaging in collaborations with the competition of Albert Heijn and Lidl like Plus and Jumbo.

The price setting strategy that is used for brand positioning and price tactics, indicates how these brands deal with competition and how they add value for the consumer in relation to the product. All three brands use the price to set a certain expectation with the consumer and to position the product in line with the packaging and promotion.

To go more into detail, the marketing objectives provide a certain message to the consumer, while the corporate objectives determine the position and function of the organic tea product in the overall strategy of the corporation. Those two objectives have to be in line with each other, in order to position the tea successfully. As described before the presentation possibilities on the shelves, the type of supermarket, and the qualifications of the organic tea, have a lot of influence on the positioning of the tea.

For determining the threats and opportunities in the positioning process of the organic tea product in the stores professionals' perspectives have been used. Both the corporation that brought the brand or product and the supermarkets or reseller have to invest in the presentation of the tea, to make the organic product successful amongst other teas. Although the organic claim can be an investment, the liability of the brand and the communication via a logo can be indicated as a threat. On the other hand, the amount of qualified teas, has increased over the past decade. Organic tea presents consumers a morally appealing and healthy alternative what could be a stimulation for corporations to develop their products more according to fair trade and organic guidelines, which would increase overall sustainability of the food industry.

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## **Preface**

Initially the reason for researching the organic tea market in supermarkets was my own interest. In fact I questioned the process brands go through with claims and qualifications for any particular level of organic certification. I also was amazed by the differences between organic and fair trade tea. The distinction between these specialties is that organic is a specification and a qualification of the product itself and fair trade regards circumstances of the tea production. The availability of organic tea in the Dutch supermarkets has increased over the past few years. To me, this development was interesting and therefore I used this topic with the final dissertation.

With support and guidance from my supervisor mister Harris, this report got a couple of different and interesting angles in order to define the organic tea market in the shelves of the supermarkets, therefore I would like to thank him.

Three experts gave this report more value by providing the perspective from different parts of the industry. So, a special thanks to: Liselotte Hamelink from the representing organisation for supermarkets, 'Centraal Bureau Levensmiddelenhandel', Petra Derkzen from the biodynamic certification association Demeter and Niels Haak from Royal Dutch Association for Coffee and Tea or 'Koninklijke Nederlandse Vereniging voor Koffie en Thee'.

## Introduction

In general, organic products are developed and produced using the most biological processes while avoiding the use of chemical pesticides, growth promoters and fertilisers. Some tea brands apply this qualification to their products in the supermarket, which has a certain effect on the presentation of tea brands in the stores. In order to determine how the organic claims are used in the tea market, the following research question is defined: What is the market positioning of organic tea in the supermarkets and how can the market position be improved?

In other words, the focus lies on the effects of organic claims by tea brands, the presentation in the supermarkets and how to identify possible improvements. Therefore this report is written as a market report. First, the claim by tea brands of being completely organic is researched based on three case studies. Second, the possible improvements of the positioning of organic tea in the market are determined with help of the experts.

While an answer has been given to the main questions, recommendations are formulated to corporations that bring organic brands. In order to give companies the right perspective, a tool has been developed, which helps to define and apply step by step improvements to the brand strategy that can be implemented in the actual situation of the organic tea market in supermarkets.



## **1 Current market description**

The process of organic tea manufacturing stimulates a better environment, while the consumption of organic tea supports a healthy lifestyle. Organic tea producers and companies are well-known with regulations and requirements. In fact labels, claims and quality marks are the main communication tools to inform consumers about the organic property. Although consumers are familiar with this approach, in most cases personal preference seems to have an extensive influence on the decision to purchase regular or organic tea.

### **1.1 Organic food**

There are strict requirements and regulations for the production and distribution of organic tea and as a consequence the organic label is also a quality statement. Independent organisations take advantage of the trustworthy image of these labels and develop similar independent labels. These privately owned labels and claims could easily mislead the consumer.

#### **1.1.1 Definition of organic**

It is required for organic tea production to follow a certain process, otherwise it cannot be called organic. According to the largest Dutch consumer association, in Dutch called Consumentenbond (1999), it is required to use the production process with the least possible processing of the tea, and small scale production in order to avoid use of chemical pesticides, growth promoters and fertilisers. (Consumentenbond, 1999)

The Dutch centre for nutrition, called Voedingscentrum, is an organisation that provides independent guidelines and statistics concerning health, safety, sustainable and organic food and beverages. (Voedingscentrum, n.d. b) The organisation supports the theory and philosophy of organic production, which means that the farmers are only allowed to use crops on actual ground. This means it cannot be called organic when crops cultivate on water or an artificial surface such as rock wool. In the same way, farmers can only terminate organic diseases or plagues by use of an organic solution such as insects and birds. When tea crops are full-grown, usually the organic processing starts without chemical colour, aroma and flavour added to the tea. (Voedingscentrum, n.d. a) The philosophy behind organic food is to strive for a balance between human health, environmental sustainability and animal protection. (Consumentenbond, 1999)

#### **1.1.2 Dutch and EU law**

When organic requirements are determined, it goes without saying that some function as a foundation to regulate the organic tea industry. The emergence of these laws is

described in the book Roadmap to EU food law by Appelhof, Van den Heuvel, Van der Meulen and Scholten-Verheijen (2011), of which figure one gives an overview.

The figure illustrates three levels of food regulation. First, regulations are developed on a global scale, for example by the Food and Agriculture Organisation of the United Nations, the World Health Organization or the World Food Program. The second stage is implementation on a national or regional level. The European Union would be an example of regional in this case. In the final layer regulation will be applied on a business level, for example via label organisations. (Appelhof et al., 2011) These organisations use regulations and measurements based on regional or international level.

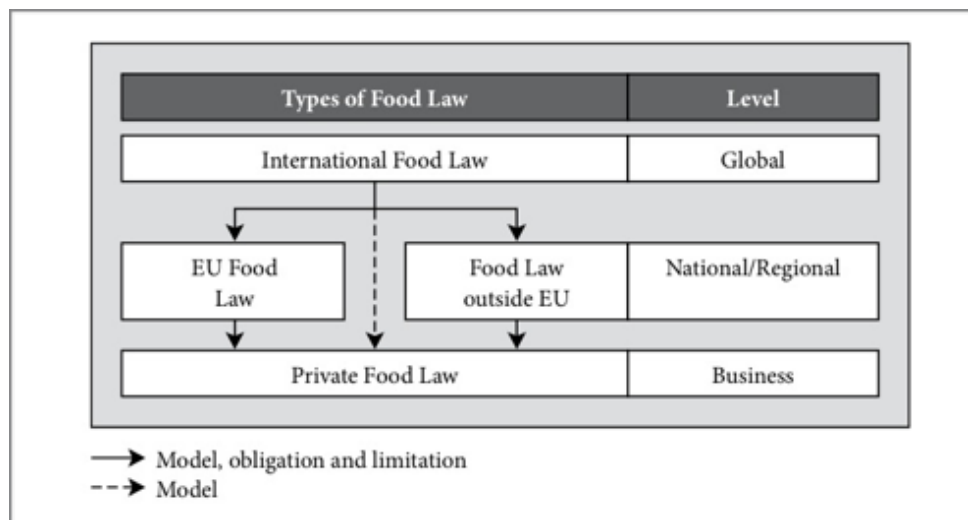


Figure 1. Levels of European food sector

The European Union established new regulations regarding the controlling and labelling of organic products between 2009 and 2010. The regulations stimulate developments of organic farming and systems in order to achieve a high level of quality. This framework puts emphasis on environmental protection, biodiversity and certain norms for animal protection. The products must be labelled according to the EU organic logo after receiving the official EU qualification. (European Commission, n.d.)

As the figure demonstrates, the European and National regulations are on the same level, and therefore, supervisors are designated to maintain and control the European law. Skal is the only organic inspection body, assigned by the Ministry of Economic Affairs to oversee the Dutch organic production. (Skal, n.d. a) In the Netherlands the EU regulation has been implemented via the Agriculture Quality Legislation. The regulation of the organic production is a system that is created on a global level, implemented on a national level and controlled on a business level. (Skal, n.d. b)

### 1.1.3 Role of quality and logos for labels

Tea labels inform consumers regarding quality. According to the independent Dutch knowledge foundation for environmental information Milieu Centraal, which translates as Environment Central, the number of sustainable or organic quality labels has increased over the past few years and as a result the amount of fair products has increased. Due to the increased availability consumers have become more aware of organic tea, while sustainable production has become more attractive to producers. Label organisations for organic production maintain higher standards in comparison to regular products, which usually are produced following the minimal European requirements. (Milieu Centraal, n.d. a) This could be a selling argument.

Every label organisation has its own speciality and method of controlling, however independent controlling appears to be a favourable qualified instrument for producers, which Milieu Centraal supports. Even though independent controlling is increasingly more adopted, not all labels are transparent, as some producers create their own logo for their products. They draft requirements, control mechanisms and operate as being an independent label organisation. Many consumers are not familiar with the standards of the label organisation and as a consequence, consumers could be misled by a logo. (Milieu Centraal, n.d. a) Labelling of products could stimulate the market for organic products but it could also be misleading when the content or meaning of a logo is not transparent. For consumers it is essential to be critical in the supermarket when purchasing authentic organic products.

### 1.1.4 Credibility of logos

Berben et al. (2012) found that product claims and quality labels can be supported by facts, research and scientists, which should develop the quality of the tea market. Biotext is a chain organisation specialised in organic agriculture and nutrition and tries to encourage the growth and development of the organic sector. In an interview conducted by Berben et al. for a food credibility research director Bavo van den IJdert and manager communication and PR Jasper Vink of Biotext describe the pressure scientists are facing. Finance is an important key factor in order to do research, which is often sponsored by governments and businesses. The crisis is a reason for many institutions to take advantage of scientists, for example by putting up constraints for a research period that affects quality and outcomes. Also, knowledge institutions to develop or manufacture a product for commercial partners. Transparency decreases over time, while both parties benefit, instead of protecting the quality of the food. (Berben et al., 2012)

According to Berben et al. numerous producers do not feel obligated to support their claim with scientific facts. The European Food Safety Authority, governments and consumer

organisations try to decrease the amount of false claims in the food market, by independent research and using the right product specifications. A reaction of the producers is to transform the claim into an adjective or twist the truth. Especially claims and marketing are very closely related, as it helps producers to create allies to support a random and unfounded claim. (Berben et al., 2012) Producers could use an established quality mark or logo provided by a label organisation to confirm the scientific claim.

From the consumer's point of view the quality marks and logos are hard to compare and evaluate. Berben et al. further explains the meaning of the mark and logo can be vague, also the effects are unclear. This due to the fact that label organisations often intend to create requirements that fit their client, the producer, instead of the consumers. Although in general consumer's trust regarding organic labels and logos increases, it does not mean that organic marks are qualitatively more reliable. The credibility concerning products is very complex, for the most part it involves a lot of effort and a variety of expertise. It is a process of science, regulation, marketing and feedback from the market. (Berben et al., 2012)

## **1.2 Consumer needs**

The adaptation of organically produced tea by the targeted segment and the demand from the consumer determine if organic tea has potential in the supermarket. These trends are important for the tea market and the marketing strategy, which companies could use to differentiate its product.

### **1.2.1 Market segment**

The segment of the tea market is very important, after all businesses need to understand the behaviour and demands of the group of people who like to drink tea. Most marketing activities are focused on the segment that is determined by the company.

According to the trade organisation for drinks and beverages, Nederlandse vereniging Frisdranken, Water, Sappen (2007 - 2010), women from age 20 and above are the largest group of consumers of hot drinks, mainly coffee and tea. (Nederlandse vereniging Frisdranken, Water, Sappen, 2007 - 2010) These outcomes fit the research by the Dutch Ministry of Economic affairs, Agriculture and Innovation concerning sustainable food and beverage in 2011 researched by Bakker (2013). Furthermore, tea consumption in general increased with six per cent and specifically organic tea with 22,7 per cent. The sales number of sustainable tea increased with 146,2 per cent in supermarkets. (Bakker, 2013) These numbers are a clear statement from the consumer that sustainable products are becoming more popular.

Research by Huijgen, Van Aalst and Van Berlo (2011) from CBL regarding the Dutch consumer trends in supermarkets used different types to define the consumers. The 'Fun shoppers' group represents the 37 per cent that is keen of shopping and would like to spend more time on it. On average a slightly older female with a middle income and a lot of spare time. Finally, the 'Run shoppers' with 37 per cent is characterised as keen on shopping but limited in time. This group typically consist of consumers with two person households. Finally, the group with relative more male shoppers is known as the 'Must shoppers' group. It is defined as consumers who attempt to avoid the supermarket and represents 26 per cent of the consumers. Most of these shoppers are the one person household. (Huijgen et al., 2011)

The last type of shopper includes many men, but on average women are the largest group that shop in supermarkets and women above the age of 20 are by far the largest group of tea consumers. At the same time, organic tea is purchased in the supermarket by the similar group of women.

### **1.2.2 Consumer needs**

The needs of the consumer determine the attitude towards organic and sustainable tea in supermarkets. Research on behalf of the Dutch federation of food and beverage, 'Federatie Nederlandse Levensmiddelen Industrie' by Reijne (2009), and the representing organisation for supermarkets, 'Centraal Bureau Levensmiddelenhandel', distinguished the average purchase in five categories: health, environment, animal welfare, justice and craftsmanship. Although the Dutch consumer regards the first three categories as most essential, in general health is the only motivation to purchase products when these categories apply. (Reijne, 2009)

Reijne argues that once the consumers communicate their demands concerning groceries, occasionally organic products are mentioned in addition to the daily shopping. Many consumers question the transparency and honesty of sustainable products. The research stresses also the gap between the consumer's moral ideology and the price they are willing to pay. (Reijne, 2009)

According to Reijne is the Dutch consumer aware of the prices in the supermarket, in fact the balance between the minimum price and the quality of the product is essential. Although several consumers purchase organic products, most of the surveys experience a price difference between regular and organic products. All respondents link organic with wealth, in other words the price is a key factor while doing groceries. A decrease of the price as well as more variation in products could be a motive to purchase more organic



products, nevertheless some consumers need more evidence whether organic is more qualified instead of regular products. (Reijne, 2009)

The Dutch consumer's ideology does not have an effect on the purchasing behaviour in the supermarket. Although organic products are an exception, yet it is regarded as expensive. The price and the quality of the product have the most impact on the daily shopping.

### **1.2.3 Influences of consumer purchasing**

The same research Reijne noticed the scepticism of the Dutch consumer concerning the transparency of organic products. This is a very important factor that influences the purchasing behaviour regarding organic tea. The challenge is identified in a similar research, namely the definitions of terminology 'sustainable' and 'organic' confuses consumers. Also, the number of available quality brands, labels and logos is enormous, in fact the marks have become vague and indistinguishable. An other cause is when similar terminology is used on products with different descriptions.

Consumers require independent information and controlling regarding organic products to change the scepticism into trust. Although Fair Trade International, Max Havelaar and EKO logos are recognised, the public is not willing to do their own research concerning organic and sustainability. (Reijne, 2009)

The Dutch consumer is very sceptic regarding the transparency of organic labels and sustainable products. Main reason is that the terminology is confusing and there is a large amount of labels available. For consumers it takes a lot of effort to do own research, therefore there is a high need for independent organisations.

## 2 Product and competition review

This chapter provides an overview of the organic tea market in Dutch supermarkets based on three case studies of the brands Puur&Eerlijk, Zonnatura and Fairglobe, which can be found in appendix one.

The brand selection is based on the representation of the organic aspect in the tea product the corporations bringing the brands. Developed by the supermarket Albert Heijn, the brand Puur&Eerlijk is mainly sustainable, however the brand includes organic tea in the assortment. Fairglobe was founded by the supermarket Lidl who managed to position the tea via multiple qualifications. Zonnatura has been selected for the reason that it is completely devoted to organic and directed by the large enterprise Royal Wessanen. These brands show that there are various ways in which organic tea can be positioned in the supermarket.

This chapter provides an analysis, comparison and summary of all three case studies. In addition, the market position, the brand strategy, the quality, the pricing, the distribution and the promotional activities are discussed.

### 2.1 Organic tea positioning

The three brands managed to position the tea via packaging, quality claims and logos. It is striking that the Puur&Eerlijk and Fairglobe teas profile themselves as fair trade and organic, while Zonnatura is only known for their organic products.

The Puur&Eerlijk tea is presented with a common 'Kies bewust', which translates as "choose consciously", logo and the EU logo. Within all three flavours one exception in the qualifications is the flavour Fairtrade Green Lemon, which also has a fair trade logo. In general, the package is designed in organic elements, styled with green and brown colours in an overall white background. The fact that tea exists in only three flavours could weaken the position, although the founder Albert Heijn seems to support the tea regardless of the major competition.

Fairglobe also profiles their tea via the Fair Trade logo and the EU organic logo. Being the single organic tea brand in the Lidl supermarket with two flavours in the product line, Fairglobe only has to compete with Lord Nelson tea. ("Tee", n.d.) Fairglobe tea packaging is mainly black, with a picture of green hilly fields, a cup of tea and a green blue coloured logo. Compared to the brightly coloured Lord Nelson tea, the style of the Fairglobe package could be recognised as a brand with a serious mission.

Zonnatura has an overall yellow packaging and includes drawings of tea plants or herbs. The name Zonnatura is displayed in a red label and the leaf teas are certified with an EU organic logo. For many years Zonnatura had the opportunity to create a loyal as well as trustworthy image in supermarkets. The increased popularity gave Zonnatura the opportunity to re-establish the product line with a total number of 35 flavours of tea.

To summarise the organic tea position of all three brands, Zonnatura is certified with one logo and the other brands try to distinguish themselves via other labels such as Fair Trade International. Fair trade and organic seem to add more value to the tea could be can be intended as a healthier tea product compared to regular tea.

## **2.2 Promote to compete**

Every corporation is in a different position and has different tools available for conducting promotional activities. The case studies also show the style of promotion differs from each other.

The mission of Zonnatura is to offer an organic alternative in the assortment of supermarkets. A new tea product line was launched in 2011 and besides the regular instruments such as television and radio commercials, creative promotion activities were organised. For example, free samples became available through social media, surreptitious advertisement in a famous soap broadcasted on the Dutch television, advertisements in magazines and promotion of Zonnatura tea on a winter fair. The promotional campaign had a major influence on the popularity of the brand. As a result, Zonnatura got the opportunity to present their products separately from the regular tea in many supermarkets. The supermarkets Jumbo and Plus even created a separate organic Zonnatura section.

The private brand of Albert Heijn has to cope with the strong position of Zonnatura, although Puur&Eerlijk was founded for different reasons. Albert Heijn was the first supermarket who established an 'honest' private brand. The supermarket noticed that the amount of logos was confusing to consumers, so Albert Heijn created a brand that categorised products to form a 'responsible' shopping environment. Next to this, the fact Albert Heijn can promote the products of Puur&Eerlijk in their own supermarkets is an advantage. An example is the introduction of the annual Puur&Eerlijk weeks that last for three weeks in all the Albert Heijn supermarkets. The campaign includes additional focus on Puur&Eerlijk products, discount activities via Albert Heijn's loyalty program and special television commercials.

It is hard to determine whether Fairglobe is using similar promotional activities as Puur&Eerlijk does. Both Fairglobe as Lidl did not share a lot of information during this case study. It is likely Fairglobe uses the promotional activities of the Lidl supermarkets

To conclude, the teas established by the supermarkets seem to have more access to promotional activities. Although Zonnatura did manage to introduce a product line of tea products that have a significantly positive effect on the tea sales by the reseller.

### **2.3 Price strategy**

Teas can be distinguished by price, but corporations could use a price strategy to inform and confirm a certain image.

Fairglobe is the only certified tea in Lidl supermarkets, which turned out to be the highest priced tea compared to the competition. The price is in line with Fairglobe's strategy to support the local farmers. When this serious message is noticeable, the customers could be willing to pay a few cents more.

Puur&Eerlijk is average priced in the regular tea section of the Albert Heijn. The tea assortment consists of many flavours, including high-end expensive new brands. The average price of Puur&Eerlijk tea carries out an image of a private brand. The advantage is that the tea is priced in the same category as A-brands Pickwick and Lipton tea and not as cheap as the Euroshopper tea. The organic qualification could put the tea higher on the pricing scale, similar to other high-end brands.

As mentioned before, Albert Heijn has got a broad range of prices as a result of a large tea assortment. Zonnatura is therefore scaled average to high in the Albert Heijn supermarket, however the tea is higher priced in the supermarket Dekamarkt. The average to high prices of Zonnatura could give a statement that the tea is tending to be honest, experienced and therefore professional.

To summarise all three price strategies, all brands use the price as a tool to confirm their image.

### **2.4 Situation in the supermarket**

According to a report of Voedingscentrum by Peters, Van den Berg, Van der Vossen-Wijmenga, Van Dooren and Werkman (2011) the supermarkets are in charge of the way organic products are presented in the shelves, which determines the image and therefore credibility of the organic tea product. (Peters et al., 2011)

Supermarkets often present Zonnatura tea differently in comparison to the other teas. Zonnatura often manages to present the products in the organic section or claims a complete separate section. The other organic tea brands are often positioned in the regular tea section and have to compete with the strong position of Zonnatura. Lidl has many positive influences on Fairglobe. First of all, Fairglobe does not have to compete with other organic brands in the supermarket. Furthermore, the tea contains two quality labels and distinguishes itself from other organic teas in different types of supermarkets. When consumers compare other supermarkets with Lidl, Fairglobe benefits from the discount image of Lidl since price is an important factor for many consumers. Fairglobe also differentiates itself from the discount supermarket Aldi, because Aldi does not sell organic tea while it is a similar type of supermarket. Via this way, Lidl can be regarded as innovative and different with an organic product line.

When comparing all three situations of the brands in the supermarket, it seems that the competition is not only in the stores, but also between supermarkets. The long and loyal existence of the solely organic Zonnatura manages to present the tea with all the other organic products, while Puur&Eerlijk presents tea in the regular section and Fairglobe is differentiating from other discounters. Besides this, Fairglobe takes advantage of its monopoly position in the Lidl.

## **2.5 Prove to be green**

The case studies have shown that all the tea products are part of a larger organic assortment, where it supports a broader sustainable image of the brand.

Puur&Eerlijk sells three organic teas in Albert Heijn's tea section. The case study has shown the past incredibility of the products is their assortment, for example Puur&Eerlijk has mislead the customers when secretly non-organic ingredients were added to products. The certified organic tea of Puur&Eerlijk could be a strategy to prove to the customer that the brand is healthy, certified and trustworthy as one brand.

Fairglobe is positioned in a similar situation. The tea of Fairglobe is organic and fair trade labeled, however it could be that the brand itself had to restore a certain issue caused by the company Lidl. The case study indicates the ambition to improve Lidl's grey and dusty image. The supermarket could have established the Fairglobe brand to position itself as new, fresh and caring for people and the environment. So, Fairglobe's objective regarding tea regards two qualification claims that play a part in increasing the trustworthiness of the supermarket.



A more obvious example of a similar situation can be described in the product line of Zonnatura. The brand has many certified organic teas, however Zonnatura does sell non-organic instant tea as well. The instant tea is not certified nor does the brand claim it to be organic. Still the company does not communicate the non-organic facts, while the sugar level is quite unhealthy. Zonnatura appears to take advantage of the general organic image and sells products that do not meet the requirements of Zonnatura's mission.

The general conclusion of all three brand is that the tea itself is labeled and certified organic, nevertheless these claims of tea could be used to confirm the brand to be organic or overall sustainable.

### 3 Objectives and issues

This chapter discusses the objectives and issues of the organic tea brands from the case studies. The objectives of a brand in the organic tea market should lead to the targeted position, however it could also influence the market.

First, the marketing objectives are discussed that determine the brand's messages to the consumer. Following the marketing objectives the corporate objectives are defined, which set the overall activities to manage the brand's success. After defining both, the achievements are evaluated and finally the issues of the overall objectives are described.

#### 3.1 Marketing objectives

According to research of all three case studies the companies have different approaches for the establishments of the brand.

Fairglobe managed to emphasise the fair trade aspect, instead of a promotion of a completely 100 per cent organic claim. Although the brand provides organic tea, the objective is to create awareness amongst the consumers concerning the local farming circumstances. Fairglobe succeeded to collaborate with the organisation Fairtrade International and therefore sells Fairtrade certified products.

As Fairglobe adds several logos on the packages, Puur&Eerlijk recognised the confusion with the customers of all these claims. The brand categorises all the claims and logos, so customers do not have to face difficulties while shopping. The objective of Puur&Eerlijk is to present the products as honest as well as fair.

The products of Zonnatura are completely devoted to organic. The corporation Royal Wessanen established a broad assortment for Zonnatura, so the brand could offer customers many organic alternatives.

Singular, multiple as well as an overall claim. When summarising these marketing objectives it strikes that all three intentions of organic tea are different.

#### 3.2 Corporate objectives

A corporation states certain general objectives, to improve brand building or to differentiate. At the same time, corporate objectives is established to reach targets that fit a corporate strategy.

Albert Heijn (2013) published a report with objectives for the overall brands and companies that include Puur&Eerlijk. The strategy is divided in six pillars, namely to

increase the customer loyalty, broaden the offer as well as the geographic horizon, simplification in general, trustworthiness in retail, and the improvement of people's performances. Albert Heijn created five priorities in order to contribute to the clarification and to measure the targets. Targets such as: the ability for customers to easily choose for healthy, the support of well-being of communities, offer products from a responsible origin, the involvement of the environment and the care for one another. To establish these priorities the supermarket developed a business model to emphasise on new capital as well as sales growth, cost decrease, and to form a strong consumer brand. Albert Heijn aimed to establish these priorities in a period between 2010 and 2015. In particular the overall private tea brands are mostly concerned about the social aspects in collaboration with UTZ Certified, Fairtrade, Rainforest Alliance and Equivalent. (Albert Heijn, 2013)

According to the timeline of Royal Wessanen (2013) the three year planning of the strategy was focused on the year of 2012 in the yearly annual report. The corporation concentrates on three objectives, first top line in growth, improvement and enablers of profitability. (Royal Wessanen, 2013) To be more precise, Royal Wessanen (2012) had a top line in growth will focus on the brands as well as the products to develop in all possible ways, which Zonnatura is one of these brands. An example in the product line is brand building or enter a new market. In order to improve the profitability the corporation highlights the process to recover the product, supplier, or the price strategy. In order to guide this process of expansion of organic products in European groceries and health food stores the enablers stand for talent, performance and leadership of the management team. The business model supports the innovation as well as marketing of Zonnatura in the groceries, to reach the targets defined in the strategy. (Royal Wessanen, 2012)

Unfortunately it was difficult to collect more corporate information regarding Fairglobe organic tea or Lidl.

### **3.3 Achieving the objectives**

In this sub-chapter an analysis is presented whether the before mentioned objectives are a corporation's success.

Fairglobe is in the advantage to be able to present the tea next to the competition Lord Nelson tea of the Lidl supermarket. No other tea with a particular qualification competes in the tea section. At the same time, Fairglobe applies a marketing strategy that involves fair trade and the awareness of this qualification. The brand stands out in the tea section, therefore the objective of Fairglobe can be recognised as achieved.

Albert Heijn established Puur&Eerlijk to create an overarching label over all the quality claims. In contrary to this philosophy, the supermarket stresses that in particular the logo 'Bewuste Keuze', which translates as choose consciously, logo had a positive influence on the increased sales of healthy food. (Albert Heijn, 2013) As a result, the Puur&Eerlijk package still presents multiple logos, so it seems that Albert Heijn did not reach the marketing objective of Puur&Eerlijk.

The final results corporate strategy of Albert Heijn cannot be evaluated for the reason that the active period is not expired. However, the supermarket measured the results over 2012 and determined the completion of the targeted implementation of the healthy living program. One of the completed targets is the certification of 84 per cent of the suppliers according Global Food Safety Initiative standards. Nevertheless, a couple of targets are partly completed, such as the increased number of healthy products, which grew from 24.3 to 25 per cent in 2015. Albert Heijn reached half of the target regarding the reputation of a healthy retailer with 67 per cent. When it comes to tea, the supermarket reached 82 per cent of the targeted 100 per cent in 2015 according to the officials of the industry certification. Also, Albert Heijn uses 30 per cent of UTZ Certified tea and when the number of the total sold tea was examined it showed that 95 per cent was certified. (Albert Heijn, 2013)

Royal Wessanen was not satisfied with the targeted objectives concluded the corporation in its annual report of 2012. The year resulted in a loss of 53.2 million euro, a reorganisation took place and in general the corporation was not pleased with the achieved results. Although the year ended negatively, not all aspects turned out to be a non-achievement. For example the products presented in the groceries seem to have developed in the right direction. The products gained more popularity and as a result the organic products became a regular need for customers. The Zonnatura tea developed both brand reputation as well as the organic products. An example is the product line of the organic teas that was placed in an overall Zonnatura section in the supermarket. The strong position as well as the growth of 11 per cent are successfully achieved objectives. (Royal Wessanen, 2013)

To conclude, as some of the brands seem to enter a market where there is no other competition in the organic tea, where it seems easier to reach certain targets. Meanwhile, other organic teas seem to struggle with brand and corporate objectives. Zonnatura does not seem to struggle with the objectives, on the contrary the brand reached the objectives of Royal Wessanen successfully.

### **3.4 Key issues of the objectives**

The overall objectives of the corporation should be applied to the tea brand in order to compete in the tea sections, however some issues need to be tackled before an implementation can take place.

It is clear that Zonnatura and Puur&Eerlijk are brought by corporations that established corporate objectives for multiple brands. Although it turned out positively for Zonnatura, it remains important that the corporate and the marketing objective are in one line with each other.

Puur&Eerlijk invented a solution regarding one overall brand for customers, however the Puur&Eerlijk tea tries to prove the honesty via multiple logos. Another issue can be pointed out in the regular tea section, namely the brand only has three flavours. Often brands use such a strategy to build a reputation via a broad assortment. As a result, Puur&Eerlijk tea is hardly recognisable caused by the small amount of flavours presented in the shelves.

Fairglobe emphasises fair trade with an organic certification, which provokes an organic claim as a basic requirement. This is a potentially new trend for all teas, however at this point multiple logos can also be confusing for consumers.

So, the objectives of a brand to have certain influences on the organic tea, could force the tea market to develop. It all depends on the opportunities that rise and how corporations translate these into objectives. Also, these objectives need to be adjusted in order to continue the targeted direction successfully.



## **4 Threats and opportunities analysis**

When corporations try to determine their strategy, it is necessary to define the threats and opportunities of the brand first, so the strategy can include these in order to position the organic tea successfully. Therefore, this research is not only based on case studies to analyse the organic tea market in the supermarket, but three professionals from the field have been interviewed to provide their perspective as well. This way, their point of view regarding threats and opportunities can be included to have a realistic view of the market.

The first of the three experts is Liselotte Hamelink from the Central Bureau for Food and Beverage or in Dutch 'Centraal Bureau Levensmiddelen' (CBL). CBL is a central organisation for food trade that represents and supports the collective interest of 27 corporations in the supermarket branch that including Albert Heijn and Lidl. Second Petra Derkzen from the biodynamic certification association Demeter who certifies organic products according to strict norms and controls. Finally Niels Haak who represents the Dutch coffee and tea trade association Royal Dutch Association for Coffee and Tea or 'Koninglijke Nederlandse Vereniging voor Koffie en Thee' (KNVKT) that has an overall insight of trends in organic tea in the Netherlands. These interviews can be found in the appendix two.

### **4.1 Threats**

From the results of the case studies as well as from the interviews certain threats in the organic tea markets can be determined. Some threats relate with supermarkets, however most of the threats involve branding and how organic is qualified.

#### **4.1.1 The market**

According to the interview with Liselotte Hamelink from CBL, supermarkets are in charge how products are presented in the shelves. Even though the market influences the popularity of tea products, it is the responsibility of the supermarket whether tea products belong to their tea assortment. Organic seems to compete with fair trade, since Fairtrade and UTZ Certified are Dutch associations and sell fair trade tea products in supermarkets. The threat could be that all tea becomes fair trade, while the focus on organic disappears.

#### **4.1.2 Brand liability**

The purpose of marketing is to satisfy customers to build a relationship. Within the organic tea environment the weakness are the logos. However, this relationship could be damaged when a brand violates law or uses false marketing claims. Once a product has used a false claim or has a damaged reputation, it could be that customers link the certified tea from the same brand with these violations. Food critiques, critical customers and food authorities have the role to discover such revealing stories.

#### **4.1.3 Marketing myopia in logos**

It seems that the organic tea brands are not really focused on the needs of the customers. From the customer's point of view the amount of labels is confusing and that makes the claims unreliable, since everybody is claiming to be organic based on different standards.

The Dutch trade association KNVKT stresses that the qualification of organic does not necessarily has to exclude other certifications. All initiatives can be combined, in addition some brands have specific projects to stimulate sustainable developments called 'beyond certification'.

A disadvantage of organic products are the strict requirements regarding the tea production. Also, a corporation has to invest in order to be able to claim their products organic. The costs of the quality marks are one of the main points of criticism, hence the need to work together. Niels Haak further explains that there is no particular solution for a logo, even organisations that provide quality marks try to tackle issues regarding logos and labels.

So, not only consumers are overwhelmed by the amount of logos, it is also a financial investment for corporations to qualify products. An alternative for this communication method could help consumers to gain more insight in all qualified tea, however such a replacement is hard to find.

#### **4.1.4 Green washing**

When brands sell products as organic without it actually being organic it is called green washing. According to Liselotte Hamelink from CBL, direct greenwashing does not exist anymore as a result of increased transparency and the qualified environment regarding logos. Niels Haak further explains that the EU organic logo is specified and clearly defined in European law. He points out that companies have the intention to communicate the qualification to the consumer, after all that is the role of the logo. Further he stresses that it makes sense for companies to use qualifications as a marketing tool, because these companies would like to communicate the fact they are sustainable.

Petra Derkzen describes that an organisation called 'Skal' controls all the norms for an organic production. However price could also be a measure for quality. When a price is offered below the production costs, it could be that processing through substitution takes place and the quality of the ingredients isn't as high as promoted. Demeter itself will not support this form food processing. However, it does not mean that corporations violate the law, since it is all according the norms. It is just a different form of offering products.

To summarise, the communication of the organic claim is the responsibility of the corporations. As the case studies have shown, it could be a threat when corporations position organic tea with inefficient claims and misleading messages. As a result, this negative form of marketing could lead to a green washing image.

## **4.2 Opportunities**

With the developments in the organic tea market, opportunities have arisen as well. The awareness has increased for consumers to have an organic lifestyle, as a result corporations new marketing concepts. All three experts have experienced a trend regarding increasing sustainability amongst tea.

### **4.2.1 Function of the logo**

Petra Derkzen stresses that the function of logos is a method to communicate from the qualified producer to the consumer. The consumer cannot control, see or randomly trust an anonymous farmer, so the role of a logo is designed to qualify the product. Petra further explains that the farmer can guarantee the quality via the norms of a logo, therefore logos are very important.

Niels Haak explains how the European Union has framed organic in a logo through law, which he experiences as a positive development. England is an example that had more than 20 different kinds of organic marks that were replaced with one EU logo. The EU logo is provided by an independent organisation that guarantees and makes the certification for overall organic products unique. The EU logo is distinctive and is not expected to disappear soon.

### **4.2.2 Social marketing concept**

It is a good development that the emphasis still lies on organic, a consequence is that corporations use the concept organic as a tool to position their products. However, companies automatically stimulate consumers to choose an organic alternative.

Despite the crisis, Petra Derkzen is enthusiastic about the fact that supermarkets are more focused on organic products. The general awareness has grown both for fair trade as organic. She therefore predicts that the need for sustainability increases, even by corporations that do not have the intention to apply for this process at the moment. Regarding the norms of organic, the discussion will remain concerning the minimum requirements. Demeter is an example of an organisation that represents more than the minimum required regulation, instead it is a biodynamic movement. The organisation represents responsibility, sustainability, has dialogue and tries to relate within the organic

sector, which is an example of how associations could deal with transparency in relation to certification.

Also Niels Haak experiences positive influences of supermarkets that sell organic tea. It is striking that the amount of sustainable certified tea has become more available on the shelves. Although it is an important trend, it still requires a certain professionalisation in the origin of the production.

To conclude, in the end the brands stimulate consumers in the supermarket to be more aware of organic or sustainable products in the purchasing behaviour. When such a qualification becomes a trend it will stimulate labelling and other qualifying organisations to improve the transparency and policies in the branch.

#### **4.2.3 Customer needs**

When a corporation enters the organic tea market, it is an opportunity to involve the customer needs. Such point of view could change the corporate strategy and could lead to a positive change in the relationship with the customer.

Niels Haak explains the distinction between consumer behaviour and moral ethics. In general, people are very concerned regarding the social aspects of the farmers and the sustainability in production and trade. However, when it comes to the purchase of qualified tea in the supermarket, the budget overrules the moral aspect. The consumer is to a certain degree interested and aware of the qualified tea. Next to that, the purpose and the exact differences of these terminologies is vague and that will often lead to a purchase for a regular tea product. So, Niels describes that in general organic is not a direct consumers need, on the contrary the brands try to create awareness amongst sustainable tea products.

So, it is ideal for a corporation to focus on the consumer needs, however it cannot be related to a direct need yet. First, the consumers need to be informed regarding the different levels of qualification amongst tea, in order to focus completely on the product they want.

#### **4.2.3 Overall sustainability**

The organic qualification might lead to a basic standard. It is a development that the CBL encourages to do, however the organisation emphasises sustainability. Via this way, it will stimulate corporations to develop their products to the full possible extend, with the consequences that tea could develop in both fair trade as well as organic. Niels Haak

explains such a development in the Netherlands with UTZ Certified and Fairtrade Max Havelaar, which have overruled the qualification marks of Dutch establishments.

Niels Haak further explains that often fair trade goes along with organic and visa versa. Especially the bigger associations try to relate those two qualifications. The reason for this fusion lies in the fact that the codes that are both 50 to 70 per cent equivalent in their standards. Therefore the KNVKT is in negotiation with certification associations to create an overall collaboration. The primary purpose of the KNVKT is to emphasise the sustainable certification, with the purpose that a brand can guarantee a qualification by the compliance of a logo.

To summarise, all these different certification marks seem to emphasise different aspects. The contents of these codes that regulate a qualification seems to be comparable. As the KNVKT noticed, a collaboration between these qualifications would be more effective, which could stimulate the sustainable market and include organic with less emphasis on a logo.



## **5 Market strategy**

When the current market is examined a market strategy can be developed, in order to improve the current position of organic tea or to penetrate a new market. In this chapter the strategy is very broad defined, so a broad range of organic tea brands can be advised. Further, the marketing mix is described in relation to the customer value. Also, solutions will be given for difficulties that was mentioned earlier in the report.

### **5.1 Branding and product strategy**

Whether a brand is directed by a corporation or supermarket, it will have influence on the position and the image of the tea product. Also, the relationship between a competitor, a brand and consumers will affect the brand strategy.

It is important that the corporate objectives are in line with the overall targets of the brand. However, this research has shown that when a corporation directs multiple brands the corporate objectives could become vague. It would make sense when both the marketing objectives of the brand and the corporate objectives become complimentary to each other. However, in reality it is a challenge for a brand when objectives are not precise and clear enough. The brand has to transform such an objective into smaller ones with the risk of having a negative influence on the brand's development. As a result, it does not fit the consumer needs and at the end the brand could lose profit. In addition, the marketing objectives have to inform the consumer what the purpose of the brand or product is. This philosophy has to be in line with the organic tea product, otherwise the credibility decreases and thus the brand's reputation.

Another effect of corporate strategy is the size of the organic tea assortment. All the organic teas from the case studies are from brands that have broad assortments and promote a broad range of products to the consumer. As a result, the product line of the organic tea is small, therefore it does not stand out on the shelves. An opportunity for the corporation is to deepen the product line, which will promote the organic teas on the shelves. To give an example, the tea can be positioned as an expertise like Zonnatura did with their organic tea in order to add more value. The fact that the brand is very well known and has a good position is a result of the long existence, combined with the specific organic orientation and strong positioning. Royal Wessanen managed to create the tea as a niche. As a result the brand seems to have a leading position. Other brands try to distinguish themselves via other qualifications such as fair trade, which could be a method to compete against Zonnatura.

When a corporation has determined a certain strategy to position the organic tea, the next step is to remain credible. A certain qualification ensures that the tea actually is organic.

When a corporation has a large assortment it is necessary that all products qualify according to their claim or else keep clear distance from it. The relation with the consumer is based on the credibility, once this credibility is damaged within the assortment, the consequence could be that consumers relate all products with that incident. For this reason, corporations should be careful to claim qualifications randomly, be transparent and mention all information. Sooner or later critics will discover false claims and misuse that will reach the consumers in the end. When that happens the initial strategy backfires and the opposite effect is achieved.

Within a small period of time a new trend could be developed that stimulates cooperations to use the most sustainable qualification labels, such as fair trade and organic. All three experts share the opinion that organic becomes a basic requirement. The KNVKT further stresses that when a brand could guarantee the quality of the product the logo will be complimentary to the brand. The tea branch distinguishes itself via a fair trade and organic logos, which is now the communication method. Although some tea packages contain multiple logos, it is in contrast to the consumer needs. The consumer mostly does not understand the difference between these terminologies or does not trust such a qualification.

So, it is important that corporations do not forget the consumer needs regarding logos, transparency and credibility of the product. Corporations have to keep in mind that a logo is also designed to communicate the organic qualification. However, it is unwise to position the organic tea via the logo. An alternative could be when via marketing and corporate objectives the reputation promotes the transparency in order to win the consumers trust and build a relationship.

## **5.2 Price strategy**

When a supermarket has got a broad tea assortment that includes many different brands and prices, the organic tea product could be relatively high priced. At the same time, the price could have a different impact when the tea is offered in a smaller tea section. When the competition is smaller the price range is often smaller too, which makes the price more sensitive.

Not only the competition in relation to the type of supermarket influences the price, also the reputation of the brand should fit the price. For example, a higher price could support farmers or gives the impression to be a niche product, while a lower price fits a private brand's reputation more.

Dutch consumers are very focused on the price and are intended to compare it to the competition. So, it is helpful as a corporation to track down the prices of the competition

too. Another advantage of comparing prices is that different types of tea products can be scaled as a high-end or low-end brands. This could also indicate whether the current pricing fits the reputation of the brand.

To conclude, the consumer can be reached via the price, however it has to fit the image of the brand too. Also, the size of the supermarkets' tea assortment and the competition determines the price as well. At the end, the consumer will choose the tea based on price and quality of the product.

### **5.3 Place**

As mentioned in the chapter of the price strategy, the type of supermarket has a large influence on the position of tea. Not only the size of the tea assortment, also the amount of organic tea offered in the shelves depends on the supermarkets. Some supermarkets do not sell a lot of organic tea, while other supermarkets present it between the regular tea or in special organic sections. So, the organic tea image could be strengthened via the interior of the supermarket.

Another influence of the tea product's place is the brand's reputation, due to the fact that supermarkets place the tea based on being a high-end or low-end brand. Often, a high-end brand is placed in the middle or higher part of the shelves, while the unknown or cheaper brands usually end up in the lower section. Depending on the size of the product line, tea brands are often placed horizontally next to each other. In some exceptions, a brand covers a complete section in the tea assortment when the product line is broad.

Some brands manage to single out a whole section that include the whole range of products. Depending of the location of the section, tea can be positioned as a niche and the regular section seems not a major threat. At the same time, brands should be aware that such a location will specify the targeted consumer.

So, It is the reputation of the brand and the size of the product line that determines the place of the brand. When the current location of the organic tea is not according to the strategy of the brand and the supermarket cannot relocate the products, some changes have to be made in the strategy in order to position the organic tea at a more suitable location.

### **5.4 Promotion**

According to the case studies, the advantage of promotion activities relies on the directing corporation or supermarket. Often when a brands are established by supermarkets their communication channels can be used. However, some brands are directed by

corporations who are forced to be more creative to reach the targeted consumer. Usually large corporations have a standard promotion strategy already.

Not only sales promotions are noticeable within the regular tea section. The organic certification could be a foundation for the promotion activities as well, in this case the logo guarantees the claim. To compete within the organic tea market certain collaborations can be established as well. Some brands do have the ability to be organic and fair trade at the same time, which can be the added value for the product.

As the case studies have shown, the package of the organic tea presents the intended message what makes promotion so important. However, it could be expected that there is a higher risk for damaging the image when brands use their name as a qualification. As a result, consumers could get suspicious concerning the transparency of the brand and lose their interest.

To conclude, when a company manages to position their tea in the organic tea market, the message is simultaneously a certain promise to the customer, also known as the added value. To compete within the organic tea market it is important to find another strategy than the competition to differentiate, a result is that corporates often collaborates with qualification marks.

## 6 Positioning plan of action

In order to improve the brand strategy, the corporation producing the brand could improve the market position by using a table with specific actions. These actions are based on the market strategy described in chapter five. It will support the corporation to gain insight in the current organic tea market in supermarkets and it will guide to focus on specific aspects of the market to identify weak spots in the strategy. The corporation has to take into account that the table is designed as an overall plan of action that fits all organic oriented corporate objectives. When using the table with the plan of action, it should be used per category, which are arranged from left to right, from the top to bottom before moving to the next category.

Brand / product definition	Competition analysis	Risk profile analysis	Differentiation controlling
Brand and product credibility and consumer's needs	Organic presentation of tea	Consumers' need for price and transparency	Forecast implemented strategy (Wood, Burk, 2003)
Organic tea stands out in the shelves	Price in relation with the brand's image and the competition	Integration of the logo in the product	Analysis of the implemented strategy (Wood, Burk, 2003)
Organic tea as a basic need	Type of supermarket and size of assortment	Corporate objectives and marketing objectives aligned	Preparing the contingency plan (Wood, Burk, 2003)

Table 1. Positioning plan of action

### 6.1 Brand and product definition

This category is focused on the brand and product line that highlights certain aspects mentioned in the report.

#### 6.1.1 Credibility and consumer needs

It should be clear what the qualifications of the tea are and what method is used to communicate this to the consumer. First check that the brand does not place a false claim, since that could damage the relationship with the consumer. Secondly, the communication of the qualifications of the product has to be in line with the consumer needs, otherwise it could be that the investment does not generate the targeted return. The action is to strike a balance between the actual organic tea product and the image that is being projected. This balance should be reflected in the marketing strategy.

### **6.1.2 Standing out in the shelves**

The focus lies on the credibility and consistency of the product line, the type of supermarket, and the size of assortment, which all should be taken into account. The action is to align the packaging with the product and brand strategy.

### **6.1.3 Function of the organic property**

The corporation should have a clear idea regarding the function of the organic aspect of their product. Organic can be the main quality aspect of the tea or it could be part of a larger sustainability strategy and for example be combined with a fair trade certification. The general trend of overall sustainability within the organic tea market should be taken into account. The action is to see what the function of the organic property should be and how this is resembled in the current product.

## **6.2 Competition analysis**

The competition analysis will help to position the organic tea in the shelves of the supermarket, in relation to external factors as the competitor, the supermarket and the other organic products.

### **6.2.1 Presentation of the organic property**

It varies per supermarket to what degree the organic property is presented in the shelves. Some supermarkets have a certain focus on organic products and some are not organically oriented at all. This influences the way the products are presented. The brand strategy has to be reviewed for complete chains of supermarkets on the other hand for some an individual review has to be performed as a geographical location might have an effect on the layout and assortment of that specific supermarket. The action is to review the way resellers present organic products and check if this is in line with the brand strategy.

### **6.2.2 Relative price setting**

The price setting of should be in line with the image category of the brand. Typically there are is a division in high end and low end brands. So, it is important to keep the relative selling price with regard to the competition in mind when reviewing the brand strategy. The action is to evaluate the price setting in relation to the targeted segment and the image of the product in that segment.

### **6.2.3 Type and assortment of the reseller**

The brand builds a relation with the consumer while competing with similar products. The type of supermarket and the size of the assortment could determine whether the business

development is in line with the competition, in order to position the organic tea in the shelves. The action is to become aware of the level of clarity of the message that goes out of the price, product, and package in relation to the competition. The presentation should be clear and in line with the price setting.

### **6.3 Risk profile analysis**

This category points out potential risks. This way, the strategy can take these into account in order to add more value or avoid misunderstandings and possibly loss of credibility.

#### **6.3.1 Consumer need of price and transparency**

The purchasing behaviour of consumers is influenced by the price of the product, the transparency of the qualification or logo and the potential confusing terminology. The action is to review the risk for creating confusion as a result of unclear communication and unrealistic price setting.

#### **6.3.2 Integration of the logo in the product**

The qualification of organic products often functions as a selling point. There is a risk however, that the focus of the corporation lies on the logo too much. This poses a risk, since the consumer is easily confused by the logos and terminology, which makes it hard for them to choose the product. The logo and the qualification should be part of the presentation of the product; not be the presentation. The action is to evaluate the level of integration of the logo in the product's appearance.

#### **6.3.3 Corporate objectives and marketing objectives aligned**

This stage is a check if overall categories are in line with the corporate objectives in relation to the marketing objectives. The organic tea market, competition and the segment have influenced the strategy to fit the brand strategy. The action is to see to what degree the objectives of the brand level are aligned with the objectives of the corporate level.

### **6.4 Differentiation controlling**

In this category the focus of the plan of action is on the implementation of strategy within a certain period of time.

#### **6.4.1 Forecast implemented strategy**

Before the corporation implements the brand strategy, certain objectives need to be defined. The so called Forecast of Company Product Sales emphasises the internal as well as external aspects of the overall brand strategy for organic tea in the supermarket. Within a certain period of time other types of forecasts can be used to examine the brand

strategy. The action here is to define the objectives in order to do this forecasting exercise. (Wood, Burk, 2003)

#### 6.4.2 Preparing contingency plan

The corporation should control the brand strategy from the moment the strategy is implemented. However, it seems that certain changes that affect the organic tea market cannot be applied to the current brand strategy. So, apart from the brand strategy a back-up plan needs to be designed for when changes affect the internal and external aspects of the current strategy. (Wood, Burk, 2003)

#### 6.4.3 Analysis of the implemented strategy

The corporation needs to set a defined period of time with clear goals that cover all facets of the product, its promotion and sales. When these results do not satisfy the expectation, the strategy needs to be adjusted and a new controlling period needs to be scheduled. The action to take is to execute this analysis. (Wood, Burk, 2003)

#### 6.5 Points of Differentiation

When following the procedure in the final category the corporation should develop methods to control the position of the organic tea. To make this visible, the illustration below can be used to judge the different aspects.

In the diagram the corporation scores the properties of their product. These scores are according the examination of the corporation and the brand strategy, which creates an overview of the corporate performances and position. This way, the diagram indicates immediately the strengths and weaknesses of the product.

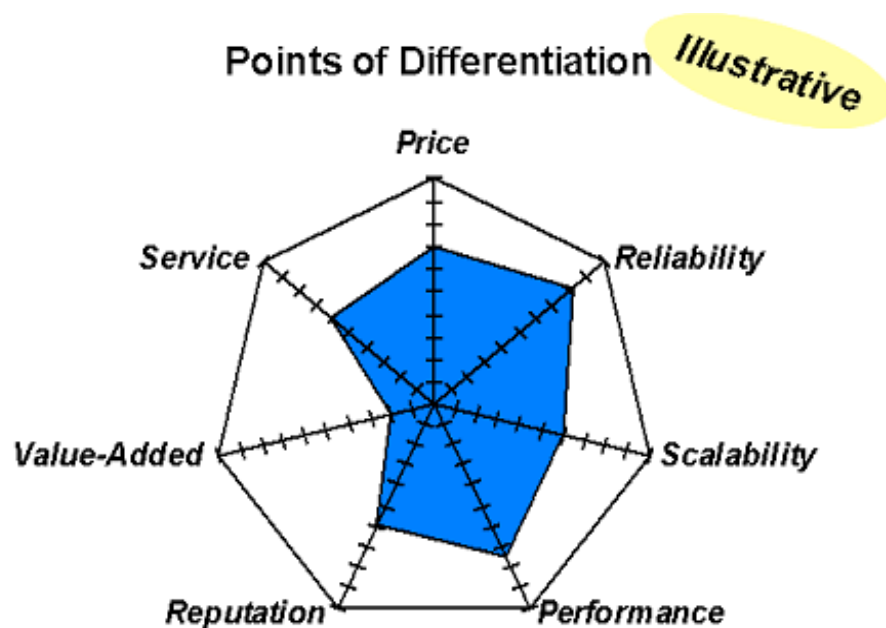


Figure 2. Points of differentiation



## Conclusion

In order to give an answer to the question regarding the positioning of organic tea in the supermarkets and how the market position be improved, the current market has to be analysed. Second, potential conflicts have to be defined and finally improvements have to be implemented where needed.

In the current market for organic tea the main positioning is done by delivering the tea product as part of a broader assortment of different kinds of sustainable products. Although it may seem as being part of a strategy developed from a broader perspective it is hard to verify organic production and supply of these products. Products for which it is unmistakably clear that they were produced according to international organic norms and standards, are harder to find in the supermarket.

The largest conflict suppliers face comes with the choice between either organic or fair trade, while both norms are specified in codes that include characteristics from both qualifications. This should not be regarded as a problem but as an opportunity to combine these two as much as possible. This way, it is easier to stimulate the tea market and supermarkets to use organic as the basic norm for the improvement of overall sustainability. So, tea with a qualification of organic or a combination of organic and fair trade is a strategy to differentiate, while at the same time certain improvements can be achieved on the way to an overall sustainable tea in the shelves of supermarkets.

The improvement of the position of organic tea in supermarket starts with the communication of the qualification. Many tea consumers do not understand the distinction between certain qualification claims and often have the impression that claims are vague and incredible. More clarity of the organic claim can be achieved when brands do not emphasise via the logo alone but support of the logo by differentiating more via the brand positioning. The qualification and its logo should be complementary to the image of the brand. This creates an opportunity for the tea brand to explain the term and create more customer value.

When corporations would like to identify the weaknesses in the current brand strategy, a tool can be used that guides the user in a step by step process to improvement.

## Recommendations

These recommendations are more specific with regard to the market strategy in an advisory format, in order to position the product.

Multiple organisations, including supermarkets, embrace organic as part of an increase of overall sustainability and inform consumers about the differences with regular products. After increasing awareness it becomes a consumer demand. This transition seems to become a part of the current trend. When reaching this stage a new demand could enter the organic tea market, namely the overall sustainable basic requirement. This new focus can be included in the preparation of the contingency plan, for the reason that the overall awareness is yet to be reached.

The market for qualifications is still in development and continuously moving. More tea products come with new and different qualifications, both fair trade and organic. It would be wise to consider such new qualifications as well. It should be noted that it is important to be aware of the effect on the image when adding qualifications to the product and how this fits the larger sustainable brand strategy.

When the brand strategy includes multiple qualifications, the emphasis should lie in the positioning of a specific qualification, rather than on the logo itself. Sometimes the message of the marketing objectives can be more effective than a logo, while a wrongly chosen logo can create confusion and harm the image. The marketing strategy should be balanced.

Consumers require more independent information regarding controlling of organic products to change the scepticism, even though established qualifications as Fair Trade, Max Havelaar and EKO logos are most recognised at this moment. So, collaborations in order to position the products should be carefully examined before being implemented. It is wise to research the consumer opinion regarding organic tea and to verify the potential qualifying organisation.

Often, consumers believe organic products to be expensive or relate these products to people with a relatively high income and a luxurious lifestyle. Taking this into account, the price setting could be a strategy, however be aware that the assortments' content differs per supermarket. If the product is positioned as a high-end high quality tea product, the price has to reflect this.

Big assortments and wide ranges of prices could be an advantage when the organic tea product is targeted for consumer with an average income. The wide price range offers a lot of options to position the product based on the price.

When encountering smaller assortments and small ranges of prices, the price and thus the tea stand out quickly. The combination of the price in combination with the created appearance should be in line. Often the price is a deciding factor within the tea section.

The strategy of placing the product separately from the regular tea section, as well as adding other organic products to the assortment in one shelf, targets a smaller segment that is most likely to have a higher income. When this is not in line with the brand strategy, this strategy needs to be reviewed.

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## **List of visuals**

Levels of European food sector. Reprinted from Roadmap to EU food law (p.v), by Appelhof, t., Van den Heuvel, R., Van der Meulen, B., and Scholten-Verheijen, I., 2011, Den Haag: SDU Uitgevers. Copyright 2011 The authors Eleven International Publishing

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## **Appendix 1 Case Studies**

### **1.1 Fairglobe Case Study**

#### **Background and purpose**

In 2006 the German supermarket Lidl established a new brand called Fairglobe. ("Fairglobe und Fairtrade," n.d.) Fairglobe offers certified products with regard to certain social and economic standard for the farmers and their environment. For example, the farmer earns a higher wage in order to improve the living and working conditions, promotes a better position for women and supports education and medical care. ("Our partner: Fairtrade," n.d.) ("Fairglobe und Fairtrade: Lidl will bewusstsein für nachhaltige Erzeugung stärken," 2010) In other words, Fairglobe strives for fair trade to combat poverty at the long run. The brand tries to be directly involved in areas such as the Himalayan highlands to produce one of the flavours Fairglobe black tea. ("Our partner: Fairtrade," n.d.) ("Fairglobe und Fairtrade: Lidl will bewusstsein für nachhaltige Erzeugung stärken," 2010) ("Fairglobe Darjeeling-thee," n.d.) It is mainly the social aspects that Fairglobe promotes, however the tea is organic too. ("Fairglobe," 2013a) ("Fairglobe und Fairtrade: Lidl will bewusstsein für nachhaltige Erzeugung stärken," 2010) The brand would like to increase awareness with these productions in the Lidl supermarket. Via this way, the customers have the opportunity to do groceries from a moral justifiable standpoint. ("Our partner: Fairtrade," n.d.)

#### **Affinity with organic**

According to Fairglobe, fair trade has to be accompanied by organic production in order to meet the environmental requirements. The brand has a network that applies several controls and audits regarding organic and fair trade. ("Fairglobe," 2013a)

#### **The role of the quality marks**

The package of the Fairglobe tea is labelled by Fairtrade, an independent organisation that provides license agreements after the products meets the internationally acknowledged requirements. The package emphasises the collaboration with the organisation Max Havelaar, which is the Dutch branch of Fairtrade. ("Fairglobe en fair trade," 2013) ("Our partner: Fairtrade," n.d.) The Fairtrade Labelling Organisations International established the standards and methods to control inspections and certifications. ("Our partner: Fairtrade," n.d.) According to Fairglobe, one of the purposes of Fairtrade labelling is to motivate farmers to invest in their business and become independent from corporations and form small cooperative initiatives. ("Fairglobe," 2013b) The farmer get the time to meet the requirements regarding development in social, ecological and economical aspects. Over the first years an application with an analysis of the potential opportunities will be made. Within three years the certification must be transformed in an executable proposal that transforms the production into a biological

level. Usually this is done by the organisation FLO-CERT. ("Fairglobe," 2013a) With regard to the organic certification, Fairglobe tea is also recognised by the European certification that is certified with an EU leaf logo.

### **Product line and product differentiation**

The Fairglobe tea is packaged in a black box, with pictures of a green field and a cup of tea. Above these pictures a logo is styled in a blue world with in the middle green letters of Fairglobe.

The Fairglobe tea is the only certified organic tea of the Lidl, whereas Lord Nelson tea is the single competition that includes 15 different flavours packaged in brightly colours. This way, Fairglobe tea appears to be serious with an important mission. Therefore Fairglobe is more expensive, namely €1,99, compared to the Lord Nelson tea who is very diverse priced €0,79 until €1,29.

The package and the Fairtrade label is a method to position itself, naturally the awareness of 'responsible' shopping is an advantage. ("Fairglobe und Fairtrade," n.d.) The low-cost image of Lidl in combination with the Fairtrade products is an opportunity to position Fairglobe as well as the Lidl. Lidl purchasing chief Robin Goudsblom explains that this position is caused by the high investments of advertising. (Amann, 2009)

### **Rightly claim**

During this research no false claims concerning Fairglobe tea have been perceived. Although Lidl could have established the brand to improve their image and to make it more honest. Lidl had to cope with an image regarding mistreatment of employees. The purchasing chief Robin Goudsblom states that Lidl is not an old fashion discount supermarket anymore with a small assortment. (Amann, 2009)

So, Fairglobe could have been introduced by Lidl to remove the old fashion and dusty image. The chief of purchasing declared that the trend of increasing social responsibility becomes more important. (Amann, 2009) Lidl uses the slogan 'On the way to tomorrow', that refers to a new development of the Lidl governance with help from the fair trade image. (Warnar, n.d.)

## **1.2 Puur&Eerlijk Case Study**

### **Puur&Eerlijk**

The brand Puur&Eerlijk was established by Albert Heijn in 2009, which was the first supermarket with an organic product line. (Gimeno-Martínez, 2011) The brand manager of Puur&Eerlijk Florentine van Marwijk Kooy stresses that the brand makes a difference in the shelves. (Boerman, 2013) In general, Puur&Eerlijk represents one name and one outline, where the amount of quality claims by other brands confuses consumers. At the same time, Puur&Eerlijk is an example for Albert Heijn CEO Dick Boer to combine all the private labels that represents organic and 'fair'. (Boerman, 2013)

### **Main objective**

Albert Heijn uses four different pillars in order to determine the correct strategic choices. One of these pillars is known as responsible retailing, which is focused on healthy living, sustainable trade, environmental and community engagement. (Boerman, 2013) Albert Heijn tries to create a healthy environment, therefore the philosophy of Puur&Eerlijk is clarity and honesty. Today, the brand consists of five categories: organic, fair trade, free-range meat, sustainable yield and ecological responsible. Of these, the largest group is organic, with 75 per cent. (Boerman, 2013) The general purpose of the brand and the cohesion between the categories represent responsibility towards the products. The production emphasises the human being, animal, nature and environment. As a result, the customers has got the ability to do groceries uncomplicated and responsible. (Boerman, 2013)

### **Affinity with organic and quality marks**

Albert Heijn tried to solve the problem caused by all the logos and quality marks, so consumers do not have to worry about possible 'false' labelling. In other words, it can be recognise by the only brand Puur&Eerlijk. The social correct appearance lies in the brand name itself, Puur&Eerlijk, which means pure and honest. (Gimeno-Martínez, 2011)

The name and package give customers the feeling that the purchase is good and responsible. (Gimeno-Martínez, 2011)

The Albert Heijn website presents Puur&Eerlijk tea, which include the flavours Fairtrade green tea with lemon, Rooibos with spices, Fairtrade forest fruit tea and Max Havelaar Engels. (Albert Heijn, n.d.) The Albert Heijn in the neighbourhood sells the Puur&Eerlijk Fairtrade green tea with lemon. It was noticeable that the tea package does not claim to be organic, but fair trade. The package is coloured in natural green, therefore increasing the visibility of the quality labels.

Examining the tea package closely, on one side and below the box the organic description was clear and mentioned twice, also the European green leaf logo is displayed. The description of the logo claims a guarantee of organic. In addition, below the box the Max Havelaar is mentioned as a certificate, in fact it refers to the name Fair Trade. The Bewuste Keuze or choose consciously logo only implies that the product is a healthy choice. However, both Bewuste Keuze and Max Havelaar logos do not claim to be organic, nor does Puur&Eerlijk. (Milieu Centraal, n.d.)

### Promotion

It is an advantage that Albert Heijn established Puur&Eerlijk, because the brand has got the ability to promote all the products in all Albert Heijn supermarkets. An example is the Puur&Eerlijk weeks, which lasts for three weeks. (Supermarkt actueel, 2010) Not only the television commercials are a way to extend the brand, also via promotions in the shelves and sales promotion through the AH bonus system. To gather more attention for Puur&Eerlijk, the assortment of the brand broadens with clothes and garden articles. (Supermarkt actueel, 2010)

### Product line and its' differentiation

The brand Puur&Eerlijk tries to differentiate through the five categories. In order to make the customer more aware of the brand, Albert Heijn established look-a-like brands such as the brand Excellent. It will provide an overall awareness for customers to link sustainable products with the Albert Heijn sub-brands. Also, the products of Puur&Eerlijk are in general cheaper compared to A-brands. ("A-merk of AH merk: zo pakt Albert Heijn in," 2013)

The Albert Heijn in Haarlem does not sell other look-a-like brands only Puur&Eerlijk and multiple Albert Heijn tea brands. Although the tea boxes have different looks, the flavours are all inspired by the A-brands. The Puur&Eerlijk tea is sorted out with all the other sustainable teas in the regular tea section. Furthermore, the price is not very high compared to the A-brands.

Brand	Price	Claim organic
Puur en Eerlijk - fairtrade groene tea with lemon	0,99	yes
Puur en Eerlijk - rooibos with spices	1,09	yes
Puur en Eerlijk - Max Havelaar Engels	1,7	yes

Brand	Price	Claim organic
Twinings tea	2,49	No
Zonnatura	€ 1,34 - € 1,89	Yes
Celestial	2,38	No
Shopper	0,34	No
Lipton	€ 0,99 - € 1,73	No
Clipper	2,39	Yes
Picwick	€ 0,90 - € 1,99	No

### Contribution for sales of fair trade

NCDO is an organisation specialised in research, knowledge and advises the Dutch citizens. In 2010 NCDO did research in consumer purchasing behaviour amongst fair trade products. (NCDO, 2010 - 2011) The report highlights the positive influences of the consumer behaviour regarding the brand Puur&Eerlijk. Although the turnover of the category fair trade tea and coffee stabilised in 2009. The introduction of particular Puur&Eerlijk made fair trade tea popular again, as a result the sales increased with 31 per cent. (NCDO, 2010 - 2011) The Voedingscentrums' research reported that Puur&Eerlijk in 2011 had an increased index turnover of 118. (Peters, Van den Berg, Van Dooren, Van der Vosse-Wijmenga & Werkman, 2011)

### Claims in E-numbers

While the Puur&Eerlijk tea claims to be fair trade, the website refers to the five categories. The tea box of the flavour Fairtrade Green Tea with Lemon justifies the quality with logos that is printed on the box.

However, the brand had some difficulties regarding the fairness of the claim. In August of 2013, the food critique organisation Foodwatch discovered that the brand Puur&Eerlijk had sent out some misleading messages. (Foodwatch, 2013b) In many other products than tea, the false claims regard to the unnecessary amount of sugar and salt. For example, the brand added yeast extract of E621 E155 and E250 and nitrite that causes food poisoning, headaches, low blood pressure, hyperventilation, asthma and other allergies. (Foodwatch, 2013b) Puur&Eerlijk manoeuvre is to use at least one of the ingredients that support the claim. Foodwatch stresses that the brand acts as an independent quality organisation. (Foodwatch, 2013a)



One of the directors of Albert Heijn, Sander van der Laan, reacted furiously and declared the article unreasonable. (Meijssen, 2013) Van der Laan stresses that all the claims refers to each category, which is especially made to help consumers. The director does not deny the E-numbers added in the products, on the contrary, an E-number substance can be part of a Puur&Eerlijk product without making it a false claim. (Meijssen, 2013)

Albert Heijn has got the right for such a reaction, because according to the European Law there is nothing illegal about the retailers' claim or actions. (Foodwatch, 2013c) Although the false claims are not directly related to the Puur&Eerlijk tea, it could hurt the image.

### **Claims in fruits and vegetables**

The brand is not only very creative in adding ingredients to their products, also fruits and vegetables can be produced without any fair trade standard.

According to SOMO, an organisation that researches multinationals, the research in January 2011 has shown that the supply chain of Albert Heijn includes different labour right violations in their fresh fruits and vegetables supply chains. (Gimeno-Martínez, 2011) In Peru and Egypt some employees earn low wages, have to work longer than average, and do not get paid for extra hours. The environment seems to be old fashioned, in that sense that often the conditions are not according safety requirements, the employees have to deal with gender discrimination and do not get opportunities to organise themselves in unions. (Gimeno-Martínez, 2011)

An other example are the tangerines and mangoes from the middle east. Although the fruits are produced by Israeli, the production itself is in Palestine. (Gimeno-Martínez, 2011) According to international regulations, operations on captured grounds are illegal. Albert Heijn is taking advantage of the illegal activities in Palestine, while the supermarket is putting the Israeli employees in danger. The government does not take any action against these circumstances, so the supermarket can continue to sell tangerines and mangoes from that area. (Gimeno-Martínez, 2011)

### **1.3 Zonnatura Case Study**

#### **Royal Wessanen & main objective**

Zonnatura belongs to the corporation Royal Wessanen, who determines the sustainability policies for all their brands. The annual report of Royal Wessanen stresses the ambition to perform as a company, therefore shares the duty to act responsible. (Royal Wessanen, 2013) For that reason, honesty in business is part of the philosophy, while focussing on the stakeholders' interest. As a result, Royal Wessanen improved the cooperation in the supply chain with suppliers and trading partners in the area of social, ethnical and environmental performance. (Royal Wessanen, 2013) In order to minimise the negative impact of the production or products regarding the environment, the company tries to play a positive part in the ecological system. Therefore, the mission is to bring awareness in the society concerning organic products. (Royal Wessanen, 2013)

The philosophy of Royal Wessanen goes along with the vision and mission of the tea product Zonnatura. The tea product is designed as an organic product, also presents and encourage the customer an alternative. Zonnatura describes the core of the leaf tea as sustainable, nutritionally, pure and rich in all flavours. Also emphasis the supply chain to be standardised as social and ethical. (Zonnatura, n.d. c)

#### **Affinity with organic**

The essence of the ingredients of Zonnatura are the pure components, which is the source of the nutrients. In other words, the raw properties of nature determine the taste without substances added. (Zonnatura, n.d. b) In that way, Zonnatura guarantees 100 per cent natural ingredients, no artificial additives, minimum use of modification. However, the brand does admit to use genetically modified organisms (GMO). (Zonnatura, n.d. b)

#### **The role of the quality marks**

Royal Wessanen explains the strict requirements to claim 'organic' for products that go along with GMOs. These organisms do not require antibiotics, growth hormones, fertilisers, herbicides and pesticides. (Royal Wessanen, 2013)

The EU green leaf logo is one of the logos Zonnatura was certified for, as a result of the Skal inspection in Holland. According to Royal Wessanen, it is clearly defined in the food description what organic ingredients the product contains. In order to claim 'organic' the product must consist of 95 per cent organic ingredients. (Royal Wessanen, 2013)

#### **Product line**

Zonnatura manages to create a broad production line, in fact they developed 35 different tea flavours. (Zonnatura, n.d. a) All tea can be divided in leaf tea and instant tea. The 29

leaf teas contains organic herbs, which is also marked with an EU label. The six instant teas who does not claim to be organic are not certified with an EU label, however four of the instant teas do contain natural ingredients. The other two teas do not claim to be natural or organic. (Zonnatura, n.d. a)

### **Promotion**

Many other organic products are certified with the EU labelling, however, Zonnatura used the label as differentiation. Next to this, Royal Wessanen seems to succeed in innovation, sourcing and brand activation, which resulted in the brand becoming a major player in the Benelux, France and Holland. (Royal Wessanen, 2012) Zonnatura managed to analyse the customer, as a result reached their target perfectly via, campaigns, social media, tv and radio commercials. The brand promotes the statement and gains the customers' trust, while informing the customer regarding the differences between the terms natural, fair trade, sustainable, local and organic. (Royal Wessanen, 2012)

Zonnatura is an important brand when it comes to the market for organic food products in the Benelux. In 2011 new organic tea flavours were launched, which were supported via new commercial campaigns. (Bioman, 2011) Next to the regular marketing activities, Zonnatura uses other techniques such as providing free samples via social media and the supermarkets, promotions via bill boards, surreptitious advertising in the famous Dutch soap Goede Tijden Slechte Tijden, promotion in different magazines and joined the Magriet Winter Fair in the Jaarbeurs of Utrecht. (Bioman, 2011)

### **Special shelves**

It is striking that the Zonnatura products have separate spaces in the shelves of supermarkets such as in Albert Heijn, Bas van der Heijden and Jumbo. Trade marketeer of Health Michelle Geertman and Koos Hoekstra Health and Premium taste manager of Royal Wessanen, explain how the old fashion image still exists in the shelves between the slimming products and vitamin pills. ("Groei door samenwerking, extra schapruimte en kruisbestuiving," 2009) For this reason the modern location nearby tea sections and healthy snacks in supermarkets do give the right to act as an organic brand. It is valuable to keep the Zonnatura assortment together, for the reason that it has been proven that it creates a more competitive position. The new position in the supermarket could attract new customers and it is more convenient for the loyal customer. ("Groei door samenwerking, extra schapruimte en kruisbestuiving," 2009)

Zonnatura struggle with the set-up of these meters, as a result of a new product line of the teas. ("Groei door samenwerking, extra schapruimte en kruisbestuiving," 2009) Hoekstra stresses that supermarkets could consider to remove the dusty diet pills and use such

space for popular, organic and improved Zonnatura products. The popularity is however apparent, which for example supermarkets Jumbo and Plus wants to take advantage of this popularity. Both supermarkets suggested Zonnatura to review the position of the products in the shelves. („Groeï door samenwerking, extra schapruimte en kruisbestuiving,” 2009)

### Positioning of the tea

During this research the supermarkets Albert Heijn and Dekamarkt in the neighbourhood positioned Zonnatura tea differently. The entire assortment of Zonnatura is located in both supermarkets in a special organic section. However, in the Albert Heijn other organic A-brands were added in the same section and the section of the Dekamarkt was completely devoted to Zonnatura.

In the Albert Heijn the Zonnatura tea was divided in the organic leaf tea, which was the only tea presented in the organic section. Furthermore, the instant tea was located between the regular teas. The Albert Heijn sells in general eight organic herb teas, also two flavours of the instant teas. Therefore, the Zonnatura leaf tea obtains a special position in the Albert Heijn, which is hard to compete with. In the price schedule the Zonnatura teas are compared to the other teas of the Albert Heijn. Zonnatura positions itself via average pricing, especially compared with relative new A-brands, such as Celestial, Twinings and Clipper.

Brand	Price	Claim organic
Zonnatura leaf tea	€ 1,63 - € 1,79	Yes
Instand Zonnatura	€ 1,94	No, 100% natural
Puur&Eerlijk	€ 0,99 - € 1,70	Yes
Albert Heijn	0,70 - 1,49	No
Twinings tea	€ 2,49	No
Celestial	€ 2,38	No
Shopper	€ 0,34	No
Lipton	€ 0,99 - € 1,73	No
Clipper	€ 2,39	Yes
Picwick	€ 0,90 - € 1,99	No

*Competition in prices of Albert Heijn*

The Dekamarkt has no other teas at all in the organic section. They placed all the eight organic herb teas and two instant teas between the regular teas. Furthermore, Dekamarkt does not sell as many tea products as Albert Heijn. The price difference is also apparent in both supermarkets, as a result of a small tea section.

Brand	Price	Claim organic
Zonnatura	€ 1,17 - € 1,99	Yes
1 De beste	€ 0,69 - € 1,39	No
Pickwick	€ 1,21 - € 1,29	No
Lipton	€ 1,39 - € 1,65	No

*Competition in prices of Dekamarkt*

The package of the Zonnatura products is very original and noticeable, for the reason of the plants and flowers designed on the box, with the colours white, grass green and yellow. The orange symbolises the tea, also the Zonnatura logo is in a red frame and could be seen as an official logo. On the back of the package Zonnatura describes the 50 years of organic production and how they want to maintain this success in the future.

### **Competition**

Zonnatura tries to differentiate via the special positioning in the supermarket, the price, image and the package. Nevertheless, Zonnatura faces a major competition when it comes to the EU labelling, organic products and private labels, which appears more in the supermarkets. Royal Wessanen is aware of the competition, however the company is convinced that only the strongest brand will remain. (Royal Wessanen, 2012) The challenge still is to win over the customer via their sense of responsibility, while fighting the competition that codeveloped the organic market. Zonnatura remains focussing on the organic market, with new product lines. (Royal Wessanen, 2012) In 2012 Zonnatura had a turnover of 18 million Euro. (Royal Wessanen, 2011-2013)

### **Rightly claim**

Despite all the organic claims, Foodwatch managed to discover that Zonnatura has been providing misleading information regarding instant tea. The package and the Zonnatura website misinformed the customer with the claim of 100 per cent organic, while the instant tea consists of up to 90 per cent of sugar, contains modified substances and added extra dye. (Foodwatch, 2012) (Foodwatch, n.d. a) Furthermore Zonnatura emphasised the instant tea to be naturally sweetened with grape sugar and honey. Not only took Zonnatura advantage of the myth regarding to the misassumption concerning honey as a

healthier product compared to sugar, also cane sugar is added to the instant tea. (Foodwatch, n.d. a)

As a response Zonnatura did admit the instant tea not to be organic, so Zonnatura changed the information on the website, adjusted the food description on the packages and explained the needed ingredients of the three sugar flavours. The sugars determine the taste, smell and structure of the soluble tea. The brand did not received the EU label on that particular instant tea. However, Zonnatura never claimed the tea to be organic. (Foodwatch, n.d. b)

The assortment of Zonnatura contains roughly 75 per cent of organic products, so it is not fair to promote all the products as organic. Also, the long existence of the brand function as a trustful product that could mislead customers. Instead, the instant tea is unhealthy and can be compared with an energy drink. (Foodwatch, n.d. a)

## **Appendix 2 Summaries of the Interviews**

### **Centraal Bureau Levensmiddelenhandel**

Summary of the interview with Liselotte Hamelink on 18 November 2013 regarding the availability and presentation of organic products in the supermarkets.

The CBL is the central organisation of food trade that represents and supports the collective interest of 27 corporations in the supermarket branch, amongst others Albert Heijn and Lidl. The CBL focusses on the establishment of an accessible framework of conditions for the branch as well as providing members with information. (CBL, 2013)

The amount of organic products in the supermarket increased over the last couple of years, which is a development the CBL tries to stimulate. As a result, all the supermarkets that are member of the CBL presents organic products in the shelves. In general, the consumption of sustainable food increased, as a result of the influence of the supermarkets. Nevertheless, the share of sustainable products compared to the regular assortment is still relatively small.

Although the supermarket seems to have a certain role in the presentation of organic products in the shelves, it is mainly the market that determines the demand for organic products. When consumers are not interested in such products the supermarkets are not forced to present organic products. However, Hamelink admits that organic products are not common for the consumers, so mostly a specific target group will consume organic products. In this case, supermarkets take the responsibility to sell organic products instead of depending on the consumers behaviour regarding organic and sustainability change. This way, supermarkets try to influence consumers to change their preferred choice to the sustainable development.

Hamelink does not see the greenwashing as much anymore as she used to. The demand for transparency as well as the large offer of labels have changed this environment. Although Hamelink stresses the importance to decrease the amount of logos on products as a certification, after all it confuses consumers that in most cases do not understand the message of a logo, who do not purchase groceries based on logos .

With regard to tea in general, a trend appears that puts organic versus fair trade, which seems to be a relative positive development. However, ideal would be when these logos are integrated within policies of the corporation. A consequence of the logos is that a new development of another certified logo could appear as a strategy to differentiate. At the moment only a small group of consumers are aware of these logos. Also some people

prefer to have the benefits of all logos combined in one product, such as organic, environment, animal or social requirements.

Organic seems to be an ideal qualification of sustainability, however, CBL stresses that it is part of a bigger solution. The organisation rather supports the overall sustainability within the supermarket branch, which in most cases is easier achieved than trying to reach one certain target. For some corporations, it does not seem to be a logic development to manufacture a product organically. Via this way, an overall sustainable objective could be targeted, so, at the end an a sustainable norm for every product line can be established. With small steps such a target could be reached, to begin with the integration of all logos.



**Qualified by Demeter**

Summary of the interview with Petra Derkzen on 25 November 2013 regarding organic products, production and labelling.

By strict norms and controls Demeter provides organic products with Demeter trademark logo, so consumers can be ensured it is a qualified biodynamic organic product. The organisation is continuously informed regarding the newest up-dates of the international organic standards with input from all sorts of countries on the discussion of biodynamic agriculture. Therefore the organisation tries to adjust certain policies if needed to maintain the correct qualified standards, for this reason greenwashing is practically impossible.

Demeter stresses the importance of a product's origin with a price that fits the farmers production cost. The qualified Demeter products fit best in independently owned natural food stores. The circle of specialty stores has often a similar principle and organic orientation regarding alternative agriculture. Although the organisation Skal controls the all the norms for an organic product, a price could also determine the quality. When a price is offered below the production cost, it could be that processing through substitution takes place, as a result the quality of the ingredients could decrease. Demeter will not support this form of processing and offering of food. However it does not mean that corporations violate the law, because it is all according the norms of the law, it is just a different form of offering a products.

Petra Derkzen stresses that there is an organic agriculture EU law and private regulations for Demeter , so it is not just a marketing story that corporations try to sell. The European law regulates producing or processing of organic products. It proves that when it gets known that something goes wrong, like a large violation, controlling definitely takes place. So, it is unlikely that a qualified organic product contains pesticides, because that is prohibited. It is more than just a marketing story.

The fact that supermarkets more often are focused on organic products is a positive development and that despite the crisis, the general awareness has grown as well for fair trade as organic. Although it strikes that the products are more and more individual focused, also the price has become more valuable than quality.

Nevertheless, Petra Derkzen thinks that in the future there will be more need for sustainable produced products, also from corporations that don't have the intention to apply for this process at the moment. Regarding the status of organic, the discussion will remain what the minimum requirement is. Demeter is an example of an organisation that

represents more than the minimum required regulation, instead it is a biodynamic movement. The organisation represents responsibility, sustainability, has dialogue and tries to relate within the organic sector.

The logos have an important role, after all it is a communication method from the qualified producer to the consumer. The consumer cannot control, see or just trust an anonymous farmer, the role of a logo is designed to take these roles and qualify the product. The farmer can guarantee the quality according the norms of what a logo represents, so the logos are very important. It is the only practical way to communicate quality in an anonymous market.

**Interview by KNVKT**

Summary of the interview with Niels Haak on 3 December 2013 regarding organic tea, production and labelling.

The KNVKT (Koninklijke Nederlandse Vereniging voor Koffie en Thee) as a trade association has an important role within the coffee and tea chain regarding the stimulation of the overall development of sustainability. These developments concern the entire chain, that means from plantations, transport, production until consumption. It has a wide focus, thus the improvement of the energy levels as well as organic, all aspects are elements to stimulate sustainability.

KNVKT has a very diverse range of corporations as members, amongst others Royal Wessanen, the enterprise that brought the brand Zonnatura to the market. The Dutch corporation produces tea, so from that point of view is a member of KNVKT. This is a different perspective compared to Puur&Eerlijk and Fairglobe, for the reason that they are related to a supermarket and get supplied tea through a private label tea company.

This emphasises immediately the difference between tea via retail from a supermarket and a tea packer. Despite these differences, Niels Haak from the KNVKT stresses the positive influences of supermarkets selling organic tea. It is clear that the amount of organic and sustainable certified tea has become more available in the shelves of the supermarkets. This is an important trend; at the same time this requires continuous improvements in terms of efficiency and professionalisation at the origin of the sustainable production, in which sustainable certification initiatives play an important role.

Using organic tea does not necessarily exclude other certification. All initiatives can be combined. In addition, often brands have specific projects in origin to stimulate sustainable development; the so-called 'Beyond certification'. Especially in the organic field strict requirements are involved regarding production, which also requires a financial investment. The cost of the sustainable certification is one of the items generating criticism, hence the need to work together.

The European organic logo is one example of a positive development, for instance, in England more than 20 different kinds of organic certified marks were replaced with one EU logo. The EU logo is an independent organisation that provides a guarantee for a certain brand. Nevertheless, also certain critics regard the same quality labels, so no one particular solution exists for a spectrum of the problems and challenges. The organisation that provides quality marks tries to tackle this issue, which sustainability is an important instrument.

The EU logo is stipulated by European law, which makes the certification for overall organic products unique. Via this way, organic is distinctive. The EU logo is implemented between 2006 and 2008 to cover all the other qualification marks and will take over the Dutch EKO logo as well.

In general, there is a growing demand in certified sustainable products that include organic components. This is different in every country, but the Netherlands have a wide range of possible certifications such as UTZ Certified and Fairtrade Max Havelaar. Another certifying organisation that is on a large scale used in the tea sector is The Rainforest Alliance, which is American, however can be related to Lipton tea for the reason that that is directed by the semi Dutch corporation Unilever. Although the purpose seems to label as much as possible with a certified mark, the ultimate purpose is to support the local farmers to invest in sustainable development in the production of tea, thereby ensuring people, planet, and profit. The KNVKT tries to encourage their members to establish specific projects, for example to bring the tea plantation to a certain level so tea can be certified.

In addition, fair trade often goes along with organic and organic certification affects people and profit as well. The reason for this is that these specialisations are divided in certain codes that have 50 to 70 per cent similar standards, such as agricultural practises and ILO labour standards. The collaboration could be more effective when the first 70 per cent of the code in the plantation would form an overall standard. Afterwards a corporation or a plantation could determine whether the production is specified according to fair trade or organic standards. This part of the collaboration needs to be more developed.

This way, all these logos can be complementary to each other, so a certain brand only has to choose one certain quality mark. Furthermore, it is important that independent authorities certify these qualifications, which guarantees sustainability. That is the reason of the existence and the use of multiple qualifications marks, all have a specific focus like fair trade and organic, what comes back in the codes. In the end the objective will be that a brand will guarantee sustainability and the mark is a tool to communicate to the consumer.

Therefore the KNVKT is in negotiation with certification authorities. Within these organisations there is a difference between private and public initiatives/authorities. The public certification is covered by the law such as the EU organic regulation, instead of the private quality marks such as Fair Trade, UTZ Certified and Rainforest Alliance.

When it comes to purchasing behaviour of organic tea, a distinction can be made in consumer behaviour and moral ethics. In general, people are very concerned regarding the social aspects for the farmer, the sustainability in plantation and trade. However, when it comes to the purchasing of qualified tea in the supermarket, the budget usually overrules the moral aspect. The certification plays a certain role in the purchasing decision for the Dutch consumer, for instance recognition of some quality marks. In that sense, the consumer is in a certain degree interested and aware of the qualified tea. However, the purposes and the exact differences of these terminologies are still vague for them.

So, therefore authorities are trying to promote sustainable cultivation as good as possible by informing these guarantees to the consumer. After all, the consumer makes a decision within 20 seconds, so all these logos should give a certain indication and a distinction. Although initiatives try to make it more insightful, it is still a complicated process to represent a philosophy by a label. That is the reason that the KNVKT supports the theory that a brand should guarantee the quality instead of a logo, so a logo can be complimentary to the brand.

Therefore the primary purpose of certification is to promote more sustainability in all aspects: people, planet and profit. Despite that it is more internally focused, which makes it an investment within the chain. That certain qualifications have been used as a marketing tool for companies is a logic result, because companies would like to communicate with their consumers. It tells consumers that companies sell sustainable tea which improves their image.

### **Appendix 3 Supermarkets**

The Dutch supermarkets present organic tea differently in the shelves, which determines the competition of tea. The size of the tea section and the special organic tea sections for brands have an influence on how tea manifests itself.

#### **Albert Heijn**

The Albert Heijn has a special section in the shelves for organic products, which is where all the Zonnatura tea is positioned. This way, Zonnatura reaches the customer easier with a 'healthier' lifestyle. Zonnatura has also the natural instant tea represented, but in the regular tea section somewhere else in the supermarket, where it competes with organic brands Puur&Eerlijk and Clipper. Only two real organic teas try to compete with a large assortment of non-organic tea flavours that Albert Heijn represents. Mainly Albert Heijn carries out the Bewuste Keuze label that competes with the EU label and Fairtrade label of the Puur&Eerlijk and Zonnatura Tea. Also Lipton tea has got labels such as the Rich taste label and Rainforest Alliances Certified label.

#### **Dekamarkt**

The Dekamarkt has a small assortment. This results in a leading position of the Zonnatura tea concerning organic teas in the Dekamarkt. Therefore, the Zonnatura tea is priced to high on average, which has to compete with the Fairtrade labelled Dekamarkt home brand 1 De Beste, besides the Lipton labelling.

#### **Bas van der Heijden**

Although supermarket Bas van der Heijden also presents all tea flavours in one section, the organic teas are Zonnatura and Bio+ tea. Again, 1 De Beste tea is a big competitor in the organic tea category, mainly targeting the Fairtrade label. Bas van der Heijden also has a large section dedicated to Pickwick, which makes the tea a strong competitor.

#### **Jumbo**

Not only represents Jumbo a whole section of Zonnatura products including their teas, also, an other organic brand called Ethiquable is presented in a single section. The Ethiquable tea is certified by the EU label and the Fairtrade label, while Zonnatura is just EU labeled. These brands are located in a similar aisle, where the regular tea also is positioned. Via this way, all the tea are directly in competition with each other. In the regular section the organic brands are located such as Bio+ and Sonnigdal. These brands have to compete with the Fairtrade logo, which is presented on two other brands, and the Lipton labelling. The very fancy packaged tea from Pickwick and the Jumbo home brand stand out and are different compared to the below section, which includes Jumbo regular packaged tea and Pickwick tea.

## 5.2 Appendix 2: Student Ethics Form

### European Studies Student Ethics Form

**Your name:**

**Supervisor:**

#### Instructions/checklist

Before completing this form you should read the APA Ethics Code

(<http://www.apa.org/ethics/code/index.aspx>). If you are planning research with human subjects you should also look at the sample consent form available in the Final Project and Dissertation Guide.

- a. ☐ Read section 3 that your supervisor will have to sign. Make sure that you cover all these issues in section 1.
- b. ☐ Complete sections 1 and, if you are using human subjects, section 2, of this form, and sign it.
- c. ☐ Ask your project supervisor to read these sections (and the draft consent form if you have one) and sign the form.
- d. ☐ Append this signed form as an appendix to your dissertation.

#### *Section 1. Project Outline (to be completed by student)*

(i) **Title of Project:**

(ii) **Aims of project:**

- (iii) Will you involve other people in your project – e.g. via formal or informal interviews, group discussions, questionnaires, internet surveys etc. (Note: if you are using data that has already been collected by another researcher – e.g. recordings or transcripts of conversations given to you by your supervisor, you should answer 'NO' to this question.)

YES / NO

If no: you should now sign the statement below and return the form to your supervisor. You have completed this form.

This project is not designed to include research with human subjects . I understand that I do not

have ethical clearance to interview people (formally or informally) about the topic of my research, to carry out internet research (e.g. on chat rooms or discussion boards) or in any other way to use people as subjects in my research.

Student's signature \_\_\_\_\_- date \_\_\_\_\_

If yes: you should complete the rest of this form.

*Section 2 Complete this section only if you answered YES to question (iii) above.*

(i) What will the participants have to do? (v. brief outline of procedure):

(ii) What sort of people will the participants be and how will they be recruited?

(iii) What sort stimuli or materials will your participants be exposed to, tick the appropriate boxes and then state what they are in the space below?

Questionnaires[ ]; Pictures[ ]; Sounds [ ]; Words[ ]; Other[ ].

(iv) **Consent:** Informed consent must be obtained for all participants before they take part in your project. Either verbally or by means of an informed consent form you should state what participants will be doing, drawing attention to anything they could conceivably object to subsequently. You should also state how they can withdraw from the study at any time and the measures you are taking to ensure the confidentiality of data. A standard informed consent form is available in the Dissertation Manual.

(vi) **What procedures will you follow in order to guarantee the confidentiality of participants' data?**  
Personal data (name, addresses etc.) should not be stored in such a way that they can be associated with the participant's data.



**Student's signature:** ..... **date:** .....

**Supervisor's signature** (if satisfied with the proposed procedures): ..... **date:** .....

### **Aldi**

Aldi does not have organic teas, only nine different flavours of regular teas from different brands.

### **Lidl**

Lidl sells one organic tea, called Fairglobe tea, which has to compete with the non-organic brand Lord Nelson tea. All teas are represented together in the selves.

## **Appendix 4 Student Ethics Form**