The Influence of Eco-labeled Products on Consumer Buying Behavior

By focusing on eco-labeled bread

Bryunina Daria (890710),
Khodadad Safaei Sara (820224)
We would like to thank all those People who supported us in this thesis writing process including our families and friends. Without their help we were not able to complete this work.

We are heartily thankful to our supervisor, Sara Melén, whose encouragement, guidance and support enabled us to develop the subject we were working on and led us to the final research.

We would also like to show our gratitude to Ingemar Haglund, who supported us during the initial stage of our research.

And very special thanks to our contacts: Reza Vahid, Cecilia Enberg, and Jeanette Segerman in the Nordic Bake Off company who supported us kindly with the needed information during the whole process of the work.

It was an honor for us to work with our seminar groups, who have been giving us useful advices and offering constructive criticisms.
Abstract

Date: 5th Jan. 2011

Program: International Business Management

Course: Bachelor Thesis in Business Administration: FÖA300

Title: The Influence of Eco-labeled Products on Consumer Buying Behavior. By focusing on organic fresh bread.

Authors: Bryunina Daria (890710), Khodadad Safaei Sara (820224)

Supervisor: Sara Melén

Research Question: How eco-label can influence on consumer buying behavior by focusing on bakery industry.

Purpose: The main objective of this research is to identify and analyze how eco-label on bread can influence on consumer buying behavior. Furthermore, the thesis will propose suggestions for the food markets future improvements.

Method: In this paper the literature review has based on the secondary data and telephone interview, e-survey and interview as the primary data has been carried out.

Conclusion: Ecological labels do influence on buyer behavior, however it is difficult to make this statement about organic bread because of lack of supply and advertisement that makes it hard for people to get information about existence of such bread.
Table of content

1 Introduction

1.1 Background ................................. 1
1.2 Choice of Topic ................................ 2
1.3 Problem Specification .......................... 3
1.4 Purpose ........................................ 3
1.5 Target Group .................................. 3
1.6 Delimitations .................................. 4

2 Research Theory .................................. 5

2.1 Consumer buying behavior ...................... 5
2.2 Is it better to pay more for it? ................... 9
2.3 Introduction to Eco-labeled products ............. 10
2.4 Green buying .................................... 11

3 Methodology ...................................... 14

3.1 Research Method ................................ 14
3.2 Data collection .................................. 14
3.3 Choice of Theory ................................ 16
3.4 Choice of questions ............................. 17
3.5 Validity and reliability .......................... 17
3.6 Non respondents and difficulties of data collection ........................................ 17

4 Empirical Study .................................... 19

4.1 Bakery industry .................................. 19
4.2 Eco bake off market .............................. 20
4.3 The company’s Introduction ....................... 20
4.4 General Information about the Organic products of the company ...................... 21
4.5 Company’s marketing strategy for organic products ........................................ 21

5 Empirical Findings .................................. 22

5.1 The influence of eco-labeled products and bread regarding different income categories: ........................................ 22
5.2 The influence of eco-labeled products and bread regarding different age categories 23

5.3 The influence of eco-labeled products and bread regarding the education and gender 23

5.4 What eco-labeled products imply for ___________________________________________ 24

5.5 The familiarity of people with KRAV sign ________________________________________ 25

5.6 Purchasing of organic products with higher price than the ordinary products ______ 25

5.7 Credibility of eco-labeled products: ____________________________________________ 26

5.8 Expectation from eco-labeled products: __________________________________________ 26

5.9 Percentage of people who buy eco-labeled bread __________________________________ 27

5.10 Reasons of not buying eco-labeled bread _________________________________________ 27

5.11 Reasons for buying eco-labeled bread ____________________________________________ 27

5.12 Regularity of buying eco-labeled bread __________________________________________ 28

5.13 Source of information for organic bread: ________________________________________ 28

5.14 The visibility of eco-labeled bread in shops and its easiness to find ________________ 28

5.15 What can motivate customers to buy organic bread ______________________________ 29

5.16 Different type of organic products that are purchased by customers ________________ 29

5.17 Reasons for costing more to produce eco-labeled products ________________________ 30

6 Analysis of findings _____________________________________________________________ 31

6.1 The Buyer Decision Process ____________________________________________________ 31

6.2 Consumer buying behavior _____________________________________________________ 32

6.3 Eco-labeled and KRAV familiarity ______________________________________________ 33

6.4 Credibility of Eco-labeled products and Willingness to pay more for Eco products 33

6.5 Being aware of the high cost reasons ____________________________________________ 33

6.6 Expectation from Eco-labeled bread and products ________________________________ 34

6.7 Visibility of Eco-labeled bread and products in the shops _________________________ 34

7 Conclusion _____________________________________________________________________ 35

7.1 Recommendations for the company ______________________________________________ 36

7.2 Recommendation for future research ____________________________________________ 36

8 Bibliography _________________________________________________________________ 38
8.1 Printed resources

   Articles: 38
   Books: 39
   Other printed resources: 39

8.2 Internet sources: 39

8.3 External references: 41

9 Appendixes

   Questions 42
List of Figures:

Figure 1: Research Model (own construction) ................................................................. 5
Figure 2: The buyer decision process Source: Michael R. Solomon, 2007, p.305 ................. 6
Figure 3: The interaction of the cultural, the social and the individual level..................... 7
Figure 4: Green buying behavior regarding income .......................................................... 22
Figure 5: Green buying behavior regarding age ............................................................... 23
Figure 6: Education ........................................................................................................... 24
Figure 7: Gender ............................................................................................................... 24
Figure 8: Willingness to purchase organic products even though cost more .................... 26
Figure 9: Reasons for buying organic breads .................................................................... 27
Figure 10: Eco bread in the shop .................................................................................... 29
Figure 11: Purchasing different type of ecological food products ..................................... 29
Figure 12: Why green products cost more ....................................................................... 30
1 Introduction

1.1 Background

Over the past three decades the environmental concerns has increased (Yeonshin Kim & Sejung Marina Choi, 2005). Therefore ecological issues are very important and very much discussed nowadays (Gupta, Ogden, 2009:376). To prove that, for example, it is possible to see a lot of articles about ecology in different quality newspapers like Dagens Nyheter (example: Vi måste bli bäst på miljö/We have to be the best in ecology/, Thomas Karlsson, 2007), Le Monde (for example: Emballer sans polluer /Packing without polluting/, L. Be, 2011) or Los Angeles Times (example: Why isn't more wine 'organic', W. Blake Gray, 2011). There are a lot of discussions on different levels about greenhouse effect, environment pollution and its effect on peoples’ health, how people can stop all the bad consequences caused by the rapid growth of industrial production and human impact on the nature. As a prove to that, for example, European commission has a division of international environment policy, where ecological concerns are discussed within different areas, from agriculture to transport (EC environmental integration, 2010). According to Dagens Industri (DI, 2009), sales of organic (environment friendly) foods are raising despite these type of products still have only small share on the market. Companies started to use environmental strategies and produce environment-friendly products, which are supposed to be good for humans, nature and companies’ own reputation on the market (Esty, Winston, 2009:3, 13). Although ecological products market share is not that big, during the last years it was noticed the steadily growing demand on these kinds of products (SvD, 2009). A lot of companies from different fields have ecological goods now: everything becomes ecological - from food (ecological milk from Arla) to cars (Miljötaxi in Stockholm). Some other examples of ecological products are recyclable and reusable packaging, nonpolluting products, energy efficient bulbs and etc. (Mainieri et al, 2001).

In order to distinguish ecological products from ordinary ones companies put special ECO-labels on them (Gallastegui, 2002:316; Teisl, Roe, Hicks, 2001:339). An eco-label is a label or logo to certify that a product meets high environmental and performance standards and has less impact on the environment than non-labeled products. Beyond this environmental aspect, it also shows that a company is socially responsible (Ghauri & Cateora, 2005:475). One of the first ecological labels was The EU Ecolable. It was established in 1992 to persuade businesses to produce products and services which are good for the environment. The European Eco-labeled products and services are stamped with a flower logo, allowing consumers recognize them simply. (European Commission - Environment - Ecolable, 2008:7). It is estimated that Europe's green consumer will increase over 100% in 2009 and reach € 114 billion in 2015 (eMarketerGreen, 2010:7).
These labels are carriers of essential product information to the customer. People have to pay more for the products that carry eco-label sign (Vitalis, 2002:7).

Purchasing and consuming products that are beneficent for environment is called green buying (Mainieri et al, 2001). Consumers who concern more for the environmental issues are more possible to buy ecological products (Yeonshin Kim & Sejung Marina Choi, 2005).

Consumer buying behavior can be defined as the analysis of how independent consumers or groups purchase, use and regulate the services according to their needs and preferences. These needs vary in different cultures, situations and people characteristics (Kotler and et al 2009: 224). Therefore those consumers whose purchase behavior is influenced by environmental concerns will be considered as green consumers (McCarty & Shrum, 1995).

This is remarkable that green buying behavior differs from general buying behavior in different aspects, such as age, income, values and attitudes (McCarty et al, 1995). For example, a recent study has shown that persons categorized as most green, considered being” better educated older females with high incomes and liberal orientation", whereas less green considered of being "younger ,nonpolitical, less educated male".

There is also another view of the differences between green buyers and non-green buyers. This difference is studied through social dilemma theory to explain the attitude behavior in environmental consumerism. The differences between green and non green buyers are based on some facts related to the individual: Social value orientation, trust in others, reference group influence, and perceived efficacy (Gupta & Ogden, 2009).

1.2 Choice of Topic

All the factors above stimulated the interest in the topic of ecological labeling and green buying (“green” buying means that customers buy and consume “green” products, which are such kind of products that are environmentally beneficial (Mainieri, Barnett, Valedo, Oskamp, 1997)). It was especially interesting to see how eco-label influences on consumer buying behavior. Swedish market was chosen because it is the 4th biggest market of ecological products in Europe, following after Denmark, Austria and Switzerland (KRAVs marknadsrapport, 2010: 8). This topic was chosen because we also believe that consumers in Sweden are very environmentally conscious (according to Yale university environmental performance index 2010 Sweden takes 4th place in most environmental countries in the world (EPI 2010)) and they might be willing to collaborate. Moreover, it has been chosen to concentrate attention on bakery industry and in ecological bread in particular, because bread is one of the most familiar products in the world. However, according to KRAV(the eco-label company, officially certified in
Sweden) marketing report of the year 2009, the companies which produce ecological bread think that although this niche is tough they are not planning to give up (KRAVs marknadsrapport, 2009: 24). As it has been already mentioned above, the industry that has been chosen for the investigation is bakery industry, however it has been narrowed down to fresh baked bread industry because it is the least studied area which could have been better explored.

For the investigation the company Nordic Bake-off was chosen because it is a big company on the bread market, and its brand Bonjour, under which the company produces bread, is distributed in many stores in Sweden. The choice of the company was also dictated by availability of personal contacts in it and possibility to get all the needed information.

1.3 Problem Specification

As public concern for environmental issues has been increased more and more these days, we found it an interesting subject for better understanding the green buying behavior.

How eco-label can influence on consumer buying behavior by focusing on bakery industry? Regarding that some sub questions appeared:

- What cause the green buying? What motivates consumers to buy Eco-labeled Bake-off?
- Could the factors such as, income, age, gender, or education of customers have an important influence on their green buying behavior?
- How consumer can be informed by Eco-labeled products? Could media or friends have an important impact on green buying?

After the fusion of theory and facts, the valuable answers to these questions mentioned above will be reached.

1.4 Purpose

The main objective of this research is to identify and analyze how eco-label can influence on consumer buying behavior by focusing on bakery industry.

1.5 Target Group

In general we address this paper to the company we are cooperating with and business staff and students of Mälardalen University.
1.6 Delimitations

First, our investigation focuses on organic fresh-baked products, not organic bakery products in general. We use consumers point of view for the research, however we also use management perspectives to get the general understanding of companies’ choice to introduce organic products to the market. The research has been conducted in two cities of Sweden: Stockholm and Västerås.
2 Research Theory

The theory framework was chosen after identifying the purpose of the work: to investigate how the ecological label on bakery products can influence on buyer behavior. We have found different theories that can be useful for our thesis and after taking a deeper look into the problem we have chosen the following ones: explanation of the consumer buying behavior with help of the model of buyer decision process and types of buying decision behavior, eco-labeling strategies and “green” buying. The consumer buying behavior is important in our work because first of all it can show the pattern how and why occurs the demand on certain products. Also, it determines the companies’ marketing strategies; it is a platform for plans for pricing, promotion, sales and advertising (John A. Howard, 1989: 2). Under eco-labeling strategies, different types of eco-labels will be explained, how they work, their purpose. The last part of the theoretical background is “green” buying behavior. These theories will be used for creating a survey about ecological products, evaluating the data from it and from the received information from Nordic Bake-off. The figure below represents our theory framework:

![Research Model](image)

**Figure 1**: Research Model (own construction)

2.1 Consumer buying behavior

2.1.1 The Buyer Decision Process

The process of buying decision consists of several steps that buyer undertakes in order to make the final decision. These steps are:
Problem recognition

- The first step on the way to the purchase is problem recognition. During this step, consumer realizes that he has a need in something. This need can be caused by internal or external stimuli. By internal stimuli are meant normal personal needs like need in food, shelter, water etc. External stimuli can come to a person via advertisement or discussion with a friend (Kotler, Armstrong, 2008: 147).

Information search

- Under information search stage a customer tries to find as much information about a product as he needs for the decision making. The amount of searching consumer can do varies due to different level of motivation, the primary information that he has, the possibility of obtaining and value of information and also on level of person’s satisfaction from the search (Kotler, Armstrong, 2008: 147).

Evaluation of alternatives

- The evaluation of alternative occurs when the buyer uses the information he got to evaluate different brands in the same product category. Sometimes consumers do careful evaluation, for example when they buy something expensive, and sometimes they don’t pay much attention to this phase, for example when they make a habitual buying (Kotler, Armstrong, 2008: 148; Michael R. Solomon, 2007: 318).

Product choice

- After the costumer evaluated the alternatives, he stops on a particular brand that meets his requirements. However, there are two factors that can influence on your final decision after the evaluation of alternatives and before actual buying. They are: attitudes of others and unexpected situational factors (Kotler, Armstrong, 2008: 148-149).

Outcomes

- Outcomes or post purchase behavior is the stage of buyer decision process when the costumer understands whether his expectations of the product corresponds product’s performance. He determines if he is satisfied with the product or not (Kotler, Armstrong, 2008: 149).
Judging by the model, the user overcomes all five stages with any purchase. However, the person can skip some of the steps or change their sequence.

2.1.2 Introduction to Consumer Buying Behavior

The study of consumer behavior can be divided into three interdependent dimensions: the study of culture, the study social groups and the study of individual (Kotler and et al 2009: 224). The figure below is extracted from (Kotler and et al 2009: 224).

![Figure 3: The interaction of the cultural, the social and the individual level](image)

**Figure 3: The interaction of the cultural, the social and the individual level**

**Culture:**

The importance of culture and consumer behavior relationship can be defined as two way streets (Solomon, 2006: 542). Culture is the basic determinant of consumer's needs and behaviors. It consists of smaller subcultures which is included different nationalities, religions and races groups (Kotler et al 2009: 224).

**Social groups:**

According to Kotler et al (2009: 227-230) Social factors such as reference groups, family, and social roles and statuses affect consumers' buying behavior. Consumers consider different products as befitting for different social groups. Working class tend to see the products according its functionality and use more than its style and fissionability while
wealthy people more concentrate on style and appearance of the products. So for example, they are greedier to consume more diet foods and drinks comparing to people in working class (Solomon, 2006: 466). The division into social groups can be as follows:

- **Reference group:** Any direct or indirect influences on person's attitudes and behavior by all the groups can be defined as reference group. Groups who influence directly on a person behaviors is called membership groups which is itself contains of two different groups. Primary and secondary groups. The Primary group is the group in which a person interacts continuously and informally with. Such as family, friends, neighbors and co-workers. The secondary group is the group in which a person interacts formally with. Such as religion, professional and trade union groups.

- **Family:** family is the fundamental and important consumer buying organization in the society and it is the most powerful and effective primary reference group.

- **Roles and status:** Groups are often the primary and most important source of information. A person's presence in each group he belongs can be defined in terms of role and status. The activities is expected to be performed by a person is called role and each role carries a status.

**Individual consumer:**

Kotler et al (2009, 230) believe that the consumer's decision can be also influenced by age, gender, family structure, occupation and economic circumstances, personality and self-concept, and life style and values. In this case Solomon (2006: 10) also mentions that besides these factors demographic dimensions can be also an important factor to influence a person's buying behavior.

- **Age:** It is obvious that people in different age have different needs, taste and preferences. Even though that people in the same age group may differ in many ways but they still have a willing to follow a shared culture and types of values (Solomon, 2006: 10).

- **Gender:** Many products are differentiated for either men or women. Obviously men and women have different preferences and a study of food preferences has shown that men are more interested in using meat while women eat more fruits and juice (Solomon, 2006:10 / 164).

- **Family structure:** A person's family and his/her marital status is the most influential factor on a person's buying behavior. Families with young children are more concern for healthy foods and fruits while single households or those with older children are likely to use more junk foods (Solomon, 2006: 10).

- **Occupation and economic circumstances:** Obviously the occupation and economical circumstances have also an important influence on consumption patterns. Products' choice greatly influenced by a person's income and occupation (Kotler et al, 2009:231).
Personality and self concept: A product choice is greatly affected by personality characteristics of each person. It is said that each brand has personality and a person choose those brands that are likely more match with their personality (Kotler et al, 2009: 231).

Lifestyle and values: Lifestyle is a person's pattern of living, his/her interests and opinions (Kotler et al, 2009:232).

It is obvious that each customer has its own lifestyle. The way we value the things, how we feel about ourselves, what we are interested to do in our spare-time, all these factors provide us to find out which products are more close to our preferences and make us happier (Solomon 2006:11).

2.1.3 Types of buying decision behavior

There are different types of buying behavior and they depend much on the product that consumers have intention to buy. There are two variables that influence on the buying behavior-degree of involvement to the purchase and differentiation among brands. Four types are distinguished (Kotler, Armstrong, 2008:145-147):

- Complex buying behavior: high level of involvement of the consumers to the purchase, consumers perceive high differences between brands. Example: buying a computer, where both price, company and attributes of a computer matter.
- Dissonance-reducing buying behavior: high level of involvement, little difference between brands. Example: buying a carpet, when brand differences are not large but prices are high for all of them.
- Habitual buying: low involvement, little difference between brands. Example: salt or other household products people may buy everyday or more or less often.
- Variety-seeking buying behavior: low consumer involvement, significant difference between brands. Example: when consumer wants to try a new brand: the lower price, nice packaging, special deal, free sample, etc.

By high or low levels of involvement means the amount of research about the product consumer makes before buying it, the intensity of motivation buyer has in buying a product (John A. Howard, 1989:152)

2.2 Is it better to pay more for it?

The statement of a price-quality relationship (the assumption that higher prices mean higher quality (Solomon, 2006: 325) is one of the most extensive market beliefs. Experts also consider this information, although in these cases price tends to be used for its informational value, especially for products that are known to have wide quality
variations in the marketplace. For the most part, this belief is justified; you do tend to get what you pay for (Solomon, 2006: 325).

2.3 Introduction to Eco-labeled products

Eco-labels are created to inform the customer with such objectives as to provide consumers with more information about the environmental effects of their consumption, generating a change towards more environmentally friendly consumption patterns, and to encourage producers, governments and other agents to increase the environmental standards of products/services (Gallastegui, 2002: 316). There are different forms of eco-labels, some are mandatory and some are voluntary. Mandatory labels are rules of certain standard of the product established by the government and written in the law. Voluntary labels can be divided into three categories according to the ISO standard: type I, type II and type III.

The first type of eco-labels refers exactly to the environmental quality of a product; it tries to persuade people to buy environment friendly goods (Gallastegui, 2002: 317). This type of label is mostly known by the customers and commonly referred to as eco-label (Rex, Bauman, 2006: 570). These labels are produced by the third party and monitored through a certification or auditing process (Ecospecifier, 2010). Some of the examples of such labels on Swedish market are KRAV and Bra Miljöval (Rönngrén, Turesson, 2004: 12).

Type II are labels which are made by the manufacturer of the product, importers or distributors and concern specific qualities of the product, for example ‘CFC free’ products (free of chlorofluorocarbons, which are harmful chemicals that destroy the ozone) or ICA Ekologiskt.

Type III labels give quantified environmental data of a product which is based upon independent verification using preset parameters. These parameters are set by qualified independent bodies and based on life cycle assessment. This type of information provided by the label is similar to nutrition labels on food products that detail fat, sugar or vitamin contents. It is a rare label. (Ecospecifier, 2010; Gallastegui, 2002: 316)

Since our research concerns customer perception of eco-labels, we are going to concentrate in our research on eco-label type I, as it is the most common type and focuses customer attention on overall environmental characteristics of the product, not its particular component.
There are several official Nordic eco-labels in Sweden, which are: Swan (Nordic Ecolable), KRAV, Bra Miljöval. We are concentrating on the label KRAV, because it is the official eco-label for food and textile (Svanen, 2007).

In order to obtain KRAV label, products should be first certified by appropriate companies. This label costs certain amount of money to the company, it should pay a license to use the label plus payment should be done to the certifying company (KRAV, 2010). This can be one of the explanations why ecologically marked products are more expensive than ordinary once.

2.4 Green buying

Previous chapter discussed eco labels and what they are, it is important to notice how they are connected to the green buying. Green buying is a way of people to show their concern about environmental issues. Eco-labels help environment friendly consumers in their decision process, with their help the consumers can distinguish which product is ecological and which is not and which they want to buy according to their preferences.

Consumers who concerns about the environmental issues, seek for the products to be produced in a maintainable way, and they spend money to advance their personal health. Consumers with such an attitude to life are called LOHAS consumers. LOHAS stands for Lifestyle of health and sustainability. LOHAS consumers are mainly interested in health care, organic clothing and food as well as social responsible investing (Kotler et al 2009: 232). According to Kotler et al (2009:233) around 50 percent of Europeans buy more green products than Americans and almost 30 percent of them influence more on their friends and family about the environmental issues than Americans. Researcher believes that the main reason could be the availability of LOHAS products.

However green buying is motivated not only by good attitude toward the environment and social responsibility that people might feel, there are other factors that have to be taking into account: Education, social status, price of products, age of customers (Kotler et al 2009: 230).

Who are the average green consumers? Traditionally it were young, well educated and affluent city citizens, some later studies showed that elderly people are more concerned about environment and behave more in a “green” way (Mainieri et al, 1997: 191). However, according to the KRAV marketing report 2010 (p.6) is becoming more and more difficult to point out average “green” consumer. Nevertheless is possible to see some trends in green consumption. More women buy eco-products, the age of the buyers is relatively young, around 18-30 years. Moreover, the more rich people are, the more eco products they buy (KRAV marknadsrapport: 6).
What makes people may buy ecological products? First of all consumers may buy ecological products because they believe that these products are good for their health. Additionally to this, it is their motivation to be environment friendly. However, despite this motivation, consumers are still price-sensitive when it comes to buying (Mainieri, Barnett, Valedo, Oskamp, 1997: 193). Sometimes consumers buy ecological products, even though they don’t know that they are ecological (Tjärnemo, 2001: 6).

“Green” labels serve a distinguishing feature of the product, and also a very powerful marketing tool (Vitalis, 2002: 5), which helps environment friendly consumers to find faster ecological product and make a purchase decision. Nevertheless, some people can misinterpret these symbols, and have misperceptions about eco-labeled product. For example, consumers might believe that eco-labeled goods have some characteristics that are not present in the product (Gallastegui, 2002: 320).

Need for information: Consumers in order to make their decisions, they need information about how to recognize green products and where to find them (J.A Ottman, 1992:34). According to Ottman (1992: 34) a research has shown that 54 percent of consumers read the labels rarely and consumers need more information in advertising.

The importance of the price of green goods: The consumer research has shown that even those who concerns for the environmental issues, are not interested in choosing green products such as organically grown vegetables if the prices are more expensive or not easy to find (John Wasik, 1996:10).

As it has been already mentioned in the introduction, green buying behavior differs from non green buying behavior in different aspects, some of them are social value orientation, trust in others, reference group influence, and perceived efficacy (Gupta & Ogden, 2009).

According to G.Macintosh & Stevens (2010) Social Value Orientation can be defined as personal preferences for the sharing of outcomes to oneself and others. There are three majors Social Orientation Value (Gupta & Ogden, 2009).

- Cooperation which is the willingness to increase both self and others' outcomes.
- Individualism which concentrate on self achievement
- Competition which emphasis on achievement for self over others

People who concerns for environmental issues are more likely be cooperative than individualists or competitors. Therefore, social value orientation treats differently between green and non-green buyers.

- Trust: Individuals are different in their level of willingness to trust that others are sincere or insincere. High-trusters are more probable to be cooperative than low-
trusts. So therefore trust treats differently between green and non green buyers (Gupta & Ogden, 2009).

- Reference group influence (In group identity and expectation of other cooperation): According to Shruti & Denise (2009), a reference group is a person or a group that effect another person's decisions. Because of the importance of the influence, reference group has a strong impact on behavior. Making group identity increase a person's awareness of being a member of the group which increases the level of his / her cooperation. Therefore in group identity treats differently between green and non green buyers.

Gupta & Ogden (2009) also believe that individuals are more probable to cooperate if they expect others to do the same. Therefore expectations of other cooperation treat differently between green and non green buyers.

- Perceived efficacy: extent to which individuals believe that how much their actions and contribution can make differences in solving a problem (Yeong Shin Kim & Sejong Marina Choi, 2005).

According to Gupta & Ogden (2009) it is said that individual's perceived efficacy is related with their expectations of other's cooperation. This is because consumers under low efficacy conditions are doubtful about their impact of contribution and they have more tendencies for others opinions to make their own decisions. In other words, when consumers accepts that their contribution will be helpful (high efficacy), their expectation of others cooperation will be less. Therefore the influence of belief of others cooperation on green buying behavior will be higher when perceived efficacy is low. So perceived efficacy can treat differently between green and non-green buying behavior.
3 Methodology

In this chapter the process of choice of company and respondents, data collection, the research method and data collection difficulties, will be explained.

The first objective of this paper was to decide of a general topic (Bell, 2009:38): buying behavior. Then it was necessary to find a company to cooperate with. An email was sent to several companies such as the Body Shop, Tesco, Ryan air and Clark and asked for their cooperation for this thesis writing in consumer behavior area. But unfortunately all answers were negative. After this unanswerable effort, we asked our friends and relatives to help us.

Finally through a friend of friend, we got in touch with Nordic Bake-off, one of the big Swedish bakery Company. After some research in bakery industry and skimming through current issues, it has been decided to relate buying behavior with ecological issues with focusing on eco-labeled bread.

3.1 Research Method

Ghauri & Cateora (2005:155) emphasize that a research requires two different kinds of method, quantitative or qualitative method.

In quantitative research, the respondents are asked to answer either orally or in writing to some questions which the answers could be as "yes" or "no" or multiple choice questions. The result can sum up in percentage, average or other statistics. Survey research is usually related to quantitative research and normally the questionnaires are directed by personal interview, mail or telephone. While the qualitative research is open-ended and tends to be more explorative and unstructured and emphasize on understanding and interpret the person's feeling and thought (Ghauri & Gronhaug, 2010, 196).

According to the information above, this research paper focuses on quantitative method. This method has been used because this research has been mainly based on comparison information among the small sample. For example 76 per cent of the respondents prefer product A over products B (Ghauri & Cateora, 2005:155). And in order to make a comparison analysis this method was useful to sum up the result in percentage.

3.2 Data collection

3.2.1 Secondary data:

The first step of the research was to look for the related articles and books, regarding to the research subject (Bell, 2009:67). This literature search could be carried through both libraries and internet recourses (Bell, 2009:83-88). This way, most of books and articles were found in the Mälardalen, Stockholm and Uppsala university libraries and data bases.
Also, to find articles such as internet databases were used as Emerald, JSTOR, and Oxford Journals. Website of company and governmental authorities were also used in order to get the recent information about the questions concerning the main topic of the paper.

3.2.2 Primary Data

3.2.3 Interview

According to Ghauri & Gronhaug (2010, 125-126) interviews are mostly measured as the best data collection. This can be done via mail, telephone or in person. There are two types of interview in research. One is survey research or structured interviews with an emphasize on fixed response and sampling. This can be relating to quantitative method. The second type is unstructured interview, where the respondents have the authorization to discuss its opinion. Based on the explanation above, this research paper has been focused on survey research. The reasons will be explained on each related section.

3.2.3.1 Telephone and email Interview:

The email interview was conducted, in order to gain more information about the Eco-Labeled products of the Nordic Bake Off company. Regarding that several emails were sent to our contacts: Reza Vahidi (Budget department), Cecilia Enberg, and Jeanette Segerman (Information department).

3.2.3.2 Interview with consumers:

Regarding to the research question, in order to get consumers view on eco-labeled products, the structured interview with consumers conducted. Another reason was that, people were chosen randomly which could give more reliable information.

Meanwhile the list of 18 questions was made which was included multiple choices or yes or no questions. The interviews were conducted in Västerås and Stockholm city in front of the Coop, Coop Extra supermarkets and also in the University and City library. In total, we got 40 responses during those face-to-face interviews. Out of those 40 people, 15 responses were taken in the supermarkets and other 25 responses in the libraries.

Supermarkets were chosen because it was a place where consumers have just experienced the shopping, which could help them to answer the interview better and easier. As a whole 80 people were approached for interviewing but only 15 people cooperated. They were chosen very randomly with the ages between 18 – 54 years old. The interview in front of supermarkets conducted at different days and time of the week. Such as Saturday afternoon around 16:00 where mainly family was purchasing, and on Monday and Tuesday evening when the consumers were mainly people came after the work.
Besides, university and city libraries were chosen because reaching people for gaining information was easier than any other places in the city. 30 people were approached for interviewing and among them 25 cooperated. These people were also chosen randomly with different age group which was between 30 to 63 years old. The interview in the libraries performed in two days, Monday and Tuesday morning.

3.2.4 Questionnaire

Ghauri & Gronhaug (2010: 119-120) explains that questionnaires are the most popular data collection methods in business study. There are two kinds of questionnaires: Descriptive and analytical survey. Descriptive survey is concerned with the particular characteristics of a specific population. In this survey, a review of previous research and literature is important to decide what kinds of questions are needed in the questionnaire. This survey is often used to gain consumers attitudes towards a certain products. While the analytical survey concern with testing the theory.

Based on the information above, in order to gain the consumers view on eco-labeled products and ordinary products, the descriptive questionnaire has been used.

It is important to decide whether the questionnaire must be sent by emails or it should be interviewed (Ghauri & Gronhaug, 2010:121).

As it has been mentioned before in section 3.2.3.2, it was decided to do the survey interview. But after having difficulties to reach people by interviews and uncomfortable face to face contact especially because of the language barrier, a decision was made to send the survey via email (social networks, such as Facebook) to one hundred people which among them 60 people answered. This increased the chance of having more respondents and helped us to save more time. The age of the people that performed the survey was between 18-45 years old.

These two together, the interviews and questionnaire gave us one hundred samples in total.

3.3 Choice of Theory

As it has been already mentioned in problem specification, some factors such as age, income, education, and gender came to the question to see their importance and influence on green buying behavior. Section 2.1.2 in theory part has chosen to study these factors and gain information to see how consumer's decision can be influenced by these factors. Section 2.1.1 was also chose to gain information why and how consumers make their decision for buying products, (organic products in this case); and most of the questions were related to this part. Section 2.1.3 has used to know the type of buying behavior of consumers. Since buying decision process of eco-labeled bread differs from ordinary bread, it was important to know in which type of buying decision behavior eco-labeled
bread belongs. For example if it is habitual without seeing any differences among brands or if it was complex buying behavior and so on. And finally, section 2.2 was chosen to see if price really matter for purchasing organic products.

3.4 Choice of questions

Questions are designed to gain a precise answer to feature the respondent's behavior, intentions, attitudes, and motives (Ghauri & Cateora, 2005:155).

The questions in this research paper are mainly based on to know how the consumers make their decision for purchasing eco-labeled products especially bread. The theory part led us to make these questions. Some questions were made according to the section 2.1.1, to gain information about buying decision process such as why they buy organic products, how they gain information about the organic products and etc. Some other questions were made according to the section 2.1.2 which was related to some facts such as age, income and education of the consumers.

3.5 Validity and reliability

In a valid measure the observed data should be the same or close to its true value, which means the random error is very small. Reliability is concerned with the stability of the measure which means the observed data does not change or have small changes every time being measured (Ghauri & Gronhaug, 2010:79).

It has tried to be objective in the whole process of this research paper in order to maintain the reliability and validity of this report. But the collected data are based on our own interpretation and it can be difficult to ensure the validity of the procedure.

3.6 Non respondents and difficulties of data collection

The most difficult part of the work was to find a suitable company for our purpose. Without help of the friend it could be a problem to find a contact inside a company.

Another problem we faced during collecting the data was the website of the Nordic Bake off company. The whole information was in Swedish and as International students it put us in an extra trouble to Google translate the needed information on the website. So it might probably change the exact meaning and misinterpret the exact idea of the website. And besides this language problem, the provided information in the website was not enough; information such as : the history of the company, information about the Eco-labeled Products and its first establishing in the company. Therefore we had to reach our contact to ask these basic questions which normally must be founded easily on the websites of the companies.
Besides, approaching interviewees was not easy. The main problem was language barrier. Whenever we stopped someone in front of supermarkets to interview with them, they tried to skip when they saw it was in English. So if there was any answer it was in cursory manner which made us feel uncomfortable. Another excuse beside the language barrier was the excuse of being rush. People told us they are in rush and they don't have time to answer the questions.

In general men were more flexible than women for answering the questions and young people showed more interest to cooperate.

And the problem with e-survey was that, because there was not any face to face contact, it might cause insincere answers.

In overall view, since the survey was implemented by only small sample of people in proportion of the whole population of Sweden especially that it only performed in two cities in Sweden (Västerås and Stockholm); however it has been tried to do this sample of people as representative as possible.
4 Empirical Study

4.1 Bakery industry

Bread has been one of the oldest main food products during the history of a mankind (Brödinstitutet, 2010). Before industrialization bread was produced by home bakeries, which was the usual practice. Since the industrialization process began in the world, the majority of bread production has also moved from home bakeries to fabrics. Nowadays most of our bread is produced on fabrics however there still are bakeries that produce fresh bread daily (Brödinstitutet, 2010).

The bakery branch is quite developed in Sweden (Bageri, 2010) at least in Stockholm there are a lot of small bakeries (388 according to eniro.se and 253 according to hitta.se) which produce fresh bread daily. Moreover, more and more grocery stores get their own bakeries and produce their own bred and pastries (Bageri. 2010). According to the Swedish baking industry trade organization “Sveriges bagare & konditorer” since the beginning of 21st century, when big companies dominate, small ones should have a good strategy and price-policy in order to stay on the market. Moreover they should choose a specific niche to be able to satisfy more specific needs of people much better than the big companies can do (Bageri, 2010). In global perspective it is possible to notice globalization of bakery companies, a lot of limit their amount of brands, companies merge in order to face the competition in the industry (Bageri, 2010).

There are a lot of players on Swedish bakery market nowadays, however only small amount of them control the most of sales in the industry (Bageri, 2010). Around 80% of bread production in Sweden is made by such huge companies as Wasa, Pägen, Polarbröd, Fazer, Finax, ect. The distribution of these products goes through big grocery stores like ICA, Hemköp, and Coop. Local bakeries control around 10% of the bread production market. These type of bakeries are medium in size (about 15-20 workers) and sell their products on local market (specific region, town, ect.), they also sell the most of their bred through the stores like ICA or Coop. Another type of bakeries that is presented on Swedish market is traditional bakeries, where bread is produced in a more traditional, home-made way. These bakeries produce and sell bread in their own shops and have around 2-3% of bread market share. As it has been already mentioned above, a lot of shops have opened their own bakeries, the example of that can be Coop or ICA, where bread produces in store. The market share of such bakeries is around 5%. The rest 2% of the bread produced is home-made (Brödinstitutet, 2010).

One of the main baking trends nowadays is natural food (Wikiinvest, 2004; Tompson, 1998:113). The reason of this trend is because people want to eat what is good for their health. However, natural means: not only food that provides all essential elements for the body but also doesn’t do harm. Consumers nowadays are more conscious of what they eat; they read labels and ingredients what products contain. More and more consumers choose products which are good both for the environment and for their health (so-called
ecological products) (Bakingbusiness, 2010). Another trend nowadays is to eat whole-

grain products, as an example of such products can be taken dark bread. The consumption
of such bread increased in almost 50% from the year 2000 to 2005 (Brödinstitutet, 2010).

4.2 Eco bake off market

This part of market is not very well established yet. The consumption of “green” products
is growing, however not very fast (DN, 2007). If we talk about ecological bread, we can see a range of it on the market nowadays. A lot of companies produce bread with KRAV

sign on it: for example, Saltå Kvarn, Bonjour, Fazer Bageri AB or Coop (Krav, 2010). However, there are not many companies that produce ecological bake-off products and it is not easy to find them. According to the article in DN (ibid) it is smaller bakeries that produce “green” bread and they unfortunately cannot fully meet the demand on it. When we talk about bake-off niche in the bakery industry, first of all we have to determine what the meaning of this word is. The term bake-off means that the bakery products are supplied to the retailer in a frozen condition, and it is the retailer or already the consumer who bakes them (Allt om djupfryst, 2010). There are several main biggest players on the Swedish bake-off market; one of them is Nordic Bake Off. We are going to use this company in our further investigation.

4.3 The company's Introduction

Nordic Bake Off is a supplier of bakeoff products on Scandinavian market with its

headquarters in Stockholm. It develops, manufactures and sells bakeoff products and

services to supermarkets, convenience stores and to the bakery / pastry shops. The

company provides a broad line of bakeoff products under the brand Bonjour. Bonjour has

been producing good, high quality bakeoff since 1993. With a lot of years of experience

in bake-off, the brand Bonjour today is the strongest on the market (Nordik Bake Off, 2010).

Some Products Group:

- Bread, Dough: the company shapes the dough into a loaf or a bun. The rest of the baking process they hand to the bakers. Dough products give them more space for their own creativity and using these products allows bakers to put their own stamp on the final outcome. All dough products are of a good quality and this has been discovered by many traditional bakeries / pastry shops which use these products in their baking (Nordik Bake Off, 2010).

- Bread, prebaked: the company forms and prebakes products. Products are ready to be cooked straight from the freezer, but can also be thawed for a while before baking (Nordik Bake Off, 2010).
4.4 General Information about the Organic products of the company

Nordic Bake Off offers its customers fresh organic bread with highest quality, nice both for body and environment. Bonjour has launched a completely new range of organic bread in May 2009. They have also developed organically molded bags of bread. To meet KRAV ecological standards, organic bread of the company is baked from organic Swedish ingredients, grown free of pesticides and fertilizers. It does not contain any artificial additives. At the moment this bread is a small-scale production and it may take time to develop its different flavors. There are just 9 different kinds of bread in the range of ecological products of the company (Tänk ekologisk).

4.5 Company’s marketing strategy for organic products

At the moment the company doesn’t do any special campaign in order to promote their organic bread. However, according to our company contact Jeanette Segerman, the company has some brochures about organic bread that shops could use. Company’s ordinary bakery products are bought by such shops as Coop and ICA, however organic products of the company are not widespread on the market and are purchased only by several shops.
5 Empirical Findings

In order to find out consumers’ relation towards eco labeled products with the emphasis on eco labeled bread products, the survey has been carried out. There have been 18 questions, out of which 4 questions were compulsory to answer (income, age, education and gender). The survey has been answered by 100 people and the findings are presented below.

5.1 The influence of eco-labeled products and bread regarding different income categories:

![Graph showing percentage of people buying eco-labeled products and bread across different income categories.]

Figure 4: Green buying behavior regarding income

According to the theory, income is important in buyer decision process therefore the question about income was asked. As one can see in Figure 4, four categories of income (from below 10 000 SEK to more than 30000 SEK) have been proposed in the questionnaire. By increasing the income up to 30000 the purchasing of eco-labeled products and bread increases but this increase is not very significant (around 10%). However people with income over 30000 do not buy the most of eco-labeled products and bread. In contrast, the percentage of people in this category who buy organic bread is slightly less than those with income 20000-30000 (the difference is in 4% for ecological products and 10% for bread).
5.2 The influence of eco-labeled products and bread regarding different age categories

In the theoretical part it was mentioned that age of consumers affects their taste and preferences (Solomon, 2006: 10). The question about age and about if people buy organic products and bread was proposed. After comparing all responses it appeared that people aged 25–40+ buy the most of organic products (around 70% of respondents in each group confirmed that they buy eco-labeled products). Almost half of the respondents under 25 years old also buy these kinds of products. When it comes to ecological bread, from the Figure 5 it is possible to see that on the third place in purchasing eco-labeled bread are people in the age group 25-30 who buy the least of it (only 7% said that they purchase eco-labeled bread), the second place is taken by people under 25 (around 19% of respondents in this category said that they buy ecological bread). The first place in purchasing organic bread is taken by people over 30, more than 30% of them answered that they buy it.

![Figure 5: Green buying behavior regarding age](image)

5.3 The influence of eco-labeled products and bread regarding the education and gender

According to our theory, gender and education are also one of the main factors that can influence on buyer behavior. From the answers on questions about gender and education the following information was discovered: between almost 60-68 % of people with different level of education buy organic products. 25% of higher educated people buy organic bread. Only 10% of people with the level of diploma education buy organic bread. And with level education of below diploma 15% of people buy organic bread.
Almost 60% of both genders (female and male) buy organic products. 22% of male and 19% of female buy organic bread.

**Figure 6: Education**

**Figure 7: Gender**

### 5.4 What eco-labeled products imply for

Ecological label is one of the distinguishing factors of organic products (Gallastegui, 2002:316; Teisl, Roe, Hicks, 2001:339). In the theory part it was mentioned about
different types of ecological labels and their purposes. The question was proposed to people about their perceptions and knowledge about what does eco-label mean.

<table>
<thead>
<tr>
<th>Answers</th>
<th># of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>product is good for health</td>
<td>6</td>
</tr>
<tr>
<td>product is good/ not harmful for the environment</td>
<td>43</td>
</tr>
<tr>
<td>Both factors above</td>
<td>43</td>
</tr>
<tr>
<td>it is just an advertising trick</td>
<td>5</td>
</tr>
<tr>
<td>nothing</td>
<td>2</td>
</tr>
<tr>
<td>higher price</td>
<td>1</td>
</tr>
</tbody>
</table>

Only 6 respondents believe that eco-label means that it is just good for your health. 43 respondents answers that this label means that the product is not harmful for the environment. The same amount of people pointed out that eco-labeled products are both good for health and the environment. For 5 people these labels are just an advertising trick to attract more consumers. Two people said that this label means nothing to them and one responded that eco-label always goes together with higher price.

5.5 The familiarity of people with KRAV sign

During the decision products consumers need to know information about the product that they want to buy (Kotler, Armstrong, 2008: 147). Eco-label on a product provides information that this product is ecological. The aim of this question was to know if people were familiar with one of the main eco-labels in Sweden, KRAV. Most of people (66 respondents) said that they know what KRAV is, 33 persons did not. One respondent decided to skip this question.

5.6 Purchasing of organic products with higher price than the ordinary products
Theory suggested that price of “green” products is important. This question was asked to see if consumers buy organic products even though they cost more than the normal products. Most of the respondents (56 people) answered that they may buy organic products despite the higher price. Twice less (26) answered that they are not inclined to overpay for organic products. The rest of respondents (18 respondents) did not think about this question.

5.7 Credibility of eco-labeled products:

In the context of this research, it was very important to evaluate the attitude of consumers in credibility of the eco-labeled products.

73% of respondents claimed they believe in the credibility of eco-labeled products. Since it was a Yes/ No question, obviously 27% of respondents answered negatively.

5.8 Expectation from eco-labeled products:

In the theory part it is suggested that people buy ecological products because of different reasons. The aim of the question about the expectation of people from eco-labeled products was to investigate what people actually expect when they buy organic products.

<table>
<thead>
<tr>
<th>Answer</th>
<th># of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>better quality</td>
<td>52</td>
</tr>
<tr>
<td>better taste</td>
<td>28</td>
</tr>
<tr>
<td>no expectations</td>
<td>25</td>
</tr>
<tr>
<td>Other</td>
<td>13</td>
</tr>
</tbody>
</table>
This table shows that more than half of the customers are expecting better quality from the eco-labeled products. And the second higher answers are for expecting better taste. It is noticeable that great parts of respondents (25%) have no expectation of eco-labeled products. And for the "other" option, respondents mentioned that they expect eco-labeled products to be less harmful for the environment than ordinary once.

5.9 Percentage of people who buy eco-labeled bread

The research is mainly focused on consuming organic bread, so it is important to know how many people in our sample purchase eco-labeled bread. 74% of respondents answered they do not buy any eco-labeled bread and 24% answered they buy it. And the two remaining skipped this question.

5.10 Reasons of not buying eco-labeled bread

The aim of this question was to get information why people do not buy organic bread. One of the main reasons was that respondents do not see any difference between it and ordinary bread (34%). And the second important reason is the lack of visibility of eco-labeled bread. 21% of respondents said that they have never seen or tried eco-labeled bread before. 18% of respondents do not buy organic bread because it is expensive and the remaining respondents have already their own favorite breads.

5.11 Reasons for buying eco-labeled bread

![Graph: Reasons for buying organic bread]

The question about reasons for buying organic bread was proposed in order to find out what motivates people to buy organic bread. Most of people responded that it is environmental concern that motivates them to buy organic bread. A lot of people are also motivated by health concern (29%), quality of organic products (26%) and their taste.
Two respondents said that they do not notice when they buy organic bread, they see it after they made a purchase; one person said that it is a will of trying something new that makes him/her buying organic bread.

5.12 Regularity of buying eco-labeled bread

There are different types of buying decision behavior and the frequency of buying a product plays a big role in it. According to the survey, most of respondents (73%) buy organic bread rarely, 20% of respondents buy this sort of bread several times a month, some respondents (around 6%) buy this bread regularly once-twice a week and only 1% of respondents buy organic bread daily.

5.13 Source of information for organic bread:

In the theory, part (2.4), consumers in order to make their decisions on green products, they need more information to how recognize these kinds of products and know more about the existence of these products. Therefore this question was asked to know how consumers gain information about the eco-labeled bread.

For most of people TV and friends are the main sources of information (34 and 36 responses respectively). 27 respondents answered that they get their information from newspapers and magazines and 26 people – from their family members. Colleagues are the source of information for 21 respondents. For some people shelves in the shop they inform them about organic bread (4 responses) and 3 respondents receive information from the internet.

5.14 The visibility of eco-labeled bread in shops and its easiness to find

The purpose of these questions was to find out what could be the reasons of not buying organic bread. This question was asked to know if respondents have ever seen or noticed the existence of eco-labeled bread in shops.

![Organic bread in the shop graph](image-url)
The survey has shown that almost a half of the people saw this type of bread in the shop and the other half did not. However, more people gave negative answer to this question.

For 86 respondents it is easy to find organic products in the shops and 13 people believe that it is not. One person out of 100 skipped this question.

5.15 What can motivate customers to buy organic bread

This question was answered by 76 respondents out of which 38 pointed out that lower price may stimulate them to start buying organic bread, 31 respondents claimed better advertisement could stimulate them to buy that. The remaining mentioned reasons such as better taste, same price as the ordinary products, knowing better what is the difference between organic products and non-organic, more flavors of bread (with nuts and fruits for example) or a will of trying something new.

5.16 Different type of organic products that are purchased by customers

This part was supposed to be answered by people who buy organic products. Numbers on the figure represent the amount of responses. Milk is the most popular organic product, 36 people said that they purchase it, 12 respondents pointed out that they buy ecological meat or/and fish, 11 responses were about ecological juices and only a small amount of people said that they buy organic bakery products. Among “other” category of products people named muesli, eggs, vegetables, coffee and chocolate. 18 people skipped this question.

Figure 10: Eco bread in the shop

Figure 11: Purchasing different type of ecological food products
5.17 Reasons for costing more to produce eco-labeled products

![Why "green" products cost more](chart.png)

**Figure 12: Why green products cost more**

This part was asked to know if the customers are aware of why they must pay more for organic products. As one can see the majority are aware that eco-labeled products are more expensive than the ordinary one because it costs more to produce them. Respectively 20% of respondents claimed that because not everyone buys these kinds of products so it costs more to cover the production cost. For the "other" choice, some people mention that it costs more because it is difficult to obtain ecological certificate and therefore people have to be charged for that. Also, it was mentioned that organic products cost more because the companies should be able to sell enough and manage the losses that accrue when they do not use chemicals and therefore are not being able to protect their crops as much as they could have done it. Furthermore, there was suggested another reason about the higher price for ecological products, it concerned the assumption that eco-labeled products are currently a status symbol which means that they have to cost more.
6 Analysis of findings

In this chapter, the findings will be analyzed. And the research questions will be answered relying on the findings.

6.1 The Buyer Decision Process

Base on the theory, part (2.1.2), some questions were asked in order to know how respondents make their final decisions to purchase eco-labeled products and bread. Regarding the process and the findings, the information will be analyzed below.

- Problem Recognition: Relating to the section 5.8 and 5.12 in finding, the majority of respondents purchase eco-labeled products and bread base on a need for better quality, environmental or health concern.
- Information Search: According to the respondents claim, section 5.13 in finding, the great part of respondents gain information about the eco-labeled bread through advertising and friends.
- Evaluation of alternative: This step of buying decision process is related to the finding section 5.10 and 5.11. That shows why some respondents purchase eco-labeled bread and some not which is analyzed in the part below:

Reasons of buying and not buying eco-labeled bread and products

The majority of respondents do not buy organic breads and according to their answers the main reasons of that are: the lack of visibility of eco labeled breads in the shops. Not seeing any especial difference between organic and ordinary bread. Another important reason is that consumers are not even aware of the existence of the eco-labeled breads. Price was the least reason of not buying eco breads. And among those who buy organic breads, the majority of them buy that rarely, and very small portion of consumers buy that regularly. Environmental concern is the main reason of buying eco breads. Other important reasons which are so close to each other respectively is: health concern, quality and taste.

The answers for what could motivate consumers to purchase organic breads cause an important paradox here. The price was the least reason among the respondents who do not buy eco-labeled breads while the majority of them say that lower price could motivate them to start purchasing eco breads.

And those who are not aware of the existence of the eco-breads mention advertising could stimulate them to purchase eco breads.

- Products choice: Regarding to the finding section 5.16, this step of process has been analyzed as follow:
Purchasing different types of ecological food products

It is interesting to notice that the influence of eco-labels will be totally different in functions of the type of product a consumer considers. Indeed, the answers to the part (purchasing different type of organic products) show that eco-labels associated to milk, juices, meat and fish have more influence on buying behavior than when associated to bread (2%).

6.2 Consumer buying behavior

According to the theory, (part 2.1) consumer's decision can be influenced by factors such as income (occupation), age, gender, education, life style, and family structure. Here some of these important factors are analyzed regarding the findings.

- Income

According to figure 4, it is interesting to notice that almost all people with different range of incomes buy eco products. So the income does not have a strong impact on buying organic products. People with the income less than 10 thousands SEK are the least buyers of organic bread and people with income between 20 -30 thousands SEK are the highest buyers of eco bread. It is interesting to mention that when the income increases more than 30 thousands SEK the purchasing of organic bread decreases: the income can't be the matter of buying or not buying eco breads.

- Age

Figure 5, shows that by increasing the age the customers concern for purchasing eco-labeled products and bread increase. Here an exception appears by purchasing eco bread. The percentage of purchasing organic bread suddenly decreases between the age 25-30 and it increase again. No logical reasons were found but it could be because of the small sample for the survey. But as an overall view, age can influence the buying behavior for purchasing organic breads and products.

- Education and Gender

According to figure 6, since almost 60% of consumers at different level of education purchase organic products, it will be obvious that education does not have a strong impact on buying organic products. But in the case of purchasing organic bread, consumers with higher education buy more eco breads than other level of education but this difference is not significant. Therefore education does not have impact on consumer's behavior for buying organic breads and products.

Figure 7, shows that both genders female and male consider the same level for purchasing the organic products and eco breads. With the very tiny difference (2%) that
males buy more organic breads and products than females. So it can be said that gender does not have influence on consumer's behavior for buying organic breads and products.

6.3 Eco-labeled and KRAV familiarity

In the part (2.4), it has mentioned that the consumers in order to make their decisions for buying green products need information about how to recognize green products. Therefore when it comes to the definition of eco-labeled products, and its Swedish sign KRAV, the majority of people are aware of what it means and they believe it is good for environment and health. So it shows that majority of consumers are aware of the difference between eco products and ordinary ones and they can recognize them easily by its sign KRAV.

6.4 Credibility of Eco-labeled products and Willingness to pay more for Eco products

According to the theory, part (2.4) trust treats differently between green and non green buyers. Therefore it is important know that these two factors are related to each other. As long as consumers trust in credibility of eco-labeled products they will purchase more of organic products. So this question was asked to know how much green buyers trust in credibility of eco products in practice.

Relying on the findings, the great parts of respondents believe in credibility of eco-products which can lead to increase the purchasing of eco-products even though that it cost more than the ordinary products. And regarding the finding 56 % respondents buy organic products regardless of its cost. It is interesting to notice that 27 respondents do not believe in credibility of eco-products and almost the same amount of people do not will to pay more for organic products. This shows that their unwillingness could come from lack of believing in credibility of organic products.

6.5 Being aware of the high cost reasons

In the theory, part (2.2) it is mentioned that some consumers see the higher price as a sign of higher quality for products. Therefore it was asked to know how much consumers are aware why organic products cost more and what could be their views on higher price on these kinds of products.

Relying on finding the majority of respondents are aware that organic products are more expensive than the ordinary products because it cost more to produce them. That is because of the quality objective.
6.6 Expectation from Eco-labeled bread and products

When it comes to what consumers expect from eco-labeled products and bread it brings up another paradox. The main motivation why customers purchase eco-labeled bread is environmental concern while the majorities of respondents expect better quality and taste from eco products. Even though that organic bread can be considered as one kind of organic products but customers see this differently.

6.7 Visibility of Eco-labeled bread and products in the shops

Base on the theory, part (2.4), consumers in order to make their decisions need to know where they can find green products. Therefore it was important to know if it is easy to find green products in the shops. Relying on the findings, 52% of answers were no. To insist on this aspect, it is noticeable that 86 respondents say it is easy to find eco-labeled products in shops while 52% never saw organic breads in a shop.
7 Conclusion

This chapter presents answers to the research problems that were stated with the perspective on the future of eco-labeled products. Also there would be presented some suggestions for companies that produce organic bread and future researchers.

The purpose of this paper was to know how ecological labels influence consumer buying behavior with an emphasis on eco-labeled bread. To find the answer for this question the research was conducted with help of several sub questions, which were designed in order to know what causes green buying, what influences people to buy environment friendly products and who informs them about the existence of such products, how eco-label influences on consumers, how they know about organic products, if consumers are ready to pay more for ecological products and who actually buys eco labeled food (bread in particular). All these questions lead to the main research question of the paper.

Despite the small sample of people who were interviewed and some paradoxes that were seen in the answers to the survey questions it was possible to generalize findings and find logics and general patterns in the responses.

First of all, the studies have shown that it is mostly youth and elderly people who buy organic products; this statement supports the theory which was used in the research. It has been also found out that the difference in education and gender is insignificant, however the theory suggested that it is more females who buy organic products (KRAV marknadsrapport: 6). People were willing to buy ecological products despite price premium on such goods and difference in income of consumers, this differs from what was expected from the theory, which suggested that more ecological products are bought by more wealthy people. However, it has been indicated that the price should not be too high. The main sources of information about organic products were mainly TV, social networks and newspapers and magazines what proves the theory that consumers need this information in advertizing and not only on products themselves. The main reason for buying was environmental concern both in the theory and in the research. When speaking about environmental concern, it is necessary to mention that almost all the respondents were aware of KRAV label and what information it carries. Moreover, almost all the respondents said that they recognize organic products by special label. This means that ecological label has a certain influence on people during the purchase decision moment.

Second of all, when people were answering on questions about eco-labeled bake-off bread it was visible that not that many consumers have seen it in the shops and those who buy it do it not often which makes it either a problem of advertising of such products or lack of supply. Despite the low rate of purchases of ecological bake-off, people said that they would be willing to buy this bread if they could see it and the price did not matter much.
Generally, it is possible to conclude that ecological labels do have an influence on consumer buying behavior. Pro-environmental consumers buy organic products and ecological label helps them to make their decision faster, distinguish those products that they want to buy from the other ordinary products. Comparing non organic products with the organic once it is possible to conclude from the survey answers that for people who buy organic products the purchase decision is more complicated because they have to consider a lot of factors before buying: how high is the price, if the products is actually ecological or not, how to distinguish and where to find organic products. The last problem is sometimes one of the most difficult for people who buy or are willing to buy organic bread because, apparently, there is not much information about it in the shops.

When it comes to ecological bake-off products the situation on this niche of market nowadays is not that good in comparison with the demand on, for example, ecological milk products. This means that there is practically no influence of eco-labels on people who buy bread, as it has been already mentioned above; there is lack of information about the existence of such bread.

However, a lot of people believe that ecological products are our future and the demand on them will be growing with time what means that the demand on ecological certification will grow as well. This leads to the thought that ecological products will be in a huge demand in the future and those companies that want to have a good piece of the ecological market in the future have to start already now. This concerns even bakery companies, because according to our research people are ready to buy organic bread, all what is need now is a better supply or advertising of such products on the market so that people could recognize organic bakery in the shops.

7.1 Recommendations for the company

The research found out that consumers do not buy organic bread mostly because they have never seen it in the store. According to this information and information about marketing strategy of organic bread of the company, it can be suggested to make the presence of organic bread in a store more obvious and to make some advertising campaigns or give out some brochures in order to inform consumers about organic bread. For example, company can do promotion of this bread in a store, so that consumers could taste it, see how it looks like and they could be shown where to find it.

7.2 Recommendation for future research

This research has been based on the survey of 100 people, which is quite small sample of all inhabitants in Sweden. For future researchers it can be suggested to try to get a bigger sample then the results can be more representative. Also, it can be recommended to structure surveys in such way so that people could not answer both “yes” and “no” on two similar questions, write very specific and simple questions in order to make all
respondents understand the purpose of the questions, otherwise the results can be misleading.
8 Bibliography

8.1 Printed resources

Articles:


Macintosh Gerard, Stevens Charles D. (2010)," Social Value Orientation and The Big Five Dimensions"


Rex E., Baumann H, 2007, Beyond ecolabels: what green marketing can learn from conventional marketing. Journal of Cleaner Production, 15, pp. 567-576


Books:


Lempert P., 2002. **Being the shopper: understanding the buyer’s choice.** New York: Wiley & Sons, Inc.


Other printed recourses:


8.2 Internet sources:

European Commission - **Environment - Ecolable** :

http://ec.europa.eu/environment/ecolabel/about_ecolabel/what_is_ecolabel_en.htm
eMarketerGreen:

Nordic Bake Off 2010:
http://www.bonjour.se/

Tänk ekologiskt :

Krav in English :
http://www.krav.se/System/Spraklankar/In-English/KRAV-/ 

Regeringskansliet, 2008. *Ekologisk produktion och konsumtion.* (Updated 23 juni 2010) Available at:
www.sweden.gov.se/sb/d/1603/a/61179

Krav marknadsrapport 2010. Available at:

Krav general website:
www.krav.se

European commission:
ec.europa.eu/index_en.htm

Dagens Industri, 2009. *Ekologisk mat fortsätter öka.* Available at:
di.se/Templates/Public/Pages/ArticlePrint.aspx?pl=19819__ArticlePageProvider

The grain-based foods information website Baking Business:
www.bakingbusiness.com

Sveriges bagare & konditorer, 2010. Utvecklingen inom bageribranschen. Available at:
http://www.bageri.se/undersida.asp?SID=141&HID=125&PID=35&PHM=

Dagens nyheter:
www.dn.se
Article ”Vi måste vara bäst på miljö”
www.dn.se/nyheter/sverige/vi-maste-bli-bast-pa-miljo

Le monde :
www.lemonde.fr
Article ”Emballer sans polluer”
www.lemonde.fr/web/recherche_breve/1,13-0,37-1144889,0.html

Los Angeles Times
www.latimes.com
Article “Why isn't more wine 'organic’?”
http://www.latimes.com/features/food/la-fo-organic-wine-20110106,0,3405605.story

Dagens nyheter:
www.dn.se

Le figaro:
www.lefigaro.fr

Ecospecificer, website about environmental products
www.ecospecificer.org

Svanen, swedish eco-label
www.svanen.se

The 2010 Environmental Performance Index (EPI). Available at:
epi.yale.edu

Brödinstitutet. Vem bakar brödet i Sverige? Available at:
www.brodinstitutet.se/index.asp?page=2&aktuellt_id=101

Svenska Dagbladet, 2009. Ekologisk mat fortsätter öka. Available at:
http://www.svd.se/naringsliv/nyheter/ekologisk-mat-fortsatter-okasve_3211561.svd

8.3 External references:

Reza Vahidi

Cecilia Enberg

Jeanette Segerman
9 Appendixes

Questions

1. Age

Gender

□ Male
□ Female

Level of education

Income per month

□ >10000 SEK
□ 10000-20000
□ 20000-30000
□ 30000<

2. What eco-label means to you?

□ product is good for health
□ product is good for environment
□ both
□ it is just an advertising trick
□ Nothing
□ Other (Please Specify)

3. Do you believe in credibility of eco-labels?

□ Yes
□ No

4. What do you expect from organic products?

□ better quality
□ better taste
□ no expectations
□ Other (Please Specify)

5. Do you know what KRAV is?

□ Yes
□ No

6. Would you buy Eco-labeled products even though they cost more?

□ Yes
□ No
□ Did not think of that

7. Do you buy eco-labeled products?
8. Is it easy to find organic products in the shops?
   □ Yes
   □ No

9. What are your sources of information about the organic bread?
   □ TV or radio
   □ Family members
   □ Friends
   □ Colleagues
   □ Newspaper or Magazines
   □ Other (please specify)

10. Which kind of organic products do you buy the most?
    □ Milk
    □ Meat/Fish
    □ Bakery
    □ Juices
    □ Other (Please Specify)

11. Have you ever seen organic bread in shops?
    □ Yes
    □ No

12. Why in your opinion eco-labeled products cost more than ordinary ones?
    □ it costs more to produce them
    □ not many people buy them, so they should cost more to cover production costs
    □ it is just advertisement
    □ Other (Please Specify)

13. Do you buy bread with ECO label?
    □ Yes
    □ No

14. How often do you buy it?
    □ every day
    □ 1-2 a week
    □ several times a month
    □ rarely

15. If NO, why not
    □ too expensive
    □ don’t see the difference
    □ Other (Please Specify)

16. If you don’t buy organic bread, what would motivate you to buy it?
    □ lower price
    □ better advertising, don’t know where to find it
    □ Other (Please Specify)
17. What makes you buying organic bread?
- Taste
- Quality
- Environmental concern
- Health concern
- Other (Please Specify)

18. If the price increases, will you still be buying organic bread?
- Yes
- No
- Depends on how much