

**IS IT ALL ABOUT THE PRICE?
REASONS FOR THE SMALL MARKET SHARES OF
ORGANIC MEAT AND MEAT PRODUCTS IN
AUSTRIA**

Daniela Wachter

University of Jyväskylä
School of Business and Economics

2016



JYVÄSKYLÄN YLIOPISTO

ABSTRACT

Author: Daniela Wachter	
Title: Is It All about the Price? Reasons for the Small Market Shares of Organic Meat and Meat Products in Austria	
Subject: Corporate Environmental Management	Type of work: Master's Thesis
Time (Month/Year): December 2016	Number of pages: 77
<p>Abstract:</p> <p>Austria is one of the leading countries in the world when it comes to organic farming. A closer look at the development of the market shares of different product categories reveals however, that some segments of organic products seemed to be constantly preferred while others were neglected by Austrian consumers over the past years: According to market statistics the categories "meat & poultry" and "ham & sausages" have the lowest market shares of organic fresh produce while at the same time, organic milk and organic eggs have the highest market shares. Since all of those organic products – milk, eggs as well as meat and meat products – are food of animal origin, for which the same organic criteria apply (the products are GMO free, the animals get no or less antibiotics and are bred in a species-appropriate way), one might wonder why the differences in the market shares are so big. The purpose of this thesis is therefore to figure out why Austrian consumers do not buy more organic meat and meat products. An additional task is to identify (realistic) measures to enlarge these small market shares.</p> <p>A review of existing studies on the consumption of organic products in general and organic meat and meat products in particular, an analysis of the Austrian organic market and the evaluation of interviews with several experts should provide answers to the research question.</p> <p>As most of the interviewed experts refer to the price as the only or at least one of several reasons for the small market shares of organic meat and meat products in Austria and this result confirms findings from the literature review and the analysis of the Austrian organic market, it seems that the difference in market share size is not all about the price, but mainly. The study provides further possible reasons as well as information on favourable and unfavourable conditions and measures for the growth of the small market shares and on the future development of (organic) meat consumption in Austria.</p>	
Keywords: Organic Meat, Price Premium, Organic Market in Austria, Organic Milk, Organic Eggs	
Location: Jyväskylä University School of Business and Economics	

CONTENTS

ABSTRACT

1	INTRODUCTION	7
2	THE STATUS OF ORGANIC PRODUCTS IN OTHER COUNTRIES	9
2.1	The organic consumer	9
2.2	Incentives and barriers concerning the consumption of organic food	13
2.2.1	Barriers to the consumption of organic food	13
2.2.2	Incentives to buy organic food	16
2.3	Price-related concepts	21
2.3.1	Price premiums consumers are willing to pay	21
2.3.2	Price elasticity	23
2.4	Summary	25
3	THE STATUS OF ORGANIC MEAT AND MEAT PRODUCTS IN AUSTRIA	27
3.1	History of organic farming and the organic market in Austria	27
3.2	Structure and key figures of the organic market in Austria	30
3.3	The Austrian organic vs. the Austrian (meat) consumer	32
3.3.1	The Austrian organic consumer	32
3.3.2	The Austrian (meat) consumer	33
3.3.3	Summary	35
3.4	Differences between selected organic products of animal origin on the Austrian market	36
3.4.1	Organic legislation and quality control	36
3.4.2	Availability and variety	38
3.4.3	Price premiums	39
3.4.4	Per capita consumption and weighting of animal welfare	40
4	EMPIRICAL RESEARCH - METHODOLOGY	42
4.1	Data collection	42
4.1.1	Interview guides	42
4.1.2	Selection of interviewees	43
4.1.3	Interviews, preparation and follow-up activities	44
4.2	Data analysis	45
4.2.1	Preparation of extraction	46
4.2.2	Extraction	48
4.2.3	Processing of data and evaluation	48

5	EMPIRICAL RESEARCH - FINDINGS.....	50
5.1	Reasons for the small market shares of organic meat and meat products ...	50
5.2	Unfavourable conditions and measures	53
5.2.1	Consumers.....	53
5.2.2	Marketing/communication	54
5.2.3	Production	55
5.3	Favourable conditions and measures	56
5.3.1	Consumers.....	56
5.3.2	Marketing/communication	56
5.3.3	Production	59
5.4	The future development of (organic) meat consumption in Austria	59
5.5	Interview partners & meat consumption.....	60
6	CONCLUSIONS.....	61
6.1	Answers to the research question	61
6.2	Discussion	63
6.3	Ideas for further research	65

1 INTRODUCTION

Austria is one of the leading countries in the world when it comes to organic farming: Its share of organic area within the total utilised agricultural area is the highest among the member countries of the European Union (European Commission 2010, 10) and reached 20.0 percent or more than 524,400 ha of land - alpine pastures included - in 2014 (Bio Austria 2015a). More than 20,000 farms in Austria are operated in accordance with organic principles (Bio Austria 2015a).

With regards to the share of organic food of the total food market Austria holds a leading position as well: Referred to an analysis of Agrarmarkt Austria Marketing GesmbH (2015a) the market share of organic products in the fresh produce segment in 2014 was 7.3 percent or more than € 401.4 million. In a country comparison of 2013 Austria has an organic market share of 6.5 percent and ranks third behind Denmark (8 percent) and Switzerland (6.9 percent; Fruchtportal 2015).

A closer look at the development of the market shares of different product categories reveals however, that some segments of organic fresh produce seemed to be constantly preferred while others were neglected by Austrian consumers over the past years. According to the food report ("Lebensmittelbericht") of the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW 2010, 54) and an analysis of AMA Marketing (2015a) the categories "meat & poultry" and "ham & sausages" have the lowest market shares of organic fresh produce during the whole period shown in the charts of the reports: 2006 to 2009 and 2011 to 2014.

At the same time these reports – as well as other analyses and articles, e.g. Kilcher et al. 2011, 90 – refer to the high market shares of organic milk and eggs (in terms of revenue) in Austria. Since all of those organic eatables – milk, eggs as well as meat and meat products – are food of animal origin, for which the same organic criteria apply (the products are GMO¹ free, the animals get no or less antibiotics and are bred in a species-appropriate way), one might wonder

¹ GMO = abbr. for „genetically modified organism“

why the differences in the market shares are so big. The purpose of this thesis is therefore to figure out why Austrian consumers do not buy more organic meat and meat products. An additional task is to identify (realistic) measures to enlarge these small market shares.

The aims of the research are reached via two steps: First, literature and market data are analysed to extract possible reasons for the prevalent situation on the organic market and to create a good knowledge base for the interviews conducted in the second phase of the study. The interviews with experts on the part of the market and the farmers should confirm or disprove, and furthermore complete the findings made in the first section of the thesis.

The decision to conduct qualitative interviews was made since quantitative data concerning the organic food market in Austria is produced and published on a regular basis, providing comprehensive information (e.g. motivational analysis of Agrarmarkt Austria Marketing GesmbH, RollAMA household panel). Thus another quantitative survey seemed to be needless. As in addition, various organisations and companies have been observing the developments on the Austrian organic market for years, their members or employees in relevant areas should have profound knowledge concerning the topics brought up in the interviews.

As a preliminary screening of market data and literature revealed that the high price premiums of organic products in general and especially the even higher premiums of meat and meat products might be the (main) obstacles to buy them, special emphasis in the study is placed on the price issue.

The following two chapters form the literature review of the study: Chapter two looks at the status of organic products in other countries and chapter three analyses the market data available for the Austrian organic food market. The subsequent section deals with the empirical part of the thesis – the interviews – starting with a short explanation of the methodology in chapter four followed by the findings of the research in chapter five. The final chapter, “conclusions”, provides answers to the research problem and discusses, among others, ideas for further research.

2 THE STATUS OF ORGANIC PRODUCTS IN OTHER COUNTRIES

This chapter does not only provide an insight into the situation of organic (meat and meat) products in countries other than Austria, but also presents the key concepts that build the theoretical framework of the study: Incentives and barriers concerning the consumption of organic food in general and organic meat and meat products in particular, as well as a rough characterization of organic consumers. As there is a special focus on the price in this thesis, studies dealing with price-related concepts on willingness to pay and price elasticity are going to be examined too.

Since just a few scientific articles could be found covering those concepts while dealing with the Austrian organic market, the theoretical framework will be built using almost only foreign examples. One exception is the description of the typical Austrian organic consumer, which will be introduced in chapter 3. In order to improve the readability of the text, all sections are divided in the areas “organic food in general” and “organic meat & meat products”. The inclusion of organic food other than organic meat and meat products was considered as necessary as not much literature could be found on that certain category of organic food. This, and the fact that organic husbandry is (normally) more animal-friendly than conventional husbandry, also explains the consideration of a few studies which do not or not only deal with organic meat but also with animal welfare-friendly production.

The first section examines the characteristics of the organic consumer.

2.1 The organic consumer

This subchapter deals mainly with features of the organic consumers in Europe. Two studies are cited, that discuss the organic meat consumer in the United States.

Organic food in general

Richter & Hempfling (2003, 29-138) analysed the organic markets of eleven European countries - Austria, Belgium, Denmark, Finland, France, Germany, Italy, The Netherlands, Sweden, Switzerland, and the UK. Summarising their findings from literature research and interviews in these countries (except Austria), the typical organic consumer seems to be female, rather lives in urban area than in the countryside and has a higher household income.

Several other studies do as well consider women to be the main consumers of organic food: An analysis of organic food consumption in Germany (Hoffmann & Spiller 2010, 79) identified the female gender, the level of education and household income as the most important drivers of purchasing intensity of organic products. According to a review of published research on organic food consumption by Shaw Hughner, McDonagh, Prothero, Shultz & Stanton (2007, 96) organic consumers are in general female, have children living in the household and are older. The data the authors found regarding income and education showed no clear tendency. In a study of McEachern & McClean (2002, 88) 80% of the respondents who always buy organic dairy products are female. Their research also indicates a positive correlation between children in the household, a higher age or a higher socio-economic group and the consumption of organic dairy products. Schröck (2012, 280-288) comes to the conclusion that consumers of organic milk are female, well educated, have a high income and rather live in urban areas. According to her study, having a child also increases organic milk consumption, however households with a higher number of children are less likely to buy organic milk.

Some studies reveal an – at least partly – different picture: Results from Magnusson, Arvola, Koivisto Hursti, Åberg & Sjöden (2001, 222) suggest that women, respondents without tertiary education and interviewees without children buy less often organic food than others. Ureña, Bernabéu & Olmeda (2008, 18-21) find that women have a more favourable attitude to the purchase and consumption of organic food than men, but men are prone to pay higher prices for organic products.

The findings of Spiller, Lüth & Enneking (2004, 18) are consistent with the statements made in the preceding paragraph – consumers of organic food are characterised by a higher income and educational level. Shaw Hughner et al. (2007, 96) observe that younger consumers hold more positive attitudes toward organic food, yet older consumers are more likely to be purchasers. According to the study of Magnusson et al. (2001, 222) it is of highest importance for 26 to 35 years old ones that organic food does not cost more than conventional food. A number of studies demonstrate the differences between heavy or frequent consumers and occasional consumers of organic food. Spiller, Lüth & Enneking (2004, 51) point out that the small group of regular buyers shows a strong preparedness to pay high prices for organic products. Shaw Hughner et al. (2007, 105) note that heavy consumers of organic food shop mainly from local food co-operatives and account for a relatively small percentage of organic food purchases. In contrast, Richter & Hempfling (2003, 29-138) indicate in their study about the European organic market that in most cases, this small share of

“hard core” consumers contributes to the bulk of the revenue gained. For example, in France 17% of organic consumers account for 89 % of all purchases, in the UK 8% of organic consumers are responsible for 60 % of the money spent on organic products. Wier, O’Doherty Jensen, Antersen & Millock (2008, 417) confirm these findings pointing out that heavy users in the UK and Denmark purchase more than half of all organic products. Opposed to that, occasional buyers are not willing to pay higher prices for organic food, they often lack the knowledge about ecological production processes and reasons for their moderate demand are varying (Spiller, Lüth & Enneking 2004, 6, 88-89). According to Padel & Foster (2005, 623) the large group of occasional organic consumers does not have the information, financial possibilities, belief, or simply the disposition to buy more regularly.

Spiller, Lüth & Enneking (2004, 17, 89) point out, that one and the same customer acts as regular *and* occasional organic consumer, as the buying interest changes in accordance with the product. Furthermore, the authors are of the opinion that casual consumers of organic food can become heavy consumers during special phases of their lives, e.g. pregnancy and old age. Shaw Hughner et al. (2007, 96) agree partly, as they mention that families often get in contact with organic food due to the arrival of a baby.

Organic meat & meat products

According to the following two studies, consumers of organic meat and meat products seem to show the same basic characteristics as consumers of organic food in general: O’Donovan & McCarthy (2002, 366-369) find that female interviewees and respondents having higher socio-economic backgrounds and a higher educational level purchase organic meat more often or have at least the “intention” to do so. Results from McEachern & Willock (2004, 543) suggest that purchasers of organically produced meat are more likely to be from a higher social grouping, married with children, and aged between 35-55 years.

Van Loo, Caputo, Nayga, Meullenet, Crandall & Ricke (2010, 394) however, do not find any correlation between organic chicken consumption and gender, education, household income, marital status, and number of children for the US market. The authors assume that this might be due to a broadening of the organic consumer profile caused by the expansion of the organic market. Investigating rural consumers’ attitudes and purchase intentions towards organic and free-range produce, results from Michaelidou & Hassan (2010, 130, 136) do not show any significance of the factors gender, age and dependents under 16. Yet, consumers with a higher income seem to have a more positive attitude towards organic food. The study of McEachern & Willock (2004, 543) furthermore suggests that agricultural connections are positively correlated with the purchases of organic meat since about half of the consumers presently lived on a farm, used to live on a farm and/or had family in farming.

According to several studies, one characteristic that plays a really important role in regard to the consumption of meat and meat products seems

to be more prevalent among organic buyers - vegetarianism. Harper & Makatouni (2002, 297) find that organic consumers are more likely to be vegetarian than non-organic consumers. In their review on organic food consumption Shaw Hughner et al. (2007, 96) mention vegetarianism as one feature of the "alternative lifestyle" many purchasers of organic products seem to have. Results from the questionnaire of Spiller, Lüth & Enneking (2004, 51) demonstrate that meat plays an inferior role among heavy consumers of organic food. In a review of existing literature in Germany Beukert & Simons (2006, 34) observe a negative correlation between the frequency of utilisation of organic products and the frequency of meat consumption. This correlation is confirmed by a nationwide survey of German organic consumers carried out four years later: Interviewing more than 13,000 persons Hoffmann & Spiller (2010, 38-39) conclude that the average consumption of meat and meat products is significantly lower for organic consumers than for non-buyers of organic products. According to their study female organic consumers buy least meat/meat products, male non-buyers of organic products have the highest consumption rates. Analysing household panel data of 2009 and 2010 in Germany and comparing market shares on the conventional and the organic market also Schöberl (2012, 10, 19) confirms lower average consumption of meat and meat products among organic consumers. Batte, Hooker, Haab & Beaverson (2007, 149) report, that consumers at natural food stores in the US are much more likely to be vegetarian or vegan. Similarly, the survey of Schulze, Gerlach & Kennerknecht (2008, 428, 437) among proprietors of wholefood shops in northwest Germany reveals that consumers of organic products - and employees on the organic market - tend to eat less meat.

In summary, literature suggests that the typical consumer of organic (meat and meat) products in Europe is rather female, more likely to be living in urban areas and has a higher age and higher income and/or education. Especially higher income seems to play an important role, not only for female purchasers. An important but small group among organic consumers, so-called heavy buyers, are characterized by their knowledge about organic farming and their willingness to pay higher prices for organic products. Organic consumers might however possess one feature that leads to a lower quote of purchases of organic meat (and meat products): a stronger tendency to vegetarianism and "low-meat-consumption" than their conventional counterparts.

Although the profile of the organic consumer is always depending on the period and region of the research, the methods of the study as well as the kind of product under examination and the sample, as Schröck (2012, 275) points out in her study, features mentioned above may provide clues for the characteristics of the typical Austrian organic consumer which will be specified in chapter 3.

2.2 Incentives and barriers concerning the consumption of organic food

As the market share of any product can only grow if more of the product is sold (in volume or value), one of the central theoretical concepts of this study is consumer behaviour, or in more detail: To analyse the factors and motivation² that stimulate consumption of a certain product or hinder an increase in sales. In this assignment the specific products are organic meat and organic meat products, but having a look at aspects that motivate potential consumers to buy organic products in general (or keep them from buying them) should also provide useful information about how consumption of organic meat/meat products in Austria could be spurred. Price related issues are discussed in more detail in chapter 2.3.

2.2.1 Barriers to the consumption of organic food

Organic food in general

A number of studies (Magnusson et al. 2001, 224; Wier & Calverley 2002, 53; Richter & Hempfling 2003, 29, 138; Padel & Foster 2005, 606; Shaw Hughner et al. 2007, 103; Stolz, Stolze, Hamm, Janssen & Ruto 2011, 67; Schröck 2012, 288) accuse the high price of organic products of being the major obstacle to market share expansion or mention it as one of the main barriers to organic consumption. Yet, Shaw Hughner et al. (2007, 106) notice as well, that consumers might associate lower prices with lower quality. Padel & Foster (2005, 623) and Baranek (2007, 230) find that organic consumers consider the price not only in the context of available income but are prepared to pay more if they can be convinced to get good value for their money and understand the reasons for the higher price.

Consumer behaviour in regard to the price seems, as already mentioned in the previous chapter, also to be dependent on the frequency of purchases – so if somebody is a regular, occasional or non-buyer of organic products. Spiller, Lüth & Enneking found that occasional consumers did not occupy themselves with organic products as regular buyers did. According to Hempfling (2004, 34) many consumers are not interested in informing themselves about organic food since foodstuff is a low-involvement product for most consumers. Another, maybe even more important problem the author mentions is that at low involvement the bigger part of consumers may concentrate on the price only. Research of Bunte, Van Galen, Kuiper & Tacken (2010, 408) confirms this statement as in their findings organic food is considered to be expensive

² **motivation:** “The positive or negative needs, goals, desires, and forces that impel an individual toward or away from certain actions, activities, objects, or conditions. It is the needs and wants of the individual, the driving force, guided by cognitions, behind the behaviour to motivational approach to attitudes purchase, approach, or avoid products and ideas and things.” (The American Marketing Association 2012)

particularly by those respondents who never purchase organic products. In the study of McEachern & McClean (2002, 89) higher prices are as well the main constraints to buying organic dairy products in the group of non-buyers.

Another barrier that is quite often mentioned in literature (Magnusson et al. 2001, 224; Bunte et al. 2010, 406; Schröck 2012, 288) is habit formation. Due to habit formation consumers do not buy organic foods regularly also if they have positive attitudes towards organic products. Connected to the reluctance to change buying habits are the limiting factors found by some other studies: difficult availability and limited choice (Wier & Calverley 2002, 53; Richter & Hempfling, 2003, 138; Stolz et al. 2011, 67). The shop(s) in which potential or occasional organic consumers usually buy their foodstuff might offer some organic products, but not an “organic version” of everything they want to buy. Therefore consumers would have to buy organic food at other places farer away and might not be willing to do that – at least not on a regular basis.

Further barriers to purchasing organic products (more regularly) are poor appearance and taste of the foodstuff (Richter & Hempfling 2003, 138). Compared to conventionally produced food organic products might look less fresh and some consumers have unrealistic expectations about their better taste (Grunert, Bredahl & Brunsø 2004, 271). These factors along with a higher price lead to a perception of less value for money (Richter 2004, 19). According to Spiller, Lüth & Enneking (2004, 20) disfavour of (potential) consumers is due to a lack of knowledge about the possible differences in colour and/or taste between organic and conventional products. Lack of information is also a negative factor mentioned by Mayfield, Bennett, Tranter & Wooldridge (2007, 70). In their study, many consumers tried to buy animal welfare-friendly food products but could not find appropriate information – a result that should be kept in mind regarding organic meat & meat products. A deficit in (advantageous) information and presentation of organic products is constituted by Richter (2004, 19) and Shaw Hughner et al. (2007, 104) who refer to ineffective retailing strategies as well as insufficient promotion. A lack of trust in and awareness of organic food as referred by Stolze et al. (2011, 67) and labelling of organic products termed as “confusing” noted by Wier & Calverley (2002, 53) might be outcomes of the above mentioned ineffective and insufficient practice. Further concentration and industrialisation on the organic market as well as a high level of food processing are also found to lower consumer confidence, since those factors are perceived as incongruent with the organic principles (Arvola, Vassallo, Dean, Lampila, Saba, Lähteenmäki & Shepherd 2008, 443; Wier et al. 2008, 412). Closing this paragraph it should be mentioned, that the importance of barriers as well as incentives seems to differ between product categories (Padel & Foster 2005, 623).

Organic meat & meat products

The price was mentioned as one of the main barriers to organic consumption in general and it is also found to be the main limit to purchasing organic meat in several European studies (O'Donovan & McCarthy 2002, 367; McEachern & Willock 2004, 543; Napolitano, Braghieri, Piasentier, Favotto, Naspetti & Zanolli 2010, 211) and one study done in the United States (Van Loo et al. 2010, 384). The findings of Michaelidou & Hassan (2010, 138) show that price negatively affects attitude and intention regarding organic produce. In contrast to these papers, participants in a qualitative study of Beukert & Simons (2006, 45) who have been interviewed face-to-face or in groups, state that the high price for organic meat represents respect for animals and reduces excessive meat consumption. Some respondents expressed the opinion that organic meat is not expensive but conventionally produced meat is too cheap.

Just as explained above for organic food in general, research on organic meat and meat products does also show different views and behaviour between frequent, occasional and non-buyers: In a study of Enneking (2003, 263) regular customers of organic liver sausage did not react significantly on price fluctuations whereas price was by far the most important purchase criterion for occasional buyers. O'Donovan & McCarthy (2002, 368) found that non-buyers of organic meat considered conventionally produced meat as superior or equal to organic meat concerning quality, production methods and food safety.

Further barriers to organic meat consumption that have also been mentioned in the section above are poor availability, so done in a study on organic chicken in the US (Van Loo et al. 2010, 384), and a lack of perceived difference in taste between organic and conventionally produced meat, as it was found in a study in the UK (McEachern & Willock 2004, 543).

Two studies on consumer behaviour regarding animal welfare-friendly pig production (Schulze, Spiller & Lemke 2008, 482; Krystallis, de Barcellos, Kügler, Verbeke & Grunert 2009, 46) show that positive attitudes towards animal well-being do not significantly influence the pork consumption choices. Two reasons - of the several ones mentioned by the authors as possible explanations for this result - are a lack of information about the differences between organic/animal-friendly and conventional husbandry conditions, and low involvement. Cognitive dissonance³ may also play a role: Consumers for whom animal welfare is important may prefer not to think about livestock production in this situation. A study of Mayfield et al. (2007, 63) shows that only some 50 percent of the participants who cared about animal welfare always thought about ethical husbandry when they bought meat. In her book about consumer psychology Spieß (2013, 31) explains that cognitive dissonance

³ **cognitive dissonance:** "A term coined by Leon Festinger to describe the feeling of discomfort or imbalance that is presumed to be evident when various cognitions about a thing are not in agreement with each other. For example, knowledge that smoking leads to serious physical ailments is dissonant with the belief that smoking is pleasurable and the psychophysiological need to smoke." (The American Marketing Association 2015)

is most frequently reduced/resolved by adapting cognition to the taken decision. Translated into this thesis the statement means that instead of thinking about suboptimal husbandry conditions, animal-loving consumers might push those pictures aside when standing at the meat counter. After buying the conventionally produced meat they may assess welfare conditions as not (that) bad or may think that their purchases cannot make a difference, etc.

The higher price seems to be the most important limiting factor to purchases of organic meat and meat products – at least for occasional and non-buyers. They focus on the price, are in most cases not interested in informing themselves about organic products and (therefore) often consider organic meat to be equal or even inferior to conventionally produced meat. Contrariwise, regular customers of organic meat (products) do usually not react on price fluctuations since they might consider the high price to be justified and conventionally produced meat to be too cheap.

A further barrier to organic meat and meat product consumption is poor availability: (Potential) consumers might not find the “organic version” of the meat, sausage etc. they want to buy at the nearby supermarket and not be willing to do an extra trip to the wholefood shop – at least not on a regular basis. Ineffective retailing strategies as well as insufficient promotion can also keep consumers from buying organic meat, as labelling of organic products was described as “confusing” in one study and participants of another survey indicated they could not find appropriate information on animal welfare-friendly products.

So there seems to be a lack of information about the differences between organic and conventional husbandry and production conditions. But in which way should interested consumers be informed? And how should information be conveyed to (potential) customers with low involvement? The following subchapter might provide some answers to these questions.

2.2.2 Incentives to buy organic food

Organic products in general

Numerous studies found that altruistic concerns, specifically concern for the environment and animal welfare play a significant role, but have less influence on the actual propensity to purchase organic goods than personal motives such as health, food safety, quality and taste (Harper & Makatouni 2002, 287; McEachern & McClean 2002, 88; Wier & Calverley 2002, 57; Richter & Hempfling 2003, 138; Spiller, Lüth & Enneking 2004, 31; Shaw Hughner et al. 2007, 102; Wier et al. 2008, 418). In several of these papers the authors conclude that the personal benefits are the main buying motive. However, environmental protection and animal welfare are seen as indicators for health and food security (Harper & Makatouni 2002, 287; Richter & Hempfling 2003, 138; Spiller, Lüth & Enneking 2004, 31; Shaw Hughner et al. 2007, 102). In the interviews of Padel & Foster (2005, 606) and the literature review of Stolz et al. (2011, 67),

covering ten articles from the year 2000 to 2008, ethical factors have the same value as personal ones.

Studies of McEachern & McClean (2002, 90), Wier & Calverley (2002, 46), Spiller, Lüth & Enneking (2004, 6) concerning buying motives of different consumer segments confirm and complement the findings mentioned above: The small segment of frequent buyers is driven by idealistic motives such as environmental concerns and political reasons. A major portion of organic consumers, the occasional buyers, however, are driven mainly by personal motives such as health concerns and taste.

Another difference that seems to exist between the two segments is shop preference. According to Spiller, Lüth & Enneking (2004, 6) and Wier et al. (2008, 412) light users prefer buying organic products in supermarkets whereas heavy users rely on direct sales channels. Acting on this preference of the bigger part of organic consumers – also if their buying frequency is low – caused an increase in organic sales: In a review of consumer literature with regard to the European region, Torjusen, Sangstad, O'Doherty Jensen & Kjærnes (2004, 41) summarize that in countries where supermarket sales got in the lead supply and demand of organic products could be increased. Thøgersen (2010, 182) supports that outcome concluding that in the three countries with the highest organic market shares in Europe and in the World at this time, Switzerland, Austria, and Denmark, large retailers made organic food available and affordable to broad segments of consumers. Wier et al. (2008, 418) state, that a growth in sales via supermarkets along with a concentrated market structure led to homogenous quality at relatively low price premiums. Richter (2004, 17) notes that the entrance of food retailers (including discount shops) into the organic market led to an extension of the product range.

The following listing covers additional incentives that should lead to a further increase in sales of organic products:

- Offering/promoting supplies from local producers: This form of positioning of organic products should also address the segment of frequent buyers. (Spiller, Lüth & Enneking 2004, 84; Wier et al. 2008, 418)
- A further extension of the product range, offering ready-made meals and other food that can be easily prepared (Wier & Calverley 2002, 46; Spiller, Lüth & Enneking 2004, 19).
- The use of “integrated” presentation of organic products: In order to lead occasional buyers to impulse buying, Hempfling (2004, 34) and Spiller, Lüth & Enneking (2004, 76) recommend to place organic products next to their conventional counterparts.
- Organic products should be presented and packed in a noticeable, appealing and useful way, placing them on the eye-level of the shelves, using boards and labels and offering not only large packages but also units for single- and two-person households (Hempfling 2004, 34).

Several studies emphasise the role of customer information as a means to broaden the organic food consumer base (Harper & Makatouni 2002, 298; McEachern & McClean 2002, 85; Wier & Calverley 2002, 46; Grunert, Bredahl &

Brunso 2004, 269; Hempfling 2004, 34; Spiller, Lüth & Enneking 2004, 76; Mayfield et al. 2007, 60; Shaw Hughner et al. 2007, 106; Bunte et al. 2010, 409; Stolz et al. 2011, 71). According to the authors marketers should convey information on production methods (e.g. no use of GMOs), animal welfare and environmental benefits in order to clearly explain the differences between conventional and organic products to (potential) consumers. The importance of consumer information is also shown in a study done by Spiller, Lüth & Enneking (2004, 20-27). The researchers conducted in-depth interviews concerning organic and conventional eggs which showed that participants did not necessarily relate animal friendly husbandry systems to organic production methods. According to Hempfling (2004, 34) sales staff in shops should be trained to have adequate advisory skills. Stolz et al. (2011, 71) are of the opinion that long term programmes and communication strategies should be implemented instead of taking out short-term advertisements as consumers form their attitudes over long periods of time.

Organic meat & meat products

Also in case of organic meat and meat products personal benefits seem to play a more important role than altruistic ones. According to O'Donovan & McCarthy (2002, 366) and Van Loo et al. (2010, 388) health consciousness and taste are the main motivation factors – ethical aspects, such as environmental concern and animal welfare do not appear to influence consumption of organic meat considerably. Participants in the study of Van Loo et al. (2010, 384) for example, bought organic chicken as they perceived it to have fewer residues, such as hormones, antibiotics and pesticides. Alvensleben (2003, 55) states that concern regarding animal welfare is obviously not that relevant to behaviour on the meat market at the moment, but someone may observe a rising trend.

However, there are also studies in which personal *and* altruistic factors are important to consumers: Interviewees who answered the surveys of Grunert, Bredahl & Brunsø (2004, 270) and McEachern & Willock (2004, 543) allocated equal value to animal welfare and their own health. Participants in a qualitative analysis of Beukert & Simons (2006, 43-44) fear that meat from conventional animal husbandry could be unhealthy and state that organic meat offers the opportunity of guilt-free meat eating. Research of Michaelidou & Hassan (2010, 135) could not find correlation between rural consumers' health consciousness and their attitude towards organic or free-range products.

Correlation could, once again, be found regarding frequency of buying and the relevance of certain criteria: The more often consumers bought organic chicken, the more importance they assigned the production method and the less important they perceived the price (Van Loo et al. 2010, 388).

As for organic products in general, customer information is a factor capable to increase sales and/or revenues also on the organic meat market:

- According to McEachern & Willock (2004, 547) consumers desire to learn more about the meat they buy, especially about the production/ husbandry conditions. More recent studies (Michaelidou & Hassan 2010, 138; Napolitano et al. 2010, 211) confirm this outcome and indicate as well

that consumers are likely to pay higher prices if they get reliable information about high animal welfare standards, quality and safety of the meat (as less pharmaceuticals are utilized, for example).

- A survey among 166 proprietors of wholefood shops in northwest Germany reveals that the retailers who had the highest share of organic meat and meat products in total turnover not only offered a wider choice of products, but also employed qualified staff. That is personnel who attended product trainings and courses about production processes and animal husbandry. These employees were able and motivated to provide background information and to convey the benefits of the products to the consumers. (Schulze, Gerlach & Kennerknecht 2008, 428-437)
- Interviewing participants from four European countries with higher-than-average per capita meat consumption (Belgium, Denmark, Poland and Germany), Krystallis et al. (2009, 56) supposed that relationship between consumer demand and attitudes to pig production would be stronger, if more products were clearly positioned concerning small farming, animal welfare and/or environmental impact.

A fact that has to be considered as well when it comes to consumer information on organic meat and meat products is that consumers show varied perception, motivation and/or behaviour in relation to different organic animal products. Alvensleben (2003, 55), for example, states that concern about animal welfare seems to influence behaviour of egg consumers more strongly than behaviour of meat consumers. Results of group discussions and face-to-face interviews of Beukert & Simons (2006, 43) show that participants often had only diffuse images of animal husbandry in general but vivid images of battery-caged chickens that could be easily activated. In a Computer Assisted Telephone Interview survey of approximately 1500 consumers in Italy, Great Britain and Sweden regarding the perceived welfare conditions for chickens, dairy cows and pigs, interviewees considered the welfare conditions of hens to be the poorest (Mayfield et al. 2007, 60, 65).

The outcomes of these studies raise the questions: If someone does not assume that egg and meat consumers differ basically concerning their perception and/or behaviour, which extrinsic factor(s) made the difference? Could it be that former information campaigns on battery and broiler chickens influenced the participants of the studies – as Mayfield et al. (2007, 65) suppose as well?

Apart from criteria mentioned above consumers might suddenly decide to buy organic meat for another reason: food scares, such as BSE or avian influenza. But although food scares have contributed to increasing concerns about conventional food production methods and released an impulse to buy organic food (Shaw Hughner et al. 2007, 102; Alvensleben 2003, 55), this impulse normally did not last that long and did as well not influence so many consumers. For example, Kuhnert, Feindt, Wragge & Beusmann (2002, 2, 12) who did a nationwide consumer survey of 2,000 persons in Germany noticed that the high increases in organic sales that were reached during first half of

2001 (the first case of BSE in Germany was found in November 2000) could not be maintained in the following months. According to Hempfling (2004, 34) this can be explained by the fact that foodstuffs are to most of the consumers low involvement products - therefore involvement rises during food scares only for a short period. In a study of Mc Eachern & Willock (2004, 537) BSE, the food scare that had the most significant effect regarding organic meat consumption, influenced only 7 percent of respondents.

So which factors stimulate consumers to buy organic meat and meat products and organic foods in general? Especially for the principal part of organic consumers, the occasional buyers, personal motives (e.g. food safety, taste) seem to be more important than altruistic ones. However, environmental protection and animal welfare are seen as indicators for health and food security. Since occasional buyers prefer to buy organic products in supermarkets, offering organic meat and meat products in supermarkets should increase sales. Yet, wholefood shops might be an important sales channel for regular buyers as the product range is broader and, staff is or at least should be able to provide some background information on organic products.

As the large share of occasional consumers is not as well informed as frequent buyers, and "organic" might not be well enough linked to "animal welfare" in some cases, consumer information also seems to be a crucial factor. Given that consumers are likely to pay higher prices if they can recognize the difference and are informed by a credible source, this information should reliably describe production methods, illustrate safety and animal friendliness (e.g. no use of GMOs, little use of pharmaceuticals, lower stocking rate) and clearly explain the differences between conventional and organic meat and meat products. Thinking of the low involvement within the customer group, the information should not be too detailed, easily comprehensible, combined with emotive contents/images and repeatedly presented (Meffert, Burmann & Kirchgeorg 2008, 706-707). The extent of influence of information campaigns might already be observable in the perceptual differences of consumers regarding hen/chicken farming and raising of pigs and cows: Participants in one study considered the welfare conditions of hens to be the poorest and in another one they had vivid images of battery-caged chickens only. These results might be attributed to former campaigns on battery and broiler chickens.

Beside the central factors "selling in supermarkets" and "more/reliable but catchy information", consumers might also be motivated to buy (more) organic meat and meat products if supplies from local producers are offered/promoted and the products are presented in a better way (use of "integrated" presentation and noticeable boards and labels, placing on the eye-level of the shelves, etc.).

2.3 Price-related concepts

2.3.1 Price premiums consumers are willing to pay

Organic products in general

How much more may an organic product cost compared to a conventional one? As data on adequate surcharges vary from study to study someone cannot indicate a percentage that is generally accepted. Wier & Calverley (2002, 48-49) who did a review on price premiums consumers are prepared to pay in Europe and analysed studies from 1980s and 1990s, state that price premiums between 10 % and 30 % induce 10-50 percent of consumers to buy organic food. Only 5-20 percent of consumers are willing to buy organic foods when price premiums are higher than 30 %. According to Kuhnert et al. (2002, 7-8) more than 50 percent of the German interviewees who were prepared to pay a surcharge would have accepted a price premium of up to 10 % for the feature “organic production”. Participants in a survey among Spanish food purchasers did not want to pay more than an approximate 10 % premium for organic food (Ureña, Bernabéu & Olmeda 2008, 22). Richter & Hempfling (2003, 161) who analysed the organic markets of eleven European countries consider the maximum willingness to pay (WTP) premium for organic products to be 30 %. Furthermore, the researchers state that for organic products whose prices are very well known by the customers, the WTP premium should be even lower and not exceed 20 %.

So consumers do not only have product specific perceptions and pictures in their minds – as mentioned in the previous chapter – the price premiums they are willing to pay also seem to be related to the particular organic products. Spiller, Lüth & Enneking (2004, 20, 63) are of the opinion that a price premium for organic products cannot generally be quantified at 20 % since the WTP is strongly depending on the product. Acting on general market experiences, as they did not have differentiated price knowledge of various products or product versions, participants in their study highly underestimated the price premium of organic oatmeal which was 829 % compared to the conventional product instead of the estimated 66 %. Answers given in focus groups in connection with a pan-European survey on organic marketing initiatives (Schmid, Sanders & Midmore 2004, 149) led to the conclusion that consumers react more price-sensitive⁴ when they are buying everyday goods than when they purchase speciality goods. Consumers in a survey of Ureña, Bernabéu & Olmeda (2008, 22) were willing to pay the highest premiums for fruit (17.3 %), dairy products (15.9 %) and vegetables (15.4 %). The lowest WTP was obtained by dried fruit and nuts (4.0 %) and jam (6.1 %).

Apart from product specific WTP values, researchers found several other reasons for the varying heights of price premiums: One explanation for

⁴ **price sensitivity:** “The amount by which changes in a product's cost tend to affect consumer demand for that product.” (WebFinance, Inc. 2015)

divergent results between countries might be the (predominant) use of different sales channels, as organic products are normally more expensive in wholefood shops than in supermarkets and consumers are thus more or less price-sensitive (Wier & Calverley 2002, 49). Also Batte et al. (2007, 151) recognise differing magnitudes of WTP premiums between consumers of specialty shops and “traditional” consumers. Torjusen et al. (2004, 33, 44) who did a review of consumer literature with regard to the European region, state that disparities might be explained by differences in general purchasing power and in the relative proportion of income that is usually spent on food consumption. Ureña, Bernabéu & Olmeda (2008, 23) mention different WTP premiums between men and women (an average of 9.5 % by women and 11.4 % by men).

Organic meat and meat products

As premium ranges and consumer groups vary between studies, WTP premiums for organic meat/meat products are difficult to compare, but seem to be lower than WTP premiums for organic products in general: In a study of O'Donovan & McCarthy (2002, 365) 44 percent of Irish respondents were willing to pay 1-5 % extra for organic compared to conventional meat, 29 percent were willing to pay a premium of 6-10 % and only 3 percent stated they would pay 26-50 % more. According to Spiller, Lüth & Enneking (2004, 61) meat is among the basic products (along with coffee, butter etc.) that consumers buy often or which are intensely promoted with regard to price and of which consumers have therefore better price knowledge. Consumers seem to accept higher price premiums for other organic products of heterogeneous quality and packing. In a survey of Ureña, Bernabéu & Olmeda (2008, 24) the product group “red meat and sausages” ranks 4th with 14.5 % surcharge compared with conventional food - after fruit, dairy products and vegetables. In this study, red meat takes the 3rd place (17.6%) among regular organic consumers and the 5th place (14.8 %) among occasional organic consumers.

Disparity in relation to different organic animal products was also found in studies on WTP premiums: Conducting face-to-face interviews in Northern Ireland, Burgess et al. (2003, 10, 13, 16) surveyed the preferences for improving the welfare of laying hens, dairy cows, broiler chickens and pigs by identifying the respondents' WTP values for improvement schemes. Comparing the values WTP for pig farming improvement schemes was lowest. WTP for improvement schemes of laying hens was highest, followed by those for dairy cows and chickens, yet differences in WTP of the three improvement schemes were not statistically significant. Schulze, Spiller & Lemke (2008, 481) note that the high values of willingness to pay for alternative animal husbandry systems which are found in various empirical studies, can only be reached on the egg market so far.

As data on price premiums organic consumers are willing to pay differ between studies, general statements comprise broad premium ranges. But it seems that a rough average can be made at 10 % and an approximate maximum at 30 % - for products which consumers do not buy often and therefore lack in price

knowledge. But meat and meat products belong to another product category: From the consumers' viewpoint meat (products) are part of weekly or even daily shopping, on sales side they are often part of price reduction campaigns. Therefore, organic consumers, especially occasional ones, react more price-sensitive and WTP premiums seem to be lower.

At the end of this chapter it should be noted that purchase intentions expressed in surveys might be much higher than are the actual sales (Hempfling 2004, 34; Schröck 2012, 275), as straight/direct WTP surveys – in contrast to discrete choice models – carry the inherent danger of social desirability (Spiller, Lüth & Enneking 2004, 63).

2.3.2 Price elasticity

Price elasticity (or price elasticity of demand, PED) is a measurement or more specific term for “price sensitivity”, explained in the last chapter⁵.

Organic products in general

Studies on price elasticity of organic food show contradictorily results. According to Wier & Calverley (2002, 49, 50) purchasing data of more than 2000 households demonstrate that demand for organic foodstuff is more elastic than demand for conventional foodstuff. Findings of Panagiotis & Yen (2012, 422) confirm this outcome. In their research using data from A.C. Nielsen's Homescan panel in the US, demand for organic vegetables is elastic, demand for conventional vegetables is inelastic, except for potatoes. Spiller, Lüth & Enneking (2004, 86) explain higher price elasticity of organic products as follows: The higher the absolute price level and the price spread of a product, the more distinct is the price sensitivity of the consumers.

Yet, research of Schröck (2012, 274, 285) shows different results: In her study based on household panel data of 20,000 German households demand for organic milk seems to be less elastic than demand for conventional milk. Schröck explains this outcome that differs from most of the other studies by the inclusion of purchases in wholefood shops (where price sensitivity is usually lower), the timeliness of the data (as the German organic food market got more mature during the last few years) and the characteristics of the milk market in Germany, where substitutes for organic milk are fewer than substitutes for conventional milk (in the US, for example, different flavours and package sizes

⁵ **price elasticity of demand** “measures the responsiveness of demand to changes in price for a particular good. If the price elasticity of demand is equal to 0, demand is perfectly inelastic (i.e., demand does not change when price changes). Values between zero and one indicate that demand is inelastic (this occurs when the percent change in demand is less than the percent change in price). When price elasticity of demand [...] is greater than one, demand is elastic (demand is affected to a greater degree by changes in price). (Investopedia, LLC 2015)

$$\text{Price Elasticity of Demand} = \frac{\% \text{ Change in Quantity Demanded}}{\% \text{ Change in Price}}$$
As price and demand are in most cases inversely related, PED has normally a negative sign. (Economics Online 2015)

are offered). Furthermore, Schröck (2012, 287) adds that among non-buyers the situation is contrary – in this consumer group demand for conventional milk is inelastic whereas demand for organic milk is slightly elastic.

In a study of Bunte et al. (2010, 387- 408) demand for organic products was also not found to be elastic. This research was based on scanner data collected from Dutch supermarkets. In a real-life experiment in which major retail chains of ten local communities took part, prices were reduced for a three-month period. Although prices for organic eggs, milk, muesli, potatoes and rice were reduced by up to 25 % and prices for organic minced beef, mushrooms and pork by up to 40 %, organic consumption could not be triggered that much, as price elasticities were higher or did not differ significantly from -1. Bunte et al. (2010, 409) conclude that consumers react to price reductions, but only to a certain extent. Reasons for the small impact might have been the narrow variety of organic food that has been included in the experiment and the short period – not all potential consumers might have noticed the price reductions.

Organic meat and meat products

In the above mentioned study Wier & Calverley (2002, 49-50) found as well that demand for livestock products is more elastic than demand for crop products: Consumers reacted more price-sensitively regarding dairy products and meat than they did concerning bread/cereals and other foods (including fruit and vegetables). In their Germany-wide consumer survey Spiller, Lüth & Enneking (2004, 13) could not find differences between price elasticities of livestock and crop products in general but they found differences between certain organic foods. According to their study (2004, 72-76) demand for some organic products is very inelastic (e.g. whey -0.20, fusilli -0.21), whereas demand for beef tenderloin, for example, with a value of -1.97 is very elastic. The authors (2004, 83) state that in the case of organic beef fillet price consciousness and price elasticity are substantial: Price-conscious consumers buy considerably less organic tenderloin. Moreover, potential consumers react particularly strong on price increases.

In a study concerning organic liver sausage Enneking (2003, 254, 260, 264) observes that occasional buyers react very price elastic (PED values range from -1.66 to -2.11) while frequent buyers are rather oriented towards the brand or the organic label than towards the price.

So it seems that demand for organic meat and meat products, is more elastic than for other organic food. Especially occasional and non-buyers react price-sensitive. Therefore price reductions could be an effective means to attract new consumers (Panagiotis & Yen 2012, 422; Schröck 2012, 274), at least if they are accompanied by substantial communication measures (Schmid, Sanders & Midmore 2004, 155). Demand of regular organic consumers is not so elastic. The price is of secondary importance for this group – they buy products of the organic brand or organic label they trust.

2.4 Summary

Which conclusions can be drawn from this chapter regarding the reasons why (organic) consumers buy only little or no organic meat and meat products at all, and regarding the incentives to increase sales of this product group?

As consumers do not act homogenously, one should first take a look at the different *customer groups* and their *particular features*. A distinction that comes up throughout the text is the one between heavy/regular buyers and occasional or non-buyers of organic food. The group of *regular buyers* is small but accounts for the lion's share of the purchases of organic (meat and meat) products. Heavy consumers show a strong preparedness to pay high prices and are oriented towards a trusted brand or organic label. When it comes to organic meat (products), they might consider the high price to be justified and conventionally produced meat to be too cheap. Regular buyers are interested in and have (some) knowledge about organic farming methods. They are driven by idealistic motives such as environmental concerns and political reasons. Heavy consumers predominantly rely on direct sales channels such as wholefood shops. Furthermore, the characteristics of the typical consumer of organic (meat and meat) products in Europe - female, more likely to be living in urban areas, higher age and higher income and/or education - and the stronger tendency of organic consumers to vegetarianism rather seem to be features of regular than of occasional consumers.

Occasional consumers make up the major portion of organic consumers. Although their buying frequency is low, expanding supply of organic products at their preferred shopping facilities - supermarkets - led to an increase in organic sales. Occasional buyers seem to be more price-sensitive and less prepared to pay high price premiums than regular buyers. They often lack the knowledge about organic production processes and are also not that much interested in occupying themselves with organic products. They are driven mainly by personal motives such as health concerns and taste. However, they may regard environmental protection and animal welfare as indicators for health and food security. As occasional consumers might also have unrealistic expectations about the better taste of organic meat, this factor along with an ignorance regarding possible health benefits and a higher price might lead to a perception of less value for money.

Organic food is considered to be expensive particularly by consumers who never purchase organic products. As shown in an Irish study, notably *non-buyers* of organic meat might consider conventionally produced meat as superior or equal to organic meat concerning quality, production methods and food safety.

So which *measures* could be taken to enlarge the small market shares of organic meat and meat products? Given that *regular buyers* are already responsible for the major part of the money spent on organic products it might not be possible to increase their percentage of sales that much. In any case, it

should be maintained. Therefore, wholefood shops should coexist further on with supermarkets and their owners should focus on the added value they can offer this interested consumer group: A broad range of organic (meat) products and detailed information on organic production – via trained staff, brochures etc. Since frequent buyers are willing to pay more for organic food the costs for this added benefit can be included in the prices. Nevertheless, there are two barriers to organic meat (products) consumption in this consumer group that cannot be mastered: The reluctance to or low confidence in highly processed organic food, and the tendency to vegetarianism or “low-meat-consumption”. Since not mass consumption of meat is pursued but the purchase of smaller amounts of high quality meat, the latter should not pose any major problem.

As for *occasional and non-buyers* the higher price seems to be the most important limiting factor to purchases of organic meat and meat products, price campaigns could be a means to attract new customers. Consumer information seems to be another helpful measure: Knowledge about organic production is usually low among consumers of this group but they might be prepared to pay more if they understand the reasons for the higher price. Thus, differences between organic and conventional husbandry and production conditions (such as no use of GMOs, little use of pharmaceuticals, lower stocking rate) have to be explained. Ideally, information should come from a trustworthy, well known source. Thinking about low involvement within the customer group, the information should not be too detailed, easily comprehensible, combined with emotive contents/images and repeatedly presented. As supermarkets are not only frequented by non-buyers but are also the favourite sales channel of occasional buyers, info-flyers etc. could be placed there. Moreover, organic (meat and meat) products should be packed and presented in a noticeable, appealing and useful way, placing them on the eye-level of the shelves, using boards and labels and offering not only large packages but also units for single- and two-person households. Having in mind that the different behaviour/perception of participants regarding organic eggs and organic meat (higher willingness to pay, vivid images of battery-caged chickens) mentioned in some studies might result from former information campaigns or documentaries on TV, broad campaigns including the support of NGOs seem to be useful.

So much for the measures, that could be derived from the literature in this chapter. With regard to the varying market shares of organic eggs, milk and meat (products), literature on organic milk was not very helpful. However, studies dealing with consumption of meat and organic eggs showed that vegetarianism and missing/limited information could be relevant factors regarding the small size of the market shares of organic meat and meat products in Austria. In the following chapter the Austrian organic market is considered in more detail.

3 THE STATUS OF ORGANIC MEAT AND MEAT PRODUCTS IN AUSTRIA

3.1 History of organic farming and the organic market in Austria

Organic farming has a long history in Austria: The first organic farm was founded in 1927 already. But until into the 1980s there were only a few organic farms. Between 1990 and 1994 the number of organic farms increased more than eightfold. From 2000 to 2005, organic farmland in Austria of approximately 70,000 hectares doubled to more than 140,000 hectares. (BMLFUW 2015a, 22)

In 2014 17 percent of the farms in Austria and 20 percent of utilised agricultural area (in absolute numbers 20,887 farms and 524,435 hectares of agricultural land, alpine pastures included) were managed in accordance with organic principles (Bio Austria 2015a). This makes Austria rank first in organic farming among the European countries, in relative terms (BMLFUW 2015a, 24).

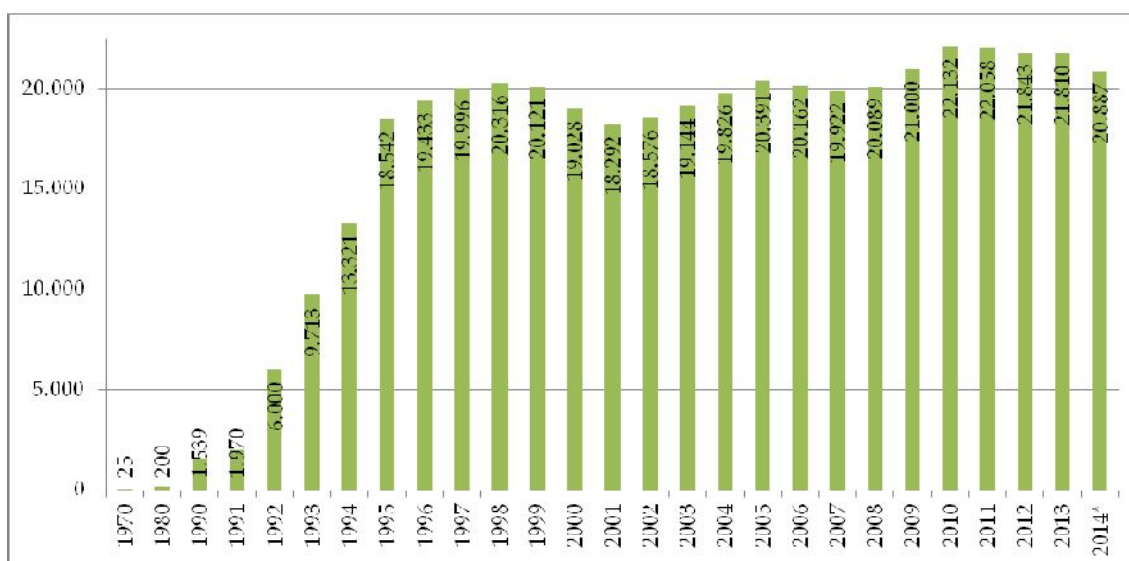


FIGURE 1 Development of organic farms in Austria 1970 – 2014 (Bio Austria 2015a)

TABLE 1 Extract organic livestock in Austria 2013 - holders and livestock (BMLFUW 2014b, 193)

	Dairy cows	Suckler cows	Pigs	Poultry
Livestock (head)	95,873	80,598	70,935	1,403,597
Number of holders	8,544	9,873	3,528	8,571

Reasons for the success

AMA Marketing (2015d) state that, even if not being the main reason, topographical conditions also contribute to the positive development of organic farming in Austria. As seventy percent of the area is mountain regions, intensive agricultural use of the land is rarely possible. Small-scale organic farming benefits from these circumstances.

The first organic boom occurred in the early 1990s with the initiation of systematic funding by the Austrian federal and state governments. The second boom phase happened in the mid-1990s. Austria joined the European Union (in 1995), organic farmers received more attractive funding - the so-called ÖPUL⁶ - and large supermarket chains entered the domestic organic market. (Groier 2013, 7)

According to Richter & Hempfling (2003, 21) direct marketing was the main sales channel for organic food before Billa⁷ started selling organic products in 1994. As the pioneer project was successful, only a few years later every retail chain in Austria (supermarkets as well as discount shops) had private label organic products in their product range (AMA Marketing 2015d). The entry of large retailers spurred the development of the organic market and made it possible to reach broad sections of the population (BMLFUW 2015a, 23; Bio Austria 2015b; Fruchtportal 2015).

The Austrian Federal Ministry of Agriculture notes that from 2003 to 2009 value-based growth of the organic market was stronger than growth of other market shares in food retailing. But the ministry also mentions the problems that are associated with the increasing market power of supermarket chains: As most of the organic products offered were private label products of the retail chains, producer prices of several production sectors came under massive pressure. (BMLFUW 2010, 53)

⁶ **ÖPUL** is an agri-environmental programme. It is the „Austrian programme to promote extensive agriculture that is environmentally compatible and protects the natural habitat“ (Österreichisches Programm zur Förderung einer umweltgerechten, extensiven und den natürlichen Lebensraum schützenden Landwirtschaft). Key instrument of agricultural policy and regional development in Austria, the ÖPUL 2015 is already the fifth agri-environmental program since 1995. The ÖPUL 2015 is funded to about 50% by EU funds and 50% by national funds. (BMLFUW 2015b) According to the Austrian Federal Ministry of Agriculture (BMLFUW 2015a, 26) more than 20,000 organic farmers received government compensation payments under the measure "Organic farming" of the ÖPUL in 2014. In total, about one third of the entire ÖPUL budget was allocated to organic farms.

⁷ **Billa AG** that belongs to Rewe Group since 1996 is one of the biggest food retailing companies in Austria. In 1994 Billa introduced its own organic brand "Ja! Natürlich" (Yes! Naturally). (Billa 2016)

The chart below shows the increasing share of organic products on the fresh produce segment in food retailing.

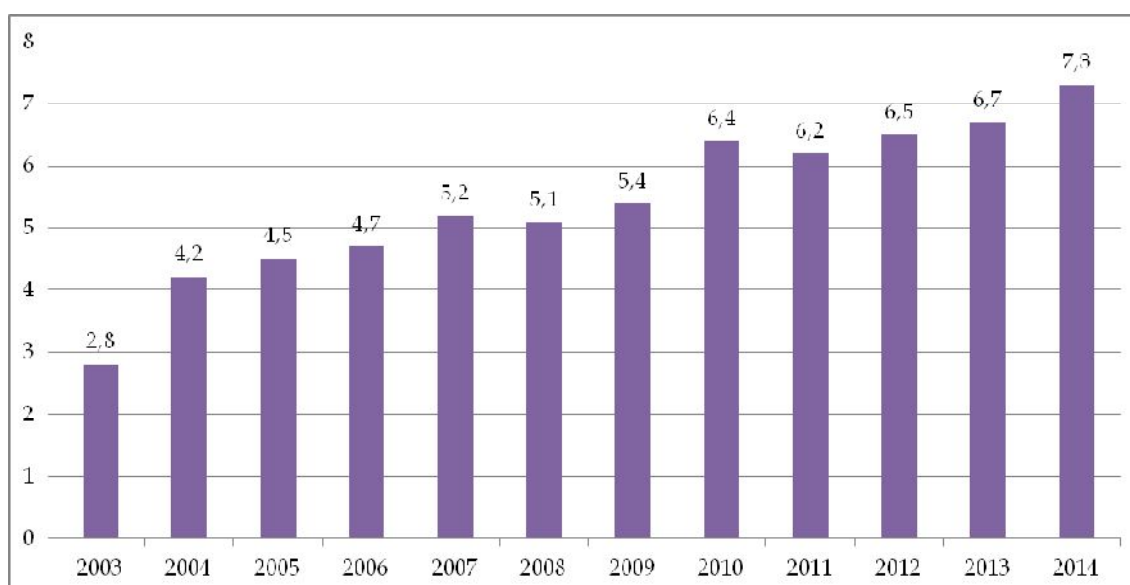


FIGURE 2 Share of organic fresh produce in Austria 2003 – 2014, Food retailing sector, percentage of value sold (BMLFUW 2015c -based on RollAMA data from 2014 and 2015)

The data show low but continuous value-based growth of the organic market. Volume-based data on organic products in fresh produce purchases present a quite similar picture with shares of 6.8 %, 6.9 %, 7.2 %, and 7.7 % from 2011 to 2014 (AMA Marketing 2015a).

The share of organic products in the fresh produce segment is actually even higher. Figures in the graph are based on data of the RollAMA household panel⁸ and these data do not include purchases of (organic) bread and bakery goods. According to the Austrian Federal Ministry of Agriculture (BMLFUW 2015d) the share of organic bread and pastries is high and should be at an estimated 20 percent of total purchases in this segment. Commenting on organic market statistics of 2010 the head of business area market of Bio Austria⁹ stated that the total share of organic products in Austria was a double-

⁸ **RollAMA household panel:** RollAMA stands for "Rollierende AgrarMarktAnalyse", a continuous monitoring of the markets. 2800 Austrian households record their purchases of fresh produce (excluding bread and pastries) and ready-made meals on a daily basis. These households are chosen as representatives of the total number of Austrian households. Quantities and expenditures are extrapolated from their purchases. The data are the basis for the calculation of various indicators. All sales channels apart from out-of-home catering are taken into account (supermarkets and discount shops, specialized retail trade and direct marketing). (BauernZeitung 2014, AMA Marketing 2015f, AMA Marketing 2016c) However, most of the tables and graphs show data of supermarkets and discount shops (Hofer and Lidl) only.

⁹ **Bio Austria:** Due to the membership of more than 12,000 organic farmers Bio Austria is not only the largest organic organization in Austria, but also the largest throughout Europe. (Bio Austria 2015c)

digit rate, if organic bread and bakery goods were included (BauernZeitung 2012).

3.2 Structure and key figures of the organic market in Austria

According to Kilcher et al. (2011, 89) who analyzed the organic market in Europe, the organic market in Austria is one of the best developed in the European Union. The authors note that Austria is one of the leading countries in the world when it comes to per capita consumption of organic products and organic market share of the total food market. In a current analysis the Research Institute of Organic Agriculture (FiBL 2016) mentions Austria as one of the countries with the highest per capita consumption and the highest organic market share worldwide.

Having the history of the Austrian organic market in mind, the following information might not be surprising: The Austrian organic market is - just as the Austrian food market in general - dominated by supermarket chains and discount shops. According to Österreichischer Wirtschaftsverband (2015) "the big 3" (Rewe group incl. ADEG, Spar group, Hofer) cover 84.3 percent of the turnover in food trade in 2014. Austria is thus "top performer" in the concentration of food retailing in the European Union (BauernZeitung 2015). The most recent information that could be found about the market leaders on the organic sector is for 2011 and shows the same names: Hofer, Rewe (Billa & Merkur) and Spar are the top three on the organic market (BauernZeitung 2012). Table 2 presents the shares of general retail trade (supermarkets and discount shops) and other sales channels as well as the total sales of organic food from 2008 to 2011.

TABLE 2 Revenue and sales channels of organic food in Austria 2008 – 2011
(BMLFUW 2010, 53; bio verlag 2012 - based on Bio Austria and ORA)

Sector / Sales channel	2008	2009	2010	2011
General retail trade	66.4 %	66.8 %	67.5 %	68.6 %
Specialised retail trade	15.3 %	14.2 %	13.6 %	13.1 %
Out-of-home catering	4.8 %	5.1 %	5.3 %	5.3 %
Direct marketing	6.9 %	7.6 %	6.8 %	6.4 %
Export	6.6 %	6.7 %	6.8 %	6.6 %
Total revenue	€ 914 m	€ 984.2 m	€ 1 bn 123.7 m	€ 1 bn 208.3 m

The table illustrates the superior position of general retail trade and shows how the market share of supermarkets and discount shops grew throughout the years while the share of specialized organic food shops shrank. The share of out-of-home catering – gastronomy, hotel business, canteen kitchens – is the lowest in this overview but was slightly growing. The share of direct marketing shrank a little; exports of organic food were quite stable. The total revenue of

Austrian organic food rose continuously to more than € 1.2 billion in 2011. According to more recent data on the domestic organic market, purchases of fresh produce in the general retail trade (excluding bread and pastries) accounted for € 401.4 million in 2014 and for € 316.0 million from January to September 2015 (AMA Marketing 2015a). Therefore the share of organic fresh produce was 7.3 percent in 2014 (as shown in figure 2 already) and 7.6 percent for the first three quarters of 2015 (AMA Marketing 2015a). This means a further growth of the organic market share in 2015 so far. The per capita consumption of organic food was also continuously growing during the last years and amounted € 115 in 2014. Per capita expenditure in 2014 was thus 24 percent higher than in 2011. (AMA Marketing 2016a)

The following chart presents the underlying reason for this thesis: The different market shares of organic animal products in organic fresh produce purchases. As already mentioned in the introduction and shown in figure 3, organic milk and eggs have much higher market shares than organic meat and meat products. The chart shows data from 2011 to 2014, but the Austrian “food report” (BMLFUW 2010, 54) reveals that this trend already existed for some time longer, displaying data from 2006 to 2009 that present a similar picture.

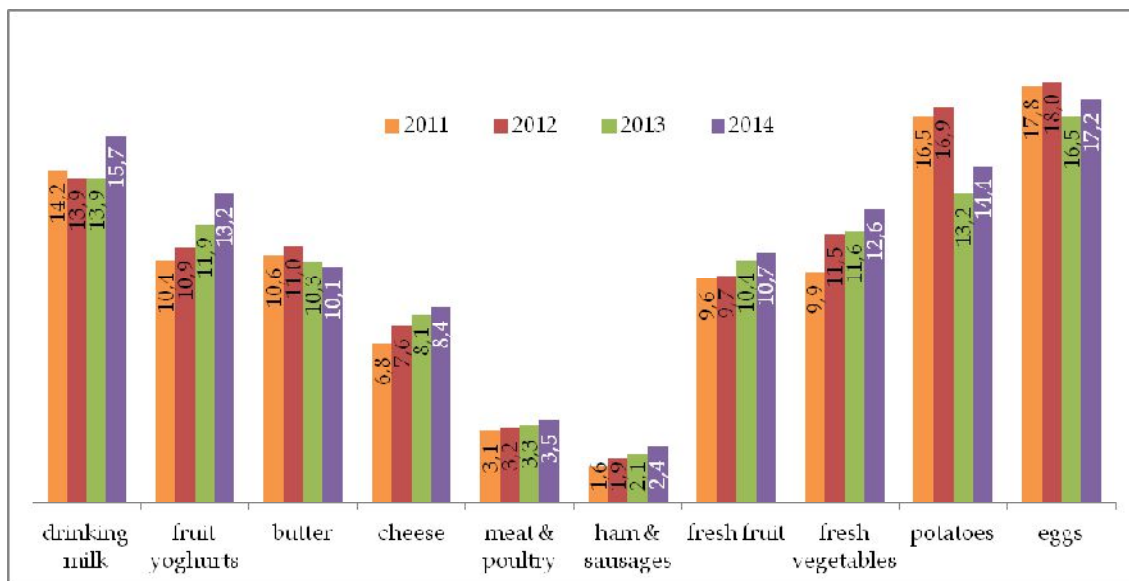


FIGURE 3 Share of different organic fresh products in Austria 2011 – 2014, Food retailing sector, percentage of value sold (AMA Marketing 2015a)

The graph shows the organic shares of the respective total sales in retail and discount shops. In 2014 highest shares were reached by eggs (17.2 %), drinking milk (15.7 %), potatoes (14.4 %) and fruit yoghurts (13.2 %). Lowest shares were reached by the categories meat & poultry (3.5 %) and ham & sausages (2.4 %). Hence, the share of organic eggs is almost five times the share of organic meat & poultry and the proportion of organic drinking milk is more than 6.5 times the proportion of organic ham & sausages. However, the shares of organic meat and meat products show continuous slight growth from 2011 to 2014.

Volume-based data from 2011 to 2014 on organic product categories in fresh produce purchases do not look so differently from their value-based counterparts. As the shares within the product categories did only vary a little, the same categories had high or low shares over the years. In 2014 drinking milk (13.8 %) topped fruit yoghurts (12.1 %) and eggs (10.5 %). Meat & poultry (2.0 %) and ham & sausages (1.5 %) were again at the bottom of the list (AMA Marketing 2015a).

The volume- and value-based rankings of the top 15 organic fresh products confirm the picture: Organic ESL (Extended Shelf Life) milk, fresh milk and eggs are the or are at least among the market leaders, organic meat or meat products do not show up in the rankings (AMA Marketing 2015a).

The shares and top products noted above are based on the RollAMA household panel and thus comprise data of supermarkets and discount shops only. Nevertheless, organic sales from other sales channels such as direct marketing or wholefood shops should not change the overall picture that much, since general retail trade accounts for more than two thirds of the organic food market (see table 2).

As this thesis is about why the Austrian consumers do not buy more organic meat and meat products, the following chapter will not only take a look at the typical organic but also at the average (meat) consumer in Austria.

3.3 The Austrian organic vs. the Austrian (meat) consumer

3.3.1 The Austrian organic consumer

Data of a RollAMA study from 2008 show that about 40 percent of the Austrian households are responsible for 80 percent expenditure on organic products. Seven percent of the households do already 34 percent of the spending. For these heavy consumers ecological aspects are more important than for occasional buyers. Organic products are purchased across all age groups. Yet, the higher the level of education - and level of information - the more organic food is consumed. (Bio Austria 2015d) The higher the social class, the more attention is paid on organic products (BMLFUW 2015e). Per capita consumption shows a west-east divide: Vorarlberg ranks first Vienna is in the penultimate position (Fruchtportal 2015).

According to a survey among Austrian (organic) consumers, the RollAMA Motivanalyse 2015 (AMA Marketing 2015b), health is the key driving force to buy organic food. Asked for a purchasing motive, 30 percent of 1.728 respondents spontaneously mentioned "health" or "healthy diet". Further important criteria are the absence of synthetic fertilizers and pesticides (16 %) and the mainly regional origin of organic products (13 %). "Better taste" is for 11 percent of respondents the main reason to buy organic food, ten percent

mention “environmental protection” and “climate”. “Animal welfare” is with eight percent in the midfield of spontaneous answers, GMO-free status is with three percent of the replies at the end of the list.

About 42 percent of respondents to the Motivanalyse 2015 (732 persons) state they buy more organic products today than they did five years ago. Asked for their reasons, health is again the primary motivation, as 26 percent of respondents mention “health, health-consciousness” and 23 percent spontaneously named a more conscious nutrition or lifestyle as a motive. 37 percent of the 732 interviewees mention “larger choice” or “better variety”. Ten percent of respondents buy more organic products as their financial capabilities have improved. Only six percent of the participants spontaneously mention “animal welfare”, “environmental awareness” or “avoidance of harmful substances” as a reason to buy more organic products than five years ago. (AMA Marketing 2015b)

64 percent of the 110 participants of the Motivanalyse 2015 who buy less organic products than they did five years ago, refer to the higher price as the underlying motive. Further reasons to buy less organic products are insecurity about the traceability of biological production (24 %) and the missing difference in quality (14 %). Nevertheless, two thirds of all 1,728 respondents consider the higher price of organic food justified. Acceptance increases with the level of disposable household income (from 61 % to 70 %) and is slightly higher if the head of the household is female (67 % vs. 62 %). (AMA Marketing 2015b)

Literature on the Austrian consumer of organic meat and meat products could not be found. However, market statistics provide some information. According to purchased volumes in food retailing in 2014 (RollAMA data) Austrian organic consumers like organic ham & sausages best (1,644 t), followed by organic poultry (695 t), beef (396 t) and pork (240 t)¹⁰. Price premiums – conventional vs. organic meat – might play a role but do not seem to be crucial to these consumers as the average surcharge of organic ham & sausages in 2014 is 58.2 percent and the price premium of organic poultry 85.6 percent (organic beef 44.1 percent, organic pork 92.3 percent). (AMA Marketing 2015e) According to an Austrian market research institute the market segment of organic meat and meat products is small, but still growing (Keyquest 2016).

3.3.2 The Austrian (meat) consumer

According to data of the RollAMA household panel the average Austrian consumer of fresh produce is a meat lover, as in 2015 the monthly share of the household budget spent on meat, ham and sausages is 34.6 percent (meat incl. poultry 15.1 percent, ham & sausages 19.5 percent). The category

¹⁰ As pork is the main ingredient of various hams and sausages these figures do not mean that organic pork was the least consumed type of organic meat in Austria in 2014. With 663 t purchased volume in food retailing organic minced meat is among the top 5 organic meat products in 2014 (AMA Marketing 2016c). It was not mentioned in the above listing because the price premium could not be calculated.

“milk/yoghurts/butter” is the second largest category after ham & sausages and accounts for 16.6 percent of the budget. 2.9 percent of the monthly budget of € 140.3 is spent on eggs. (AMA Marketing 2016b)

The focus of expenses originates from the eating habits the average Austrian has. According to a survey done in 2013, the majority of Austrians (78 percent) eat meat at least once a day – usually for lunch or for dinner, 28 percent of the respondents have meat also for breakfast. Austrians prefer traditional dishes. The most important selection criterion is taste. The inquiry also revealed that nutrition-conscious persons and those having a high level of education eat significantly less meat. (BMLFUW 2014a, 19-20)

These findings are confirmed by the “Mahlzeitmonitor 2014” an online survey of 1,000 persons in Austria. Based on psychographic criteria the respondents were divided in four groups. Respondents in the nutrition-conscious group had high income, belonged to a higher social class and had the lowest meat consumption of all groups. Answering the questions: “Why do you eat no or less meat? What is the main reason?” respondents of this group reached the highest shares in the categories “animal welfare” and “environmental protection”. Health was the main reason (63 percent) for eating less meat, especially for male respondents. “Animal welfare” was ranking second (53 percent) mentioned mainly by female and younger consumers. 37 percent of the respondents, especially younger participants, indicated “environmental protection” as the primary reason to refrain from eating meat. (Keyquest 2014)

In terms of shop preference Austrian households (RollAMA panel data) clearly prefer retail chains and discount shops for purchases of meat and meat products. In 2013 62 percent of the purchased volume was bought in retail shops, 29 percent in discount shops and only 9 percent in butcher shops. From 2003 to 2013 the share of discount shops grew continuously at the cost of retail sector and specialized trade. Meat in retail and discount shops is cheap: In the second trimester of 2013 and 2014 the share of special offers in the product category “meat incl. poultry” was 33 percent. (Keyquest 2015)

Although the average Austrian seems to love meat a downward trend in meat consumption and in heavy-user households can be seen. According to an analysis of RollAMA data, purchase volume of meat and meat products declined by 4 percent between 2008 and 2013. During the same period purchase value of meat and meat products dropped by even 11 percent. The following future prospects were derived from the data: A slight decline in the consumption of meat can be expected in the following 10 years. There will be a further shift in demand for meat from private households to gastronomy/out-of-home catering. Nutrition-conscious persons and gourmets are target groups for quality meat. As especially these groups live by the motto “rarely, but higher quality”. (Keyquest 2014)

3.3.3 Summary

Compared to the findings from literature the Austrian organic consumer does not really differ from the average European organic consumer. In both groups higher income and/or education seem to be the relevant features. And just as the average European female consumers Austrian female householders are more inclined to spend money on organic products than male ones. Referring to the results in chapter 2.2 also incentives and barriers concerning the consumption of organic food seem to be the same: Ecological aspects play a crucial role only for Austrian heavy consumers. For the majority of organic consumers in Austria personal motives such as health are the decisive factors to buy organic products. Altruistic motives like “environmental protection” and “animal welfare” are less relevant. Although many Austrians seem to consider the higher prices of organic products justified, the price difference appears to be the most important barrier - at least for occasional buyers. “Price”, “too expensive” were named the determining reasons to buy less organic products.

Consumers of organic meat and meat products do not seem to be very price-sensitive as they like to buy ham & sausages and poultry - products that had average price premiums of 58.2 and 85.6 percent in 2014. However, having a look at the Austrian average (meat) consumer, a situation already discussed in the literature review of this thesis becomes apparent: The consumers who have the demographic features of an organic (heavy) consumer and who care more about issues like environmental protection and animal welfare tend to eat less meat. On the contrary, the Austrian average consumer including heavy consumers of meat spends the biggest share of the fresh produce budget on meat and meat products that she or he normally buys at retail and discount shops. There, organic meat is for sale as well, but conventionally produced meat is cheap and special offers are quite frequent in this product category.

Yet, a downward trend in meat consumption in Austria is already underway and will continue within the next (few) years. Simultaneously, the organic meat and meat products market segment is growing. As nutrition-conscious persons and gourmets are target groups for quality meat, they could also be suitable future consumers of organic meat.

These are the conclusions on the Austrian organic (meat) consumer. Before evaluating some experts' views on the topic, the following chapter will analyze the differences between organic milk, eggs and meat that could have an impact on the different sizes of market shares.

3.4 Differences between selected organic products of animal origin on the Austrian market

To get a comprehensive overview of possible reasons why Austrian consumers buy/do not buy organic milk, eggs or meat/meat products the study covers various factors that might influence their purchase behaviour. These factors can be divided into two groups:

- *Differences between product categories*, in organic legislation and quality control, availability, variety, price premiums and
- *Differences in consumption between the considered segments*: per capita consumption, weighting of animal welfare

The factors are analysed for all three categories of organic food – milk, eggs and meat/meat products – with regard to differences or similarities between the segments. In order to concentrate on necessary and useful information only, the data will be collected having the consumer's viewpoint/knowledge in mind and not go into further detail.

3.4.1 Organic legislation and quality control

The EU regulation on organic production and labelling of organic products (EC No 834/2007) and the associated implementing regulation (EC No 889/2008) regulate plant production, animal husbandry, processing, trade, control and labelling of organic food in Austria and other EU Member States (Bio Austria 2016a). Chapter A8/B of the Austrian Food Code (Codex Alimentarius Austriacus) regulates those few areas that are not covered by EU regulations (Groier 2013, 28).

Regulations for animal husbandry relate to various areas - in particular to housing, feeding and disease prevention: Animals must have sufficient space, which must be dry, soft and warm. At least half of the minimum floor area must not be perforated, i.e. no slatted or grid floor (BMLFUW 2015a, 12). Furthermore, organic livestock shall have permanent access to outdoor areas and herbivores must be granted access to pasture in the growing season (Gollner & Starz 2015, 6). Animals may only be fed with organic feed, which is preferably derived from the organic farmer's own farm. This means that organic livestock does not get feed from GMOs (e.g. genetically modified soy) besides, the regulations for feed or silage additives and even cleaning agents are strict as well. Only certain substances are allowed. If animals are sick naturopathy, such as homeopathy, should be the preferred therapy, if possible. Preventive treatment is prohibited in organic farming – only animals that are actually sick should be medicated. When using veterinary drugs, the waiting period after which, for example, milk can be sold or the animal can be slaughtered is twice as long as in conventional animal husbandry. (BMLFUW

2015a, 12) In order to avoid over-fertilization of agricultural land by animal faeces the number of livestock is limited with a maximum of two livestock units (LU)/ha. In contrast to conventional agriculture, production in organic farming is area-based which prevents factory farming. (Gollner & Starz 2015, 6)

Inspections in the organic sector cover all processes from production/processing to sales and are carried out by independent control authorities. The inspection bodies are accredited according to EU standard and authorized as well as supervised by the Food Authority. Each enterprise (e.g. farmers, slaughterhouses, mills, dairies, packers) is completely reviewed at least once a year. In addition, the control authority makes unannounced inspection visits. Farmers, processors and marketers have to maintain detailed written records: Farmers, for example, must record purchased operating materials and pharmaceuticals and present a cultivation plan for the next year. Processors and marketers must keep records covering all purchases and sales. (BMLFUW 2015a, 17; Bio Austria 2016a)

In addition to EU-Regulation and the Austrian Food code, organic farmers may comply with supplementary rules and more comprehensive inspections, if they are members of a farming association or if they produce for certain organic private labels. Comparing the standards of organic farming associations in Austria Groier (2013, 30, 31) states that directives of Demeter are the most consistent/rigorous ones and that those of Bio Austria (and other associations) are positioned between the Demeter rules and EU regulations. Analysing different organic private labels of retail chains in Austria a study of the VKI (Association for Consumer Information) in 2013 came to the conclusion that "Bio vom Berg" (MPreis), "Zurück zum Ursprung" (Hofer) and "Ja! Natürlich" (Rewe) clearly go beyond the minimum standards. EU regulations and criteria of the Austrian organic label were defined as lower limit, Demeter standards as upper benchmark. (Top Agrar Österreich 2013)

Organic milk, eggs and meat/meat products

The facts mentioned above apply to all three product categories. Scanning EU regulations and Bio Austria as well as Demeter standards, not many differences between the product categories could be identified. Additives may certainly vary since milk, eggs and meat are completely different products. However, as the majority of consumers do not occupy themselves with food additives they may not be aware of that. The same applies to the EU regulations on feed for organic livestock. For example the proportion of conventional feed is limited to five percent for pigs and poultry, but only few consumers may know that. Requirements regarding housing/keeping are of course different, as dairy cows, laying hens and pigs differ in size and behaviour. Though, substantial differences do not exist between livestock species but between the three standards/regulations (of EU, Bio Austria and Demeter association) as a whole. One noteworthy difference exists between pigsties and other stables since stable systems in organic pig farming differ completely from their conventional counterparts and are not "only" supplemented by access to open-air areas, as it

is usually done in chicken and cattle farming. These stable systems include inter alia suckling-pens for groups, open farrowing, maximum of 50 percent slatted floor, mostly solid manure systems, pens with contact to an outer wall (in order to allow access to open air areas) and do not use flat-decks for piglet rearing. Due to the fact that many conventional pigsties cannot be converted to organic systems without making major alterations, a changeover to organic pig farming can be costly. (Bio Austria 2016b)

Most of consumers know little or nothing about organic legislation. As regulatory differences between the three categories of organic products also do not seem to be big, these differences should only play a minor role in buying behaviour. Differences that could play a more important role are those between the organic and non-organic version of milk, eggs or meat/meat products. Or rather, the perceived differences: More/less perceived value for money when purchasing the organic version, or more/less perceived discomfort when buying the conventional version of a product of the three categories. A consumer might for example feel more uncomfortable with purchasing eggs from laying hens in cages than with buying ham from pigs on slatted floors. Yet, as most consumers do not read any directives or information material on the legal situation it is again not the regulations or standards that are decisive but the information that is passed on via various channels (such as information/promotional campaigns of food retail chains, interest groups, NGOs etc. or documentaries on TV).

3.4.2 Availability and variety

As every major food retail chain in Austria has private label organic products in their product range, organic food can be bought by almost everybody who is doing his/her regular shopping at the supermarket or discount shop. Therefore, one can say that organic food is in general easily available in Austria. Variety of organic food is, of course, not as great as is variety of conventional food. For that reason someone might not get an organic version of the desired product – or might only get it by making some effort (in the form of additional search and/or longer shopping trips e.g. to a wholefood shop).

Checking the range of private label organic milk, eggs and meat/meat products of two of the “big 3” (see also chapter 3.2) food retailers in Austria - Rewe group, Spar group and Hofer - the following findings with regard to availability and variety can be noted (Hofer 2016a,b; Ja! Natürlich 2016a,b):

- Selection of *organic milk and organic eggs* is small (three to eight products) and comprises different package sizes, fat contents, processing, production (dual-purpose chicken), article sizes etc. As product differences within these categories are limited in general, this small choice should cover the product range fairly well.
- Variety of *organic meat* is also not that big (eight to 11 products) whereas selection of checked full-range shops differs significantly from that of the

discount shops: Full-range shops offer a broad selection of different organic meat (from various pieces of pork over beef and chicken to veal, lamb and turkey). However, availability of some types of meat is limited depending on shop size, region and/or time of the year. Discount shops offer various pieces (e.g. cutlet, legs, fillet) of only two types of meat - beef and chicken. Also these products are not offered in all shops.

- The range of *organic meat products* (such as ham, bacon and sausages) is broad and comprehends nearly 50 items (self-service products and those at the meat and cold-cuts counter totalled) in case of full-range shops. In terms of discount shops choice is smaller but still considerable - comprising 16 different products.

Summarizing the above, it can be said that selection of organic milk and eggs is small - but it is also not that big for conventional products of these two segments. Comparing the range of organic meat and meat products to the variety of conventional products of this group, it must be noted that the organic selection is quite limited - at least at discount shops. The question rises whether consumers would buy more if the selection was wider, or whether choice is limited, because other products do/did not sell well. In any case, the current choice should be large enough for occasional buyers and the majority of heavy consumers. Above all, as both full-range shops and discount shops offer further organic products in these product areas - either via another private label or different trade brands. Moreover, organic (heavy) consumers who look for a special organic meat product which they cannot find in general retail trade, are usually not bothered by making an extra trip to specialized retail shops or direct marketers.

3.4.3 Price premiums

The large number of articles, special offers and assortment changes make it very difficult to compare prices of organic and conventional products of food retailers in Austria. For this reason data of the RollAMA household panel are used to contrast price premiums of organic milk, eggs and meat/meat products. According to the panel data, surcharges to conventional products in food retail trade in 2014 were as follows (AMA Marketing 2015c, 2015e):

- 16.1 % for *organic milk*
- 33.3 % or 90.5 % for *organic eggs*¹¹
- 58.2 % for *organic ham & sausages*
- 75.5 % for *organic meat (incl. poultry)*

¹¹ **Price premiums for organic (free-range) eggs:** Compared to conventional free-range eggs the price premium is 33.3 %, compared to conventional barn eggs it is 90.5 %.

The calculations are based on prices per kilogramme. In case of organic eggs prices per unit are used.

Comparing price premiums of the three organic product categories, organic milk is unrivalled cheap¹², which could of course be a reason why it is among the top sellers of organic food in Austria. Organic (free-range) eggs, which represent the other big seller (highest share in value, third highest share in volume in 2014 - see chapter 3.2), have either the second lowest or the highest surcharge, depending on the base price (conventional free-range or conventional barn eggs). Another important factor has to be kept in mind: The price premium consumers normally notice is not the percentage markup but the absolute one. The absolute price difference is easier to assess and creates the surplus or deficiency in one's purse/wallet. As the base prices of organic meat and meat products are normally higher than those of one liter of organic milk or one package of organic eggs, the absolute price difference of organic meat and meat products is even higher than is the percentage difference.

Findings from literature mentioned in chapter 2.3.1 could also play a role: As meat and meat products are more intensely promoted with regard to price than are eggs¹³, customers may react more price-sensitive to organic meat/meat products than to organic eggs (see also Spiller, Lüth & Enneking 2004, 61).

3.4.4 Per capita consumption and weighting of animal welfare

In this subchapter general consumption behavior and thus *all* products of the three categories - organic and conventionally produced milk, eggs and meat/meat products - are considered.

First, *per capita consumption* is examined. This factor is important to complete the picture in conjunction with organic price premiums as consumers may not care that much about high prices of products they buy less and vice versa. A look at the supply balances of Statistik Austria (the statistical office of the Republic of Austria, 2015) shows the following per capita consumption rates for 2014:

- 76.7 kg *drinking milk*
- 14.4 kg *eggs*
- 65.2 kg *meat*¹⁴ (i.a. 39.2 kg pork, 12.6 kg poultry, 11.5 kg beef and veal)

¹² Excess supply of organic milk could be a reason for the low surcharge (as opposed to excess demand for organic pork and organic chicken, see BMLFUW 2015a, 25). Another reason could be the fact that milk is a traditional "price war product" (Raith & Ungericht 2013, 14).

¹³ **Share of special offers bought in general retail trade in 2014** based on RollAMA household panel data: meat (incl. poultry) 33.9 %, ham & sausages 22.0 %, eggs 14.3 % (AMA Marketing 2015f)

¹⁴ As the per capita consumption rate of meat is derived from the carcass weight of the slaughtered animals (Statistik Austria 2015), the category "meat" should also include meat products.

These figures confirm once more that meat consumption in Austria is high. But per capita consumption of meat is just 85 % of the per capita consumption of milk. The consumption rate of eggs accounts for only 19 % of milk consumption and 22 % of meat consumption.

Second, the weighting of a certain quality criterion, namely *“reared in controlled animal welfare-friendly conditions”* is analyzed. According to RollAMA Motivanalyse in 2012, this criterion is important to 47 % of the 1,460 respondents when asked about their requirements regarding the quality of *drinking milk, fresh meat and meat products*. In case of *eggs* 63 % of the interviewees considered the criterion to be important. (AMA Marketing 2015g) This result corresponds to findings from literature mentioned in chapter 2.2.2, which refer to vivid images of battery-caged chickens and respondents who consider the welfare conditions of hens to be the poorest.

So much for the differences between (organic) milk, eggs and meat. The following chapters cover the empirical part of the thesis.

4 EMPIRICAL RESEARCH - METHODOLOGY

The previous chapter summarised results of quantitative enquiries on the organic food market in Austria focussing on market conditions and consumer behaviour associated with organic milk, eggs and meat/meat products. Given that this data (e.g. motivational analysis or sales figures of the RollAMA household panel, supply balances of Statistik Austria) provides comprehensive information and is produced and published on a regular basis, another quantitative survey seems to be needless.

Instead, qualitative interviews with experts in the field of organic (meat and meat) products in Austria will constitute the empirical part of the study. As a qualitative survey uses open questions this method seems to be well suited to confirm or disprove, and furthermore complete the findings made in the first section of the thesis. Moreover, the special knowledge of the different experts is supposed to answer the research question exhaustively, as it offers a broad as well as an in-depth view on the topic. Results of the expert interviews should provide a better understanding of the behaviour of organic consumers in Austria in connection with purchases of organic meat/meat products. Additionally the interviews should offer ideas for measures to enlarge the small market shares of organic meat/meat products.

4.1 Data collection

4.1.1 Interview guides

Information was collected via semi-structured interviews, using an interview guide. An interview guide is a prepared list of open questions that have to be answered in each interview. This type of interview was chosen because it helps to discuss the topics that should be covered while enabling a rather natural

course of conversation, as neither the exact phrasing nor the sequence of the prepared questions are mandatory (Gläser & Laudel 2010, 42).

Interview topics and questions were derived from the research question and the first part of the thesis, from relevant issues that have been discussed in the media¹⁵ and marketing strategies for organic (meat) products employed in other countries. The following topics could be indentified:

- *Market share size and underlying reasons:* organic milk and eggs vs. organic meat and meat products
- *Target customers and marketing measures* to enlarge the market shares of organic meat and meat products
- (Medium-) and long-term *development of (organic) meat consumption*

In order to maintain the most natural course of the conversation and not to ask any misplaced questions, Gläser & Laudel (2010, 151) recommend to create individual interview guides for distinct types of experts who differ in their specific knowledge and context. Therefore, interview guides were developed for the interviewees according to their field of activity. To ensure a good comparability all guides contain the same key questions that differ only slightly, e.g. in the word order. The main differences can be found in the subordinated questions/topics that were noted to be brought up if important issues were not addressed when answering the key question. Appendix 1 and 2 show the German original and the English translation of an interview guide (introduction and key questions).

4.1.2 Selection of interviewees

Potential interview partners were identified through own research on the internet and references from contacted persons (interviewees and informants). In order to get a representative picture, a minimum of 10 members/employees from 10 different organisations/companies that have been observing the developments on the Austrian organic market for several years ought to be interviewed. Four or five of them were supposed to come from organisations/companies on the part of organic farmers another four or five from the organic (meat) market in Austria. At least one person ought to work in the scientific field. To get a more comprehensive and/or valid image, it was planned to interview further persons from the mentioned areas and to find interviewees from politics and consumer organisations as well.

The following table shows the different types of interviewed experts. To ensure the anonymity of the interviewees only the number of surveyed persons

¹⁵ In October 2015, authorities of WHO stated that the regular consumption of processed meat increases the risk of developing colon cancer. The assessment was discussed in the media and seemed to influence consumer behaviour. (ORF 2015a, ORF 2015b, ORF 2015c)

is assigned to the respective field of activity/knowledge. Unfortunately, one contacted company from retail trade did refuse to be interviewed. Furthermore, no contact person of a consumer organisation could be convinced to take part in the survey.

TABLE 3 Overview of surveyed experts

Field of activity	Number of interviewees
Politics/ interest groups organic farming	6
Production/ distribution of organic meat (products)	3
Retail trade (general & specialised)	3
Science	2
Total	14

4.1.3 Interviews, preparation and follow-up activities

The interviews were conducted in (Austrian) German via phone (Skype) between 13 November, 2015 and 27 January, 2016. The decision for this interview technique was made based on time and cost savings for the interviewer and greater flexibility for the interviewees. Disadvantages associated with this type of survey - such as less control of the conversation, the loss of visual information and a possibly less trusting atmosphere (Opdenakker 2006, 5; Gläser & Laudel 2010, 153-154) - was either paid particular attention to (confidence building before and during the interview) or were considered to be negligible for this study.

Potential interviewees were contacted via telephone and e-mail. In this first contact the topic was briefly explained and the contacted persons were asked for a telephone interview. They were also informed about the approach that the content of the conversation will be anonymised and any interview partners' name or company/organisation will not be evident in the study. As an additional incentive to participate in the survey, it was offered to send the results of the evaluation of the interviews (in German) or the complete thesis (in English) via e-mail, if desired.

At the beginning of each call, the reason for the interview and the objectives of the study were mentioned again. Besides, the interviewee was asked for his/her permission to a tape recording. Depending on the responsiveness of the interview partners the conversations took between 15 and 80 minutes.

The recorded interviews were transcribed using the program f4. Incomprehensible passages were clarified with the interview partners via e-mail.

4.2 Data analysis

Since methods such as action and ethnographic research were not suitable for this study and the process of “objective hermeneutics” seemed to be too time-consuming, the data collected in this study were interpreted on the basis of qualitative content analysis. The content analysis method used for the thesis is described by Gläser & Laudel (2010) as this method seems plausible and appropriate for the information obtained in the interviews and is also clearly explained by the authors.

According to Gläser & Laudel their method is inspired by the tools developed by Philipp Mayring, but it differs notably from his technique. What they call problematic regarding Mayring’s method is the use of an invariable, closed system of categories which is derived only from a part of the text material and standardised for the analysis of frequencies. As from their point of view this static set of categories makes it impossible to extract complex information from the (interview) texts, the authors developed a procedure that is open to new information throughout the analysis process. In the qualitative content analysis according to Gläser & Laudel the texts are not encoded, but information is extracted and subsequently structured and evaluated. (Gläser & Laudel 2010, 199)

The process is divided into four main steps (Gläser & Laudel 2010, 203):

- ***Preparation of extraction:*** Fixing of the material and definition of the analysis unit, recording of variable¹⁶ characteristics from underlying theory, determining of indicators¹⁷
- ***Extraction:*** Formulation of extraction rules, reviewing and interpreting the text material, while collecting information about variable characteristics, if applicable: inclusion of new characteristics, change of existing or construction of new variables, adding of new indicators
- ***Processing of data:*** Sorting by time- or subject-related aspects, combining information with the same meaning, elimination of elementary errors
- ***Evaluation:*** Analysis of "cases" and cross-case correlations (reported causal relations, common occurrence of characteristic values, typing...)

These four steps and their application in the study are described in more detail below.

¹⁶ Relating to qualitative content analysis Gläser & Laudel (2010, 79, 82) consider **variables** to be complex constructs that (verbally) describe changeable aspects of social reality and have at least two dimensions - a time-related and a subject-related dimension - in which characteristic values vary independently of each other.

¹⁷ According to Gläser & Laudel (2010, 83, 208) **indicators** show the presence of information about variables in the text material and represent the link between the relatively abstract variable dimensions and the empirical material.

4.2.1 Preparation of extraction

Fixing of the material means to decide, which texts should be analysed (Gläser & Laudel 2010, 209). In this study the relevant text material consists of all interview transcripts. As every interview contained useful information no transcript had to be excluded. An *analysis unit* can be a text or any section of a text - a paragraph, sentence, or a part of a sentence (Gläser & Laudel 2010, 210). In this thesis the analysis unit is a paragraph.

As this study addresses purchase behaviour associated with organic milk, eggs and meat/meat products, a concept of consumer behaviour was considered to be a suitable *theoretical basis* for the development of an *analysis framework*. According to Spieß (2013, 15) concepts of buyer behaviour are mostly derived from S-O-R (stimulus-organism-response) models. A model that is in the tradition of S-O-R and seems to constitute an appropriate framework for the aspects identified in the previous chapters of the thesis is the *black box model*. The model is shown in the illustration below.

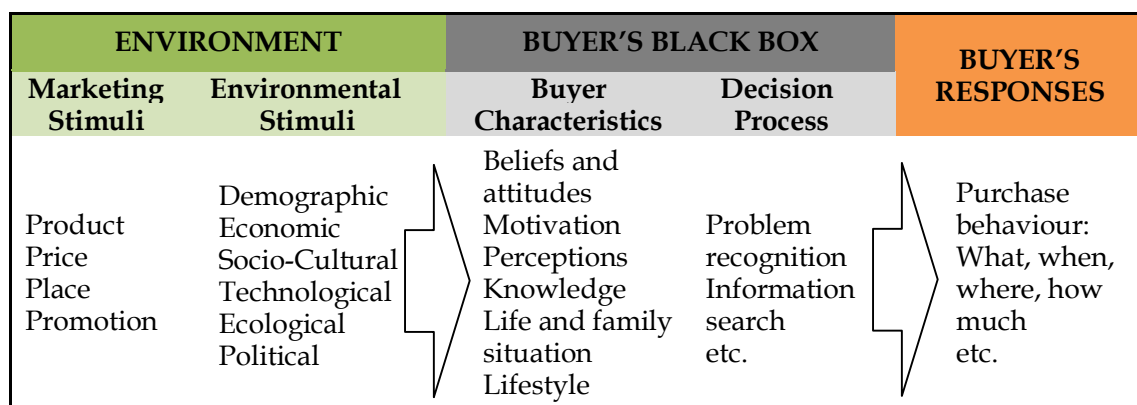


FIGURE 4 Black box model
(adapted from Sandhusen 2000, 218; Marketing-Insider 2015)

The black box model covers external stimuli that influence buying behaviour, relevant characteristics and processes that are going on in the consumer's mind (the black box) and the final outcome - the reaction(s) of the consumer. Figure 4 does not exhaustively list all factors/actions but concentrates on the areas that are relevant for the study - marketing and environmental stimuli as well as buyer characteristics. Applied to the *purchasing behaviour of organic consumers*, the categories are to be understood as follows:

- **Marketing stimuli:** The four Ps are substitute for all marketing activities/elements that have an effect on the purchase of organic products. Examples from previous chapters of the thesis: price premiums, taste and appearance of the product, information on production methods, product availability and variety.
- **Environmental stimuli:** This category comprises the factors of the macro environment. Thus, the dynamics that affect every company/organisation

in the industry/area. In terms of organic (meat and meat) products, these could be: EU and national legislation, political institutions, food scares.

- **Buyer characteristics:** That area covers personal aspects that influence the purchase decision. Examples from chapter two and three of the study: personal/altruistic motives, price-sensitivity, knowledge about environmental and health benefits, age, family status, buying frequency and habit formation, vegetarianism.

Based on the black box model, six *analysis variables* were created. The variables

- consumer of organic meat/meat products,
- consumer of organic milk or eggs,
- environment of the consumption of organic meat/meat products,
- environment of the consumption of organic milk or eggs,
- marketing of organic meat/meat products,
- marketing of organic milk or eggs,

were drafted in the preparatory phase and constantly refined during the extraction process (e.g. addition of indicators, modification of subject-related dimensions). Three final versions of the analysis variables are shown in Appendix 3.

The variables represented the basis for the *evaluation grids/categories* used in the subsequent extraction process. The following paragraph describes the general structure of the evaluation grids (Gläser & Laudel 2010, 208-209):

Most evaluation categories utilized in qualitative content analysis are *derived from variables* and only supplemented by a causal "dimension". Therefore, definition, indicators, time-related and subject-related dimensions are taken from the underlying variable. The causal dimension is added to collect information about the causes or effects of variable characteristics. This means the causal dimension(s) cover(s) the relationships of the variable to other variables or to circumstances that are not described in variables. Whether a dimension "causes", a dimension "effects", or both dimensions should be added to an evaluation category depends on the function of the underlying variable. Evaluation grids of independent variables and intervening variables usually require an "effects" dimension only evaluation categories of dependent variables usually have a "causes" dimension. Apart from the search grids that are derived from the variables, such ones that *collect information on relevant actions* must also be constructed. These evaluation categories record details on actors, action conditions, objectives, and results of the actions. They can also contain causal dimensions, to take up causes or effects of certain actions mentioned by the interviewees.

In this study six *evaluation categories* derived from the six variables mentioned above, were used. As the categories should extract more general information that could not be attributed to small individual units, information on relevant actions was included in these six evaluation grids. Also, each category had two causal dimensions – a "causes" and an "effects" dimension.

4.2.2 Extraction

Using the evaluation grids/categories, *only information that is relevant to answer the research question* was extracted from the interview transcripts. As already mentioned, Gläser & Laudel attach importance to a procedure that is open to new information throughout the analysis process. Therefore, the category system - and the underlying variables - are changeable during extraction. If information appears in the texts that is relevant but does not fit into the evaluation categories, dimensions of the categories can be changed or new categories constructed.

In order to make the steps during the extraction process *transparent* and comprehensible, *sources* (file and paragraph number) of text passages were noted and *extraction rules* were written. The following extraction rules were formulated for this thesis:

- Replies to question no. two of the interview guide on the reasons for the small size of the market shares of organic meat/meat products and answers with reference to the market share size should be marked in "effects" with "[reason]".
- Only causes and effects mentioned by the interviewer are to be entered into the columns "causes" and "effects". Own assumptions and comments should be noted in double brackets ((...)).
- Statements that seem to be suitable to be mentioned as quotations should be collected in the file "Quotes", including the source and the context (e.g. @ own consumption). In the column "effects" of the extraction table, the entry [Z ..] should be made including the respective consecutive number.
- Other statements that seem interesting but are not directly related to the research question, e.g. facts on the Austrian organic market should be collected in the files "Marketinfo" and "Other_Info".
- The classification in "favourable" or "unfavourable" refers to the consumption of organic meat/meat products or organic milk and eggs. If the classification is not clear from the interview text, a comment should be noted in square brackets [] under "effects" is.
- Statements on organic food in general, are to be recorded in the organic meat/meat products categories.

4.2.3 Processing of data and evaluation

According to Gläser & Laudel (2010, 229) the purpose of information processing is to improve its quality. Scattered information is combined, similar statements are summarized, obvious errors (recognisable from the comparison with other extraction results) are corrected and contradictory information is marked. Furthermore, Gläser & Laudel (2010, 203) summarise the evaluation process as analysis of "cases" and cross-case correlations (as mentioned on page 45).

Since this study did not deal with sociological cases but with reasons and favorable/disadvantageous circumstances expressed by the interview partners, e.g. contradictory statements on a topic were not marked, but recorded once as

an advantage and once as a disadvantage. The information that had been collected in the search grids was evaluated via *thematic grouping and summarizing into sub-chapters and other smaller text units*. In addition, the information was *supplemented by appropriate quotations*.

During the different steps of selection, grouping and summarizing of the information, *sources* (references to the text locations, from which the information was taken) *remained unchanged* and were *transferred to new summaries/tables*. This means whenever the content of a statement collected in a table or a summary was not clear, the *original text passage in the transcript file could be looked up*. If it had been necessary, it would also have been possible to listen again to the respective *excerpt from the audio file* of the interview.

The following chapter covers the findings of the empirical part of the thesis.

5 EMPIRICAL RESEARCH - FINDINGS

This part of the study summarises the results of the expert interviews. In accordance with the research question as well as the interview guide the chapter divides in subchapters covering the reasons for the small size of the market shares of organic meat/meat products, favourable and unfavourable conditions and measures for their growth, the future development of (organic) meat consumption in Austria and the interview partners' own buying behaviour.

As the interview contents were anonymised, shortcuts of the field of activity are applied as references to (translated) citations of interviewees. The following abbreviations are used:

- *ORFA* for "Politics/interest groups organic farming"
- *ORME* for "Production/distribution of organic meat (products)"
- *TRAD* for "Retail trade (general & specialised)"
- *SCIE* for "Science".

The summary starts with the key question of the thesis.

5.1 Reasons for the small market shares of organic meat and meat products

Data presented in chapter 3.3 show the importance of the price for Austrian consumers but also the willingness of consumers of organic meat/meat products to pay the higher prices of organic ham and sausages, poultry, beef or pork. Yet, as indicated in chapter 3.2, data of the RollAMA household panel (explanation on page 29) do also illustrate that the share of organic eggs is almost five times the share of organic meat & poultry and the proportion of organic drinking milk is more than 6.5 times the proportion of organic ham & sausages.

Asked for their opinion regarding the reasons for the small market shares of organic meat/meat products in comparison to those of organic eggs and organic milk, interviewed experts see a clear connection to the price: Twelve of the fourteen interviewees refer to the *high price premium of organic meat* as the only or at least one of several reasons for the small size of the market share. Some interview partners point out that the price difference between organic and conventional meat could be 100 % or even more. That exceeded a price threshold for many people, e.g. for occasional buyers of organic products. Standing in front of the shelf in the supermarket, the price difference would be evident and one interviewee assumes: *"Even if there is affinity for organic products, consumers take the cheaper one when they are in the immediate purchase situation"* (TRAD 3). Some experts note that although the surcharge was high, it was reasonable in relation to the cost of organic production. In order to make the consumer pay the additional expense, it was very important to inform him or her about *"what lies behind"* (ORFA 4) the surcharge. It is also mentioned that it was not organic meat that was too expensive, but conventionally produced meat was too cheap, as the conventional meat price *"has hit rock-bottom"* (ORME 3). The price difference was particularly big for those types of organic meat whose conventional counterparts *"have always been on special offer and used as loss leaders"* (TRAD 2). Yet, the conventional meat types in the low price segment were also those which would be mainly consumed in Austria - poultry and, above all, pork, as *"Austria is a pork-country"* (ORFA 4). Therefore, the reason was not only the high price premium but also the high consumption rates, or as an interview partner puts it: *"If you have to or want to eat your schnitzel every day, it won't work with that surcharge."* (SCIE 1)

Answering the question above interviewed experts also frequently refer to the bigger size of the market shares of *organic milk and organic eggs* and find the reasons for this situation in *low price premiums and/or low consumption rates* of these products. Thus, the interviewees are of the opinion that e.g. the price difference between organic and conventionally produced milk was *"not huge"* (ORME 1), the surcharge was *"only 15% or 20%"* (ORFA 3) and the price for a carton of organic milk would *"carry no weight"* (ORFA 6). Organic eggs would cost *"not truly more than free-range eggs"* (SCIE 1). For organic eggs the percentage markup was large, but the absolute premium was small as the price difference was in cents only. For a piece of meat, however, the surcharge was several euros. In addition, the consumption rate of eggs was low - especially compared to that of meat. One interview partner also mentions sufficient/lack of choice as a reason: Variety of organic milk and organic eggs was much larger than was selection of organic meat.

Another issue that influenced the size of the market share of organic meat and meat products according to several interviewees was the fact that *"conventional rival products are considered to be of very high quality"* (ORFA 3). Consumers were of the opinion that conventionally produced Austrian meat was much better than foreign meat and originated from good animal husbandry conditions. Therefore, comparing organic and conventional meat,

"the mental distance is not as great as between eggs from caged hens and organic eggs" (ORFA 3). The advertised advantages of organic meat were not necessarily perceived as a benefit and willingness to pay was consequently limited. Due to the very good quality of conventional meat in Austria it was "for most consumers simply not clear at all why one has to pay a 100 % more for organic meat" (TRAD_1). A label that indicated high meat quality was the "AMA Gütesiegel" (quality seal). In this context, an interviewee also addresses the issue of "regionality": There was a "commercial distortion" (TRAD 3) which led to a perception that regional conventional meat was almost as good as organic meat. His conclusion: "Conventionals have worked very well here." (TRAD 3)

Two more circumstances that are considered to be reasons for the small market shares by various interview partners are the *late entry of meat and meat products into the organic market* and the *low meat consumption of organic consumers*. Organic milk had been an early entrant into the market – therefore, investments had been done earlier, and large structures, via dairies, had existed earlier. Pork, on the other hand, was one of the younger products in organic farming and also organic beef – young cattle from suckler cow husbandry – had been on the market for only about 20 years. As a result, there had not been a supra-regional marketing structure for organic meat for a long time. In addition, the earlier market entry of cereals, vegetables and milk into the organic market had influenced the perception of the customers about "what organic is/constitutes" and as a result, organic meat had had an "initial disadvantage" (ORME 2). It is also stated that the selection of organic meat products had not been that large in the past as recipes and processing had to be adapted first. In terms of organic eggs an interview partner mentions that these had had good market shares within a relatively short time. He considers "the first real animal welfare discussion in a broad field" (ORFA 3) with regard to laying hen husbandry and egg production to be a reason for this development, since the great attention might have led to greater activity in that area. As for low meat consumption, interview partners state that "organic consumers" (ORFA 1) and "environmentally conscious consumers" (TRAD 3) ate less meat – which affected market shares of the vegetarian and non-vegetarian organic products.

Single references concern the *lack of employment of consumers with the food they buy* and the *lack of information about the differences between organic and conventional agriculture*. An interview partner remarks that the market shares of organic meat and meat products were *not directly comparable* to those of organic eggs and organic milk: The ban on cage eggs had led to an automatic price increase and reduced the price difference between organic eggs and eggs from other farming methods. Organic milk, unlike organic meat, has become a product of daily consumption.

Finally, it should be mentioned that some interviewees *contradict the statement that the market shares of organic meat and meat products are small*. Considering the young age of the market for organic pork, for example, and the quantities that are being processed today, one would find that the market share was not so small and had grown strongly during this quite short time. In addition, one had to take a nuanced view of the market shares. The

relative proportion of organic beef in the beef market, for example, was greater than the share of total organic meat in the meat market. In this context, the *general representativeness of the RollAMA household panel data* is as well *questioned*.

So much for the answers on question no. two of the interview guide (see appendices 1 and 2). In the following, there will be taken a further look on the issues that were briefly addressed in this chapter.

5.2 Unfavourable conditions and measures

This chapter summarises all statements on conditions that might have an adverse effect on the consumption of organic meat and meat products. The answers are grouped by theme and divided into the following categories: consumers, marketing/communication and production. As the topics are not clearly distinguishable partial overlaps may occur.

5.2.1 Consumers

Interview partners mention that *food in general was not given the value it should have* and that this was also reflected in expenditure as the share of household net income spent on food had fallen. At the moment it amounted to about 10 %, 30 or 40 years ago it had been around 30 %. An interviewee says that it would be okay if someone wanted to invest his or her money in a car, a holiday or cigarettes, but then *"everyone shouldn't be complaining and saying 'Organic is too expensive!'"* (ORME 2)

Furthermore, there were still *major shortcomings in knowledge about the differences between organic and conventional production* (regarding animal husbandry, for example), primarily among non-buyers and occasional buyers of organic products. On the other hand, consumers were partly *overstrained with information about food and did not want to know more about it*. This could also be due to the fact that many consumers *"prefer to do their shopping as fast as possible and to spend as little time as possible with it"* (ORFA 4). Others of the interviewed experts assume that enough information is available, but that consumers do not want to confront themselves with conventional animal husbandry systems and their own responsibility: *"If today a schnitzel costs 3.99, then they can already guess [...] that this was not produced in an idyllic production system"* (TRAD 2). At the moment of the purchase decision, consumers were blocking out existing information. Therefore, information about differences in animal husbandry between conventional and organic production would only have a limited impact on the purchase. Meat was *"not quality food anymore, but has become a cheap good"* (TRAD 3). This was particularly true for the pork sector. Customers would have learned that *"pork simply must not cost anything or costs nothing"* (ORFA 4).

With regard to the use of GMO-free feed in organic farming, interviewees note on the one hand, that consumers often did not know about it (for example, some customers thought that the “AMA Gütesiegel” stands for GMO-free feed). On the other hand, experts state that most consumers are not interested in the topic. *"The vast majority of the consumers just do not care about it."* (TRAD 1)

5.2.2 Marketing/communication

In order to get customers into the shops, retail trade launched *price campaigns for conventional meat*, where *pork and poultry were offered at very low prices*. An interview partner remarks that meat was *"abused"* and special offers would partly *"rather end up in discount battles"* (ORME 1). As a result, the price gap and thus the purchase barrier to organic meat were even greater. However, interview partners also point out that discounts on conventional meat and meat products would not have a big effect on organic beef and organic ham/sausages. In the case of organic ham and sausages, this was due to the fact that price differences were also large for conventional products of the same category. Conventional beef would not belong to the entry-level but to the premium-level segment in the conventional meat sector.

Several interviewees mention that the *advertising images of conventional agriculture were rather displaying organic production than reality*. Conventional agriculture was presented as an *"ideal world"* (ORME 1), so that *"nothing is left for organic farming"* (ORME 2). Today's advertising images were *"no longer quite as bad"* as they had been, e.g.: *"For years, there was this AMA ad, where a pig, a completely conventional one, was standing on a green pasture"* (SCIE 2). But the ads still led to the impression that Austrian meat basically originates from welfare oriented animal husbandry. An interview partner makes the critical comment that organic farming methods were also not portrayed in a realistic way, as the organic farming system was not only consisting of small farms anymore. An example of an unrealistic ad was the TV commercial of Ja! Natürlich, showing a farmer speaking to his pig.

Some interview partners speak about the *different coverage of cage-reared hens and conventionally bred pigs*: Accordingly, husbandry conditions in pig farming had not been taken up by mass media yet. Consumers had learned that husbandry conditions in hen farming could be *"very bad"* (SCIE 1) and there existed a *"catchy image"* (TRAD 1) of cage-rearing – other than it was the case with pig keeping. Unlike hen keeping, animal welfare activists would not differentiate between pig keeping methods: *"You see horrible images, but you never hear, 'Buy at least organic!'"* (ORME 2)

An interviewee makes a negative statement on the *regionality trend*: Conventionally produced regional products were in competition with organic products - but there was no clear definition of regionality, no guidelines and no controls. Thus *"the worst factory farm is regional in some area"* (ORME 2).

Interview partners say also some *critical words on the marketing activities of Agrarmarkt Austria and the organic farming associations*. Two interview partners disapprove that Agrarmarkt Austria promotes organic and conventional

products. As a result, organic and conventional products would be "*equalised*" (ORME 1), also because there were much more producers and consumers of conventional products. Another interview partner assumes that the AMA focussed its major concern on the "AMA Gütesiegel" for conventional products, and that they had "*no long-term, deep-rooted, serious*" (ORME 2) interest in organic farming. Organic farming associations had "*no or only a very weak*" (SCIE 1) focus on the consumer. This might also be the reason why they "*neglected*" communicating the differences between organic and conventional animal husbandry "*a little*" (SCIE 2). On the other hand, doing public relations was not always easy for organic farming associations – at least not for smaller ones: According to answers of one interviewee EU-co-financed advertising measures were sometimes difficult to implement and funding was reduced over the years.

5.2.3 Production

Several interview partners mention that there were *temporary shortages of certain types of organic meat*, such as organic pork (primarily from free-range pigs), organic poultry and organic lamb. If more organic meat of these types was produced, more could be sold - how much more could not be quantified exactly. Scarce supply led to (even) higher prices of organic meat - in contrast to conventionally produced meat "*which is always in surplus and is pressed into the market*" (TRAD 3). Organic supply showed a "wavy line" in accordance to the ÖPUL funding cycles, as the support framework of five years was exploited after approx. two years, leading to fewer new entries afterwards. Regarding the production of organic meat some interview partners notice the following developments: After the decoupling of the suckler cow premium and a changeover from the premium subsidies model to the area model, the production of organic beef was in decline. In the organic pork sector, every few years fluctuations occurred that were more pronounced than those of the "normal" organic pork cycle. Consequently, a strong deficiency followed a strong surplus. The extreme fluctuations, that emerged about seven times within the last 22 years, would "*really impede the whole development*" (ORME 2). In the event of a strong surplus, organic pork had to be sold at the conventional pork price, which would also induce some farmers to quit. Despite this, the market share of organic pork was growing "*slowly but steadily*", even if it would never "*reach dimensions that approach the conventional sector somehow*" (ORME 2). An interview partner notes that the procurement of sufficient protein-rich organic feed in Europe was also critical to the further growth of the markets of organic pork and organic poultry. Due to this procurement problem organic feed was also very expensive.

In addition, interviewees state that there was a kind of structural competition between conventional and organic farming. Organic agriculture would be viewed "*quite critically*" by the professional representation (Federal Ministry, Chamber of Agriculture, etc.): "*They [the organic farmers] are not*

necessarily their friends, but they are tolerated on a certain level." (SCIE 1) With regard to organic pork, an interview partner observes that many (agricultural) politicians themselves have conventional pigs and that conventional pig farmers reacted huffily when production differences were pointed out.

5.3 Favourable conditions and measures

This chapter collects the interviewees' answers on conditions that (should) have a positive impact on the market shares of organic meat and meat products. The statements are again classified into the following areas: consumers, marketing/communication and production.

5.3.1 Consumers

Even though consumers may tend to block out associated husbandry conditions when purchasing cheap conventional meat, several interview partners mention *animal welfare* as a *motive for the purchase of organic products*. Accordingly, animal welfare was "*an issue that moves consumers*" (ORFA 4). Products from the free-range pig were so well accepted by customers that more of them could be sold if more free-range pigs were bred.

However, to offer meat from animal-friendly husbandry was not enough. Organic meat also had to be "*outstanding*" in terms of *taste and appearance*, because "*The higher price requires a greater product promise*" (ORFA 3). The desired quality difference could be achieved by a slower growth of the animals, different feed and/or the use of other breeds. The higher quality requirements of organic consumers were also shown in their product selection. For example, organic consumers were more interested in organic ham than in organic bologna (pork sausage) and organic chicken breast was more popular than organic chicken drumsticks. High quality requirements might also be a reason why organic beef is the best-selling organic meat – in addition to the low price gap to conventional beef.

5.3.2 Marketing/communication

Price campaigns are not only effective in the conventional meat sector, but work also well *for organic meat*: Special offers would address those consumer groups that are interested in organic meat, but had not "*the same budget*" (TRAD 2), a regular buyer of organic products has. Price reductions in the meat sector would only be harmful if they were "*crazy*" (ORFA 3), and extreme discounts were not normally the case in the organic sector. An interview partner mentions that partial short supply constituted a restriction on price campaigns for organic meat. That was why certain parts – such as organic turkey breast – could only hardly be on special offer.

Comments of the experts on the *organic offer in food retail trade* are quite positive: Retail trade had a great range of organic products and allowed for good availability of organic food, so that the "excuse" of poor availability "*practically no longer exists*" (SCIE 1). With regard to discount shops, it is noted that the organic product range was becoming broader, but price positioning of organic meat was difficult. For organic beef, weekly markets and direct marketing were important additional sales channels.

What message should be conveyed to the consumer? The consumer was to be taught what he/she can influence and improve (e.g. concerning pig farming) and how he/she can do it - for example by purchasing organic products. With regard to meat consumption, it should be understood that *conventional meat was too cheap*. This was not only related to animal husbandry, also impacts on the environment (soil, water, etc.) were not included in the price. Therefore, the consumer should rather act according to the motto: *Eat less meat, but high quality meat*.

Which information should be communicated to the consumer? It was very important to provide information on the *extra effort involved in organic production*, so that consumers are prepared to pay for these extra costs. The *strengths compared to conventional agriculture* should be highlighted: better conditions in animal husbandry, less artificial additives (no glutamate and phosphates in meat products), no use of genetically modified feed or artificial fertilizer, compliance with certain controls and quality parameters for farmers and processors.

In which way are the differences between conventional and organic agriculture to be presented? Several interview partners are of the opinion that the organic farming sector should *emphasise its added value without discrediting conventional agriculture*. Thus, no dissuasive pictures are to be shown and the consumer should decide with his/her buying behaviour what he/she wants to promote, and what not. This would work well, as the differences could be easily presented, "*without making conventional agriculture look bad*" (ORFA 5). In addition, the organic sector was not "*perfect*" (TRAD 2) either and there were differences between organic farms as well. Just as there were farms in the conventional sector that had good husbandry conditions (for example, freestall barns and grazing in cattle farming). Moreover, if conventional agriculture "*suffers and has low prices*" organic agriculture would "*once reach its limits*" (ORFA 3) with regard to the surcharge. Reports on conventional meat scandals or bad conditions in conventional animal husbandry led to higher sales figures for organic meat, but these lasted a few months only.

Who should inform the consumers? Information on organic products and farming should be *communicated from various sides* - e.g. by AMA Marketing, organic farming associations and retail trade. This increased the likelihood of reaching the customer and the credibility of the information. Therefore, "*shoulder-to-shoulder partnership*" (ORFA 4) was important in communication. Various interview partners state that retail trade invested a lot of money in advertising for organic products. Austria would not be the "*European champion*

in the organic sector without the advertising and the market presence of the supermarkets" (SCIE 1). However, retail trade also pursued a balanced communication in order to make their different brands sell well: *"So, to take an extreme example, I won't say that the discount-shop-brand of my own house doesn't offer quite a lot of things I would like to offer"* (SCIE 1). Relating to the activities of AMA Marketing, it is positively noted that they are *"professionals"* (ORFA 2) and have appropriate communication structures available – so these resources should be used. Regarding the public relations activities of the organic farming associations, it was important to safeguard the existing activities for the future. Consumers who were not that well informed about organic agriculture could also be reached via mass media, e.g. newspaper reports and documentaries about species-appropriate husbandry in organic farming.

Which customer group(s) should be addressed? Several interviewees see the *biggest growth potential among occasional buyers of organic products* - regular buyers were very interested in organic products anyway, while in the case of non-buyers *"the prospect of success"* was *"minimal"* (ORFA 3). An interview partner states that the approach of young parents (e.g. in childbirth preparation classes) would also be useful. Regarding the possibility of influencing future purchase decisions, several interview partners mention *cooperation with schools*. Children and adolescents should get a basic understanding of *"the system of organic farming"* (SCIE 1), of its added value and complex relationships. In this context, it would also be useful to offer organic products (including organic meat) in kindergartens and school canteens.

In which way should communication be done? The provided information was to be *adapted to the usage behavior and the information intake* of the particular customer group. Different communication channels were to be used and suitable persons should certify the correctness of the data. Furthermore, communication measures could convey hints and recommendations, yet consumers should not feel patronised by requirements and prohibitions. An interviewee states that emotional advertising could also be used to convey facts. Thus, the pig in the TV commercial of Ja! Natürlich would be able to say things that could not be said as a man, e.g. *"I chased the sales representative of the pesticide company off the farm."* (SCIE 1). However, it was questionable whether the information would really reach the consumers.

Statements to/suggestions for further promotional activities: Most of the following measures are leisure activities - which are already on offer or whose implementation seems to be useful. These offers address (potential) organic customers at several levels and some provide information on organic farming. However, each of these measures can only reach a small group of persons. *Guided tours through production facilities*, for example, could (re-)establish a relation to farm animals and (species-appropriate) animal husbandry, which seems to got lost – especially in the case of meat products. At *exhibitions* principles of organic husbandry could be shown with live animals. *Tasting sessions* offered the opportunity to convince customers by taste. In addition, organic production methods could be explained by invited experts. An interview partner mentions *events for children and/or adults, taking place at organic*

farms or alpine cabins: e.g. alpine hikes, field trips of school classes to organic farms, "hours of culinary delight" (ORFA 2) – including a walk to a cabin, a dish made from organic ingredients and some information on their origin. Depending on the event, the trips should also include conversations with organic farmers and tastings of organic products and could also be offered as part of regional holiday programs. As an entry into organic meat consumption, organic meat could be advertised as a high-quality product "for certain occasions" (ORFA 2), e.g. family meals, parties, barbecuing with friends - again linked to information on the added value. In food retailing, brochures and posters on organic meat and meat products could be placed at the delicatessen section of the supermarkets, for example.

5.3.3 Production

Although there were temporary shortages in supply, the *organic meat market was generally well balanced and had sufficient production capacity* to further expand the market shares. The organic pork sector also continued to expand production, which led to slow and sustainable growth of the market share. The organic pig market was more stable than the conventional one and there was no growth pressure on the producers: *"We have zero pressure regarding any farm to grow, zero. I have suppliers who deliver five pigs a year, five. So that everyone shakes his head and says, 'Are you crazy to deal with such trifles?'"* (ORME 2)

With regard to the structural competition between conventional and organic agriculture, it would be desirable for the Chambers of Agriculture to rethink the consultation of farmers, to *"inform their producers in a neutral way"* and to *"tolerate alternatives"* (ORME 3). It would also be useful to educate farmers about Demeter agriculture, because *"The others [farmers] cannot imagine how it works, they are afraid."* (ORFA 6) Furthermore, a *"governmental mandate"* to intensify the expansion of organic agriculture could somewhat dissolve the competition and *"the mood in that direction would be a bit better"* (SCIE 1).

5.4 The future development of (organic) meat consumption in Austria

Almost all interviewees believe that there is a *trend towards less, but higher quality meat*, and therefore also, *at least partially, towards the consumption of organic meat*. However, the experts assume that this trend applied not to the vast majority of consumers, but only to a certain groups, e.g. to those consumers who were more critical and educated, or younger ones who pursued a varied diet.

The study published by the WHO,¹⁸ which was addressed in the survey in the context of the future trend, would not have had any impact on the

¹⁸ Study on the increased risk of cancer caused by the regular consumption of processed meat, see also footnote no. 15

purchasing behavior: "*That has not affected anyone at all. Only the media, but the consumers not at all.*" (TRAD 1)

5.5 Interview partners & meat consumption

Finally, responses to the initial question of the interview guide are presented. The answers of the interview partners on their own nutrition and buying behaviour *range from the exclusive to the rare purchase of organic meat and meat products*. So there is no one among the interviewees who does not consume organic meat.

Of those interview partners who go into detail on their general meat consumption, *the predominant portion eats rather little meat/meat products, the others like to eat much of it or consider themselves to be (big) "meat eaters"*. Sources of supply vary widely - depending on the personal background from wholesale to the own farm.

6 CONCLUSIONS

6.1 Answers to the research question

The aim of this study was to determine the reasons for the smaller market shares of organic meat and meat products compared to those of organic milk and organic eggs, and to identify additional measures to increase the market shares. The question was: Is it all about the price? A review of existing studies on the consumption of organic products in general and organic meat and meat products in particular, an analysis of the Austrian organic market and the evaluation of interviews with several experts should provide answers to the research question.

Most of the interviewed experts refer to the price as the only or at least one of several reasons for the small market shares of organic meat and meat products in Austria. This result confirms findings from the literature review, indicating, that the price was an important factor why consumers (in Europe) might not buy organic products, although these statements did not show such a clear trend. Above all, the answers of the experts reflect the data on price premiums and per capita consumption of the different organic products presented in chapter three of this study. So yes, it seems to be mainly about the price – in connection with the differing consumption rates of (organic) milk, eggs and meat/meat products:

- Austrians drink a lot of milk (76.7 kg per capita in 2014), and they also drink a lot of organic milk (share of 15.7 % in 2014) – the small price difference between conventional and organic milk (16.1 % in 2014) may be a reason for it. Results from the interviews confirm this assumption, as experts are of the opinion that the low surcharge was a reason for the larger size of the market share.
- The price premium of organic eggs is high, especially if you compare them to conventional barn eggs (90.5 % in 2014), but it is the relative surcharge that is high, not the absolute one. Comparing a conventional and an

organic schnitzel, experts state that the absolute price premium was not only a few cents, as it was the case for organic eggs, but several euros. As per capita consumption of meat in Austria in 2014 was about 4.5 times the consumption of eggs (65.2 kg vs. 14.4 kg), the expenditure to cover this demand for meat with organic meat would have been much higher than that covering the need for eggs. Moreover, if total sales are lower, as in the case of eggs, organic sales are likely to reach larger shares.

- What, according to several interviewees, further increases the price gap between conventionally produced and organic meat, are price campaigns for conventional meat. Regular consumers of organic products may be willing to pay the high surcharge – but occasional consumers of organic products, who constitute the majority of organic buyers, are usually not.
- The already in chapter two and three mentioned higher share of vegetarians and “low-meat-consumers” among organic consumers may also play a role, according to some interviewees, although a less essential one.

The expert interviews also provide a variety of ideas on measures that (should) support the consumption of organic meat and meat products. Since the price is a very important factor, discounts were a useful measure to increase sales in this product area. Yet, as organic meat and meat products are not on special offer most of the time, potential consumers had to be convinced of the added value compared to conventional meat. Consumers – especially occasional consumers of organic products – should be informed about less artificial additives (no glutamate and phosphates in meat products), no use of genetically modified feed and better conditions in animal husbandry. In addition, appearance and taste of organic meat was very important, since most of the customers would not pay the high surcharge again, if they had to lower their requirements in that area. Hence, further possibilities to convince potential consumers were tasting sessions, guided tours through production facilities or trips to organic farms (both including snacks and information), as well as brochures and posters on organic meat and meat products in supermarkets. In order to convince the consumers of the benefits of organic meat and meat products and let the market shares grow further, adequate communication measures should be taken by all institutions involved - such as AMA Marketing, organic farming associations and retail trade.

Concerning production, interviewees mention that in spite of temporary supply shortages, there should be no problems regarding the further expansion of the market shares of organic meat and meat products. Nevertheless, it would be desirable for the professional representation (Federal Ministry, Chamber of Agriculture, etc.) not only to tolerate but to support organic farming more strongly and to provide information in a way that motivates (future) farmers to enter into organic farming.

All in all, future development of organic meat and meat products looks positive, as almost all interviewees believe that there is a trend towards less, but

higher quality meat, and therefore also, at least partially, towards the consumption of organic meat.

6.2 Discussion

In order to examine the topic as comprehensively as possible and since there is no other study that covers this comparison - neither for the Austrian organic market nor for the organic market of another country - the study is divided into three parts: A review of existing studies on the consumption of organic products in general and organic meat and meat products in particular, an analysis of the Austrian organic market and the Austrian organic consumer as well as the evaluation of interviews with fourteen experts who have been observing the developments on the Austrian organic market for several years.

A literature review is the basis of this thesis. In the selection of the studies, attention was paid to a geographical proximity to Austria and to the topics of organic meat/meat products as well as organic milk and organic eggs. As no suitable scientific articles could be found on the Austrian organic market, and only a few on organic meat and meat products, European studies were analysed that deal with the consumption of organic food in general. In addition, studies dealing with price-related concepts on willingness to pay and price elasticity were also examined.

For the above reasons, the reviewed studies could only be used to derive general findings on consumer behavior, such as characteristics of (European) organic consumers and barriers and incentives to the consumption of organic (meat and meat) products. However, some important topics already emerged, which were also present in the analysis of the Austrian market and in the interviews, such as vegetarianism and low meat consumption among organic consumers, information on caged hens as a motive for the consumption of organic eggs and occasional consumers to be a suitable future target group.

In the analysis of the Austrian organic market care was taken that the quantitative and qualitative data from market research are as up-to-date as possible and come from reputable sources. In order to be able to capture consumer behavior with regard to organic meat/meat products as well as organic milk and organic eggs, and also to be able to derive the right questions for the expert interviews, data on conventional product areas were also taken into account (such as the Austrian (meat) consumer and per capita consumption rates). Data of the RollAMA household panel, which were partly criticized in the interviews, were used because they are the only publicly available ones dealing with the Austrian organic market. In addition, these data display diverse areas, which could otherwise only be obtained from individual sources, if at all, and therefore would probably be difficult to compare.

The methodology of expert interviews was chosen for the empirical part of the study, since interviews with experts in the field of organic meat and meat

products in Austria appeared as an ideal supplement to confirm or disprove, and to complete the findings from the first section of the thesis.

In order to get a representative picture, fourteen interviews were conducted, with experts who could be assigned to the following areas: politics/interest groups organic farming, production/distribution of organic meat, retail trade and science. Information was collected via semi-structured interviews, using an interview guide. This type of interview was chosen because it helps to discuss the topics that should be covered while enabling a rather natural course of conversation. In order not to ask any misplaced questions, individual interview guides were created for the distinct types of experts who differ in their specific knowledge and context. The interviews were conducted in (Austrian) German via phone (Skype). The decision for this interview technique was made based on time and cost savings for the interviewer and greater flexibility for the interviewees. Disadvantages associated with this type of survey - such as less control of the conversation, the loss of visual information and a possibly less trusting atmosphere - was either paid particular attention to (confidence building before and during the interview) or were considered to be negligible for this study. Conducting the interviews in the mother tongue of the interview partners and the assurance of anonymity should contribute to the free and open expression of the interviewees' views. The recorded interviews were transcribed using the program f4. Incomprehensible passages were clarified with the interview partners via e-mail.

The data collected in the interviews were interpreted on the basis of qualitative content analysis. The content analysis method used for the thesis is described by Gläser & Laudel (2010) as this method seems plausible and appropriate for the information obtained in the interviews and is also clearly explained by the authors. Moreover, the procedure developed by the authors is open to new information throughout the analysis process. Evaluation grids/categories were used to extract information from the transcripts that is relevant to answer the research question. In order to make the steps during the extraction process transparent and comprehensible, sources (file and paragraph number) of text passages were noted and extraction rules were written. Subsequently, the information that had been collected in the search categories was evaluated via thematic grouping and summarizing. In addition, the information was supplemented by appropriate quotations. During the different steps of selection, grouping and summarizing of the information, sources (references to the text locations, from which the information was taken) remained unchanged and were transferred to new summaries/tables. This means whenever the content of a statement collected in a table or a summary was unclear, the original text passage in the transcript file could be looked up. If it had been necessary, it would also have been possible to listen again to the respective excerpt from the audio file of the interview. In addition, the translation of the texts into English led to an even more intensive examination of the content of the statements.

The described approach should demonstrate that the results of the study are transparent and reliable. It is in the nature of qualitative research that the number of interviewees is not so great, but the fourteen interviewees from different fields should have been able to provide sufficient. That this should be the case for the reasons for the small market shares of organic meat/meat products is confirmed on the one hand by the number of statements on the topic of price, on the other hand by the accordance with findings from the previous chapters.

It cannot be assumed that the results of this thesis will help to increase the market shares of organic meat and meat products. However, through its distinct perspective and the closer examination of the different market shares, the study could possibly generate other interesting findings than general studies on the organic market do. In addition, knowledge and opinions have been gathered from a wide range of experts who may not exchange views in real life. Since the findings refer to the Austrian organic market and the markets differ significantly in terms of product offer, distribution channels and customer structure, it is questionable to what extent the results of this study can be transferred to other countries.

6.3 Ideas for further research

For this reason, it would be interesting to carry out similar studies in other countries and to compare the results. It seems also useful to do another qualitative survey in this form, possibly with some other interviewees, in a few years in order to see what changed in this area, and why (not).

SOURCES

Agrarmarkt Austria Marketing GesmbH (AMA Marketing). 2015a. RollAMA Marktentwicklung Bio 3.Quartal 2015. <http://amainfo.at/ueber-uns/marktinformationen/> 02.03.2016

Agrarmarkt Austria Marketing GesmbH (AMA Marketing). 2015b. Presseaussendung: Bio wird wegen der Gesundheit gekauft. [http://www.ama-marketing.at/ama-marketing/presse/details/?no_cache=1&tx_ttnews\[tt_news\]=764&tx_ttnews\[backPid\]=27](http://www.ama-marketing.at/ama-marketing/presse/details/?no_cache=1&tx_ttnews[tt_news]=764&tx_ttnews[backPid]=27) 25.10.2015

Agrarmarkt Austria Marketing GesmbH (AMA Marketing). 2015c. Presseaussendung: Am 9. Oktober ist Welt-Ei-Tag. [http://www.ama-marketing.at/ama-marketing/presse/details/?no_cache=1&tx_ttnews\[tt_news\]=767&tx_ttnews\[backPid\]=27](http://www.ama-marketing.at/ama-marketing/presse/details/?no_cache=1&tx_ttnews[tt_news]=767&tx_ttnews[backPid]=27) 25.10.2015

Agrarmarkt Austria Marketing GesmbH (AMA Marketing). 2015d. Bio-Einkäufe steigen weiter. [https://www.amainfo.at/presse/pressemitteilungen/detail/news/bio-einkaeufe-steigen-weiter/?tx_news_pi1\[controller\]=News&tx_news_pi1\[action\]=detail&cHash=b52addad06ed63dd9b6e5c7cd30f7aea](https://www.amainfo.at/presse/pressemitteilungen/detail/news/bio-einkaeufe-steigen-weiter/?tx_news_pi1[controller]=News&tx_news_pi1[action]=detail&cHash=b52addad06ed63dd9b6e5c7cd30f7aea) 23.02.2016

Agrarmarkt Austria Marketing GesmbH (AMA Marketing). 2015e. Ausgewählte Marktdaten. E-Mails from P. Reindl on 25.11. and 27.11.2015

Agrarmarkt Austria Marketing GesmbH (AMA Marketing). 2015f. RollAMA 2014: Frischeprodukte sind Österreichern wichtig. Bio steigt weiterhin. http://amainfo.at/presse/pressemitteilungen/detail/news/rollama-2014-frischeprodukte-sind-oesterreichern-wichtig/?tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=d45e3dbd1af4d32098a79b4eaf169a6e 10.09.2015

Agrarmarkt Austria Marketing GesmbH (AMA Marketing). 2015g. Konsumverhalten Allgemein. Ernährungs- und Einkaufsverhalten österreichischer Haushalte. <http://amainfo.at/ueber-uns/marktinformationen/?L=0> 01.07.2016

Agrarmarkt Austria Marketing GesmbH (AMA Marketing). 2016a. Neuigkeiten. Bio wächst weiter. <http://amainfo.at/ueber-uns/marktinformationen/> 23.02.2016

Agrarmarkt Austria Marketing GesmbH (AMA Marketing). 2016b. Marktentwicklung allgemein. <http://amainfo.at/ueber-uns/marktinformationen/> 05.06.2016

Agrarmarkt Austria Marketing GesmbH (AMA Marketing). 2016c. Ausgewählte Marktdaten und Informationen zu RollAMA. E-Mail from P. Reindl on 26.07.2016

Alvensleben, R. v. 2003. Wie sieht der Verbraucher die Nutztierhaltung? Analysen – Perspektiven – Konsequenzen. Nutztierpraxis Aktuell 4, 50-55.

Arvola, A., Vassallo, M., Dean, M., Lampila, P., Saba, A., Lähteenmäki, L., Shepherd, R. 2008. Predicting intentions to purchase organic food: The role of affective and moral attitudes in the Theory of Planned Behaviour. Appetite 50, 443-454.

Baranek, E. 2007. Wer kauft Bio? Zielgruppenspezifische Motive für den Kauf von Biolebensmitteln. Berlin: Dr. Köster.

Batte, M. T., Hooker N. H., Haab, T. C., Beaverson, J. 2007. Putting their money where their mouths are: Consumer willingness to pay for multi-ingredient, processed organic food products. Food Policy 32, 145-159.

BauernZeitung. 2012. Bio hat Zukunft, aber auch viele Probleme. <http://www.bauernzeitung.at/?id=2500%2C124738%2C%2C> 05.03.2016

BauernZeitung. 2014. 20 Jahre RollAMA: 2800 Haushalte zeichnen ihren Einkauf auf. <http://www.bauernzeitung.at/?id=2500,1040882> 02.03.2016

BauernZeitung. 2015. Die Konzentration am Lebensmittelmarkt steigt. <http://www.bauernzeitung.at/?id=2500,1077566,,> 06.03.2016

Beukert, C., Simons, J. 2006. Der Markt für ökologisch erzeugte Fleischprodukte: Wachstumsimpulse durch den Aufbau einer effizienten und konsumentenorientierten Wertschöpfungskette. Landwirtschaftliche Fakultät der Universität Bonn, Schriftenreihe des Lehr- und Forschungsschwerpunktes USL, Nr. 135.

Billa AG. 2016. Geschichte. https://www.billa.at/Footer_Nav_Seiten/Geschichte/dd_bi_channelpage.aspx 25.02.2016

Bio Austria. 2015a. Statistik: Entwicklung der Bio-Betriebe in Österreich 1970 – 2014. Entwicklung der Bio-Fläche (in ha). <http://www.bio-austria.at/bio-bauern/statistik/> 16.08.2015

Bio Austria. 2015b. Handel/LEH. Bio im Supermarkt. <http://www.biola.at/de/handel-leh-biola-wissensdatenbank-fuer-den-biologischen-landbau/articles/bio-in-supermaerkten.html> 16.08.2015

Bio Austria. 2015c. Wer wir sind. <http://www.bio-austria.at/bio-austria/ueber-uns/wer-wir-sind/> 16.08.2015

Bio Austria. 2015d. Biologische Landwirtschaft in Österreich. Handel/LEH. Kaufmotive. <http://www.biola.at/de/handel-leh-biola-wissensdatenbank-fuer-den-biologischen-landbau/articles/kaufmotive.html> 16.08.2015

Bio Austria. 2016a. Bio-Infocenter. FAQ. <http://www.bio-austria.at/bio-konsument/bio-infocenter/faq/> 07.06.2016

Bio Austria. 2016b. Bio-Infocenter. Bio-Schweinehaltung in Österreich. Bio Schweinehaltung ist anders. <http://www.biola.at/bio-schweinehaltung-in-oesterreich/articles/bio-schwein-in-oesterreich.html> 12.06.2016

bio verlag gmbh (bio verlag). 2012. bio-markt.info. Österreich: Knapp 8% mehr Bio-Umsatz 2011. <http://bio-markt.info/berichte/7583-Oesterreich.html> 02.03.2016

Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft (BMLFUW). 2010. Lebensmittelbericht Österreich 2010. <http://www.bmlfuw.gv.at/land/lebensmittel/lebensmittelbericht/lebensmittelbericht.html> 09.08.2015

Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft (BMLFUW). 2014a. Lebensmittel in Österreich: Zahlen – Daten – Fakten 2013. http://www.bmlfuw.gv.at/land/lebensmittel/lebensmittelbericht/lebensmittel_in_oe.html 09.08.2015

Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft (BMLFUW). 2014b. Grüner Bericht 2014. Bericht über die Situation der österreichischen Land- und Forstwirtschaft. <http://www.gruenerbericht.at> 09.08.2015

Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft (BMLFUW). 2015a. Biologische Landwirtschaft in Österreich. http://www.bmlfuw.gv.at/publikationen/land/agrariumweltprogramm-biologische_landwirtschaft/biolandwirtschaftdt.html 09.08.2015

Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft (BMLFUW). 2015b. ÖPUL 2015 – das Agrar-Umweltprogramm bis 2020. https://www.bmlfuw.gv.at/land/laendl_entwicklung/oepul/oepul2015.html 22.02.2016

Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft (BMLFUW). 2015c. Bioanteil am Einkauf von

Frischeprodukten 2003 - 2014. <http://dusz.bmlfuw.gv.at/Land/Bioeinkauf.html> 01.03.2016

Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft (BMLFUW). 2015d. Österreich hat einen Weltmeister. <https://www.bmlfuw.gv.at/land/bio-lw/Bioweltmeister.html> 01.03.2016

Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft (BMLFUW). 2015e. Bio Markt. Wer kauft Bio? http://www.bmlfuw.gv.at/land/lebensmittel/biolebensmittel/Bio_Markt.htm 1 09.08.2015

Bund Ökologische Lebensmittelwirtschaft e. V. (BÖLW). 2014. Zahlen. Daten. Fakten. Die Bio-Branche 2014. www.boelw.de/uploads/media/ZDF_2014_BOELW_Web.pdf 01.07.2016

Burgess, D., Hutchinson, W. G., McCallion, T., Scarpa, R. 2003. Investigating Choice Rationality in Stated Preference Methods for Enhanced Farm Animal Welfare. CSERGE Working Paper ECM 03-02. www.cserge.ac.uk/sites/default/files/ecm_2003_02.pdf 09.12.2012

Bunte, F. H. J., Van Galen, M. A., Kuiper, W. E., Tacken, G. 2010. Limits to growth in organic sales. *De Economist* 158 (4), 387-410.

Economics Online Ltd. 2015. http://www.economicsonline.co.uk/Competitive_markets/Price_elasticity_of_demand.html 26.06.2015

Enneking, U. 2003. Die Analyse von Lebensmittelpräferenzen mit Hilfe von Discrete-Choice-Modellen am Beispiel ökologisch produzierter Wurstwaren. *Analysis of Food Preferences using Discrete Choice Modelling – The Case of Organic Sausages. Agrarwirtschaft* 52 (5), 254-267

European Commission, Directorate-General for Agriculture and Rural Development. 2010. An analysis of the EU organic sector. Online report. http://ec.europa.eu/agriculture/organic/files/eu-policy/data-statistics/facts_en.pdf

Forschungsinstitut für biologischen Landbau (FiBL). 2016. Biomarkt in Europa 2014 um fast 8 Prozent gewachsen. <http://www.fibl.org/de/medien/medienarchiv/medienarchiv16/medienmitteilung16/article/biomarkt-in-europa-2014-um-fast-8-prozent-gewachsen.html> 05.03.2016

Fruchtportal. 2015. AMA: Bioabsatz legte weiter zu – Vierbauch für „marktkonforme Preisgestaltung“ bei Biowaren. <http://www.fruchtportal.de/>

artikel/ama-bioabsatz-legte-weiter-zu-vierbauch-fur-marktkonforme-preisgestaltung-bei-biowaren/013080 01.03.2016

Gläser, J., Laudel, G. 2010. Experteninterviews und qualitative Inhaltsanalyse. 4. Auflage. Wiesbaden: Springer.

Gollner, G., Starz, W. 2015. Biologisch oder konventionell – worin liegt der Unterschied? Land & Raum 1/2015. 6-9.

Groier, M. 2013. Wie weit darf Bio gehen? Analyse von Konventionalisierungsrisiken im Bereich der biologischen Landwirtschaft Österreichs. Forschungsbericht Nr. 69. Wien: Bundesanstalt für Bergbauernfragen.

Grunert, K. G., Bredahl, L., Brunsø, K. 2004. Consumer perception of meat quality and implications for product development in the meat sector – a review. Meat Science 66, 259-272.

Harper, G. C., Makatouni, A. 2002. Consumer perception of organic food production and farm animal welfare. British Food Journal 104 (3/4/5), 287-299.

Hempfling, G. 2004. Präsentation von Bio-Produkten. Mit gezielten Maßnahmen den Absatz erhöhen. Ökologie & Landbau 131 (3), 33-35.

Hofer KG. 2016a. Milch und Milchprodukte. Fleisch, Wurst & Eier. <http://www.zurueckzumursprung.at/produkte/> 17.06.2016

Hofer KG. 2016b. E-Mail from G. Strasser on 04.07.2016

Hoffmann, I., Spiller, A. 2010. Auswertung der Daten der Nationalen Verzehrsstudie II (NVS II): eine integrierte verhaltens- und lebensstilbasierte Analyse des Bio-Konsums. https://openagrar.bmel-forschung.de/receive/import_mods_00006061 15.08.2015

Investopedia, LLC. 2015. Dictionary. <http://www.investopedia.com/terms/p/priceelasticity.asp> 26.06.2015

Ja! Natürlich Naturprodukte Gesellschaft m.b.H.. 2016a. Eier. Fleisch & Wurst. Milch & Molkereiprodukte. <http://www.janatuerlich.at/Produkte/Produkte/Portal.aspx> 17.06.2016

Ja! Natürlich Naturprodukte Gesellschaft m.b.H.. 2016b. E-Mail from P. Bayaty on 11.11.2016

KeyQUEST Marktforschung GmbH. 2014. Zukunft mit oder ohne Fleisch? Vortrag beim 16. Öst. Fleischforum „Next Generation“. <http://www.ama->

marketing.at/produktgruppen/fleisch-und-fleischwaren/ama-fleischforum-und-austrian-meat-award/vortraege-fleischforum-2014/ 17.01.2016

KeyQUEST Marktforschung GmbH. 2015. Was sagt der Markt? Vortrag bei REGAL – Fachforum Fleisch * Wurst * Feinkost. www.regal.at/images/veranstalt/Keyquest_Mayr_extern.pdf 17.01.2016

KeyQUEST Marktforschung GmbH. 2016. Fleisch & Wurst – Aktuelle Markttrends. Vortrag bei REGAL – Fachforum Fleisch * Wurst * Feinkost. www.regal.at/images/veranstalt/Johannes%20Mayr_Keyquest_REGAL.pdf 06.06.2016

Kilcher, L., Willer, H., Huber, B., Frieden, C., Schmutz, R., Schmid, O. 2011. The Organic Market in Europe. 3rd edition May 2011. Zürich: SIPPO and Frick: FiBL

Krystallis, A., de Barcellos, M. D., Kügler, J. O., Verbeke, W., Grunert, K. G. 2009. Attitudes of European citizens towards pig production systems. *Livestock Science* 126, 46-56.

Kuhnert, H., Feindt, P. H., Wragge, S., Beusmann, V. 2002. Nachfrage nach Öko-Lebensmitteln – Veränderungen durch BSE? BIOGUM-Forschungsbericht FG Landwirtschaft. Hamburg: Universitätsverlag.

Magnusson, M. K., Arvola, A., Koivisto Hursti, U.-K., Åberg, L., Sjöden, P.-O. 2001. Attitudes towards organic foods among Swedish consumers. *British Food Journal* 103 (3), 209-226.

Marketing-Insider. 2015. The Buyer Black Box – Buyer's Characteristics. <https://marketing-insider.eu/buyer-black-box/> 20.10.2016

Mayfield, L. E., Bennett, R. M., Tranter, R. B., Wooldridge, M. J. 2007. Consumption of welfare-friendly food products in Great Britain, Italy and Sweden, and how it may be influenced by consumer attitudes to, and behaviour towards, animal welfare attributes. *International Journal of Sociology of Food and Agriculture* 15 (3), 59-73.

McEachern, M. G., McClean, P. 2002. Organic purchasing motivations and attitudes: are they ethical? *International Journal of Consumer Studies* 26 (2), 85-92.

McEachern, M. G., Willock, J. 2004. Producers and consumers of organic meat. A focus on attitudes and motivations. *British Food Journal* 106 (7), 534-552.

Meffert, H., Burmann, C., Kirchgeorg, M. 2008. Marketing. Grundlagen marktorientierter Unternehmensführung: Konzepte – Instrumente – Praxisbeispiele. Wiesbaden: Gabler.

Michaelidou, N., Hassan, L. M. 2010. Modeling the factors affecting rural consumers' purchase of organic and free-range produce: A case study of consumers' from the Island of Arran in Scotland, UK. *Food Policy* 35, 130-139.

Napolitano, F., Braghieri, A., Piasentier, E., Favotto, S., Naspetti, S., Zanolli, R. 2010. Effect of information about organic production on beef liking and consumer willingness to pay. *Food Quality and Preference* 21, 207-212.

O'Donovan, P., McCarthy, M. 2002. Irish consumer preference for organic meat. *British Food Journal* 104 (3/4/5), 353-370.

Opdenakker, R., 2006. Advantages and Disadvantages of Four Interview Techniques in Qualitative Research. *Forum Qualitative Sozialforschung / Forum: Qualitative Social Research* Volume 7, No. 4, Art. 11.

Österreichischer Rundfunk (ORF). 2015a. „Fleisch in vernünftigen Rahmen essen“. <http://orf.at/stories/2306097/2306098/> 03.11.2015

Österreichischer Rundfunk (ORF). 2015b. Fleischdebatte sorgt weiter für Wirbel. <http://oesterreich.orf.at/stories/2739205/> 03.11.2015

Österreichischer Rundfunk (ORF). 2015c. Nur „Konsum verringern“. <http://orf.at/stories/2306914/2306913/> 03.11.2015

Österreichischer Wirtschaftsverband GmbH. 2015. Handelszeitung – Lebensmittel- und Drogeriefachhandel 2015. Marktanteile im Lebensmittelhandel. www.wirtschaftsverlag.at/downloads/Plakat-Handelszeitung.pdf 05.03.2016

Padel, S., Foster, C. 2005. Exploring the gap between attitudes and behaviour. Understanding why consumers buy or do not buy organic food. *British Food Journal* 107 (8), 606-625.

Panagiotis, K., Yen, S. T. 2012. U.S. demand for organic and conventional vegetables: a Bayesian censored system approach. *The Australian Journal of Agricultural and Resource Economics* 56, 405-425.

Raith, D., Ungericht, B., 2013. Eigenmarken nachhaltiger Produkte im Einzelhandel. Eine vergleichende Untersuchung des Angebots österreichischer Lebensmittel- und Drogeriemärkte. Graz: Forschungsstelle Wirtschaftsethik & CSR Universität Graz.

Richter, T., Hempfling, G. 2003. Supermarket Study 2002. Organic Products in European Supermarkets. FiBL Studie. Frick: Forschungsinstitut für Biologischen Landbau (FiBL).

Richter, T. 2004. Trends im Lebensmitteleinzelhandel. Mit Premium-Produkten Wechselkäufer gewinnen. *Ökologie & Landbau* (131), 17-19.

Sandhusen, R. L. 2000. Marketing. New York: Barron's Educational Series.

Schmid, O., Sanders, J., Midmore, P. 2004. Organic Marketing Initiatives and Rural Development. OMIARD Reports Volume Seven. Aberystwyth: University of Wales. <http://orgprints.org/10653/> 08.07.2015

Schöberl, S. 2012. Verbraucherverhalten bei Bio-Lebensmitteln: Analyse des Zusammenhangs zwischen Einstellungen, Moralischen Normen, Verhaltensabsichten und tatsächlichem Kaufverhalten. München: Technische Universität München.

Schröck, R. 2012. The Organic Milk Market in Germany Is Maturing: A Demand System Analysis of Organic and Conventional Fresh Milk Segmented by Consumer Groups. *Agribusiness* 28 (3), 274-292.

Schulze, B., Spiller, A., Lemke, D. 2008. Glücksschwein oder arme Sau? Die Einstellung der Verbraucher zur Nutztierhaltung in Spiller, A., Schulze, B. 2008 (eds.). *Zukunftsperspektiven der Fleischwirtschaft: Verbraucher, Märkte, Geschäftsbeziehungen*. Göttingen: Universitätsverlag.

Schulze, H., Gerlach, S., Kennerknecht, R. 2008. Bio-Fleisch: Wachstumshemmnisse und Erfolgsfaktoren am Beispiel Naturkostfachhandel in Spiller, A., Schulze, B. 2008 (eds.). *Zukunftsperspektiven der Fleischwirtschaft: Verbraucher, Märkte, Geschäftsbeziehungen*. Göttingen: Universitätsverlag.

Shaw Hughner, R., McDonagh, P., Prothero, A., Shultz, C. J. II, Stanton, J. 2007. Who are organic food consumers? A compilation and review of why people purchase organic food. *Journal of Consumer Behaviour* 6, 94-110.

Spiller, A., Lüth, M., Enneking, U. 2004. Analyse des Kaufverhaltens von Selten- und Gelegenheitskäufern und ihrer Bestimmungsgründe für/gegen den Kauf von Öko-Produkten. Bonn: Geschäftsstelle Bundesprogramm Ökologischer Landbau in der Bundesanstalt für Landwirtschaft und Ernährung (BLE)

Spieß, E. 2013. Konsumentenpsychologie. München: Oldenbourg.

Statistik Austria – Bundesanstalt Statistik Österreich. 2015. Versorgungsbilanzen für tierische Produkte 2014. http://www.statistik.at/web_de/

statistiken/wirtschaft/land_und_forstwirtschaft/preise_bilanzen/versorgungs_bilanzen/index.html 28.06.2016

Stolz, H., Stolze, M., Hamm, U., Janssen, M., Ruto, E. 2011. Consumer attitudes towards organic versus conventional food with specific quality attributes. *NJAS – Wageningen Journal of Life Sciences* 58, 67-72.

The American Marketing Association. 2012. AMA Dictionary. <https://www.ama.org/resources/Pages/Dictionary.aspx?dLetter=M> 08.12.2012

Thøgersen, J. 2010. Country Differences in Sustainable Consumption: The Case of Organic Food. *Journal of Macromarketing* 30 (2), 171-185.

Top Agrar Österreich. 2013. Bio- und Herkunftssiegel im Test. <http://www.topagrar.at/home/Bio-und-Herkunftssiegel-im-Test-1292191.html> 30.10.2015

Torjusen, H., Sangstad, L., O'Doherty Jensen, K., Kjærnes, U. 2004. European Consumers' Conceptions of Organic Food: A Review of Available Research. Professional Report no. 4-2004. Oslo: National Institute for Consumer Research.

Ureña, F., Bernabéu, R., Olmeda, M. 2008. Women, men and organic food: differences in their attitudes and willingness to pay. A Spanish case study. *International Journal of Consumer Studies* 32, 18-26.

Van Loo, E., Caputo, V., Nayga, R. M. Jr., Meullenet, J.-F., Crandall, P. G., Ricke, S. C. 2010. Effect of Organic Poultry Purchase Frequency on Consumer Attitudes Toward Organic Poultry Meat. *Journal of Food Science* 75 (7), 384-395.

WebFinance, Inc. 2015. BusinessDictionary.com. <http://www.businessdictionary.com/definition/price-sensitivity.html> 26.06.2015

Wier, M., Calverley, C. 2002. Market potential for organic foods in Europe. *British Food Journal* 104 (1), 45-62.

Wier, M., O'Doherty Jensen, K., Mørch Andersen, L., Millock, K. 2008. The character of demand in mature organic food markets: Great Britain and Denmark compared. *Food Policy* 33, 406-421.

APPENDIX 1: Interviewleitfaden – Einleitung und Leitfragen

Nochmals vielen Dank, dass Sie sich Zeit für dieses Gespräch genommen haben!

Grund für die Befragung ist, wie schon erwähnt, meine Masterarbeit, bei der es um die Frage nach den Gründen für die kleinen Marktanteile von Bio-Fleisch & -Geflügel sowie Bio-Wurst und -Schinken in Österreich geht. (Titel: Is it all about the price? Reasons for the small market shares of organic meat and meat products in Austria.)

Die Befragung von Experten und Expertinnen aus den Bereichen Lebensmittelhandel und -verarbeitung, Landwirtschaft und Wissenschaft soll Antworten auf diese Frage sowie mögliche Wege der Erhöhung dieser Marktanteile erörtern.

Die Interview-Ergebnisse werden anonymisiert, erwähnt wird nur die Anzahl der befragten Personen aus dem jeweiligen Bereich. Gerne kann ich Ihnen nach Fertigstellung auch die Masterarbeit (in Englisch) und/oder eine deutschsprachige Zusammenfassung der Interview-Ergebnisse zur Verfügung stellen.

Besteht Einverständnis mit einer Tonbandaufzeichnung?

- 1) Kaufen Sie selbst Bio-Fleisch oder -Wurst? (Einstiegsfrage)**
- 2) Was sind aus Ihrer Sicht der Grund oder die Gründe für die geringe Größe der Marktanteile Bio-Fleisch/-Wurst in Österreich?**
- 3) Welche Erfahrung haben Sie mit dem Thema „Spezialprodukte“ (z.B. Fleisch/Wurst aus besonderer Haltungsform oder von einer besonderen Nutztier rasse)?**
- 4) Sehen Sie speziell im Vergleich zu den großen Marktsegmenten Bio-Milch und -Eier noch weitere Argumente für die geringe Größe der Marktanteile von Bio-Fleisch/-Wurst?**
- 5) Welche Kundengruppe(n) unter den Bio-Stammkunden, Gelegenheitskäufern oder auch Nicht-Käufern halten Sie für die vielversprechendste(n) bzgl. der Ausweitung der Marktsegmente Bio-Fleisch und -Wurst?**
- 6) Mit welchen Maßnahmen sollte(n) diese Kundengruppe(n) angesprochen werden?**
- 7) Stichwort WHO-Meldung: Denken Sie, dass es langfristig zu einem Umdenken in der Gesellschaft und damit zu geringerem Fleischkonsum kommt?**

APPENDIX 2: Interview guide – introduction and key questions

Thank you again for taking the time to speak with me!

The reason for the survey is, as already mentioned, my master thesis, which is about the reasons for the small market shares of organic meat & poultry as well as organic ham and sausages in Austria. (Title: Is it all about the price? Reasons for the small market shares of organic meat and meat products in Austria.)

Interviews with experts from the areas of food retailing and processing, agriculture and science should provide answers to this question as well as ideas for possible ways of increasing these market shares.

The interview results are anonymised, only the number of interviewed persons in the respective area will be mentioned. After completion, I will be happy to provide you with the master's thesis (in English) and/or a summary of the interview results in German.

Is it ok, if the interview is being recorded?

- 1) Do you buy organic meat or meat products? (Initial question)**
- 2) What is the reason or are the reasons for the small size of the market shares of organic meat /meat products in Austria from your point of view?**
- 3) What are your experiences with the subject of "special products" (for example meat/meat products from animals bred in a special husbandry system or from a special livestock species)?**
- 4) Do you see any further reasons for the small size of the market shares of organic meat/meat products, especially if you compare them to the large market segments of organic milk and organic eggs?**
- 5) Which customer group(s) among regular buyers, occasional buyers or non-buyers of organic products do you consider to be the most promising for the expansion of the market segments of organic meat/meat products?**
- 6) By what measures should this customer group(s) be addressed?**
- 7) Keyword WHO report: Do you think that there will be a rethink in society and thus lower meat consumption in the long-term?**

APPENDIX 3: Examples of analysis variables

Consumer of organic meat/ meat products	
Definition:	Personal characteristics of (potential) consumers that influence the consumption of organic meat and meat products
Indicators:	<ul style="list-style-type: none"> - e.g. knowledge, consumption rate, motives, values - family status, income - (organic) consumer, (occasional/regular) buyer
Time-related dimensions:	past, present, future
Subject-related dimensions:	favourable feature unfavourable feature person/group affected product/s
Environment of the consumption of organic meat/meat products	
Definition:	"Environmental factors" which directly or indirectly influence the consumption of organic meat and meat products
Indicators:	<ul style="list-style-type: none"> - e.g. subsidy, funding, representation - studies, media - production, supply, structure
Time-related dimensions:	past, present, future
Subject-related dimensions:	favourable factor unfavourable factor responsible unit (organisation, company, person) affected product/s influence on (consumers, production etc.)
Marketing of organic meat/meat products	
Definition:	Marketing conditions or measures, which (should) influence the consumption of organic meat and meat products
Indicators:	<ul style="list-style-type: none"> - e.g. price, discount, special offer - taste, appearance, quality, husbandry conditions - activities, measures
Time-related dimensions:	past, present, future
Subject-related dimensions:	favourable condition/measure unfavourable condition/measure responsible unit (organisation, company, person) affected product/s