How can customer behavior be changed in order to increase sales of organic products

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Hur kundernas beteende kan förändras med syfte att öka försäljningen av ekologiska produkter

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Godkänt	Examinator	Handledare
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Sammanfattning

Under de senaste åren har medvetenheten om miljö- och hälsorelaterade problem ökat dramatiskt. Ett område som har bidragit till denna oro är livsmedelsindustrin. Detta har påverkat efterfrågan på miljövänliga produkter som ekologiska livsmedel, vars syfte är att främja hälsa och miljö. Även om det finns olika uppfattningar om de exakta fördelarna med ekologisk anses det i allmänhet ha positiva effekter på omgivningen. Ekologiska livsmedel är dock kostsamt, både för jordbrukare och konsumenter, vilket har skapat en obalans i utbud och efterfrågan. Även om försäljningen har ökat, är konsumtionen inte tillräcklig för att priset ska minska. Det har också visat sig att människor ofta utger sig för att köpa ekologiska produkter i högre grad än vad de faktiskt gör. Därför avser denna studie att analysera hur försäljningen av ekologiska livsmedel kan öka ytterligare genom att identifiera befintliga kundvärderingar och varumärkes kunskap om ekologiska produkter för sedan använda resultaten till att förbättra problemområden och förändra köpbeteendet.

Resultatet bygger på flera forskningsmetoder, även om den största delen kommer från empiriska tester som undersöker forskningsfrågor skapade utifrån tidigare litteraturen på området samt intervjuer. Testernas huvudfokus var att pröva uppfattningar om priskänslighet, effekten av produktplacering och uppmärkning, samt effekten av förtydligande argument av ekologiska produkters innebörd.

Den viktigaste slutsatsen av denna studie är att den största möjligheten att ändra konsumenternas beteende till att köpa mer ekologiska produkter innehas av återförsäljarna. Majoriteten av alla beslut fattas i butiken, vilket gör att de har störst möjlighet att påverka. Ned- och uppströms aktiviteter rekommenderas beroende på kundens benägenhet att ändra beteende. Det krävs dock ytterligare studier på argumentens inverkan på försäljningen Ytterligare forskning om hur villig kunden är att låta butikskedjorna fatta beslut åt dem rekommenderas.

Nyckelord: Ekologisk, Hållbarhet, Märkeskunskap, Beteende teori

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Abstract

During the last few years, awareness of environmental- and health related problems have grown dramatically. An area that has a contributed to these concerns are the food industry. It has affected the demand of greener products such as organic food, which aims to be healthier and better for the environment. Although there are different views on the exact benefits of organic food, it is considered to have a general positive effect on its surroundings. However, organic food has been costly, both for farmers and consumers, which has created an imbalance in supply and demand for organic products. Even if the sales of organic food has increased, the consumption is not enough for prices to decrease. It has also been found that people claim to buy that they buy organic to a higher extent than they actually do. Therefore this thesis focus on understanding how sales of organic food can be increased further, by identifying existing customer values and brand knowledge about organic products, in order to use the findings to improve problem areas and change buying behavior.

The result is based on several research methods, although the greatest part comes from empirical tests examine the research questions derived from earlier research and interviews. The tests main focus was to investigate perceptions about price sensitivity, the effect of place and promotion, and finally the effect of clarifying the concept of organic food through arguments on the packages.

The main conclusion is that the greatest opportunity to change consumer behavior towards buying more organic products is held by the retailers. The majority of all decisions are made in store, which is why the greatest change to influence consumer behavior is located there. Down- and upstream activities are recommended depending on the customer's readiness to change purchase behaviors into new once. However, further studies of the arguments actual impact on sales are proposed to be further studied, and has been left out due to the limited scope of the tests and the possibility to measure it. Also, further research on to what extent the customer is willing to let the retail chains take decisions for them is proposed.

Key-words: Organic, Sustainability, Brand Knowledge, Behavior Theory

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1 Introduction

This chapter will introduce the area of investigation. Firstly, the background of the problem is presented followed by a contextualization and introduction to the subject. Thereafter, problem formulation, objective, research question and delimitations are presented. Lastly, an outline of the report gives an overview of the disposition.

1.1 Background

Since the 1970s environmental issues has been on the top of the agenda for many societal stakeholders (Lau & Lorett., 2001) and since the early 2000's, an increased awareness of environmental and climate change also reached most individuals (Gotschi, et al., 2010). The food industry is a contributing factor for these concerns since it is estimated to account for 30 percent of the world's total energy consumption and 2/3 of those come from the food production (Livsmedelsarbetareförbundet, 2013). People are getting more and more concerns about issue like this, combined with worries over health and safe food. This has affected the demand for "*greener products*", often described as healthy, environmental- and climate-friendly products. Organic food is such products, seen by the consumer as healthier and better because of its smaller environmental impact compared to conventional food (Gotschi, et al., 2010).

The concept of organic food started long before the 2000s by the German, Ewald Köpnemanns (1899-1976). He founded the movement "*back to nature*", which supporters at that time were primarily vegetarian who believed in agriculture without animals and self-sufficient households. They started to cultivate without mineral fertilizers and synthetic pesticides, they used minimal tillage practices, composted and recovered materials, very much like today's organic farms.

The biggest markets today for organic products are the USA followed by Germany and Denmark. (Olson, 2007). Sweden is also on the rise; however there seems to be a gap between what people really think, prioritize, and their actual actions (Enfors, 2012). Studies on Swedish consumers have shown that people often tend to say they buy organic food regularly, although sales numbers indicate that is not really the case. In Sweden 5.6 percent of the total sales come from organic products, which still can be considered low compared to e.g. Denmark's 8.6 percent. (EkoWeb, 2015).

Organic production has positive effects in general on its surroundings but it is costly, both for farmers and consumers. It takes about four years to become a certified organic farmer and the yield per unit area is generally lower (Enfors, 2012). For the consumer this means a price increase of 66 percent on average compared to the equivalent conventional product (Jörgensen, 2012). Thus, price is often named as one of the main reasons for not buying organic food together with a poor range of available products (Macklean, 2014). However, if the demand would be higher and more stable, the risk for farmers to convert would be lower and the supply would increase, resulting in a lower consumer price (EkoWeb, 2015).

Marketing is a powerful tool to encourage specific purchase behaviors and for green products there is a need to connect marketing with sustainability values to help mitigate environmental and other damages caused by human's bad consumer choices (Amzad & Dora, 2013). To do this successfully, it is important to understand the consumer's

perception about organic products and brands, plus the value associated with it linked to the consumer's actual purchasing behavior (Lassar, et al., 2006; Gotschi, et al., 2010).

What also has to be taken into account is that our choice of grocery products is rarely thought through, two of three purchasing decisions are made in the store, which means it is also about habitually behavior and emotional state (Macklean, 2014).

Hence, the question is therefore how increase knowledge about brand and behavior theory combined with environmental knowledge and attitudes help to increase sales of organic products?

1.2 Contextualization and Introduction

The European organic farming industry can be summarized as follows: chemical fertilizers and pesticides are prohibited to use, feed for animals has to be organically produced by the farm itself and it is important that animals will be outdoors and can express their natural behaviors and genetically modified organisms (GMO) shall not be used in organic production and radiation is not permitted. If animals get drugs the waiting period is also extended before the animal is slaughtered (Naturskyddsföreningen, 2014; Livsmedelsverket, 2014).

The main rules for organic food and food labeling are determined by the European Union and maintained by using inspection bodies in each country. Though, any country can, in addition to the EU logo, use their own labels with increased requirements for organic food as long as they fulfill the EU's basic requirements. (Feurst, 2014; Swedish Government Offices, 2015). The euro leaf however must be printed on all organic products since 2012 (European Commision, 2012).

In Sweden, organic food have two players that have a clear impact on the organic sector through its rules and practices, it is the government and those responsible for organic standards in addition to EU regulations. In Sweden these are non-profit food agencies that distribute organic labels, such as KRAV (Macklean, 2014). The regulations governing organic production in the EU includes how production and labeling should be conducted, inspected and what applies on imports from outside the EU. Any operator who produces, prepares, stores or imports from a third country and who want to label their products as organic, or specify that the food contain organic ingredients must enroll to an approved inspection and submit to inspection. Within each European country there is an approved inspection body that controls and certifies organic food. In Sweden, SWEDAC, accredits and approves, while the Board of Agriculture and Food Agency, delegates control of organic production to private certifiers. Sweden has six private certifiers: Sweden Kiwa, TASTE AB, HS Certification AB, Valiguard AB ProSantias Certification Ltd and Intertek Certification AB (Livsmedelsverket, 2014).

To get a labeled product with EU's logo for organic food, the "*Euro Leaf* ", (see Figure 1) it is required to contain at least 95 percent organic ingredients and that all stages of production are under the control of a certification body. The other 5 percent might be conventional ingredients when there are no organic ingredients of agricultural origin in the right amount or the right quality, but it has to be applied for. Everything below 95 percent cannot be labeled organic. (Livsmedelsverket, 2014)

Figure 1. *Euro Leaf label showing a food product is approved by EU requirements.*

KRAV (Figure 2), is the main actor on the Swedish market, a non-profit business association consisting of member organizations and those who are authorized to label KRAV products, which are the recent named six private certifiers (Livsmedelsverket, 2014). Unique for KRAV is that they create their own standards with even more demanding regulations then the once given by the EU, with the goal to drive the development of organic production forward (Macklean, 2014). The areas where KRAV have expanded their regulations are animal care, crop production, additives and environmental protection (Ekomatsedeln, 2014). Rules also vary depending on type of farming (KRAV, 2015).

Figure 2. *The KRAV label, showing that the product is organic certified.*

Besides KRAV and the EU leaf some retail chains have created their own organic label for their private label products. Private label (PL) is a way for retailers to stand out as brand owners, and at the same time be able to compete with other leading brands (Jonas & Roosen, 2005). Examples of organic private label brands are I love eco, owned by Sweden's largest food retailer the ICA Group (Gidebrant & Håkansson, 2012), Änglamark by Coop and Garant by Axfood (Figure 3) (Marshall, 2009).

However, these brands by themselves are not official certifications for organic food, there are more like "*green trademarks*" for retailers' PL brands. Therefore, these brands are often seen together with several official eco-labels on the packaging (Marshall, 2009).

Figure 3. *The organic private labels by the largest Swedish food retailers.*

These organic PL logos clearly distinguish organic products and have been found to appear very meaningful to consumers, which generally makes them as important as the official certifications labels (Marshall, 2009).

1.3 Problem Formulaion

Despite Swedish consumer's positive attitude towards organic products and its positive effect on the environment, total sales have increased slowly compared to other countries. The reasons behind this are several. First of all, there has been a lack of political support for organic products. Secondly, the product range considerably varies. Thirdly, organic products are more expensive than conventional. Lastly, the consumer's brand knowledge and positive attitude towards organic products does not correlate with the actual purchase behavior, which in turn creates an uncertainty among producers and reduces their willingness to convert and produce organically.

In order to move towards a more sustainable society with increased organic food production the first step is to increase customer demand. To succeed, marketing, bran knowledge, behavior theory and the retailers is a key aspect. However, there is only limited research on the area, which is why this thesis will focus on understanding how to increase sales of organic products from the view of brand and behavior theory combined with environmental knowledge and attitudes, in order to change customer's behavior towards greener choices.

1.4 Objective and Research Questions

The objective of this thesis is to understand how sales of organic food can increase by identify existing customer values and brand knowledge about organic products in order to use the findings to improve problem areas and change buying behavior.

This thesis will focus on answering the following research question:

- How to change customer behavior in order to increase sales of organic products?

The question above has been broken down in to four sub questions:

RQA What affects customer behavior when shopping organic products and what are the brand knowledge about organic?

RQ1 How is sales of an organic products affected when it has the same price as it conventional counterpart?

RQ2 Do organic products benefit more from a premium location in the shelf and clear labeling than conventional products?

RQ3 Does a clarifying arguments in addition to the organic label on products increase the understanding of organic and in turn probability of purchase?

1.5 Delimitations

Since this thesis was conducted during a limited period of time consisting of 800 working hours, and the problem analyzed was complex and affected by several factors, some delimitation had to be made.

Most importantly, the study only focuses on the Swedish food market from a marketing and sales perspective and do not take into account producers, suppliers and other stakeholder's point of view. A deeper investigation of the impact on the society of an increase in sales of organic products and political aspects could not be prioritized as well, due to time constrains.

1.6 Outline

The outline of this report aims to give the reader an initial understanding of the subject and an overview of the report's content and structure. Firstly, a short contextualization and introduction to the subject is presented, followed by the research problem and questions.

Chapter 1 presents the background to the research problem, an introduction combined with a contextualization, followed by the research problem, questions and delimitations.

Chapter 2 presents the theoretical framework used, which forms the basis for the additional research questions created and tested in the research.

Chapter 3 presents the empirical framework, which sums up the theory behind the three additional research questions and related tests performed.

Chapter 4 presents the method used in this project, data collection and analysis method followed by a reflection on quality of the research.

Chapter 5 presents the test data and the results from the tests performed.

Chapter 6 presents the analysis and discussion of the research findings, which is based on empirical data and theories.

Chapter 7 does compile parts from all the previous chapters and present the conclusions of the study, recommendations and possible further research areas.

Lastly, in chapter 8, all the references are presented, followed by relevant appendix with additional information not included in the report.

2 Theoretical Framework

The purpose of the literature review is to present former studies that are considered relevant to provide insights from previously published works. First described is the green consumer followed by the purchase behavior and two behavior theories. Thereafter, a theory and model explaining brand knowledge in explained in further detail, followed by an application of the model for organic food. Lastly, point of purchase is described.

2.1 The Green Consumer

During recent years, people have started to be more concerned about environmental degradation, declining natural resources or threats associated with global warming (Valahzaghard, et al., 2012; Belz & Schmidtriediger, 2010). This has led to an increased demand in "*greener*" products, meaning products promoted as relatively environmentally friendly (Elliot, 2013). Companies and marketers quickly responded and started to use green claims to increase sales. The way of marketing these products are often called green marketing or sustainable marketing, (Matthes, et al., 2013; Belz & Schmidtriediger, 2010) although it is not very different from modern marketing in general. Both types are about analyzing customer needs and wants, develop solutions that provide superior value and price, plus promote and distribute the products effectively to the right group (Belz & Schmidtriediger, 2010). However, there is one fundamental difference, green marketing activities are made to improve the environment (Valahzaghard, et al., 2012).

Segmentation of the market and positioning of the product are nevertheless important strategic decisions when marketing green or sustainable products, since green consumerism significantly vary between different groups (Belz & Schmidtriediger, 2010).

There are different ways to segment the customer who buys green products such as organic food. A common way to segment is after demographic and psychological factors, were demographic includes age, sex, income and education, and psychological factors includes environmental knowledge, concerns and attitudes (Tseng, 2013; Belz & Schmidtriediger, 2010).

For green consumers, a belief is that young people perform more green purchase behaviors than older since they have grown up during a time of environmental concerns (Kanchanapibul, et al., 2014; Tseng, 2013; Rowlands, et al., 2003). Women also tend to have a greener purchasing behavior than men since they have a higher degree of concern for the environment and their health. They also consider the consequences of their actions more carefully (Ricky, et al., 2008; Tseng, 2013; Grunert, et al., 2014). The green consumer often tends to have an academic background and a higher income, likely caused by the higher prices for these products and a full understanding of environmental issues (Rowlands, et al., 2003; Diamantopoulos, et al., 2003; Grunert, et al., 2014). Yet, some researchers believe that there is a weak correlation between demographic variables and green consumer behavior (Tseng, 2013).

When it comes to environmental knowledge and attitudes there is a greater variation among the results. Some indicates that higher environmental concerns and pro-environmental attitudes increase a greener consumer behavior. This is due to their better understanding of the benefits using environmentally friendly products, as well as placing a greater value on natural resources, which in turn makes them more willing to change their behavior. However, other studies shown the opposite, that attitudes and concerns do not match up with behavior. (Tseng, 2013; Bang, et al., 2000; Weinstein, 1988)

Belz and Schmidt Riediger (2010) segment the green customer by three different groups. The first group has a high consciousness about the environment and is acting upon it. They are usually not very many and are often the innovator consumers of sustainable products. The second group also has a high consciousness about the environment and is willing to pay more for the perceived added value, however, they would not compromise on the quality such as the first group. Belz and Schmidt Riediger (2010) call them the early adopters of sustainable products. The last group is not particularly worried about issues regarding the environment, and the green products are not perceived to have any added value. This group will not compromise on price or quality and is a majority of the consumers (Belz & Schmidtriediger, 2010).

This type of segmentation allows the companies to target each group with different strategies from Porter (1998), which are focus, differentiation and cost. For the first group a focus strategy is preferred and the organic or green benefits are the primer benefits communicated, not quality and price. For the second group it is differentiation and the third and last group it is cost (Belz & Schmidtriediger, 2010).

Maturos Kanchanapibul (2014) on the other hand, argue that segmentation should be done by generations and that focus should be on targeting the younger since they have a different view and approach comparing to the older generation. This is something Tseng

(2013) also emphasizes. In addition, younger generations are also more powerful since they have a higher income than any previous generation and represent the future consumers, which is our future society. Companies that want to be successful selling environmental sustainability products should create marketing strategies targeting this group of consumers. (Kanchanapibul, et al., 2014).

The younger generation is more flexible, enjoy collaborations and innovations, they tend to search for more information before making an actual purchase and think that technology supports their life style. Furthermore, they are more concerned about the future and how their actions contribute to it, which leads to more reflection on their choice of green and sustainable products. (Kanchanapibul, et al., 2014)

Rebecca Eliot (2013) on the other hand says,

> "*There is not a stable green consumer out there. Rather, some consumers will prefer green household products, while others will prefer organic and local food, while still others will buy a hybrid car. These goods may all be understood as ''green,'' but they are in fact quite different, and will mobilize different motivations, tastes, and preferences*" (Elliot, 2013, p. 298)

Elliot implies that social status has an impact on the green behavior and that in many cases the purchase of green products is a status-motivated action, it is a way of demonstrating prosocial behavior but for a self-interested status gain. The action of buying green products can be seen as follows, (Elliot, 2013)

> ''*That one has sufficient time, energy, money, or other valuable resources to be able to afford to give away such resources without a negative impact on fitness''* (Elliot, 2013, p. 299)

Although segmentation is important to target the right group with the right green messages, most researchers agree the greatest difficulty lies in understanding the gap between consumers' overall positive attitude towards organic food and their relatively low actual purchase (Pearson, et al., 2011; Pei-Chun Lin, 2012; Tseng, 2013). Weinstein (1988) argues along these lines and says that only awareness about an issue is not enough to act upon it. The consumer need to think its action is of relevance to society and themselves, before they develop an intention to act (Weinstein, 1988).

The next challenge in marketing green products is therefore how attitudes can be connected to behavior in order to make people choose differently when purchasing products (Valahzaghard, et al., 2012).

2.2 Purchase behavior

In order to influence consumer behavior through marketing, there must be an understanding of why consumers behave in a certain way when shopping. Therefore, this section describes two theories about what affects consumer behavior and the gap between green values and green purchasing behavior.

2.2.1 Theory of planned behavior

Theory of Planned Behavior (TPB) by Icek Ajzen, aims to create an understanding and prediction of human behavior in order to change it. TPB claims that behavioral intentions are affected by attitudes about probability that the behavior will get the

expected result and the subjective assessment of the risks and benefits with the result (Ajzen, 1991; Pei-Chun Lin, 2012; Sheth, et al., 1991; Matthes, et al., 2013).

The theory of TPB postulates three conceptually independent determinants of intention; (see Figure 4) which can be defined as;

Attitudes- The attitude toward the behavior and refers to the degree to which a person has a favorable or unfavorable evaluation or appraisal of the behavior in question (Ajzen, 1991).

Subjective Norms - A social factor that refers to the perceived social pressure to perform or not to perform the behavior (Ajzen, 1991).

Perceived Behavioral Control - The degree of perceived behavioral control, which refers to the perceived ease, or difficulty of performing the behavior and it is assumed to reflect past experience as well as anticipated impediments and obstacles (Ajzen, 1991).

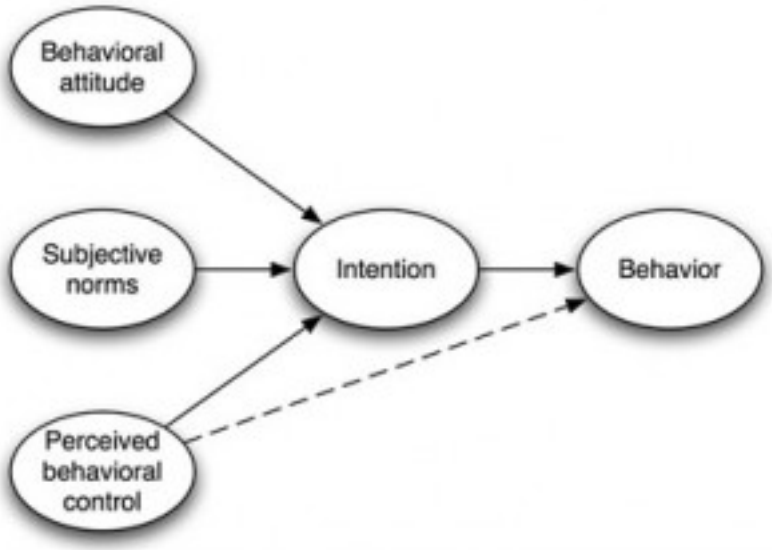

Figure 4. *Shows the three conceptually independent determinants of intention*

Together they will shape an individual's behavioral intentions and behaviors. If a behavior is evaluated as positive (attitude) and they believe other people want them to perform this behavior (subjective norm) this will affect the objective positively (motivation) and they are more likely to do so. Attitude, subjective norms and perceived behavior control are also expected to vary across behaviors and situations and sometimes all three predictors make independent contributions. Icek Ajzen also discussed that, in certain cases, personal feelings of moral obligation or responsibility to perform, or refuse to perform, a certain behavior has to betaken in to account. These moral obligations are expected to influence intentions, in parallel with attitudes, subjective (social) norms and perceptions of behavioral control. (Ajzen, 1991)

Application of planned behavior theory

Actions that contribute to sustainability carry a positive normative belief. This means that sustainable behaviors are encouraged and considered a positive behavior, which can

lead to a behavioral intention to practice such behaviors, but perceived behavioral control can be prevented by constraints such as a belief that the behavior will not have any impact. For example, if one intends to behave in an environmentally responsible way (i.e. by buying organic food) but there is almost no organic products available the perceived behavioral control will be low, and the constraints high, which will stop the behavior from occur. Applying the theory of planned behavior in these situations helps explain contradictions between sustainable attitudes and unsustainable behavior. (Ajzen, 1991)

However in the end, it is the consumers who put the organic products in their shopping carts, thus, the consumers has a very important role to increase the share of organic food. Hence, for retailers (?), it is all about finding, understanding, enjoying and selecting these products. Consumers, in turn, is largely controlled and influenced by the media and retailers' behavior. Reports in media about food and the production often have a very big impact among consumers, especially when it comes to different types of alarming reports and threats health. Consumers capture such attention, and a trend is created. How food retailers choose to capture and enhance such trends in turn has a great impact on sales performance. (Macklean, 2014)

2.2.2 A theory of consumption values

Another way to explain the purchasing behavior of consumers is by values. The theory of consumptions values by Jagdish N. Sheth (1991) describes five consumption values influencing consumer choice behavior. These values are social, conditional, functional, emotional, and epistemic values, see Figure 5.

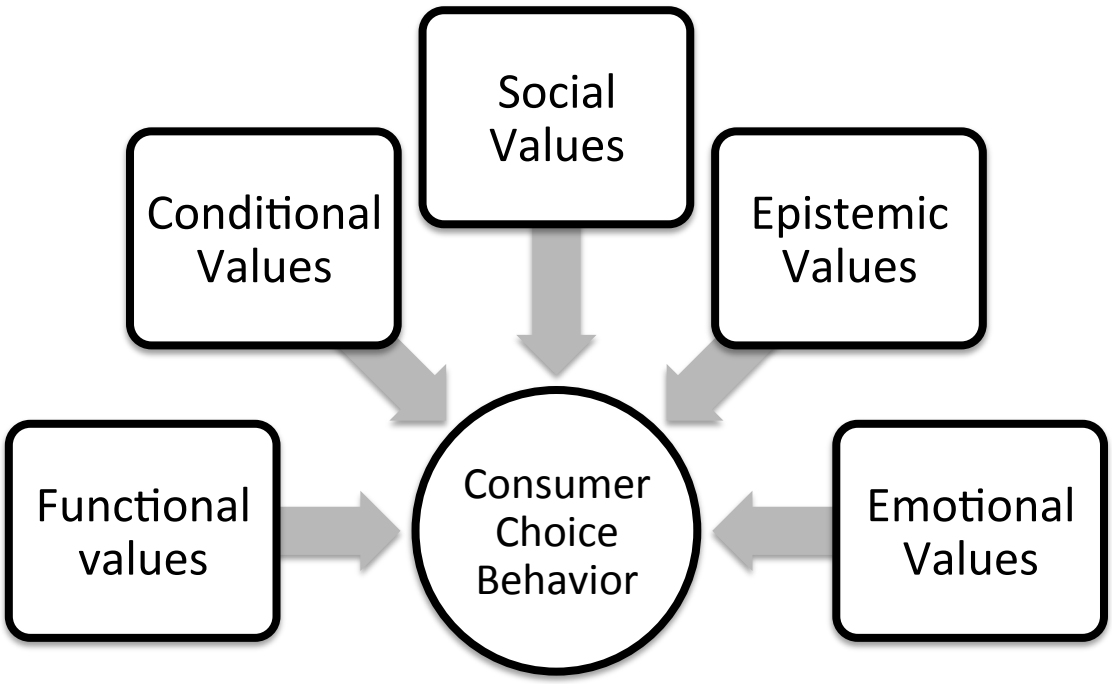

Figure 5. *Displays the five values that influence consumer choice behavior.*

These values are independent of each other and the consumer can be affected of only one or all of them when making a purchasing choice (Sheth, et al., 1991).

Functional value – The perceived utility of a specific behavior. This can be functional, utilitarian, or physical performance and often considered being the biggest influence in consumer choice. A decision to purchase may for instance be made due to price, durability or reliability (Sheth, et al., 1991).

Social value – Involves products with a social value such as cloths, jewelry and gifts. When buying a shirt for example the choice can be based on the social image it evokes in front of the functional value such as quality. Many products tend to have a symbolic or conspicuous consumption value that is greater than the functional utility (Sheth, et al., 1991).

Emotional value – The feelings associated with a particular choice. E.g. certain foods can evoke memories from childhood that triggers a good feeling. Why this type of feeling arouse can be unconscious or conscious but affects the choice in both cases. Many marketers therefore often try to arouse emotional responses for their product (Sheth, et al., 1991).

Epistemic value – It refers to curiosity, novelty, and knowledge. A new experience for example can provide epistemic value. This can be triggered when a customer is tired of their current choice and want to try something new or gain new experiences or knowledge (Sheth, et al., 1991).

Conditional Value – The perceived utility acquired by an alternative, which is a result of a specific situation or circumstances. Some alternatives can have subtle conditional associations, e.g. eating popcorn at the movies, and some are associated with "once in a lifetime" events like a wedding gown.

The diffrent values can have different contributions depending on the context. Jagdish N. Sheth (1991) explains it as follows

> "*A consumer may decide to purchase gold coins as an inflation hedge (functional value), and also realize a sense of security (emotional value) from the investment. Social, epistemic, and conditional value may have little influence. In contrast, the same consumer may purchase a gold bracelet because it will be admired by those whose taste she or he respects (social value). The other four consumption values may have little influence*." (Sheth, et al., 1991, p. 163)

This makes it important for marketers to understand what values are the drivers in specific choice contexts since it can improve marketing efficiency (Sheth, et al., 1991).

However, even a choice may be influenced positively by all five consumption values trying to maximize all five consumption values is usually not favorable. Choosing the once with the highest impact on the consumer in the given situation will provide the best leverage (Sheth, et al., 1991).

2.2.3 The gap between green values and green purchasing behavior

One of the main issues relating to behavior change is the gap between individual's confessed willingness to change and buy, e.g. organic and environmental friendly products, and their actual behavior (Nelissen, 2002; Pei-Chun Lin, 2012; Matthes, et al., 2013; Tseng, 2013; Sirieix, et al., 2013).

The degree of concerns for the environment and degree of understanding the subject seems to have a weak correlation with increased use of environmentally friendly and green products. Values shared by individuals do not necessary drive behavior. (Sirieix, et al., 2013) A study made by Tseng (2013) indicates the same, Poland and Sweden have the lowest level of concern with sustainability issues, while Sweden and the UK has the highest level of (inferred) use. Spain and Germany have the highest level of concern, but Spain has a relatively low level of use. Germany and the UK show the most consistent pattern, with high levels of anxiety, understanding and usage compared to other countries. (Tseng, 2013)

There also appears to be an uncertainty in what the “right choice” is, even if the concerns about environment and health tend to be high, which also can affect the buying behavior (Nelissen, 2002), Tseng (2013) on the other hand claim that also that correlation is week. Even when the information is understandable and accessible behavior does not seem to change (Tseng, 2013).

In the article marketing for sustainability by Nelissen (2002) he claim that consumer behavior is strongly linked to social relationships and norms, however, to change people’s purchasing behaviors the act needs to be facilitated for the consumers. This also includes social norms and relationships between organizations and consumers. The retail sector have a great power here, since they can act as catalysts for changing social norms and facilitate the "right choice" (Nelissen, 2002).

One way to change people’s behavior to a greener buying behavior is by organizing activities performed by a variety of collective actors. For example, if all store change their plastic bags to environmentally friendly alternatives the customers are getting forced to be a greener consumer and change their locked behavior pattern (Nelissen, 2002).

Nelissen (2002) describes two different methods, which can lead to change in consumer habits, it is upstream and downstream activities. Upstream is about changing the structural conditions, one example is withdrawal of fast food and introduce healthy food choices instead. Downstream activities are about relieving existing negative outcomes, e.g. "eat well" posters in hospitals, doctors' offices, workplaces and schools. To succeed one first have to segment the customers based on behavioral readiness, different groups are in different stages and therefore need to be treated differently (Nelissen, 2002).

There are five different stages marketers have to adjust to described by Nelissen (2002),

Pre-contemplation - Individuals are still not thinking about changing their behavior

Contemplation - People are seriously considering changing their behavior

Preparation - Individuals have tried to alter their behavior and are seriously considering trying again in the short-term

Action - When behavioral change has occurred in the last 6 months

Maintenance - Behavioral change has been maintained for more than 6 months

In addition to Nelissen, Thøgersen (2011) stresses that the benefit from all the environmental behavior must be concrete, immediate and specific to the person performing the behavior since the benefits at the societal level are unlikely to be a driving force for change; benefits should be as local as possible. People are essentially

selfish and the life quality for family, friends and oneself will always be the greatest driving force for behavior (Thøgersen, 2011; Gotschi, et al., 2010).

Something that also not should be neglected when trying to decrease the gap between consumer's values and the green purchasing behavior is to understand the consumer's attitudes towards green products. Attitudes toward organic products are strongly linked to shopping behavior and studies have shown that the majority of consumers have developed specific attitudes toward organic products, where many are very complex (Gotschi, et al., 2010).

2.3 Keller's Brand Knowledge Model

Brand knowledge can be described as awareness of a brand name and belief about the brand image (Esch, et al., 2006). The knowledge about a brand will influence what comes to mind when the consumer thinks about the brand (Keller, 1993), which in turn can affect the purchasing behavior and consumer loyalty (Esch, et al., 2006; Keller, 1993). It is important to create awareness among consumers about the brand since it opens up for a relationship between the consumer and the product (Tunberg & Ellström, 2008).

Many researchers have created models to explain how brands affect consumer behaviors and Kelvin Lane Keller has generated one of the most commonly used (see Figure 6) (Esch, et al., 2006). Kelvin describes brand knowledge by applying basic memory notations. He explains brand knowledge to consist of two main components; brand awareness that relates to brand recall and recognition by consumers, and brand image that refers to the association consumers have in mind about the brand (Keller, 1993).

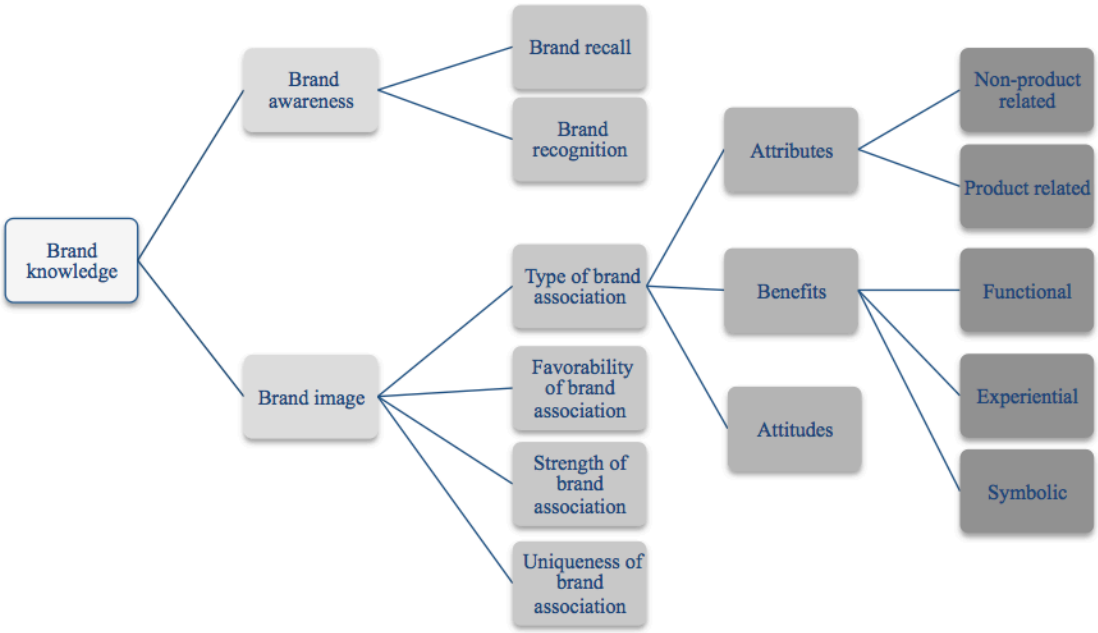

Figure 6. *Explaining Keller's different Dimensions of Brand Knowledge*

Awareness of a brand has been described by other researchers to affects brand image, and brand image in turn direct influence current brand-loyal purchase behavior (Esch, et al., 2006).

2.3.1 Brand Awareness – Bran Recall and Brand recognition

Brand awareness is defined by Keller as "*the consumers' ability to identify the brand under different conditions*" (1993, p. 3), which means how likely it is that a specific brand comes to mind and with what ease it does that. Simply put, does the consumer know that the brand exists? For the decision making process awareness is very important, if the consumer does not think about the brand when thinking about a product category the possibility of purchase decreases. However, a minimal level of awareness can get the customer to consider the product in front of familiar once. (Keller, 1993). Also it is considered easier to create an image after the brand or product is well established in the consumer's memory since awareness correlates with valuable image dimensions (Esch, et al., 2006; Keller, 1993). Awareness in turn consists of two parts, brand recall and recognition.

Brand recognition means how correctly a consumer can identify a product or service without being explicitly exposed to the company's name and only by its attributes (*ex. logo, taglines, packaging or advertising campaign*). This makes the consumer have to recall prior knowledge. If purchasing decisions are made to a higher extent in store, brand recognition could be more important to focus on than recall (Keller, 1993).

Brand recall is defined by Keller as "*consumers ability to retrieve the brand when given a product category*" (1993, p. 3), meaning the consumer have to generate the brand from memory. Brand recall is also often used to measure brand awareness. By asking the customer to name all candy bars she or he may know, it is possible to understand and analyze the level of recall in relation to other brands (Esch, et al., 2006).

2.3.2 Brand Image

Brand image is defined by Keller (1993, p. 3) as *"perceptions about a brand as reflected by the brand associations held in consumer memory",* which means the visual images and associations a consumer have about a specific brand. What a customer associates with the product can be of different nature. Keller divides it into four dimensions; type-, favorability-, strength- and uniqueness of brand association.

Type of brand association – Attributes, benefits and attitudes

Attributes are according to Keller (1993, p. 4) "*the descriptive features that customers think characterize a product*". Attributes can in turn be dived in to product- or non-product related, where the former one comprises characteristics necessary for the product to functioning physically and the second one does not. Example of non-product related attributes are price, packaging and design.

Benefits are according to Keller (1993) about what the consumers believe that the product can do for them, i.e. the personal value consumers attach to the product. Depending on its character Keller divides them into three sub-categories; functional-, experimental- or symbolic benefits.

Functional benefits relate to the advantage of product function, like safety needs, it also often include a desire to avoid problems which is communicated with product-related attributes (Keller, 1993).

Experimental benefits consider how it feels to use a particular product and satisfy needs like sensory pleasure and variety, which are also communicated with product-related attributes (Keller, 1993).

Symbolic benefits satisfy the underlying need for social acceptance and outer directed self-esteem. However, consumers could value the exclusivity or fashionability because it relates to their self-concept. Normally it is communicated through non-product-related attributes (Keller, 1993).

Attitudes toward a product are according to Keller defined as *"consumers' overall evaluations of a brand and are the basic for the consumer behaviors e.g. brand choice"* (Keller, 1993, p. 4), which means the consumer's overall values of the brand and how wanted the product are by the consumer. They have an important role since they form the basis of consumer behavior and relate directly to the various Brand Benefits that consumers perceive (Keller, 1993).

Favorability-, Strength- and Uniqueness of brand association

Favorability is about *"associations differ according to how favorably they are evaluated*" (Keller, 1993, p. 5), which means how positive or negative the consumer is to the brand. That is influenced by how well the brand has satisfying attributes and benefits that will please the consumers' needs and wants. However, not all associations are considered important for the purchasing decision.

Strength is about *"Associations can be characterized also by the strength of connection to the brand node"* (Keller, 1993, p. 5). That is how the information is taken into the memory of a consumer and how it is saved and creates an image.

Keller's (1993) last dimension of brand associations is about if the association is shared with other competing brands, meaning how unique the customer's association is of the brand. Unless the brand has no competition it will most likely share some associations with other brands, which actually can establish category membership.

2.4 Applying Keller's Brand Knowledge Model

Organic products and production are, highly regulated and controlled. However, the consumer's perceptions of organic production are not always aligned with the regulation. It is important to understand customer's brand knowledge since it can explain why customers buy, or does not buy organic food. This information is also crucial for the market in order to serve the consumers' needs and wants, especially since organic products no longer are considered a niche product on the market (Hughner, et al., 2007).

2.4.1 Brand Awareness

There are several ways to communicate that a product is organic. Commonly, special attributes like organic, are promoted by different labels on the products (Sirieix, et al., 2013). This information is important so that consumers are given the possibility to choose between conventional products and once with special advantages, but it is also a tool for policy makers in industry and government that want to foster sustainable

consumption (Hoogland, et al., 2006; Janssen & Hamm, 2012; Hemmerling, et al., 2013). According to Grunert and Wills (2007), the benefits of organic labels are to promote sustainability without compromising consumer freedom of choice as well as reducing the consumer's information search costs, which makes it more likely that the information provided will actually be used.

The most important thing though, seems to be that labels are easy to understand and that consumers do not need to read a lot of text (Sirieix, et al., 2013). Lucie Sirieix (2013) also states that:

> "*In most cases, consumers purchase food products on the basis of habit. Therefore, a sustainable label may not be purchased primarily because of its sustainable content, but because it's widely and easily available. Therefore, we would agree with Pieniak et al. (2010) that subjective knowledge or familiarity has a great impact on buyers' behavior*." (Sirieix, et al., 2013, p. 149)

Another study made by Balaji (2013) indicated that the degree of understanding the label´s meaning is directly linked to purchase and added value to the product (Balaji, 2013; Hemmerling, et al., 2013) This in turn leads to an increase in the consumer's willingness to pay a price premium for the brand (Bauer, et al., 2013). However, existing organic label schemes differ a lot in how widely they are adopted by consumers. There are big differences in how many consumers that use them as intended, know what they mean, or even are aware that they exist (Thøgersen, et al., 2010).

The number of labels have escalated, in year 2014 there was around 432 libeling's available in 246 countries and 147 standards for food and beverages, according to the European Commission. 129 of those are public and private sustainability related food information (Swahn, et al., 2012). For instance, in 2004 Denmark had 28 (broadly defined) organic labels. It consisted of five official Eco labels, eight organic food labels, five energy labels and about ten other types of Eco label (Thøgersen, et al., 2010). In 2011, Sweden had 18 labels related to food (see Figure 7) (KSF, 2011).

Figure 7. *18 labels that can be find on food products in Sweden, according to Stockholm Consumer Cooperative Society.*

In a Swedish study done 1995 more than 10 percent could not recall any labeling scheme related to food (Konsumentsverket, 1995/1996:13). The same study also showed that the most recognized label in Sweden for organic products was KRAV. In a similar study,, over 80 percent of the participants did recognize the KRAV label, whereas less than half of the people asked recognized the mandatory EU-leaf. (Lefébure & Muñoz, 2011). The same result was found in Denmark where the Danish state-controlled organic label is by far the most well known Eco label with 98 percent recognition in 2005. During 2004, Denmark had a campaign that aimed at increasing the knowledge of EU's organic label, which lead to an increased consumer recognition of the label from 7 percent 2004 to 29 percent, 2005 (Thøgersen, et al., 2010).

Apart from different labels, the concept of "organic food" seems fairly well known by consumers. 91 percent of Irish consumers have heard of organic food according to Roddy (as citet in Magnusson, et al., 2001), and similar results (93 percent) was founded in northern Germany Alvensleben (as citet in Magnusson, et al., 2001). According to Mathisson & Schollin (1994) this result is also valid among Swedish consumers.

2.4.2 Brand image

Plenty of studies have been made on what perceptions consumers have of organic products (Harper & Makatouni, 2002; Schleenbecker & Hamm, 2013; Padel & Foster, 2005). However, the perceptions about organic food are highly subjective (Shafie & Rennie, 2012) and the decision-making process is complex with variation between countries (Aarset, et al., 2004) and product categories (Padel & Foster, 2005). Although, it is critical to understand what consumer's images of organic are, in order to find the motives and barriers of buying organic.

Attributes - non-product related and product related

One of the most common associations that characterize organic products is "natural" (Aarset, et al., 2004; Davies, et al., 1995). Padel & Foster (2005) summarize customers perception of organic product as the proof of a genuine, wholesome and healthy product with an earthy feel to it, vegetables with soil, healthy products, less contaminated, no chemicals or pesticides, good taste, friendly service, unpackaged, high price, expensive but also elitist.

A well known and mentioned attribute across all product categories of organic food, and by some consumers, even seen as the "definition" of organic are the absence of hormones, pesticides, herbicides and antibiotics (Latacz-Liohmann & Foster, 1997; Harper & Makatouni, 2002). European rules for organic farming today includes prohibition of artificial fertilizers and pesticides (Naturskyddsföreningen, 2014) and the EU are conducting regular tests of both organic and conventional produced products to measure the residue level (EU, 2015). Despite the prohibition of pesticides, residues were founded in 14.1 percent of the organic products and 0.8 percent of the organic product exceeded maximum residues level, MRL (EFSA, European Food Safety Authority, 2014).

There are several reasons why organic food can contain residues. One of them is resulting from environmental contaminations in soil, due to the use of these persistent compounds in the past. Some comes from detergent used to disinfect instruments but it could also be an indication of use of forbidden pesticide (EFSA, European Food Safety

Authority, 2014). Hence, organic products cannot be guaranteed to not contain traces of pesticides. Although, the number of products containing residues is much lower than for conventional produced food, where 42.2 percent of all products contain residues and 2.9 percent contained residues level that exceeds MRL (EFSA, European Food Safety Authority, 2014). Therefore, consumption of organic products leads to a lower intake of residues.

Another attribute perceived by consumers is that organic food taste better compared to conventional produced food (Padel & Foster, 2005). A study made in Germany, France, Italy, Poland, Switzerland, and the Netherlands on strawberry yogurt showed that consumers tend to think organic labeled food taste better (Hemmerling, et al., 2013). The same thing was indicated in a Swedish study done on the consumer experience of tomatoes. The tomatoes had labels indicating that they came from four different origins when they actually came from the same farm. Whereas almost all test persons stated that the organic and locally grown tomatoes had a greater taste then the others. The test with the tomatoes shows that consumer's perception of organic products affects their taste experience. (Fernqvist, 2014)

While some results shows a correlation between perceived value of the product and the taste experience, other studies have more ambiguous results. Hill & Lynchhaun (2002) for example could not show a definitive conclusion as to whether or not consumers' believe that organic milk tastes better than the conventional.

Demand for organic foods is partially driven by consumers' perceptions that they are more nutritious. Consumer in both Netherlands (Hoefkens, et al., 2009) and the UK (Hill & Lynchhaun, 2002) perceive organic vegetables to be less contaminated and more nutritious compared to conventional ones. Higher nutrient content were reported as the main reasons for purchasing organic food by 4-7 percent of the regular organic food consumers (Naspetti & Zanoli, 29 June-2 July 2006). However, the published literature lacks strong evidence that organic food is significantly more nutritious than conventional food (Crystal, et al., 2012).

Animal welfare is a major attribute of organic products. According to Honkanen et al. (2006) customers ethical consideration for food issues have become increasingly significant. The same goes for animal welfare, local origin and genetic modifications. However, there are no clear definitions of what animal welfare is since it is both an evaluative and nominative concept with an underlying philosophical and ethical idea (Alrøe & Vaarst, 2012). Although, the idea in organic farming is to let the animals choose, meaning having access to outdoor areas whenever they like, let them be able to practice their natural behavior (Alrøe & Vaarst, 2012), not be exposed to thermal and physical discomfort (Spoolder, 2007).

According to Keller (2008, p. 190)

> "*Many consumers may combined their perceptions of products quality with their perceptions of price to arrive at an assessment of it´s perceived value. Consumers associations of perceived value are often an important factor in their decisions*".

Sustainable products are always seen as an expensive option (Shafie & Rennie, 2012), which is also the case for organic products (Harper & Makatouni, 2002; Padel & Foster, 2005). Price continues to be cited as the main reason for not buying organic food

(Harper & Makatouni, 2002). Perception of high prices are however not unjustified, organic products are on average about 66 percent more expensive in Sweden then the equivalent conventional product (Jörgensen, 2012). In a study conducted in Sweden, Magnusson et al. (2001) found that many respondents stated that it is important that organic food does not cost more the conventional food. Keller (2008, p. 190), however, say that "*consumers are willing to pay a premium for certain brands because of what they represent*", and Mathisson & Schollin (1994) point out that this can be true for organic products were consumers seem to be willing to pay about 5-10 percent more. Several retailers have experimented with initiatives to discount prices, but there are no scientific studies into the effect of such promotions (Harper & Makatouni, 2002). In cases when the price difference is not significant, a barrier to buying organic food could be price perception according to Padel and Foster (2005).

Although price seems to be the major obstacle for not purchasing organic food, Magnusson et al. (2001) argue that another plausible hindrance is the concept of habit of buying. According to Mathisson and Schollin (1994) 22 percent of the Stockholm consumers who did not buy organic vegetables did so because of habit and convenience. Magnusson et al. (2001) also found that an often cited obstacle to the purchase of organic food is their limited availability. However, they found that availability does not seem to be a major perceived obstacle to the purchase of milk, potatoes, bread and meat.

Another attribute of organic product is increased biodiversity. When it comes to biodiversity, a study in Europe has shown that generally organic farms has 30% higher species richness and 50% higher abundance of organisms than conventional farms, much due to how weeds are controlled (Azadia, et al., 2011; Tuomisto, et al., 2012). However, no study was found where customers associated organic food with biodiversity.

Organic labeling is not only important for the awareness of organic products, but also to strengthen the image of the product. When the customer understand the meaning of labels, like organic or fair trade, a Belgium study showed that willingness to pay increased (Sirieix, et al., 2013), even though it seems to differ a lot between different labels. (Janssen & Hamm, 2012) However, people tend to be willing to pay more for fair trade and shade-grown coffee and chocolate, then organically grown (Sirieix, et al., 2013). It has also been shown in a Dutch study that organic products with additional information have increased the perceived value of the organic product. Additional information in this study was details about the organic standard (Hoogland, et al., 2006).

By combining an organic and fair trade label it can enhance the value of a product but if wrong labels are put together it can have the opposite effect. The most important thing though, seems to be that labels are easy to understand and that consumer's do not need to read a lot of text (Sirieix, et al., 2013).

It is not only important that consumers understand the meaning of the label, its design is just as important. The design tends to affect the customer's perception of the products' sustainability and product quality (Sirieix, et al., 2013; Hemmerling, et al., 2013). Packaging and labeling has also been shown to affect the taste experience since perceptions gives a psychological message to the brain. However, the consumer still needs to be aware of the labels meaning in order to get a greater taste experience (Fernqvist, 2014).

Which of the described attributes actually increase sales? Wier et al, (2005) have found that even though consumers state that health, quality environmental and animal welfare are important to them, only the more egocentric attributes, i.e. health and quality was important for the actual purchase decision. Conversely, the other attributes are acknowledged widely, but not relevant for the purchase decision. This is confirmed in a study done in Sweden where 1154 consumers were interview through a questionnaire, which showed that the two most important purchase criteria for organic products were taste and health. Other importance aspects were long shelf-life and the core quality of the product (Magnusson, et al., 2001). According to Mathisson and Schollin (1994) the main reason for not buying organic foods is that consumers are satisfied with the conventional food supply.

Benefits – Functional, Experimental and Symbolic

A functional benefit for organic products is the fact that customers perceive these products healthier since it is free of pesticides and grown without chemical fertilizers. (Padel & Foster, 2005). This has also created a feeling among many consumers that organic products are safer than conventional since they can trust the content (Harper & Makatouni, 2002). This has also led to increased sales of infant food, where security is felt to be particularly important (Latacz-Liohmann & Foster, 1997).

Experimental benefits become an extension of the functional for organic products. To use a product that is perceived healthier, safer, environment friendly, better for the animals and farmers has been demonstrated to provide satisfaction among consumers. It basically feels good to buy these products (Gotschi, et al., 2010). This is also considered by some researchers to be one of the biggest driving forces behind buying these (Ricky, et al., 2008).

For the organic consumer the symbolic benefits relates to their own values and how they want others to perceive them as a person when purchasing organic products. Since organic food also is considered by the society as better and in many cases more ethical to purchasing, many consumers can feel a nominative pressure to buy these products. By purchasing these products, it almost becomes a proof of that you are a person who cares about your health, the environment, animals and farmers (Gotschi, et al., 2010; Ricky, et al., 2008).

An EU-funded study showed that consumers linked animal welfare issues as natural breeding and humane slaughter, with other product features such as food safety and quality. That means if a product is produced with humane slaughter the quality is consider being greater and the feeling of eating it is better which include all types of benefits (Harper & Makatouni, 2002).

Attitudes

Magnusson et al. (2001) states that the majority of Swedish consumers demonstrated positive attitudes towards buying organic food. In their study between 46 and 67 percent of the respondents thought it was quite or very good, wise and important to buy organic. 31-49 percent stated an indifferent attitude and only between 1-3 percent demonstrated a negative attitude.

In general, the non-buyers attitude towards organic food is more skeptical towards both the idea of organic and some of the claims made for organic food (e.g. health benefits, superior taste). They also lack trust in sources of information, especially the government

and the food industry (Harper & Makatouni, 2002) and questioning the financial control of supermarkets"…they make the products more expensive but do not pay enough to farmers" (Padel & Foster, 2005, p. 620). Commonly for non-buyers are that they do not really know what organic means and the personal benefits they could expect from it, at the same time they find it difficult to justify paying a premium price (Padel & Foster, 2005).

In spite of the fact that the majority of Swedes have a positive attitude toward organic food, only a few have the intention of buying it and only very few actually purchase it (Magnusson, et al., 2001). They conclude that the most important purchasing criteria for Swedish people were during 2001 good taste, long shelf-life, healthy, whereas being organically produced was of much lower importance.

Favorability of brand association

The number of labels has during the last decade escalated (Swahn, et al., 2012). However, Lucie Sirieix (2013), Sarah Hemmerling (2013) and Hans H. Bauer (2013) agree that there is a general positive attitude towards organic and fair trade labels but a skepticism to unfamiliar labels and general claims, such as "climate smart". However, a study in Sweden and Denmark showed that people tend to have a high trust for organic labels compared to UK and US, which is believed being related to the confident in governmental institutions (Hjelmar, 2011; Hamm, 2013).

Strength of brand association

The strength of brand association varies between organic product categories and countries. British customers mainly associate organic with vegetables (Padel & Foster, 2005) whereas other countries also associate organic food with ethical issues such as the environment, fair trade, animal welfare (Harper & Makatouni, 2002). Generally, participants from Germany are concerned with animal welfare, whereas remaining from pesticide use are regarded as the main issue in Spain. Although, customers in France mostly associate organic with limited human intervention and the British consumers focus on that it does not contain artificial ingredients (Aarset, et al., 2004).

Uniqueness of brand association

In addition to the many labels, organic has another main "competitor" - the free-range products. Haper & Makatouni (2002) found that consumers in UK often confuses organic and free-range products and believe that "organic" is equivalent to "free-range" products.

Swedish consumers also have difficulties in distinguish between the many types of food labeling. According to Statens offentliga utredningar (1999), consumers sometimes confuse labels with each other, meaning they can believe that a climate-friendly product is organic, instead of climate-friendly and vice versa. Swedes also have difficulties in distinguish between organic meat and Swedish produced meat (Magnusson, et al., 2001).

2.5 Point of Purchase

Although, right values and an intention to buy organic products, sometimes the consumer still end up with picking a conventional product. Decision-making is a

complex process (Nordfält, 2005) and several factors are not decided until the last minute, at the point of purchase (Henryks, et al., 2014).

2.5.1 Decision-making

Humans can, according to calculations, receive about 11 million information bits per second, from mainly sight, hearing and touch. Therefore one of the most important tasks for the brain is to interpret these impressions to provide a uniform picture of the world (Nordfält, 2005). Leading, for example, to humans working memory having a rapid transience and that the amount of items that it can hold is remarkably small according to Baars (as cited in Nordfält, 2005). The brains ability to select and exclude impressions is highly affecting the way we shop.

Most consumers knows a lot of dishes, brands and have other knowledge stored in their memories that could be used in decision-making if they only had enough time to recall it according to Lynch and Srull (as cited in Nordfält, 2005). Still, customers only become aware of around 70 articles out of the 10 000 items in a store, whereas regular customers only purchase around 50 different items on a regular basis. (Nordfält, 2005). Of all purchases, 35 percent at most, are planned in advance according to Rossiter and Percy (as cited in Nordfält, 2005). Innman and Winer (1998) found that between one half to two thirds of consumer's buying decisions are made at the point of purchase, while other market researchers have estimated it to be significantly higher, at 85%–90% Casey (as cited by Henryks, et al., 2014). As a consequence, most decisions are made within seconds in the store and without examination of any packages or shelf information (Hoyer, 1984). Therefore, the very existence of a decision process for fast moving consumer goods has been questioned (Olshavsky & Granbois, 1994).

Grocery shopping is seen by some people as either highly habitual (East, et al., 1994) and scripted Stoltman et al. (as cited in Nordfält, 2005) or construction dependent upon the contingencies that are encountered (Bettman, et al., 1998). Circumstances such as time pressure have proved to increase the likelihood of the behavior following a mental script Stoltman et al. (as cited in Nordfält, 2005). The main differences between the different theories lies in how much of the decision processes are performed with automaticity and how much that is consciously controlled (Nordfält, 2005).

Nordfält also confirms in a study that willful planning decreases the share of unplanned purchases while factors such as shopping experience do not. This suggests that most shoppers construct their shopping experience with the aid of the contingencies they encounter.

> *"The retrieval processes, and the way in which the various brands are evaluated, seem to be due to effortless, spontaneous cognitions beyond the respondents' intentional control. Hence, while the respondents are probably well aware of the thoughts that do enter their conscious processing, it is questionable whether they are in control of the influences that bring the cognitions to mind."* (Nordfält, 2005, pp. 76-77)

According to Nordfält et al, (2004) there seems to be two ways for a product to gain entrance into a consideration set. The product should either be preferred, or recalled. They are arguing that which of these ways that are dominant depends on whether the consumer mainly uses memory or external stimuli at the time of decision. Other researcher argues that top-down factors (for example product involvement (Greenwald

& Leavitt, 1984), familiarity (Grunert, 1996), and expertise (Alba and Hutchinson 1987)) only works as retainers not as attractors of attention (Pieters & Wedel, 2004).

2.5.2 Retailer's power on shopping decisions

In less effortful decision-making processes when, for example, a simple decision rule helps the consumer decide what brand to buy (e.g., "I buy the brand I recognize.") or during habitual purchase, the power of the retailers to push different products increases (Nordfält, 2005). Retailers can use tools like temporary price reductions or put products on display to discriminate between different products. For example, when stores look the same, it will evoke the same memories and choice rules every day, leaving the customer to buy the same thing every day. Uninspired customers can lead to increase of competition when they chose to go to restaurants instead (Nordfält, 2005).

Nordfält (2005) points out that it is something unpleasant about knowing that the retailers could use non-conscious cognitive influences to influence customers' decision processes. This is especially true if the non-conscious influences are shown to affect consumer decision-making, and these influences are reflections of interests other than the consumers' underlying values. Although, retailer can through inspiration, reminders, and useful product and cooking information influence the consumer's without manipulating, Nordfält (2005) recommends stores to:

> *"...use displays, themes, happenings in the stores, integrated marketing communications, decision help (such as McDonald's menus), exposures that show how a product is used (such as at IKEA), and perhaps display the same items in several different places in the stores, to evoke the right mindsets and associations in their costumers."* (Nordfält, 2005, p. 93)

2.5.3 Customer's attention

Customers' lack of attention to each single product in a store could of course be one explanation why sales increase enormously when products are put on special display according to Chevalier (as cited in Nordfält, 2005), in the best location of the shelves (eye level and next to leading brand (Drèze, et al., 1994)) or more shelf space (Nordfält, 2005). This can be argued for being a bottom-up process where retailers decide what consumers will buy through the display choices they make. However, it turns out that increased shelf space only appears to influence sales of well known and liked brands, or brands within a category of products known as impulse products (Nordfält, 2005).

Another factor that can influence shopping behavior is color. Color is one of the more discriminating features among the packages in a shelf. Sorting between colors can sometimes be hard because many brands come only in one color. When it happens, retailers could instead use some type of POP-material to increase the attention-capturing ability of the display (Nordfält, 2011).

It is not always easy to capture the customers' attention. For example, in a study of consumers who bought detergents, Hoyer (1984) found that 95 percent of the customers did not compare any brands at all before picking their chosen brand from the store shelf.

Further, this image is shown to have an impact on consumers' intention to buy. This is also the case for "me-too" retail brands (Anselmsson & Johansson, 2007).

2.5.4 Point of purchase of organic

Henryks, et al., (2014) have studied the barriers and facilitators to purchasing organic food at the point of purchase. They have identified seven factors: consumer intention to purchase organic food when entering the retail outlet; habit; availability; false assumptions; visibility and access of organic food; visual and olfactory cues; and price. These factors worked together in a variety whereas five of them (availability, price, olfactory cues, and visibility/accessibility) are under direct marketer control.

In order for customer to choose organic products, stores need to make them both visible (noticeable on the shelf or in the store) and accessible (were consumers can find the organic product if they are looking for it) for consumers. Included in visibility is POP signage, which draw attention to the product, which increases the chance for customers to engage with the product and, in turn, potentially buy it. (Henryks, et al., 2014) Although, one study done in a hypermarket in Gävle, Sweden, showed that POP displays leads to an increase in sale of organic coffee and olive oil, but a reduction in sales of organic flour. However, all targeted products became less price-sensitive (Daunfeldt & Rudholm, 2014).

A commonly occurring phenomenon today is that stores have separate sections for organic food, instead being integrated within the store. Henryks, et al. (2014) are arguing that by doing so, consumers may avoid these sections if they consider them to be irrelevant to their shopping needs and thus not be exposed to the organic products.

3 Development of research questions RQ1, RQ2, RQ3 and related tests

In order to answer the main research questions in this thesis additional research questions has been created, all of which can be derived from the theory chapter. In order to verify the theory, three related tests were performed in grocery stores in central Stockholm. The following additional research questions and tests have been used.

3.1 Research question one (RQ1) - Price

As discussed in chapter 2.3, 2.5.1, 2.5.1, 2.5.2 and **Fel! Hittar inte referenskälla.**, Price continues to be cited as the main reason for not buying organic food and can be justified by the fact that organic food on average is about 66 percent more expensive in Sweden than equivalent conventional food. Swedish consumers tend to think it is important that organic food does not cost more than conventional, however, other studies indicates that there is a willingness to pay around 10 percent more for organic products. Retailers often experiment with initiatives to discount price on both organic and conventional products, however, there are no scientific studies on the effects of such promotions.

At the same time it is argued that choices of grocery products are rarely thought through, two of three purchasing decisions are claimed being made in store mostly affected by habitually behavior, emotional state and availability. Combining this with the price perception, it could be one of the reasons for failing to increase sales when lowering organic products' prices.

Based on this, the following additional research questions was created with related tests:

RQ1, Price *- How are sales of organic products affected when it has the same price as conventional food products?*

Test one, Price *- Price lowering a standard organic product to the same price as its conventional counterpart for a week, including observations of consumers behavior at the shelf.*

Type of test – *Quantitative and partly qualitative.*

Product used *- Traditionally Margarine.*

Period of time *– One week at two different points in time.*

By putting the same price on the conventional butter as its organic counterpart, information can be obtained about how crucial the price of the product is and how attentive the customer is when purchasing their regular staple product. Does the customer remember the ad in the retailers magazine (see Appendix 1) about the special price, does the customer stop and look at the price at the shelf or just grab their regular product, how much do the sales increase and what would happen if an additional price tag clearly would point out the change in price.

3.2 Research question two (RQ2) - Place and Promotion

From the theory chapter 2.5.2, 2.5.1, **Fel! Hittar inte referenskälla.**, 2.2.3 and 2.5.3 it has been made clear that out of all purchases, 35 percent at most, are planned in advance and two out of three decisions in store are rarely thought through. This means that most decisions are made within seconds in store and are to a large extent based on habits and emotional state. Something that also benefits the habitual behavior of the consumer is the store's look. If the store appears the same way every day it will evoke the same memories and choice rules, making the customer buy the same thing every day.

Clearly, the retailer have the power to influence the decision process, not just by reposition products in store but also by promoting different products in different ways to increase sales. The best location in the store are considered to be at eye level and next to a leading brand at the shelves, also extra space can help to get the customers attention. However, increased space will only favor products that are well known or products identified as impulsive products. Color is also a powerful tool combined with POP-material to increase attention. Despite all these actions, it has been found that a majority of customers did not compare any brands at all before picking their chosen brand from the store shelf.

Organic products are often placed in separate departments, or with other specialty products (e.g. Fair trade, eco-labeled, etc.) that has a premium price. These products are rarely high volume products and can therefore often be found at the top of the shelf, which is not in the customer's eyesight. In Sweden organic products are sometimes marked with green signs on the shelf, which also applies for fair trade-, environment friendly-, and climate smart products.

Based on this, the following additional research question was created with a related test:

RQ2, Place and Promotion *- Does organic products benefit more from a premium location in the shelf and clear labeling than conventional products?*

Test two, Place and Promotion *- Marking organic products with clear purple labels and place them in eye level next to a leading brand for increased visibility.*

Type of test – *Quantitative*

Product used *– Quinoa, store baked baguettes, coffee and Falukorv.*

Period of time *– Two weeks in two different stores.*

By first clearly marking out five organic products and place them on premium locations in the shelf, and the week after marking out and reposition its conventional counterpart the same way (see Appendix 3), information about how much more or less the organic products benefit from the marking and repositioning compared to its conventional counterpart can be obtained. Is there a clear difference between conventional and organic, or is it just about its position and visibility. Purple signs were used to distinguish organic from other labels such as fair trade-, environment friendly-, and climate smart products.

3.3 Research question three (RQ3) - Clarifying Arguments

Based on the theory of Chapter 2.2.2, 2.2.3 and **Fel! Hittar inte referenskälla.** there is confusion about different labels meaning, which in turn have shown negative effects on sales of organic food since the degree of understanding labels are directly linked to purchase and added value to the product. If consumers really understand the meaning of the label it is more likely they will be willing to pay a premium price for the product. In a Dutch study additional information on organic products about the standard was shown to increase the perceived value and in Belgium the willingness to pay increased, however, no similar studies conducted in Sweden has been found.

When creating marketing campaigns for organic products the benefits from all the environmental behavior must be concrete, immediate and specific to the person performing the behavior since the benefits at the societal level are unlikely to be a driving force for change. People are essentially selfish and therefore it will always be the greatest driving force for behavior. It is also important to find what values are the drivers in specific choice contexts since it can improve the efficiency for a campaign. However, the focus should be on a few values for the ultimate verdict.

The main reason for buying organic food has been because the absence of pesticides, better taste experience and increased animal welfare. However, biodiversity is also affected positive by organic farming. In general organic farms have 30% higher species richness and 50% higher abundance of organisms than conventional farms. Yet, this does not seem to attract the attention of the consumer as no study has been found where customers associated organic food with biodiversity.

Based on this, the following additional research question was created with a related test:

RQ3, Clarifying Arguments *– Does a clarifying arguments in addition to the organic label on products increase the understanding of organic food and in turn the probability of purchase?*

Test three, Clarifying Arguments *- Place two different arguments on two common products that clarify the meaning of organic production. One argument focusing on the absent of pesticides and the other on increased wildlife.*

Type of test – *Qualitative.*

Product used *– Fresh Pasta and breakfast cereals.*

Period of time *– Two occasions and two stores, targeting 100 customers.*

By placing clarifying arguments on the packages (see Appendix 6) and letting the customer choose which package that is most likely that they would purchase (organic package with or without arguments), information about; if the customer notes the argument, considers the argument valuable and easy to understand, and finally if it would increase the likelihood of purchase, can be obtained.

Also by construct two different arguments that alludes on to two different values of the customer (their own health or the surrounding environment) information about which value that appeals to the customer the most and if there is a difference or not, can be obtained.

4 Methodology

The purpose of this chapter is to present the methodology and methods used for this thesis. The chapter will begin with presenting methodology and research process. Thereafter the methods used for data collection analysis is presented, followed by a discussion regarding the quality of the research.

Since this thesis investigates how to change customer behavior in order to increase sales of organic products, we want to look for patterns and develop questions that later can be tested. We also want to investigate the relationship between what affect individual's behavior and shopping decisions for organic products. To answer the research question, it was required to focus on gathering a wide range of data, but also to form tests based on some of the research questions. For this matter, based on Collis and Hussey (2014) we considered it suitable to use a deductive method with a quantitative exploratory orientation combined with an experimental approach. The process is of inductive character with a basic outcome.

4.1 Data Collection

Firstly, secondary data such as literature on the area of investigation was used combined by interviews with customers, store managers and experts to clearly understand the subject and gain deeper knowledge of the most relevant areas. Observations of how organic products were exposed in different stores relative conventional was performed to understand what variables that could affect the customer's choice of purchase. Thereafter three additional research questions was developed and tested.

Since the result is supposed to be possible to generalize, mainly quantitative primary data has been collected even though some qualitative data has been used in order to complement the quantitative. Two surveys was conducted for the purpose of obtaining information and knowledge of what the customers know, value and are affected by, when they buy organic products.

4.1.1 Literature Review

The purpose of the literature review was to first create a fundamental understanding of organic food, and then to get a deeper understanding of consumer perception and attitudes combined with their actual behavior regarding organic products. The theory in this study is the basis for the four additional research questions developed in order to

test the validity of the theory. The literature review is based on secondary data such as previous published studies and reports, books and other relevant documentation.

Relevant secondary sources were conducted from different databases such as, Journal of Retailing and Consumer Services, Journal of Marketing, and others, through the KTH Library service Primo or through the Google search engine and the dedicated Google Scholar.

The main key words used for the literature search within the area of organic food and marketing were;

- Green marketing
- Organic products
- Customer behavior
- Customer brand equity
- Brand knowledge
- Sustainability products

The vast majority of contemporary literature is based on three theories. The first is Theory of Planned Behavior (TPB) by Icek Ajzen, which aim to create an understanding and prediction of human behavior in order to change it. This theory is combined with the theory of consumption values by Jagdish N. Sheth (1991) that focuses on values influencing consumer choice behavior, and has been used as a framework to understand consumer attitudes and behavior as motivators for purchase of organic products. The knowledge about a brand will influence what comes to mind when the consumer thinks about the brand (K. L. Keller 1993), which in turn also can affect the purchasing behavior and consumer loyalty. Therefore Keller's model of brand knowledge has been used to complement TPB and theory of consumptions values.

4.1.2 Tests

A significant part of our findings are built on information retrieved from primary data derived from tests that examine three of the developed additional research questions. The tests were all set-up in the same large Swedish retail chain. Test number one lasted for one week in 107 stores, scattered all over Sweden. The second test, a modified Latin-squared design test, was used to manage common system problems for tests in stores (i.e. variations between stores, time periods and products) (Nordfält and Håkansson, In-store demonstrations as a promotion tool 2013). It involved two different stores in central Stockholm, with an average size of 2000 square meters, five different products, during a period of two weeks. The third and last test was a customer survey performed in one store in central Stockholm, at three different occasions between 15 p.m. and 19 p.m., targeting 100 customers. The shops that were used profile themselves as a sustainable brand and works actively to communicate the message in the store.

4.1.3 Test one - Price

In the first test 107 stores was offering all varieties of their most selling butter brand to the same price during the first week in May, 2015. Butter was selected because it is a high volume product, purchased by the majority of the customers, independently of the

weekday, all year round, which made it possible to minimize the calendar effect (Nordfält and Håkansson, In-store demonstrations as a promotion tool 2013).

The offer made it possible for the customer to buy all sorts of butter from the most popular brand to the same price (i.e. including organic) and was targeting all customers of the chain. It was advertised in the retailer's weekly magazine, see Appendix 1, and showed a picture of the conventional butter with a subtext describing the offer applied to all varieties. This means that consumers had to pay attention to the ad's subtext to note that the offer did not exclude organic butter.

The magazine was sent out to all customers that were members the weekend before the offer started, and was also available to all customers at the entrance to all stores. The products were placed side by side in the stores fridges, some with additional advertising at the shelf and some without. Stores decides on their own if they want to increase the advertising or not and in order to analyze the sales number correctly 20 samples (13 phone interviews and 7 visits) was made to see if and how additional advertising was made.

Number of stores that had the product in stock and thus could provide the offer during the whole week was 108, scattered all over Sweden with an average size of 1000 square meters.

In addition to the results of the sales figures, customers were observed in the store when selecting their butter. After selecting their product they were asked if they noticed the price difference or not. Depending on if they had noticed that the product had the same price or not they were asked if it influenced their decision or if it would have if they had notice, see questions in Appendix 2. The observations were carried out at one stores located in central Stockholm, with an average of 3,000 customers per day and a size of 2,500 square meters, at two different occasions. In total 30 customers were asked.

4.1.4 Test two - Place and Promotion

In the second test two stores participated and five products were tested during the third and fourth week of April, defined as w.1 and w.2. The stores chosen are named as Store A and B, A regularly have around 3000 customers a week and a size of 2500 square meters, and B regularly have around 2200 customers a week and a size of 1200 square meters.

Week 1 and 2 was chosen as the best weeks in order to avoid all possible calendar effects (Nordfält and Håkansson, In-store demonstrations as a promotion tool 2013), such as public- holidays and celebrations, but also salary payment periods and extra offers on the selected products.

The products chosen to be repositioned and promoted by new labels on the shelves were; quinoa, baguette, olive oil, Falukorv and coffee. The products belong to different product categories, which was chosen to get a good spread of the result. The conventional baguette and Falukorv are two typical high-volume products and the conventional quinoa, coffee, olive oil are typical low-volume products, which were selected in order to see on which products the test would have the greatest effect.

In order to perform the test properly and have access to sales numbers and statistics needed, the retailers own private label brand was chosen.

The test was executed after a specific schedule presented in Table 1 below.

Table 1. *Displaying the test schedule for the different stores and products*.

Store / Week	**w. 1**	**w. 2**
Store A	Organic labeled	Conventional labeled
Store B	Conventional labeled	Organic labeled

The first week the organic quinoa, baguette, olive oil, Falukorv and coffee were repositioned in store A to the premium place at the shelf, eye level in the middle and next to a leading brand. The products were also labeled with a purple sign telling the customer "*this product is organic*". The sign was placed around the price tag on the shelf (see Appendix 3) in order to be extra visible to the customer. The design of the signs was made in cooperation with the retailer's design department to match the product design. The purple color of the organic label was selected after first excluding certain colors as e.g. green, since it is used on many products that are organic, environmentally- and climate friendly. Also, red was excluded since it often indicates that a product is on special offer.

The same week in store B, the same procedure was made but with the conventional quinoa, baguette, olive oil, Falukorv and coffee. They were repositioned to the premium place at the shelf, with a similar light blue sign telling the customer "*this product is a guaranteed good selection*".

4.1.5 Test three - Clarifying Arguments

Test three, a customer survey executed face-to-face in Store A (the same store as described above; with around 3000 customers a week and a size of 2500 square meters). The survey targeted 100 customers and was done at three different occasions.

First 50 customers were exposed for two pictures of organic cornflakes, one with the regular organic look today, and one with an additional argument aiming to clarify what organic means and stand for (see Appendix 6). For the organic corn flakes a simple but strong argument, well known among many consumers, was chosen. The argument was; "*Psst! I'm grown without chemicals and pesticides*", which also tried to play at the customer's selfish values about health and wellbeing.

The last 50 customers were exposed for two pictures on fresh pasta, one with the regular organic look today, and one with an additional argument also clarifying what organic means (see Appendix 6). The argument on the organic fresh pasta was a little more difficult to understand and not as well-known as the argument for cornflakes. The argument placed was; "*Buy me and you are contributing to increased biodiversity*". This tried to play on customer's non-selfish values, animal welfare.

In order to get a diversified response group as possible, the researcher were placed at the entrance to the store and randomly asked anyone who entered if they were willing to answer some questions (see Appendix 5). It was a structured survey, only one of five questions was open set, the rest had fixed alternatives such as yes, no or maybe, where

only one answer per question was possible. This makes the data obtained of quantitative character (Collis and Hussey 2014).

All questions were asked in the exact same way by the same researchers all the time, in order not to risk questions was asked differently. The second researchers typed in the answers so the respondent would not be affected by the next topic in its current response.

4.2 Data Analysis

The tests quantitative data that has been received and analyzed similarly in order to answer the additional research questions. Each method is chosen accordingly to Collis och Hussey (2014) recommendations depending on the data obtained.

4.2.1 Test one and two

Since the method used is an experimental study and the data obtained is of quantitative character where a comparison between different types of groups are made, a significance analysis was chosen. This method is advantageously used when doing an experimental study with quantitative data and a random sample from a population with the purpose to generalize the results to a population (Collis and Hussey 2014). To carry out the significance analysis the statistical program SPSS was used.

All the data from test one and two, went through an independent sample t-test in order to determine if the differences was due to chance in the selection, or if it is representative for the whole population. We also compared the temporary variation within groups in our sample with the difference between the groups' averages and thereby drew conclusions on whether there was a real difference or not.

For each analysis we formulated a null hypothesis (HA), which states that the effect we are looking for is zero. The HA hypothesis was then compared to an alternative hypothesis (HB). HB for respective analysis has been the assumption that formed the basis for the test i.e. additional research question 1 and 2.

Then the probability of a true null hypothesis was calculated, the probability is called the p-value and determines if the null hypothesis can be rejected or not. To reject the null hypothesis means believing the alternative hypothesis is most likely true. The p-value was therefore compared with a level of significance, which is the risk of error when claiming the HB hypothesis is true.

The level of significance is determined in advance and 0.05 is the commonly used number (Collis and Hussey 2014), especially in retail store tests (Nordfält and Håkansson, In-store demonstrations as a promotion tool 2013), which is why that number was chosen as our significance level ($\propto$). If the p-value is lower than the determined significance level it means that the alternative hypothesis is plausible, and that the null hypothesis can be rejected. The result is thus statistically significant (Collis and Hussey 2014).

For test number one we retrieved sales data from the last week in April 2015, the week before the offer started, the first week of May 2015, when the offer was available and the last week of May 2015 when no special price on butter was retrieved. In this paper defined as week A 2015, week B 2015 and week B 2014. The data was collected in order to get the most accurate analysis of the sales figures as possible. The organic

butter was compared to its conventional counterpart, the normal salted butter, 500 grams. Both the proportion of organic butter in relation to the total sales and the overall average sales of organic butter and regular salted was analyzed.

The first test was supplemented by additional observations and a customer survey. Since we have chosen a positivist approach, meaning all data is measured and analyzed by quantitative methods, all answers was given a number and then transferred into the statistical program SPSS and then analyzed by frequency. There were in total five questions to be answered (see Appendix 2) and 30 responses to each question.

For test two, we retrieved sales data from both stores and weeks, and analyzed the total increase of sales and share of the organic products between week 1 and 2 for both stores together. Thereafter the average sale and share of the organic products for each store separately were compared and analyzed.

The last test is a customer survey and was analyzed the same way as the other customer survey by frequency in SPSS. There were in total eight questions to be answered (see Appendix 5) and 100 responses to each question.

4.3 Reflection and Quality of Reserach

This part aims to evaluate, discuss and reflect on the reliability, validity and generalizability of the research project, as this will be crucial for the quality of the research and its results.

4.3.1 Reliability

For test number one (price), reliability is considered fairly high as the test is easy to replicate and the chance to produce the same result is high. Contributing to this is the large sample size spread out across the country, the special offer message communicated in advance the same way everywhere and during the exact same time period. Nevertheless, each stores had the power of strengthen the marketing of the butter offer in the store, which highly affected their sales numbers. In this study, due to insufficient resources, all stores making additional advertising could not be traced, which affected the results reliability negatively. What also affects the reliability negative was that some stores ran out of the product in the middle of the week and therefore also had to be removed from the analysis. However, if the same number of stores that was used in the analysis, and if the marketing is done in the same way over an equal time period, it is highly likely that similar results would be attained and possibility for replication is therefore high.

In addition to the quantitative data qualitative observations and customer questions was executed. The reliability of the observations is considered high since the majority of customers purchasing decisions are highly habitual. The reliability for the question is considered lower than the observations. Even if the procedure would be identically repeated customer's answers would most likely be different from those obtained during this study. The subject is strongly influenced by trends, marketing and its surroundings opinions, which is something that constantly change.

For test two (place and promotion), reliability is considered relatively high since a replication will be easy to conduct and the likelihood to obtain the same result is high. The test was conducted in the exact same way in both of the stores, during the same

time period and for the same products. There was also no change in price for these products during the test, except for the conventional Falukorv, which was excluded from the test. Something that might influence the result when attempting to replicate the test is mostly external factor such as economics, trends and food related scandals.

For test three (arguments), reliability can be considered low. Although the test itself is easy to replicate since it was performed identically all the time and possible uncontrolled temporary errors were low, the possibility to get exactly the same result is low.

According to the above, and the fact that all information and execution of the tests have been very transparent in the research, a replication can fairly easy be created. Therefore, the overall reliability of the study is considered to be high.

4.3.2 Validity

For the quantitative part of test number one (price), validity is considered relatively high. However, there could be difficulties knowing how many customers that actually notice the advertising about the special offer for organic since the picture in the magazine was the only place where the offer was evident in the same way for all customers. For the observations and questions it is always a problem to secure the validity since you cannot control variables in a natural setting and what impact the researcher has on the observed (Collis and Hussey 2014). The impacts of the observer during the observations in this case are considered low since the customer did not know they were observed until after their decision was made. However, the impact from the researcher when asking questions is considered higher, since choosing organic products is often seen by the public as the right choice, the respondents may therefore be influenced in their replies. Letting the same researcher observe and ask all the customers solved problems with bias. Because of the above reasons the overall validity is seen as medium for test number one.

For test two, validity is considered low for Store B since they already had one uniform type of labeling on the shelves for organic products and the effect was therefore difficult to interpret. Validity for Store A, however, was considered relatively high since they did not have a clear uniform labeling of organic products before. Overall, the tests validity is considered low due to the small sample size and local changes in store during test weeks. There are constantly changes in stores, everything from signage to product placement that highly affect the customer's choice and is something that was difficult to monitor and influence during the test periods. Although the intention was to keep the impact of these external factors to be minimum, there were events in the stores that influenced customer choice and thereby the tests validity.

For test three, validity is considered relative high since the answers and question had low interpretation rate and only one question allowed open response. In order to manage to collect enough answers the survey was designed to use few, short and easily answered questions, which may have affected the validity in a negative way. To increase validity and thereby the likelihood of answers reflecting the general phenomena investigated better, follow-up questions would have been desirable.

Based on the above arguments and the fact that several data collecting methods were used both to collect data but also to verify it, and the methods used were chosen based on previous similar studies in the area the overall validity is considered rather high.

4.3.3 Generalizability

Overall for test one, a generalization for the Swedish market is considered high since the test is based on a large sample and an additional in-depth study based on a detailed survey. The result is also consistent with previous research.

For test number two the results generalizability is low due to the test's limited scope in terms of time, number of products and stores participating. Even the analysis shows a non-statistically significant results and the test outcomes can therefore only be seen as indications of the phenomenon investigated.

Also for test number three a generalization for the Swedish market is considered high since the selection was random, the sample size large, including a wide age range and a good distribution between women and men. Demographic differences, however, may affect the generalizability of the result since the test was performed in central Stockholm and in a single retail store.

In accordance with the statements above, the general research generalizability is considered fairly high.

5 Results

From the three questions presented in the previous chapter, three tests were carried out. This chapter presents the result and whether it confirms the related questions or not. All results are presented using two tables in which the first always shows the result of the test and the second shows the statistics from the test.

5.1.1 Results test one - Price

RQ1 aims to investigate what happens with the sales of organic products if they are priced as conventional. Our result shows that sales will increase, however, not to the same level as the conventional.

In Table 2 the results can be viewed in detail, were the mean value of conventional butter sold per store is 145, and only 28 for organic butter. The difference is statically significant due to the low p-value ($p << 0.0001$), defined in Table 3 as Sig. 2-tailed.

Table 2. *Shows the t-test for equality of means for conventional and organic butter.*

Items sold week B, 2015	N	Mean	Std. Deviation	Std. Error Mean
Conventional	107	145	79.7	7.71
Organic	108	28	30.1	2.90

Table 3. *Shows test statistic for Table 2*

t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
					Lower	Upper
14.2	135	0.000	116.9	8.24	100.6	133.2

When comparing organic butter sold week A and B, the sales increased during week B when the special offer was made, the mean value week A was 18.40 and 28.03 week B in year 2015, which is statistic significant ($p= 0.004$) (see Table 4).

Similar results were found when comparing week B in 2014 with week B in 2015 (see Table 4) however, that result is not statistic significant ($p=0.141$) (see Table 5). In 2014 the number of stores offering organic butter were 40, 68 less then in year 2015

Table 4. *Shows the t-test for equality of means of organic butter sold for different weeks*

Organic items sold	N	Mean	Std. Deviation	Std. Error Mean
Week B, 2014	40	22.25	16.50	2.61
Week A, 2015	101	18.40	16.41	1.63
Week B, 2015	108	28.03	30.15	2.90

Table 5. *Shows the test statistic for Table 4.*

Comparing	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Week A –Week B	-2.890	167.5	0.004	-9.621	3.390	-16 .3	-2.93
Week B, 2014-2015	-1.148	125.2	0.141	-5.778	3.902	-13 .5	1.95

The share of organic butter decrease between week A and B, the result is affected by the increase in sales of conventional products, since both types are on special offer. The mean value during week A was 19.5 percent and during week B only 15.4 percent (see Table 6) which is statistically significant (p=0.05).

A similar result is found between week B, year 2014 and 2015, however, that result is not statically significant, (p=0.215). All test statistics for the organic share are found in Table 7

Table 6. *Shows the t-test for equality of means for organic share during different weeks*

Organic Share	N	Mean	Std. Deviation	Std. Error Mean
Week B, 2014	40	0.186	0.147	0.022
Week A, 2015	101	0.195	0.163	0.016
Week B, 2015	108	0.154	0.134	0.013

Table 7. *Shows the test statistic for Table 6.*

Comparing	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Week A –Week B	1.93	207	0.05	0.04	0.021	-0.0008	0.081
Week B, 2014-2015	1.24	146	0.215	0.31	0.026	-0.018	0.082

When interviewing and visiting stores to investigate how they displayed the offer on butter in week B, two main ways were found. Either they a) had a bigger sign, close to the conventional butter, promoting the special offer where the text only said "butter 500g" is for sale, or b) the temporary price was printed on the bar under the each item (see Figure 8). All ten stores with the highest sales number of organic butter had displayed the products as in alternative b). These stores also had a generally high share of organic butter sales compared to other stores in the test. In the middle range, there were several stores that historically had a high share of organic butter, although during week B they displayed the organic products as in a) and actually lowered their sales. For example, one store went from 70 organic butter package sold in week A to only 52 in week B.

Figure 8. *Identified ways of displaying the butter. The right picture shows alternative a) and the left alternative b).*

In addition to the analyzed sales statistics, 30 customers where observed when choosing butter packages and also interviewed after. The store where the customers was observed and interviewed had market the butter as alternative b) in Figure 8 above. Nine of the participants chose organic butter and the rest different conventional sorts. 56.7 percent said they had noticed both organic and conventional butter had the same price and 13 customers that did not see the offer sign, whereas two bought organic butter because they always did that. However, in Table 8 almost half of the customers that picked the conventional butter, and did not see the price was the same, would have change their product to the organic one. A store retailer also confirmed this, his experience was that many customers do not realize that prices are the same and assume organic is more expensive. Of the people who actually saw the sign, 23.5 percent chosen the organic butter instead of the conventional, due to the good offer, see Table 9.

Table 8. *Shows the answer frequency of conventional buyers to the question: If NO, would it have affected you choice if you did notice the price*

	Frequency	Valid Percent
Yes, I would have taken organic	5	45.4
No, I still never buy organic	6	54.6
Total	11	100

Table 9. *Shows the answer frequency of the question: If YES, did it influence the selection of butter type*

	Frequency	Valid Percent
Yes, I bought organic instead	4	23.5
No, I still never buy organic	10	58.8
No, I always choose organic	3	17.6
Total	17	100

5.1.2 Result test two - Place and Promotion

In Appendix 4, the test statistics is presented, showing the sales frequency. It indicates that 10 out of 18 products increased its sales when the product was replaced and promoted. For 5 out of 18 products the sales decreased and for 3 products, the sales were not affected.

RQ2 wants to investigate if organic products benefit more from a premium location in the shelf and clear labeling then conventional products. Comparing the overall sales from both stores combined, sales statistics of organic products against the conventional products, week 1 and 2, reveals a significant increase in the ratio of total sales when promoting a product. However, the results do not ensure that organic products would have a greater benefit from a better location and visibility than its conventional counterpart.

The total increase was on average 38 percent with a p-value less than 0.001 (see Table 10 and 11).

Table 10. *Shows the result of t-test for increase of total sale between the week when the product is promoted and the week when it is not.*

	N	Mean	Std. Deviation	Std. Error Mean
Increase of total sale	18	1.3800	0.7173	0.1691

Table 11. *Shows the test statistic for Table 10 above.*

t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
					Lower	Upper
8.163	17	.000	1.38000	8.163	1.0233	1.7367

The result indicates that in-store promotion such as good positioning and labeling increases sales. However, when comparing the effect of the promotion between the organic products and the conventional, the mean value of the sale increases 23.6 percent versus 55.8 percent (see Table 12). The test statistics in Table 13 shows a p-value of 0.36, which indicates that the mean is not statistically significant and therefore the null hypothesis cannot be rejected. Thus, there is not a statistically significant difference in the increase between organic and conventional produced product.

Table 12. *Shows the t-test for equality of means of conventional and organic food.*

Increase of sales between week 1 and 2	N	Mean	Std. Deviation	Std. Error Mean
Conventional	8	1.5588	.80120	.28327
Organic	10	1.2370	.64917	.20529

Table 13. *Shows test statistic for Table 12*

t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
					Lower	Upper
0.942	16	0.359	0.321	0.341	-0.401	1.045

Although, when doing a one sample t-test for organic and conventional increase of sales, the mean value were 23.7 percent (p = 0.000196) respectively 55.8 percent (p = 0.000904), which indicates there is a statistically significant increase in sales for both product groups, if sales numbers from both stores are merged together.

When comparing each result separately for the two stores, the same phenomenon occurred with a p-value to high to confirm the significance. Store A had a mean value of 39.8 percent and Store B 36.2, which can be seen in Table 14. The p-value when comparing the stores was p = 0.92, which means no statistically significant in increase of sales between the stores (see Table 15).

Table 14. *Shows the t-test for equality of means between Store A and B.*

Increase of sales between the stores	N	Mean	Std. Deviation	Std. Error Mean
Store A	9	1.3978	.60489	.20163
Store B	9	1.3622	.85246	.28415

Table 15. *Shows the test statistic for Table 14.*

t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
					Lower	Upper
0.102	16	0.920	0.03556	0.348	-0.703	0.774

When comparing the increased sales between conventional and organic products for Store A, a too high p-value 0.581 was given (see Table 17). That means there is no statistically significance between sales of the two product categories, even if their mean value indicates a 26.2 percent increase for conventional and a 50.6 percent increase of organic (see Table 16).

Table 16. *Shows the t-test for equality of means in Store A between organic and conventional products.*

Increase of sales in Store A	N	Mean	Std. Deviation	Std. Error Mean
Conventional	4	1.2625	0.61212	0.30606
Organic	5	1.5060	0.64640	0.28908

Table 17. *Shows the test statistic for Table 16.*

t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
					Lower	Upper
-.574	7	.584	-.24350	.42392	-1.2459	0.7589

The same data set analyzed for Store B indicates an 85.5 percent increase for conventional and 3.2 percent decrease of organic (see Table 18). Once again the p-value is too high and therefore no statistical significance is shown, see Table 19.

Table 18. *Shows the t-test for equality of means in Store B between organic and conventional products.*

Increase of sales in Store B	N	Mean	Std. Deviation	Std. Error Mean
Conventional	4	1.8550	0.94292	0.47146
Organic	5	0.9680	0.59116	0.26437

Table 19. *Shows test statistic for Table 18*

t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
					Lower	Upper
1.735	7	0.126	0.88700	0.5112	-0.32181	2.0958

5.1.3 Result test three - Clarifying Arguments

In test three there were 100 people participating where 54 of them were women and 46 men. The age range of the participants was divided into five groups (see Table 20). In total 85 percent of them stated that they sometimes buy organic food.

Table 20. *Displaying participant frequency in different age groups*

Age range	Frequency
15-24	5
25-34	29
35-44	34
45-54	19
55+	13
Total	100

RQ3 want to investigate if clarifying arguments, in addition to the organic label on a product, increases the understanding of organic and in turn probability of purchase. The result shows that this is true for 46 percent of the customers since they considered clarifying argument gave a better understanding of why it is favorably to buy organic products and that arguments can increase the likelihood of purchasing organic products in general (see Table 21).

Table 21. *Showing a cross-table with the answer frequency of two survey questions.*

		Do you think arguments like this, in general, could lead to an increased likelihood of purchase organic products?			
		Yes	No	Don't know	Maybe	Total
Does the argument gives you a better understanding of why it is favorably to buy organic products?	Yes	46	1	0	5	52
	No	10	23	3	3	39
	Don't know	5	0	2	2	9
	Total	61	24	5	10	100

Out of all participants, more than half considered the argument giving a better understanding of why to buy the organic product. Although, there was a big difference

in the results between the two different arguments, for cornflakes 37 out of 50 stated the arguments gave a better understanding, while for the pasta arguments there were only 15 out of 50 (see Table 22)**.** The pasta arguments were sometimes considered to be "*fuzzy*" and several costumers did not understand the meaning of the statement biodiversity.

Table 22. *Shows the answer frequency for the following question: does the argument gives you a better understanding of why it is favorably to buy organic products*

Product	Yes	No	Don't know
Cornflakes	37	11	2
Pasta	15	28	7
Total	52	39	9

Table 23 is showing the answer frequency to the question; *which of these packages is most likely that you would choose on the shelf*. Package number one is the package without arguments, whereas package two had a clarifying argument (see Appendix 6). Overall, 40 percent preferred the package with the argument. Participants choosing package one thought that "*The arguments confirms what organic stands for"* and *"help other customers that are insecure what the benefits of organic products are"*.

Some of the participants that picked the package with the argument believed that even though they liked the argument, they probably would not notice it when the product would be placed on the shelf. Over 30 percent could not see any difference between the products even though they were asked to carefully look at the pictures.

Approximately 10 percent did not care or preferred none of the products. Several of the participants that picked package number one preferred it because its appearance of being "cleaner" and uncluttered. A common opinion was also that it is "*sufficient enough with the EU Leaf*" or with the label "o*rganic*". One guy thought the argument looked "*desperate and included too much information*" while another customer thought it felt like "*a marketing ploy, although some people get tricked by stuff like that*".

Table 23. *Showing answers to the question: which of these packages is most likely that you would choose on the shelf*

	Package 1	Package 2	None of them	Can't see a difference
Cornflakes	5	28	4	13
Pasta	10	15	7	18
Total	15	43	11	31

Eventually most of the participants, 61 percent, thought that a clarifying argument would increase likelihood of purchase (see Table 24). Yet, the participants still considered the cornflakes argument more powerful than the pasta.

Table 24. *Shows the answer frequency of the question: do you think arguments like this, in general, could lead to an increased likelihood of purchase organic products*

	Yes	No	Don't know	Maybe
Cornflakes	36	10	1	3
Pasta	25	14	4	7
Total	61	24	5	10

The answer frequency of the two questions: *are you confident of what organic means and stands for* and *does the argument give you a better understanding of why it is favorably to buy organic products* are compared in a cross table (see Table 25).

Table 25. *A cross-table with the answer frequency of two survey questions.*

	Does the argument gives you a better understanding of why it´s favorably to buy organic products?			
Are you confident of what organic means and stands for?	Yes	No	Don't know	Total
Yes	36	30	5	71
No	3	2	0	5
Partial	13	7	4	24
Total	52	39	9	100

It shows that out of the 71 participants that knew what organic stood for, 36 participants thought the argument gave a better understanding. The other 30 participants thought either that it did not, or that they did not know. Similar result was found for the group that partially understood the meaning of organic, 13 participants out of 24 believe that the argument gave a better understanding and 7 respectively 4 participants thought it did not give a better understanding, or they did not know.

6 Analysis and Discussion

This chapter will provide an analysis of the presented results from the tests combined with an evaluation in relations to the findings from the theoretical framework. The analyses are followed by a discussion regarding the results.

6.1.1 RQ1 and test one - Price

When pricing organic and conventional butter the same, the number of organic items sold increased. However it did not increase to the same level as its conventional counterpart and the organic share in total decreased.

This may have been influenced by the stores' own markup. Stores that had additional signs of the offer close to the products had a significant higher sales number of organic butter than those stores that did not. The stores with highest proportion, about 40 percent, all use additional signs for the offer. However, these stores had a high share of organic products before the offer as well.

During the observations in a store with additional signs according to Figure 8, alternative b, only 56 percent saw the special offer. Although it turned out that half of those who did not see the offer would have chosen the organic butter, if they had noticed the price. This means that it is not possible to reject the fact of price having a great impact on consumer choices. However, it indicates that price is not the only factor that plays a significant role, since many customers did not even notice the price difference.

The reason why such a large proportion of customers did not notice the price difference can be partly explained by the fact that people to a large extent make their purchasing decisions habitually. Furthermore, many have a perception of organic products as expensive, and therefore not even look at the price of these products. This is something that also has been observed in previous studies (Hoyer, 1984; Magnusson, et al., 2001; Magnusson, et al., 2001; Nordfält, 2005; Sirieix, et al., 2013).

According to Keller (2008, p. 190) "*many consumers may combined their perceptions of products quality with their perceptions of price to arrive at an assessment of its perceived value*", and often a high price can indicate better quality for many consumers. However, organic product's higher price is not always justified for the consumer, which means that this product may not noticed by the consumer to the same extent as the conventional. Quality for the customer is often linked to taste, appearance and shelf life when it comes to food, and at higher price customers often expects the quality to increase. For organic products, this is not always the case. However, the product has other attributes that indirectly can be linked to a higher quality, such as increased animal welfare, environmentally friendly and healthy. This may also lead customers to not noticing a price reduction of these products because the conventional is seen as more attractive from the beginning. This is something that test one indicated.

There were also customers who had no intention to buy the organic butter, even if they saw the price offer. This can possibly be explained by their attitudes of organic products in general and the perceived personal benefits of buying these products, which in turn can affects the behavior (Ajzen, 1991). To perform a behavior can be adversely affected

if the person has little knowledge about organic or not trust the source, which is typical for non-buyers (Padel & Foster, 2005).

The fact that the organic share declined, despite an increase in sales for the organic butter, can be explained by several reasons. One potential motive could be the customer's perceived functional and emotional value of the product, since these are considered to highly affect the customer's choice (Sheth, et al., 1991). Conventional butter is such a product that can be considered to have a high emotional value since it is produced in Sweden (often associated with quality and safety by Swedish consumers), most people have grown up with this product in their refrigerators and it can still be found in almost every home. People has a relationship with conventional butter and it therefore evokes memories and trigger good feelings. In addition to the emotional values, it can also be assumed to fulfill the functional value for the customer, often considered as the biggest influence in consumer choice (Sheth, et al., 1991). Butter is a product spared from food scandals, which further enhance the feeling of quality and safety. The butter has also in previous years been considered a luxury product compared to margarine, due to its quality and better taste. In this case, some of the most important values can be considered met and therefore it will be harder for organic butter to exceed these values.

Another reason for the decline in organic share could be that consumers may have a greater relationship to conventional products caused by the fact that organic has not been around as long, especially among the older generations. It is important to create brand awareness among consumers in order to open up for new relationships between the customers and organic products (Keller, 1993). Since the strength of brand association also vary between different organic product categories this becomes especially important for products that the customer not strongly link to environmental problems, toxins, etc., such as butter. Therefore, to receive clear information and get educated of the benefits between various organic products, both in and outside the store, could be of great importance. Even if the concept of organic food seems fairly well known (Magnusson, et al., 2001), it emerged during the test that consumers found it hard to repeat what organic accounted for more than "free of toxins". Since the majority of all decisions are taken in the store (Innman & Winer, 1998), and retailers have a great power to change social norms and facilitate the right choice (Nelissen, 2002), this place can be considered especially important for this type of information.

However, there has been an increase in demand for organic butter for the retailer investigated. Stores offering organic butter have increase by 68 stores during year 2014 and 2015. This indicate a greater interest in organic, but it is questionable if it occurred for the right reasons. The health trend has been a dominant factor in the last few years and in turn been driving the sales for these types of products. However, if organic food would provide a better health or not, has not been scientifically ensured, though it has many other advantages that should be highlighted.

6.1.2 RQ2 and test two - Place and Promotion

By placing organic products at eye level, next to a leading brand and mark them with a POP-sign, sales increased by 23.6 percent in average. The same procedure for organic products increased sales by 55.8. This means that on average, both products categories increased, with a total average on 38 percent. Organic products can therefore not be said

to benefit more from a favorable exposure than conventional, the result rather shows the opposite.

The overall result is evident, all products benefit from a premium position and POP-sign when the aim is to increase sale, which confirms previous theories about place and promotion (Nordfält, 2011). However, it is interesting to analyze the results more in detail, despite the significance of uncertainty, since it can give important indications for future research.

Total sales for organic and conventional products increased just as much for both stores compared, yet, the distribution between the stores was very different. Store A had an increase of the organic products in the test with 51 percent but in Store B sales decreased by 3 percent. This can have several explanations; one possible explanation could be the stores original appearance. Store A, for example, did not use a uniform labeling of organic products, which Store B did. In Store A, eight different ways of markup organic products were found, meaning the customer had to look for different types of signs depending on which organic products they searched for. In store B, there was only one way to mark organic products, which therefore made it easy for the customer to find the organic products, wherever the product were placed. This can be a possible reason for the decline in sales for Store B. Since the five organic products included in the test was marked with a totally new organic label that customers were not used to look for, they likely had a hard time finding it. This indicates how important a uniform labeling of all organic products is, in order to help the customer to find the organic products in the store. In store A, where no uniform labels existed, the new signs are believed to have a more attractive effect on the customer. In store A, customers can be assumed to not look for a specific adhesive label for organic, meaning when a new label occurs customer are more attentive.

Uniform labeling in all store of a specific retailer can also create synergies for the organic sales. By using the same type of labeling for all stores in a chain, it will be easier for customers to find their organic products, regardless of the location of the products and stores. To know exactly how much this could affect sales, additional research will be required.

6.1.3 RQ3 and test three - Clarifying Arguments

Using clarifying arguments on organic products, about what organic stands for, will affect the likelihood of purchase organic products and the knowledge about the meaning of the labels.

From the result 46 percent said they believed the argument gave a better understanding of organic and that it would increase sales of organic products in general. However, it can be questioned whether the customer can anticipate other customers' perception and the possibility of increased purchases or not. To ensure the effect of increased sales more arguments would be required and printed on the products, to see how sales were affected over time and use of additional interviews to know how the arguments are perceived.

One thing remarkable was the fact that all who felt really sure of what organic meant, still thought the argument was good, clarifying and gave added value to the product. This could have been caused by respondents were not as sure as stated, on what organic meant. Green attributes carry a positive normative belief and are often topical issues in

media; therefore, customer may think they should know the meaning of organic in detail, even if they do not. Hence, the subjective norm (Ajzen, 1991) can be considered to highly influence the customer's answers about the meaning of organic.

It is also noteworthy that off the two arguments that got most positive responses, cornflakes with the argument promoting the more egocentric attributes gave the best effect. A reason for that can be egocentric attributes are considered to be the most important in purchasing decisions, even if people tend to say that the environment and animal welfare are also essential (Wier, et al., 2005). Although it could have been affected by the argument often being used in media as a reason to buy, and in some cases people even tend to think it s the definition of organic.

The other argument on the pasta package promoted increased biodiversity, which most consumers do not associate with organic products (Azadia, et al., 2011). Since this type of argument is less known by the consumer, the argument was expected to give a greater value in educational purposes than the other. However, this was not the case. Most customers instead perceived the argument fuzzy and it did not seem to strengthen the image of the product. Consumers are in general skeptical of unfamiliar claims (Hamm, 2013), which biodiversity was proven to be. This creates a difficulty when choosing arguments to clarify the meaning of organic. Customers in many cases proved to be more receptive to things they already knew. If a simplistic argument of biodiversity had been presented, it might have been easier to get the customer to understand the argument. If the consumer understands the meaning and think it is relevant to themselves and society, the possibility that they act upon these arguments in the store increases. (Ajzen, 1991)

It is therefore particularly important to adapt the arguments along the customer's level of knowledge and awareness to get the highest possible effect. To succeed, one way can be to segment the customers after level of understanding and decide what group to target with what argument. One way to segment in this case is after intentions to change behavior and purchase the product, defined by Nelissen (2002) as behavioral readiness.

The arguments may be more effective on consumers in the contemplation and preparation stage because it is more likely to succeed in getting them to change their behavior by using arguments then the pre-contemplations group.

For the pre-contemplation group other type of activities can be more effective, such as upstream activities (Nelissen, 2002), which more or less forces the customer to change its behavior and become a "greener" consumer. This type of activities has been used successfully in for example England, were all stores in a specific area stopped offering their customers plastic bags due to its effect on the environment. Thus, it became easy to perform the right choice and become a greener consumer (Nelissen, 2002). However, this can be questioned since it interferes with the consumer's free choice, something organic labels doe not (Sirieix, et al., 2013). But what happens if we do not restrict the free will and pursues a behavior that does not favor the environment and our surroundings?

The arguments did not only have positive effects on the organic products. A few considered it to have a negative impact on their feelings for organic. Some indicated "*it looked desperate*" and others considered it "*a marketing ploy*". The package was also perceived messy in combination with the other text on the package. Design and general impression is therefore also important when trying to reach the customer.

7 Conclusions

This chapter presents the main conclusions from the thesis and answers the initially stated research question. It also provides future research areas, limitations and contribution of the research.

The objective of this thesis was to identify how customer behavior could be changed in order to increase sales of organic products, which has been done by answering four sub research questions.

The results from the tests constructed to answer RQ1, RQ2 and RQ3, indicates that price, often highlighted as the main reason, is not the only determining factor for why the sales of organic does not increase more. It is mainly about habits, perceptions of organic products, accessibility and visibility. Place and promotion has a critical role in increasing sales, however, organic products does not seem to benefit more than conventional. Again perceptions of organic and habits play major roles combined with attitudes and brand knowledge. Lastly, clarifying the concept of organic by arguments on the pages are perceived to give an added value to the product and an increased understanding of the meaning of organic, which in turn can help increase sales.

RQA. What affects customer behavior when shopping organic products and what are the brand knowledge about organic?

The customer's brand knowledge about organic food has been divided into positive and negative knowledge, where the positive are the following;

- Natural, healthy, environment friendly, safe, genuine, absence of chemicals and pesticides, better quality and taste, better nutrition value, animal welfare, trendy and responsible.

The negative knowledge is as following:

- Expensive, elitist, not improved quality compared to conventional, fuzzy labels, higher energy consumption, price is not justified, retailers earn all the extra money and farmers are disadvantaged.

Organic products have to fulfill any of the five most important values that affect the customer's attitude to the product and the likelihood of purchase. These are affected by the retailer's actions and the customers brand knowledge. In addition to a positive attitudes and brand knowledge, organic products must be encouraged by society, friends or family as the right choice, be available at all buying situation, which in turn will increase motivation and intentions to change behavior towards buying more organic products. However, people tend to still be mostly affected by habits and old shopping routines, which makes the store appearance and actions in terms of campaigns and marketing the most important factor to influence customer behavior.

To summarize and answer the research question, the greatest opportunity to change consumer behavior towards buying more organic products is held by the retailers. The majority of all decisions are made in the store, which is why the greatest change to influence consumer behavior is there.

Even if the greatest power to change behavior is held by the stores, values that create intentions to buy will also be crucial. However, these values are deeply grounded and almost impossible to influence by actions in stores. Yet, retailers have the possibility to create new social norms, which in turn can affect customers values.

In addition to the right values and the intention to buy, other actions such as down-, and upstream, are needed to make the actual purchase happen. Type of activity should be chosen depending on the customer's readiness to change existing behaviors in to new once. However, it is important that stores first decide which type of customer to target first. Downstream activities are suggested for consumers in the contemplation and preparation stage, and upstream for the pre-contemplation group.

Suggested down-stream activities:

- When an organic product has a price close or equal to its conventional counterpart, this should be marked up in a clearer way than for other goods on special offer, or with a favorable price to overcome price perceptions.
- Actively working to keep prices down for organic food to stimulate increased demand and make organic available for all individuals, since it has positive effects on its surroundings.
- Educating the consumers at a deeper level in the store, where they are most receptive, on the meaning of organic. Only science-anchored messages should be used, and avoid general claims, in order to manage the critical consumer group that is constantly growing.
- Create uniform and clear labels of organic products in all stores that are part of a chain to increase visibility.
- Let organic products possess the premium place in shelf, to create new habits of customers and stimulate sales over time.

Suggested up-stream activities:

- Exclude specific products that have a large impact on the environment, health or energy consumption, and replace it with the best possible alternative.
- Establish stores with specific focus on sustainability, and invariably only offer this type of products.
- Exclude suppliers and partners who are not actively working to reduce the negative impact on its surroundings.

In addition to the above, availability is also important for increased sales of organic products. Values by the retailer should be communicated in a clear way, with related activities, as well as a transparency towards the customer to gain trust.

7.1 Limitation and Contributions of the Research

Although the study focuses on the Swedish market, much of literature has included studies from other parts of the world, which sometimes can be difficult to draw conclusions from. Cultural differences can be large and the results therefore misleading

if trying to explain a Swedish phenomena. Another limitation of the study is that all tests only has been carried out in one retail chain and two out of three tests, could only be performed in two stores located in central Stockholm.

Test one was also limited to be performed on one product with a preselected product category made by the client. It was not possible to carry out in-depth interviews with customers in the selected stores.

Previous research has focused on investigating the customers' attitudes towards organic or customer behavior in-store, but few studies have focused on combining these two, in order to create concrete activities that may affect an increase in sales of organic products. Although many noted that the gap between the customer values and behavior of organic goods has been the greatest issue when trying to increase sales. Therefore this study has focused on the combination of brand knowledge and behavior theories to reduce the gap and recommend possible actions. Although some of the results are similar with previous studies, this has contributed with knowledge about retailer's importance when trying to change behavior and affect the values of customers, something that is considered unique to this study. The study has also highlighted areas that need to be further investigated, different from other previous studies in the field.

7.2 Further Research

From the previous chapters there are some areas that could be of interest to be further investigated. Firstly, from test one, more product categories would need to be tested to give a better understanding of price sensitivity in different categories. In some products categories, for example meet, the price sensitivity by the consumer is higher since the original price is already relatively high. Different customer segments also have different price sensitivity and the price premium for organic products can vary from 10 up to 66 percent, therefore tests performed on more products in order to get a better understanding for the price sensitivity in all categories, are necessary. In addition vertical extension tests are recommended as future research to analyze the price sensitivity between different brands in the same products category.

A more extensive observation and question survey would have increased the validity of the results in test one. In a future study on price, more customers spread across the country should be observed and interviewed to avoid demographic differences. Also eye tracking tests would give a more accurate results when trying to understand whether the customer notice the organic price or not and are therefor proposed as future research.

Secondly, for test two, further research need to include more stores in different demographic areas to ensure a better overview of the effect of place and promotion of organic products. Vertical and brand extension tests in existing products classes need to be investigated in the future, in order to evaluate how the different products benefit from a better location and markup.

Thirdly, for test three, additional research about the actual impact on sales is proposed because the limited scope of the test and the possibility to measure it. The validity on costumer's answers about organic products has been shown in previous studies not always to be consistent, and that there is a gap between what consumers say and what they do. Therefore, the arguments need to be placed on physical products in stores for a longer period of time, to be able to evaluate the actual affect additional information has

on sales numbers. Interviews with customers, after the test period, can then test to what extent customers has noticed the arguments.

Moreover, further research on to what extent the customer is willing to let the retail chains make decisions for them is purposed. Is there, for example, a possibility that customer switches store if certain products are excluded, etc. Also in what way information about organic is best communicated in the stores, should be examined in order to educate and influence consumers. Is it for example best to position arguments on the packages or have information signs about organic in stores?

Lastly, how producers, suppliers and other stakeholders effects and are affected by increase sales, should be further investigated to get a deeper analysis of the effects caused by increased sales of organic products.

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Appendix 1 – Ad in retailers magazine, RQ1

The picture below shows the butter ad in the retailer's member magazine.

Smör
Arla, 500g,
jfr-pris 55,90/kg

Appendix 2 – Customer Survey, RQ1

The customer survey used in test one is presented below.

Opening phrase

- "Hey, is it possible to ask you two quick questions?"

Questions to be answered and answer alternatives

The following questions were asked to customers entering the store.

1. Gender

- o Female
- o Male

2. Age

- o 15-25
- o 26-35
- o 36-45
- o 46-55
- o 56+

3. Which butter did the customer chose?

- o Normal Salted butter 500 grams
- o Organic butter 500 grams

4. Did you notice that it was the same price at both butter varieties?

- o Yes
- o No

4.1 If NO, would it have affected you choice if you did notice the price?

- o Yes, I would have taken organic
- o Yes, I would have taken the regular butter
- o No, I never buy organic anyway
- o No, I always choose organic

4.2 If YES, did it influence the selection of butter type?

- o Yes, I bought organic instead
- o Yes, I bought conventional butter
- o No, I always buy organic
- o No, I still never buy organic

Other comments

Appendix 3 – POP-material, RQ2

The POP-material used in test two are presented bellow, were the purple sign was used for organic products, showing the text "*Organic product*", and the light blue sign were used for the conventional products with the text "*good choice guaranteed*".

Appendix 4 – Sales statistics, RQ2

The amount of item sold per product category for respectively store and week is displayed. The purple colored boxes indicates organic product being promoted and the light blue color stands for promotion of the conventional products. The conventional produced Falukorv was on sales week two which have manipulated the numbers; therefore that numbers was removed from the results. The picture below displaying items sold in the two stores during week 1 and 2.

		Store A		Store B	
Product	Price (sek)	w.1	w.2	w.1	w.2
Falukorv 800G	24.95/XX	138	293	51	64
Falukorv 600G Organic	39.95	12	12	17	9
Coffee 450G	34.95	10	18	2	2
Coffee 500G Organic	42.95	7	3	2	2
Quinoa 500G	41.95	18	10	18	8
Quinoa 500G Organic	51.95	9	7	4	1
Olive oil 500ML	42.95	4	7	3	1
Olive oil 500ML Organic	44.95	51	25	11	15
Baguette 400G	9.95	336	317	483	414
Baguette 400G Organic	14.95	141	162	128	217

Appendix 5 – Customer Survey, RQ3

The customer survey used in test three is presented below.

Opening phrase

- "Hey, is it possible to ask you some quick questions?"

Questions to be answered and answer alternatives

The following questions were asked to customers entering the store.

1. Gender

- o Female
- o Male

2. Age

- o 15-25
- o 26-35
- o 36-45
- o 46-55
- o 56+

3. Do you buy organic products regularly?

- o Yes
- o No

4. Are you confident of what organic means and stands for?

- o Yes
- o No
- o Partial

5. Which of these packages is most likely that you would choose on the shelf?

- o Package 1
- o Package 2 – Contains an Argument
- o None of them
- o I don´t know – can´t see any difference

6. If you chose any of the packages, why did you choose this?

7. Package 2 – Does the argument give you a better understanding of why it´s favorably to buy organic products?

- o Yes

- No
- I don´t know

8. Do you think arguments like this, in general, could lead to an increased likelihood of purchase organic products?

- Yes
- No
- Maybe
- I don’t know

Question form

Seven questions in total where six question with one possible answer per question, one question allowed open response if the customer wished to do so.

Appendix 6 – Pictures shown to customers, RQ3

Following pitchers was showed to customers when performing test three, in order to answer RQ3.

With Arguments

On the cornflakes pages below the argument placed were "*I am cultured without chemicals and pesticides*", which is placed above the text "*organic cornflakes*" on the package. The fresh pasta package has its argument bellow the regular label, with the text "*Buy me and you contribute to a greater biodiversity*".

Without Arguments

The regular packages without arguments are displayed below.