

# Planet organic marketing report flashcard



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Through primary research we wish to study the marketing strategy for Planet Organic particularly in the use of interviews, questionnaires and in store visits. Having arranged an interview with the Store Manager of the Westbound Grove branch, we hope to ask questions that we feel could contribute towards our final marketing report. Through the use of the questionnaire this will give us particular help with looking into the demographics of our chosen retailer. We also expect to carry out secondary research with the help of Planet Organics newsletter, the Internet and the Planet Organic website.

We will analyse newspapers such as The Daily Telegraph and The Guardian in which will enable us to view information on its retail competitors as well as general articles on organic farming. Spokesperson representing Planet Organic. This will help us gain both an informative insight into the marketing techniques and environment. To anchor our information on the micro/macro environment we will produce a Soot analysis within our report, which highlights the Strengths, Weaknesses, Opportunities and Threats of Planet Organic. . Micro Environmental 2. 1 Company “ Planet Organics natural ethos also extends to our beliefs about health and how implementers therapies and remedies can prevent and cure illness. Nourishing our families with good wholesome home cooking combined with a complementary approach to well being is the foundation for a healthy, vital life now and for generations to come. ” Renee Elliott 2000 Planet Organic is a unique supermarket dedicated to organic and other ethically sourced products.

They have 4 stores spread across some of the most affluent areas of London and have a large target market of organic consumers looking for essentially

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chemical-free , fresh or minimally processed food. Their mission is to raise awareness of British farming and organic odds while fighting against genetically modified foods. Renee Elliott a former American wine Journalist opened her first Planet Organic store in 1995 in Noting Hill, with each restaurant containing a designated seating area where customers can purchase foods from the deli counter, offering a selection of fresh Organic Produce.

The shelves in all four stores are aligned according to Meat, Dairy Products, Confectionery and Health and Beauty. When walking into a Planet Organic Store you have immediately stepped into what is set out to be like a market stall of fresh fruit and vegetables. The shop is very appealing to the eye with its color coordination and neatly stacked shelves. The smell of the fresh deli counter makes shopping in Planet Organic thoroughly enjoyable instead of the hustle and bustle that you may encounter when shopping in other supermarkets such as Testes and Kingsbury.

This is why Planet Organic continue to have such a loyal sense of customer value, they want to make your food shopping experience enjoyable and relaxing. More and more people are choosing to purchase and look into eating organic food because they want to know what they are eating, the reassurance that the environment has not been harmed in the process of which their food has been produced This year Planet Organic are celebrating 15 years since they opened as the first organic and natural supermarket in the I-J.

Planet Organic became the first Soil Association certified organic supermarket in the I-J when they first started in 1995, they were also the first to have an organic British meat and fish counter within a ongoing trend of replacing plastic bags with biodegradable bags, this has been picked up on with many other large retailers such as Waitress, Testes and Kingsbury. Planet Organic now have their own website (www. Planetarium. Com) in which nonusers can purchase products online and have them home delivered.

This is useful to their loyal consumers, as unlike many supermarkets such as Waitress and Marks and Spencer, accessibility is limited due to such a limited amount of stores. The website entices customers with ‘ gift ideas’ and gives factual information in ‘ Renee’s blob’ (The company director of Planet Organic). In this blob she introduces new and innovative recipes such as ‘ Soaked Cinnamon and Apricot Porridge’ and ‘ Parmesan Baked Asparagus’, she also directly targets mothers with young children, for example what to put in their packed lunch or meals that both grown ups and hillier will enjoy.

This blob is updated almost weekly and is full of informative and current news that makes an entertaining read. Planet Organic also send out a monthly newsletter with details of latest products, environmental and health issues and ‘ Planet Organic News’. They do this to keep that close relationship that is needed between a retailer and its consumers thus creating brand loyalty. Planet Organic is not just a foods supermarket; “ We believe the body can usually heal itself, not with medicines that often just suppress or mask symptoms, but with natural remedies that support the body in the healing process” (Renee Elliott).

They particularly specialize in herbal remedies, vitamins and minerals as well as providing consumers with organically produced cosmetics such as make up and body lotions. 2. 2 Suppliers The company sells over 27 different products within each category. Books, Vitamins, supplements, natural remedies, body, face care and make up are only a small part of the company's success. They sell organic free range eggs and organic meat (all animals are vegetarian). Planet Organic only sells natural, free range organic products.

The business was the first to be part of the Soil Association Organic Standard in the I-J. The soil Association is a charity, which campaigns for planet friendly food and farming. They believe that the connection between food, soil and health of people is very important, which is also very important within Planet Organic. Planet Organic are forever introducing new products into the market, by promoting conventional farming, home grown products and raising awareness about health.

By sourcing organic food from sustainable producers this reduces the environmental impact of consumption of items brought through its stores. Planet Organic have a British policy on buying meat and British first for fruit and vegetables. Suppliers come from local areas in London and Planet Organic is always trying to promote local businesses. Planet Organic sources and sells seasonal produce, which therefore minimizes transport and thus the impact on the environment in which helps to reduce the carbon footprint.

Planet Organic maintain regular contact with committed to British farmers, bakers, producers and manufacturers and continue to maintain high

standards. Planet Organic is also part of Fair-Trade, which is an organized social group that helps people in developing countries to earn a respectable wage and living. Fair- Trade also ensures that better prices are obtained, decent working conditions, local sustainability and fair terms of trade for farmers and workers in the developing world. Companies are required to pay sustainable prices, which must never fall below the market price.

Fair-Trade helps to stop the injustice of trade; which in the past has been unjust and discriminated against the poorest and weakest producers. Fair-Trade enables the workers to improve their position and have more control of their lives. 2. 3 Intermediaries The intermediaries, also know are wholesalers, the middlemen or distributes, are hat fill out the gap between the point of production and the point of sale. They can help overcome the lack of compatibility between the suppliers and the end customers (being Planet Organic) by reducing the number of contacts between the two.

This would also help in reducing the costs of the distribution and selling. The organization must decide whether to involve an intermediary, this can be determined by its size or also whether they trust the resources and skills of the produces to successfully meet the needs of the consumer. Most often the intermediaries add value to an organization in different ways, firstly to he marketing side as long as they are effective to the producers goods and the distribution channel, as they most likely know their target market.

Making sure that the goods are stocked appropriately so that the economic and life-style needs match the shoppers, for planet organic being natural, healthy, environmental friendly products. Planet Organic uses intermediaries

for the majority of their products. Around 60% meaning 40% of their products are delivered directly from the suppliers. They use 4 major consolidators, The Health Store and The Tree of Life are cooperate wholesalers for natural and organic products. They are two of the leading health Food wholesalers in the I-J.

The Health Store is based in Nottingham and has been trading over 76 years throughout the I-J, Ireland and Europe. A Dutch company called the Royal Wesson NV that is based in the Netherlands owns the company Tree of Life. They distribute food products throughout North America and Europe. Planet organic uses their Newcastle branch. Another 2 intermediaries used by Planet Organic are Marigold and Lingering Organic. Marigold health foods are only based in the UK and distribute their products within a 60-mile radius from their warehouse in Kings cross using refrigerated vehicles. 0% of their product lines are organic.

Lingering Organic is based in New Covent Garden, London and specializes in the distribution of organic however they have now growers throughout Europe and the rest of the world. Planet Organic also has an online shopping and delivery service. Goods to their consumers bought from the website are distributed from their Westbound grove branch. They have their own van for fresh items delivered only to certain areas within London. All other orders such as non-fresh items or for delivery outside the UK are sent mainly through Parcel Force and are carbon neutral. All of their distributes room the store use CEO-friendly packaging.

The cardboard boxes used for packaging are 100% post-consumer recycled and are made within the I-J, even the printed ink is made from vegetables. They use gummed paper made from starch as tape, the bubble wrap is biodegradable, which is an organic material that will quickly break down in landfill and be absorbed back into the soil harmlessly. For their fragile items instead of Styrofoam they use expanded corn, which are completely comfortable. Parcel Force is part of the Royal Mail Group, and for over 14 years their express delivery services have been covering 27 million addresses in the I-J. 4 Customers We conducted a customer survey at planet organics Westbound grove branch. The main research objective of this study was to find out what type of customers shop at planet organic and why. To collect primary data a questionnaire asked customers about the main purposes of their visit. The questionnaire was made up of 15 closed questions with a pre-set list of possible answers and was conducted inside the store itself. The customers who participated in the survey completed the questionnaire in our presence.

We used a convenient sampling approach and a total of 36 questionnaires were collected during a two hour time slot. We determined the size of the sample by the resources availability and the limited timescale. Due to the Westbound grove branch being the largest of the 4 planet organic stores, made it important to approach customers shopping in different sections and aisles of the store including customers sitting down and having lunch. This is so that we did not concentrate on 1 particular type of customer who might only be shopping for 1 specific type of product.



It goes without saying that the results shown in figure 1 and 2 are a clear majority. Many customers, when asked if they shopped online with planet organic, were surprised to find out that they had a website with home delivery. This also goes to show that in figure 3 only 5% heard about planet organic online, the 31% from word of mouth and the majority with 61% saw the store when passing by. The 19% of male customers were mostly with families; one man said ' I'm only here because my wife gave me the shopping list, she's crazy for organic'.

However there were a few men that were vegetarians or had special dietary needs. Figure 1 Figure 2 The results show in figure 4 that the majority of customers lived locally with 58% and secondly worked locally with 17%. The 8% who were just visiting, did so, along with another customer who lived around the area. The least amount of customers were tourists with only 6%, on the other hand the few tourists had specifically sort after organic products, whether planet organic had been suggested to them or searching themselves on the internet.

Moving on to figure 5 and 6 below, we can point out that most customers walk (with 69%) to the store taking them generally 5 minutes or less (with 47%), where as only 3% use their private vehicles or motorbikes. This result proves to us that they are highly likely to live locally as seen once again in figure 4. Customers traveling the longest accounted for 19% though no customers travel time took longer than 30 minutes. Figure 5 Figure 6 Results in figure 7 below show that planet organic attracts a large range of their customers between the ages of 25 and 44, just over 60%, with 28% aged between 25 and 34 and 33% aged between 35 and 44.

The minority of customers are aged between 18-24, various reasons for this were due to student life and funds, not being aware of the benefits with organic food, visiting or happen to pass by. The customers aged 65 or over stated mainly that their reason for shopping there simply because planet organic was the closest supermarket to them. Notice in figure number 8 the majority of shoppers with 36% are in pm or later mainly due to finishing work. Before 1 lam with 11%, again before work, 17% of customers shop at different times, 14% between 1 lam and pm and 22% that shop between pm and pm.

Figure 7 Figure 8 Planet organic clearly appears to have loyal customers acting on the information given figure 9, customers shopping one a week with 36% and those who shop more than once a week with 25%. Very few were there as a one off with only 3%. It is obvious in figure 10 that when asked whether they visited other planet organic stores around London and if so where, the question was no with 67%, they keep to their local Westbound grove branch in Backwater. However 25% had been to the branch in by Touring place Camden, 5% to planet organic in Slotting and least with 3% Mussels Hill.

Looking at figure 11 the majority with 33% of planet organics customers shop at Marks and Spence's, they more or less have similar price ranges, quality food and Marks and Spence's hold a variety of free range and organic foods. Minority of customers with 6% said they shopped at Tests. Customer's second and third main supermarket choices were Kingsbury with 19% and Waitress with 22% , we believe this is mainly due to the fact that Kingsbury and Tests are conveniently close to planet organic, within the same area.

Figure 11 Seeing as Planet Organic hold a wide range of organic, gluten free, dairy free, wheat free, vegan and vegetarian products, the question was asked whether they were vegetarian or vegan. 28% stated vegetarian, 8% vegan and 58% said neither. The remaining 6%, who stated other, had special dietary needs such as lactose or wheat intolerant. This led to a question concentrating on what type of products they regularly bought from planet organic. The most popular products bought, shown in figure 13, with 47% were general groceries including beverages, home and household products.

The least popular products with only 6% of customers mainly bought bakery, 8% came for the fruit and vegetables, 11% for health and body care products, 22% for lunch/dinner or food on the go. Also with 6% were customers who came and bought a selection of everything. Figure 12 Figure 13 One of the most interesting questions in our opinion is the main reason why people purchase organic food. Precisely 50% of planet organics customer's motives for purchasing organic food are that they understood it is much healthier for them.

They believed that organic produce will not be full of man-made chemicals and that organic meat for example did not contain antibiotics or hormones. They also believed that organic fruit and vegetables had not been harmed by fungicides or pesticides. Organic foods are mostly kept the same from the time they are grown until the time they are displayed in the store. Nothing is added and foods are not processed, as a result of this, for 22% of the customers this was the reason they thought organic food tasted better and believed that buying organic meant buying quality.

Other customers at 9% shopped at planet organic because buying organic produce meant being environmentally friendly. They knew that organic animals were treated better than conventional animals. There were 8% of customers who mainly needed dietary product such as gluten free, dairy free or wheat free products. The remaining 11% of customer didn't specify a reason for shopping at planet organic other than the store being the closest to them and for convenience. As seen earlier in figure 45 this category coincides with customers that were age 60 or over.

Figure 14 Overall planet organics customers were very sociable and welcoming. They liked to express their views. We also asked a 15th question, which entailed occupation, however instead of formulating the question into a closed question we collected each individual answer through a box question. Out of all 36 customers that participated in our questionnaire neither of them had the same occupation as another. They lecturers, site managers and antique dealers to unemployed, retired and entertainment or fashion industry workers. The male customers seemed to have creative occupations such as architects.

Where as the women who shopped in the middle of the day said they were unemployed or charity workers, this could mean they were house wives or had no necessitate making money. 2. 5 Competitors Planet Organic believes in ethical and sustainable farming, therefore the natural and wholesome food company has a highly competitive and volatile business field. We mainly believe that the key competitors for Planet Organic are actually the larger leading supermarkets who have recently expanded their companies and opened their market field to consumers who appreciate organic products.

Recent statistics have confirmed that large Supermarkets are responding to their customer requests and are making efforts to both stock organic and locally-grown produce which allows consumers to be 'green' shoppers, choosing from locally grown, ethically sourced goods. [The Telegraph, 15th October 2007. ] The organic food market is rapidly increasing therefore the competition between supermarkets is rising dramatically. The increase of product availability and the expansion of purchaser interest in premium foods have fuelled sales.

Figures illustrate that fruit and vegetables memories to be the largest sector of organic foods and the main entry point to the market. From 2002 to 2008 organic dairy products have more than doubled in retail sales and Minute predicts that the market is set to grow by over 54%, from 2007-2012.

(Minute Report, 1st February 2008. ) Three of the major I-J retail chains; Waitress, Kingsbury and Marks and Spencer are all examples of supermarkets that are direct competitors for Planet Organic.

All three supermarket chains have been awarded ratings of grade B by the National Consumer Council (NC) for their stocking of environmentally friendly foods and goods. Waitress has made enormous efforts over the past years to increase their organic range and their business sales are dramatically increasing due to their quality of fresh produce. Moreover, Waitress's main target audience is middle-class consumers, which conflicts with Planet Organic as they both aim to appeal to a similar target market.

Waitress offers fair trade products to consumers in order to ensure that workers in less developed countries get a fair wage and are treated in a fair

manner. Likewise, Planet Organic proposes the idea of selling fair trade products, which increases the competitiveness between the two businesses. In addition, Waitress is known as the best chain retailer when it comes to trading practices, sourcing from I-J farmers and committing to smaller suppliers allowing them to stock the largest range of organic fresh produce.

Yet, sources confirm that consumers find that the fresh produce at Waitress is exceedingly cheaper than Planet Organic, which means that many customers would resort to Waitress over Planet Organic itself. However, sources did corroborate that Planet Organic do stock a high percentage of products that are not viable to find elsewhere, but the question is can we do without most of those if needs be? [Urban Path- Planet Organic Reviews, 2nd January 2008. ] Furthermore, Kingsbury is most suitable range of organic products for their target market.

Kingsbury organic range primarily focuses on goods such as fruit, vegetables, dairy products and meat. It has been shown that food safety scares have promoted consumers to seek greater guarantee about the value and quality of the meat they buy. Therefore, with Kingsbury stocking organic meats, profits and loyalty with customers will increase as the consumers know they are receiving produce that is fresh, making organic stores such as Planet Organic observe them as being great competitors.

Kingsbury has been voted the number one organic food retailer in the I-J by a panel of consumers therefore this highlights the success that the organic products have had upon the other retail stores. Kingsbury sales have significantly been increasing due to the growing popularity of its organic and

premium food ranges, and Mr. King (Chief executive) implies that “Kingsbury strong quality food offer has helped it take customers away from rivals such as Tesco and ASDA.” [The telegraph, 20th June 2007. Moreover, this entails that Planet Organic has suffered a loss of profit due to key permeated chains increasing their produce of organic foods. A further example is Marks and Spencer and how they have improved their value of organic food with sales rising 48% this year, with their organic range doubling in size to almost 500 products. M&S, like Planet Organic focus on targeting the middle class audience, by producing organic food that meets the higher food standards.

M&S believe strongly in sustainable farming and free range products therefore, since 2009 their entire fresh whole ducks, geese and majority of turkeys came from free range reduces because of response to customer requests. Similarly, Planet Organic offers the same free range assistance which again can cause rivalry between the companies. However, especially since the recession consumers have believed Planet Organic is too pricey for a regular food shop and therefore alternate to M&S as their organic produce is cheaper and still satisfies the consumers.

Overall, the rising sales of organic products in larger supermarkets puts smaller food stores i. e. Planet Organic in danger, as the smaller suppliers have to think of new ways in which they can attract their target audience to come to their shops instead of committing to the larger supermarkets. Due to the fact that all of the above UK retail chains offer a similar supply as Planet Organic they are all seen as a potential threat to the company. 2. 6

Publics Publics are groups that have an interest or could potentially have an impact on Planet Organics abilities to achieve their goals and objectives.

The general publics are one of the groups that can have a great impact on a Planet Organic. Whether the change is positive or negative, a change in the general publics attitude can cause hang within Planet Organics reputation and profitability. Another group of people who can have an impact on Planet Organic are their employees; these are people who are employed within the company, this can range from its sales associates to the farmers. Companies that could affect Planet Organic are Fair trade, Erie sign and Organic Standards.

We also found six main groups, which have a great impact on Planet \* Soil Association \* Green Providers Directory \* I-J Organic Directory \* Organic Food \* Cycle Lifestyle \* Fair Trade Planet Organic support all of these companies by stocking and promoting their goods thin their store. Planet Organic also provides leaflets and details about these organizations for its consumers to find more information on, they work closely together in order to create public interest.

The above companies main concerns of health implications are similar to Renee Elitist's, which is great publicity for Planet Organic being linked with them and vice versa. Organizations such as Soil Association is not funded by the government as it is a charity based company relying on donations and support from members as the public in order to continue to carry out their work. The Food Ethic Council also arteries over 80% of organic food sold within the I-J, aiming to inform the public about the many benefits of organic



food and farming, they also have a similar mission statement to that of Planet Organic.