

# Creating and Delivering Value for Consumers of Healthy Food – a Case Study of Organic Farma Zdrowia S.A.

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## Abstract

**Purpose:** This paper aims to analyse selected aspects of the marketing strategy of the first and biggest network of self-service shops with organic products in Poland – Organic Farma Zdrowia.

**Methodology:** The adopted methodology involves a qualitative approach. The case study is based on an analysis of company documents and marketing communication, especially that offered on its website and in its social media channels.

**Findings:** The company specializes in distribution of organic products in Poland. It has gone through organic growth, acquisitions, attracting a Dutch investment fund, and entering the NewConnect stock exchange. It operates based on the model of multichannel distribution, combining physical and online retailing. The assortment consists of 4,000 products, including organic food, cosmetics, and cleaning aids. The company has managed to create 3 own label product lines. The online retailer belonging to the company ([organic24.pl](http://organic24.pl)) is organized in a professional way, although some improvements are possible. In 2015, the company engaged in ambitious marketing projects.

**Practical implications:** The findings may be useful for the Organic Farma Zdrowia company as certain modifications in its marketing communication are recommended. Other companies operating in the sector may also benefit from the analysis of the strengths and weaknesses of the business in question. Furthermore, our case study may offer a framework of reference for researchers interested in this area.

**Originality:** This is the first study to examine the strategy and marketing activities of Organic Farma Zdrowia, a major player in the sector of organic food distribution in Poland.

**Keywords:** organic food marketing; organic food distribution; organic products retailing; healthy food; Poland

JEL: M31, L81, D22, L21

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## Introduction

There is a dynamic growth in the value of organic food market in Europe, though consumer motivation for selecting this type of products varies across countries and over time (Bryła, 2015b). Development of distribution channels of the so-called healthy food is related to new needs of consumers, who are increasingly often concerned about their health condition or having health problems (Witek and Szalonka, 2016). In Poland, the market develops rapidly, but its size is significantly smaller compared to the Western European countries. This development may be influenced by marketing communication activities, which should be handled by providers of organic food (manufacturers and distributors), government agencies, and NGOs (Nestorowicz and Pilarczyk, 2014). The selection of the distribution channel for organic food depends on product type and consumer preferences. The importance of the second factor increases with market development, which is why organic products are more frequently sold in supermarket chains in Western Europe (Maciejczak, 2016). The co-existence of separate distribution channels for organic and conventional food, which has prevailed in Poland, has increased consumer trust towards organic food, but also raised distribution costs at the same time (Pilarski, 2008). Kociszewski and Śliczna (2010) believe that the most desirable direction of development of organic food retailing in Poland is an increase in the number of specialist shops, whereas Pilarczyk and Nestorowicz (2010, p. 196) claim that the dynamics of organic food sales in Poland will depend on diversification of distribution channels, and especially that cooperation of manufacturers with large distribution networks is inevitable. This paper aims to analyse selected aspects of the marketing strategy of the first and biggest network of self-service shops with organic products in Poland – Organic Farma Zdrowia.

## Literature review

Retail sales of organic food products have been increasing faster than the sales of any other category of food, and have already penetrated mainstream retail grocery outlets. The decision to offer organic food for sale depends on local socioeconomic characteristics, and the amount of organic food offered for sale depends on the size of a given shop (Dimitri, Geoghegan and Rogus, 2017). However, almost one third of U.S. food retailers charge slotting fees for certified organic food products (Marasteanu, Jaenicke and Dimitri, 2014). In the UK and Denmark, organic food purchase decisions are primarily motivated by 'private good' attributes such as freshness, taste, and health benefits, attributes that may be perceived as being compatible with modern production and sales structure (Wier and O'Doherty Jensen, Andersen and Millock, 2008). The

main barrier to increase the market share of organic products in Slovenia is consumer information (Vukasovič, 2016). The same problem has been noticed in the case of Spain: consumers do not have enough information about the characteristics of organic products, organic food, and organic production methods (Colom-Gorgues, 2009). In Russia, the principal challenges for the development of organic food market include a large number of low-income consumers not being able to pay for premium products and a lack of official organic labels (Meixner, Haas, Perevishchikova and Canavari, 2014).

In Poland, the main factors of motivation behind opting for organic food include: product healthiness, ecological nature of products, food safety considerations, superior taste, and quality assurance (Bryła, 2016a). There is a strong correlation between the perception of European quality signs and the attitude towards organic food (Bryła, 2017). Earlier studies offered similar results, i.e. the vast majority of organic food buyers are motivated by the healthful qualities of such food and by care for the environment (Kowalczyk-Vasilev, Klebaniuk and Gronowicz, 2011; Cichocka and Grabiński, 2009). In a study conducted among inhabitants of Warsaw, the interest in organic food has turned out to be mainly driven by consumer concern for own health and for the health of members of the closest family (Kucińska, 2009). In Poland, organic products are perceived as healthy, not containing chemicals, safe, tasty, having high nutritional value, and environmentally friendly (Łuczka-Bakuła, 2007). Similarly, when it comes to other major elements of the food supply chain in Poland, retailers and processors also believe that organic food is mainly about healthful properties (Bryła, 2014) and that the competitive advantage of offering organic products is determined chiefly by their health-related values (Bryła, 2013). The main factors contributing to the development of organic farming in Poland include: adjustment of national regulations governing this type of agricultural activity to EU laws, improvement of the system of monitoring of organic farming, and availability of financial subsidies from EU funds (Kacprzak, 2011).

The main barriers to the development of the organic food market in Poland have appeared to be: high price, insufficient consumer awareness, low availability of organic products, short expiry dates, and low visibility on shop shelves (Bryła, 2016a). Similarly, another study (Mazurek-Łopacińska and Sobocińska, 2010) shows that high prices and a weak distribution network are the major obstacles to the development of the organic food market in Poland. The price differential between organic and conventional food rises with the increase in the level of food processing (Pilarski, 2008). (Pawlewicz and Gotkiewicz (2008) attribute high prices of organic food in Poland to insufficient vertical marketing channel integration. The need for organic distribution chain integration is emphasised by Zuba (2011). Other barriers to growth include also: confusion of the terms of health, traditional, and organic food, low level of appreciation of organic cer-

tificates (Lemanowicz and Szwacka-Mokrzycka, 2013), lack of trust in the technology of sourcing raw materials, limited availability of organic food in retail outlets, an excessively narrow product offer (Grzybowska-Brzezińska, 2012), lack of ability to distinguish such products, insufficient knowledge where to buy organic food (Żakowska-Biemans, 2011), low level of consumer awareness and ecological education (Śmiechowska, 2011), insufficient experience in operating on the organic food market (Pilarczyk and Nestorowicz, 2010), shortage of knowledge about organic farming and labelling of organic products, incoherent labelling – which hampers the ability to identify organic products in a broader food assortment, insufficient visual presence of organic food on the market (poor merchandising), and little motivation and insufficient knowledge of retailers in the domain of organic products (Krajewski and Świątkowska, 2006). Farms holding certificates of organic milk production have often no consumers to buy their product, and are therefore forced to sell organic milk at the price of conventional milk (Koperska, 2014). This problem concerns also other organic agriculture products, and has been estimated to pertain to 15% of crops and 70% of products of animal origin among organic farms from the Siedlce region (Niewęglowski and Jabłonka, 2014). Kucińska (2009) argues for an introduction of a national quality sign/label for organic products (following the example of Germany, Austria, and Switzerland) as a solution to overcome consumer confusion in the field of organic food labelling. Food retailers from the Lublin region of Poland have pointed to high prices, low availability, and high costs of supply as the main barriers to growth in the sales of organic fruit and vegetables (Pawlak, Paszko, and Wróblewska, 2016).

Case studies of French organic food distributors have shown that the retailer's success depends on a clear identification with the buyers' system of values, especially on a skilful combination of ecology with care for one's own health. Guaranteeing high quality by using specialist labels and certificates helps achieve the assumed strategic objectives. Organisational solutions (centralisation and standardisation in the intra-organisational network structure) and placing the company in a network of strong relations with suppliers (so-called partner brands) and customers (a system of consulting, loyalty programmes) are also crucial factors. Another opportunity for success may involve working with culinary bloggers (Bryła, 2015a).

## Material and methods

The adopted methodology is qualitative. We believe that this approach is appropriate because there is a need to study the phenomenon of organic food distribution in depth and explore the development and marketing strategy of a major player on this market.

The qualitative design methodology includes case selection process, data collection, and data analysis. We have decided to focus on the Organic Farma Zdrowia case due to its relatively important role in the sector of organic food distribution in Poland. The case study is based on an analysis of company documents and marketing communication, especially that offered on the company's website and in social media channels. An analogous methodology has been applied in a number of publications in the area of food marketing (e.g. Bryła, 2015a; Bryła, 2015b; Domański and Bryła, 2013; Domański and Bryła, 2012; Domański and Bryła, 2010). As the company has entered the stock exchange, it is required to publish regular reports for investors. These documents provide a wealth of information about the development strategy and marketing activities of Organic Farma Zdrowia and the entities with whom it forms a group of companies.

## Results

Organic Farma Zdrowia is the first and the biggest Polish network of self-service shops with organic and traditional products (food, cosmetics, personal hygiene products, and household cleaning products). It consists of 38 brick-and-mortar and online retail outlets, including 30 physical shops operating under the Organic Farma Zdrowia brand, 3 shops run under the Tradycyjne Jadło brand, 3 shops branded Organic Zielone Oko, and 2 online retailers: [www.ekosfera24.pl](http://www.ekosfera24.pl), which is the leader of online organic food distribution in Poland, and [www.organic24.pl](http://www.organic24.pl), which offers the complete assortment of physical shops. They are located in major Polish cities, such as Warsaw, Cracow, Łódź, Poznań, Wrocław, Gdańsk, Katowice, and smaller towns in the Warsaw agglomeration, like Konstancin or Piaseczno. The relatively biggest number of the company's outlets is found in the capital city of Warsaw and its agglomeration (Table 1).

The shops are located in major shopping malls such as: Złote Tarasy, Arkadia, Galeria Mokotów in Warsaw, Manufaktura in Łódź, Galeria Krakowska in Cracow, Silesia in Katowice, Renoma in Wrocław, Stary Browar in Poznań, and Galeria Bałtycka in Gdańsk. This strategy of locating shops in the most important shopping malls undoubtedly contributes to the success of Organic Farma Zdrowia on the Polish market.

The shops offer several thousand items from over 100 family organic farms as well as from suppliers with the strongest national and European brands. Most of the assortment consists of certified organic food, but it also includes natural, regional, gluten-free, sugar-free, and lactose-free products. The company offers a wide range of products for vegetarians, vegans, diabetics, allergy sufferers, and persons on various diets, e.g. lactose-free, macrobiotic, etc. There are also many products addressed to pregnant

and breastfeeding women, infants, and small children. Moreover, the assortment includes Fair Trade products. Due to the takeover of the Tradycyjne Jadło chain, the company offers approximately 100 varieties of processed meat products manufactured based on traditional recipes without artificial preservatives. There is also a rich assortment of organic and natural cosmetics, personal hygiene products, and cleaning and washing detergents. The company keeps on expanding its offer by high quality organic food products. For instance, in the second quarter of 2016, it introduced organic seasonal products, white wines, beer branded Mnich, a new line of Dutch organic cheese, and products from new suppliers from Sri Lanka and South Korea (Organic Farma Zdrowia 2017, p. 25).

**Table 1.** Location of retail outlets belonging to the Organic Farma Zdrowia company (end of the second quarter of 2016)

Location/Brand	Organic Farma Zdrowia	Tradycyjne Jadło	Zielone Oko	Other	Total
Warsaw agglomeration	13	0	3	0	16
Poznań	5	2	0	0	7
Other regions	12	1	0	0	13
Online	1	0	0	1	2
Total	31	3	3	1	38

Source: own work on the basis of: Organic Farma Zdrowia (2017, p. 16).

The origins of the company date back to 2003, when a network of organic shops under the name of Organic Market was established by Przemysław Tomaszewski. He was encouraged by the success of the Zielone Oko shops founded by his father – Henryk Tomaszewski in mid-1990s. In 2006, the network consisted of 5 shops and was transformed into a limited liability company (*spółka z o.o.*), formed by the founder and Sławomir Chłoń. In 2007, the company opened an online grocery. Initially, its name was *ekosfera.pl*, and now it is called *ekosfera24.pl*. In 2007, Organic Farma Zdrowia was transformed into a joint stock company (*spółka akcyjna*) (*organicmarket.pl*, 2017). It has gone through organic growth, acquisitions, attracting a Dutch investment fund, and entering the NewConnect stock exchange. The company was listed on the NewConnect market in 2008. Its major investments occurred in 2008, 2010, and 2014. In 2008, it invested 3.2 million zloty in a company called Green Way, and 1 million zloty in Bio-Planet. In 2010, it bought 100% of Eko-Wital for 3.4 million zloty, and in 2014, it acquired 10 outlets of the Tradycyjne Jadło distribution network for 3 million zloty.

Since its creation, Organic Farma Zdrowia has cared about consolidation activities and strategic alliances on the market of healthy catering and organic food. At present, Organic Farma Zdrowia controls 100% of Eko-Wital and has a considerable number of shares in Green Way (27.9%) and Bio Planet (25.1%) companies (Organic Farma Zdrowia, 2016, p. 50) (Figure 1). It is also worth mentioning that the company’s expansion was accelerated by obtaining a subsidy from European Regional Development Fund for 2007–2013, which helped it upgrade its ERP system (organicmarket.pl, 2017). In July 2016, an Italian company called EcorNaturaSi S.P.A. became a strategic investor in Organic Farma Zdrowia. It is the biggest distributor and retailer on the Italian organic food market. It replaced the Avallon Fund Group from Amsterdam, which Organic Farma Zdrowia’s strategic investor during 6 previous years (Organic Farma Zdrowia, 2017, p. 3). This company’s story is quite similar to that of many Polish enterprises that have undergone a series of transformations, usually starting as a small family business, then moving through the limited liability company stage to enter the stock market as a joint stock company, attracting international investors and EU funds, and eventually finding a strategic investor. However, the dynamics of growth and development has been quite impressive in this case, which would have hardly been possible in a less promising field of activity.

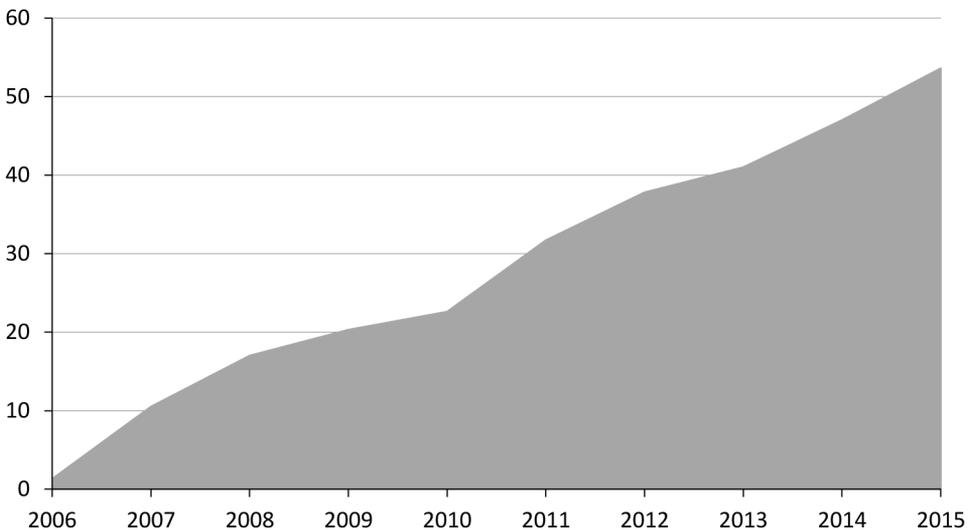
Figure 1. Organic Farma Zdrowia group



Source: own work on the basis of company websites.

The entities belonging to the Organic Farma Zdrowia group are clearly specialized: Organic Farma Zdrowia itself specialises in retailing, Eko-Wital – in imports, packing, and wholesale distribution to networks of groceries, supermarkets, and hypermarkets as well as specialist and conventional shops, Bio-Planet – in packing and distribution of organic farming products to specialist shops, Green Way – in healthy restaurants, and Ekosfera24.pl/Organic24.pl – in e-commerce. It should be emphasised that each company belonging to the Organic Farma Zdrowia group is a market leader in Poland. All of them are in the development stage, strengthening their position and improving their sales and profitability. The annual sales growth of the whole group in 2015 compared to 2014 amounted to as much as 27.6%. It was the highest in the case of Eko-Wital (39.5%) and Bio Planet (36.5%). Only the level of sales of Green Way became stable, with a 0.5% growth rate.

**Figure 2.** The sales dynamics of Organic Farma Zdrowia (in PLN m.) (2006–2015)



Source: own work on the basis of: Organic Farma Zdrowia (2016, p. 4).

Organic Farma Zdrowia has boasted an impressive dynamics of sales growth over its entire period of existence (Figure 2). The average annual growth of the sales level amounted to 22.6% in the period 2007–2015. Over the last decade, the company has created and developed an increasingly known and appreciated brand, organisation, structures and resources, which enabled it to assume the position of a market leader. In 2015, the sales level reached 53.6 million zlotys, which was 14.0% higher than in the previous year. The company attributed its sales growth in 2015 to 1) the introduction of several hundred new products; 2) an increase in the frequency of deliveries to

shops (to 2–3 times a week in general, and even 4 in Warsaw), which not only ensured a continuous availability of products, but also improved freshness and quality of the offered assortment; 3) a growing awareness in the Polish society regarding healthy lifestyle, including diets based on organic food; 4) an improvement in customer service quality; 5) multiple education – and promotion-related activities (Organic Farma Zdrowia, 2016, p. 3–4). As food products prevail in the company assortment, the company's income is subject to seasonal fluctuations. The highest turnover occurs in winter and spring, especially before Christmas and Easter, and the lowest – in the summer holiday period.

A further acceleration of sales growth is bound to happen thanks to a rapid expansion of Organic Farma Zdrowia franchising network. It has issued a call for potential franchisees, emphasising the benefits of such partnership ([organicmarket.pl](http://organicmarket.pl), 2017). These include: support in starting and developing a business activity under a well-known and recognisable brand; assistance with finding the location and adaptation of the premises; support in opening the shop; a series of appropriate training sessions; marketing and advertising support; attractive purchasing prices; trade support; highest quality products; regular supplies. The offer of starting a cooperation within the franchising system is addressed to people who are: courageous, open to new challenges, patient, goal-oriented, ready to work more than standard 'from-to', but under their own business and for themselves. The potential franchisees should accept the mission of promoting a healthy lifestyle by providing organic and natural products as well as knowledge making consumers aware how important an appropriate diet and selection of products are for them and their families. The franchise is for those who look for an interesting and proven business, and are ready to invest their time and money to create something that will give them satisfaction earned from future success.

The name of the company emphasises 3 elements: that it 1) contributes to consumer health; 2) is related to farming; and 3) specialises in organic products. It is worth noting that 2 words in the company's name are in Polish (Farma Zdrowia), whereas the first word is in English (Organic). It may serve to create an international image of the company and may facilitate future international expansion. As for the company's logo (in the centre of Figure 1), we may see that apart from the company name, which is structured as 2 elements: the dominant 'Organic' and additional 'Farma Zdrowia', it contains a description 'The Wellness Company', which is entirely in English and probably serves to communicate that the company's activities extend beyond organic food retailing, as they encompass other types of organic products, such as cosmetics. Moreover, we may notice that the company's logo is designed in yellow with green letters and a green leaf. These colours embody the natural, organic character of company's

products (references to vegetation and sun). Unsurprisingly, the logos of related companies and brands from the Organic Farma Zdrowia group (also depicted in Figure 1) are usually designed in various shades of green, with the exception of Tradycyjne Jadło (traditional food) and Produkty Klasztorne (monastery products), which are dominated by the brown colour, which has some connotations with soil.

The company's website (organicmarket.pl) communicates the mission statement and values endorsed by Organic Farma Zdrowia in a clear manner. The company says:

“We at ORGANIC Farma Zdrowia [capital letters as in the original text version] believe in and promote healthy lifestyle based on a diet based on the healthiest, tasty, and natural products. We believe in the natural quality and traditional taste. We appreciate organic: farming, animal husbandry, and food production. We feel a part of a larger entity. We are friends with Nature – we take care of the fate of people, animals, and plants. We share the fruit of our search because we have found the best food in the world.” (translated from Polish into English by the author of this article).

This mission statement emphasises nature, health, and taste as the main attributes of the company's offer. It appeals not only to egoistic motives of consumer behaviour, like the care for one's health and consumption pleasure, but also to altruistic ones, like the care for the environment. This dual approach is also reflected in the set of company values, which are mentioned explicitly later on:

“These are the values we find most important:

- health and wellbeing – which start with valuable, unprocessed food;
- ecology and nature – we act in harmony with the natural environment, respecting every living being;
- tradition – we believe in traditional recipes, ingredients, and manufacturing methods;
- taste – but only a genuine one, owed to nature, not food corporations;
- quality – which means that all natural values strengthening the organism are preserved in our products;
- equality and honesty – in the relationships with our customers, employees, and suppliers.” (translated from Polish into English by the author of this article).

This set of values is strongly related to the concepts of Corporate Social Responsibility and Sustainable Development, especially to their environmental and social dimensions.

The economic dimension is not highlighted. Still, the company is not a charity, but a business aiming to maximise its profits, sales, and return on investment. Apparently, the company believes that the pursuit of the aforementioned values does not stand in opposition to these economic goals. On the contrary, it actually serves as means to achieve them. It is also worth pointing out that the company combines its appeals to nature and ecology with the quest for authenticity and tradition. This confirms strong links between the marketing of organic food and the origin of the offered food products (Bryła, 2015a).

The company offers about 200 products under its own Organic Farma Zdrowia brand. The private label segment of the company assortment has a strategic importance and continues to grow. In 2015, the company acquired also several brands of ‘monastery-made’ products (Produkt Klasztorny, Mnich, Polska Czerwona Krowa). It is planning to use these brands for natural and organic craft-made products based on ancient monastery recipes. They will be distributed through Organic Farma Zdrowia groceries and other retailers.

Organic Farma Zdrowia has developed a transparent system of labelling with the use of green and blue colours. Green labels apply to certified organic products, whereas blue ones are used for products awaiting certification or useful in special diets. The company has managed to create 3 own label product lines: Everyday, Healthy Day, and Healthy Kids. Everyday products are addressed to those who want to adopt a healthier lifestyle without radical changes. These are products used on an everyday basis, such as dairy, processed meat, flour, rice. Healthy Day products are healthy, organic snacks for gourmands and gourmets who find it difficult to give up snacking. These products include dried apricots, dates, plums, apple rings, nuts, and many other tasty bits that improve one’s mood and health. The Healthy Kids product line is addressed to children. They serve to teach healthy habits and to show that organic food is tasty and ‘cool’. However, not only the youngest customers adore jelly bears, banana chips, fruit yoghurts or vanilla cream cheese ([organicmarket.pl](http://organicmarket.pl), 2017). The establishment of private label product lines is an evidence to a certain level of development of the company as a whole, and deserves our praise as an advanced marketing instrument. We need to bear in mind, however, that the e-commerce site of the company ([organic24.pl](http://organic24.pl), 2017) contains only 2 private label product lines: Every Day (with a different spelling than that given on the company website) and Healthy Kids. The Healthy Day line is not mentioned. It seems that this discrepancy needs some explanation or correction.

The company’s website provides some information about selected benefits of the product categories distributed by Organic Farma Zdrowia ([organicmarket.pl](http://organicmarket.pl), 2017). The cate-

gories categorized as the most recommended by the company itself are as follows: fruit and vegetables, meat and processed meat, dairy products, eggs, cereals, juices, cosmetics, detergents, and special products (used in special diets). Each category is accompanied by a short description of its major benefits to be gained by consumers. For instance, the fruit and vegetables category is accompanied by the following message:

“Some people are surprised by their natural and non-deal appearance, but all take to their taste and appreciate their nutritional value. Organic vegetables and food have more antioxidants (including vitamins), which, among others, prevent cell ageing and are a rich source of dietary fibre.” (translated from Polish into English by the author of this article).

The feature of these product category descriptions deserves a big acknowledgment. They are a clear sign of market orientation of the company in question. The arguments used appeal to such values as healthfulness, tastiness, naturalness, care for the environment, convenience, animal welfare, and support for organic farming.

An interesting idea from a marketing perspective is also offering gift packages called Biodarek. They are advertised as probably the first and only one fully organic gift set in Poland ([organicmarket.pl](http://organicmarket.pl), 2017). They are offered in 6 basic configurations: 1 for children, 2 without alcohol, and 3 with alcohol. Their price ranges from 100 to 300 zloty. The number of products in a set ranges from 9 to 17. There is also a possibility to have another configuration. The Biodarek sets are associated with the following values according to the company: health (as they do not contain agrochemical elements, artificial colouring, essences, taste enhancers, and preservatives; farm animals are not given antibiotics and hormones), taste (products offer a genuine taste of nature, described as the taste of one's childhood, the taste of the Polish countryside; the taste is free from monosodium glutamate, additional portions of sugar or salt), and good (organic farming is characterised by a deep respect towards people, animals, and the natural environment; the pursued activities are motivated by the care for human health and the environment). In the opinion of the author of this article, the company could benefit more by increasing the visibility of the option to purchase Biodarek gift sets at its online retailer ([organic24.pl](http://organic24.pl)). At present, there are 4 options available (fewer than advertised at [organicmarket.pl](http://organicmarket.pl)), but they appear only when we type Biodarek in the search engine of the online shop. This option should be added to product catalogues in the list of product categories. Moreover, e-consumers should be able to compose their own gift sets apart from some predefined configurations of products. The company could also consider introducing an option of ordering personalised packages of these gift sets with the input of e-consumers, e.g. adding some text-based wishes, symbols or pictures.

The online retailer of Organic Farma Zdrowia offers 2 ways of viewing the company's assortment: by product category and by diet type (organic24.pl, 2017). Adding this possibility to browse the assortment through the lens of particular diet requirements is an added value of assortment presentation. It responds to consumer needs, and therefore confirms the strong market orientation of the company covered in this paper.

The views of individual products at Organic Farma Zdrowia's e-commerce site are rather simple (organic24.pl, 2017). They contain a product name, brand, ingredients, volume or weight, country of origin, EU organic food logo (however, it should be green rather than grey), nutritional value of 100 ml, including energetic value in kcal and kJ, and the content of fats, including: saturated, monounsaturated, and polyunsaturated (all expressed in grams), the content of vitamin E (in grams and as the percentage of the recommended daily amount), certification, manufacturer, additional information concerning product use, benefits and storage, and the date of minimum durability (expiry date). There is also price per unit (including VAT), a product photo, and an option to add a consumer review. Of course, there is also an 'add to basket' button. In the case of some products, we may find information whether the product conforms to selected diet requirements, like: vegetarian, lactose-free, vegan, sugar-free, and information about the content of other nutritional ingredients such as: proteins, carbohydrates, salt, as well as information about the allergens found in the product. Such product presentation is generally correct and may be considered professional, but some further improvements are possible, e.g. links to recipes using a given product (which are now partially available separately at the company's blog), a description of health benefits (not available for some products). The company could also benefit from introducing other language versions of its e-commerce site as in the case of such a large product mix, assuming a certain level of demand from outside Poland is quite likely.

The e-commerce site of the company provides information about payment methods and delivery options. 4 types of payment are available: via the PayU service, cash on delivery, in cash, and by a credit/debit card. Products may be delivered by UPS all over Poland or by the company's own transportation service in Warsaw and its surroundings (the second option is available only 4 days of the week – excluding Saturdays, Sundays, and Mondays). If the order value exceeds 200 zloty, the delivery is free. These conditions facilitate the purchasing process as they offer the most typical payment and delivery options. Maybe an additional delivery option could be considered, namely, a possibility of making an order online and collecting the order from a physical shop belonging to the company. The company could also think about extending the method of company transportation to customers' homes to other cities and on other days of the week. Another potential improvement would be adding an option to deliver products

outside Poland. A much smaller organic retailer (Słoneczko shop in Łódź) has offered an option to deliver products to other European Union countries, especially to emigrants from Polish (Bryła, 2016b).

An additional nice idea introduced by the online retailer is the pop-up appearing when you enter the site and saying that you will get a 10% reduction off your first delivery price if you subscribe to the company e-newsletter. This move is very clever as it makes it possible not only to increase the reach of the company's promotional activities, but also to obtain the contact details of customers, which may be used for the purposes of Customer Relationship Management and market research.

Apart from its mainstream activities in shopping malls, the company has developed an innovative concept of a 'convenience shop' with organic products. The new Organic Zielone Oko concept was created in September 2014 and tested in 2015. These shops offer organic food in the proximity of customer homes. They have a bistro section, designed in the Italian and French style, where customers may enjoy sandwiches, ciabatta, salty and sweet snacks, croissants, cocktails, fruit and vegetable juices as well as tea and coffee. These dishes are prepared by shop personnel using organic semi-finished products, but sold at market prices of conventional food. The creation of this concept stemmed from consumer needs and expectations to have organic food available near one's place of living.

As far as marketing activities are concerned, Organic Farma Zdrowia engages in many different ambitious projects. In 2015, it run its first TV advertising campaign entitled 'Kobieta w biegu' (a woman on the run), which was broadcasted across a number of domestic channels: TVN Style and Polsat Café. The campaign aimed to increase brand awareness and sales, in particular before Easter. The spot has also been uploaded to YouTube. Moreover, the company cooperated with Marquard Media to promote a new culinary show entitled *Jamie*, featuring a British celebrity cook – James Oliver. Other marketing activities of the company included advertising in lifestyle magazines, cyclical promotional and education-related actions addressed to families and children (e.g. Children's Day), and free consultations with a nutritional expert for the company's customers. It is worth adding that the company has adopted a marketing strategy aiming at making it associated with a healthy lifestyle rather than simply promoting its products. This approach seems to be very advantageous in the context of the changing attitudes of Polish customers, taking especially into consideration the emergence of an important segment of population committed to the pursuit of a healthy lifestyle.

Organic Farma Zdrowia is also involved in a wide range of Corporate Social Responsibility (CSR) activities. It runs campaigns supporting healthy lifestyle, educates its own employees, and improves their working conditions. A remarkable example of one such activity is the publication of a quarterly magazine entitled *Go Organic!*, which focusses on healthy diet. The editorial team cooperates with dieticians, psychologists, doctors, and scientists from the Warsaw University of Life Sciences (SGGW), the National Food and Nutrition Institute, and the Sports Nutrition Centre. Furthermore, the magazine features so called eco-personalities, i.e. celebrities whose lifestyle is consistent with the company's values. These are actors, businesspeople, and journalists, including e.g.: Paulina Holtz, Dominika Kulczyk, Beata Sadowska, or Aneta Zajac. Instructors of various forms of physical activity are also invited to cooperate. Moreover, the magazine contains recommendations of cookbooks with healthy recipes, as well as recipes endorsed by selected bloggers, cooks, and dieticians. The readers can also get to know production methods of selected products sold within the company distribution network. It is possible thanks to interviews with food manufacturers in a section called Health Suppliers. In addition to that, the magazine provides parents with advice on child nutrition and promoting good eating habits among children. The magazine is available free of charge for Organic Farma Zdrowia customers in the company's physical shops; its online version can be downloaded from the company's website. Publishing of the magazine is a very good example of a Public Relations activity that supports the principal marketing objectives of the company.

The company has run an education programme entitled 'Cook with Organic!'. It included several campaigns spread over 5 months of 2015. In January and February, it focused on functional foods, which have a psychological or physiological impact on the human organism apart from their basic nutrition function. Such products were selected by an expert and subsequently displayed on special stands and shelves, as well as promoted in company leaflets, at its Facebook profile (fanpage), at its website, and in the *Go Organic!* Magazine. In March, the programme concentrated on the theme of the spring rejuvenation and purification, while the April and December priorities were the promotion of recipes for Easter and Christmas respectively. The recipes were recommended by selected bloggers, the company's partner dietician, and a chef of a vegetarian restaurant.

Organic Farma Zdrowia takes part in many events focused on health and special diets. For instance, in November 2015, it participated in Allergy and Food Intolerance Days, which were organised on the National Stadium in Warsaw. An expert from the company gave a lecture on organic products for allergy sufferers. After the lecture, the company offered free dietetic consultations to the participants of the event.

The Facebook fanpage of Organic Farma Zdrowia (<https://www.facebook.com/ORGANICFARMAZDROWIA/>) is followed by 7,618 people (as for 4 March 2017). It is managed in an active way. For instance, in February 2017, the company published 23 posts. The social media activity of the company serves mainly to promote its products and inform about tasting events in its shops. Some posts also promote the company's website, inform about openings of new shops, provide gift suggestions related to some special events, like Valentine's Day, encourage supporting some charity initiatives, inform about job offers available at the company's shops, inform about special offers, provide links to press articles concerning the company, include company wishes for its customers on major holidays, etc. The messages are short and clear. Each message is accompanied with a picture. The Facebook profile is managed in a professional way and complements other marketing communication instruments applied by the company in question.

The company expects a further increase in the consumption of organic food in Poland in the light of: 1) a growing awareness among Polish consumers regarding the principles of organic farming, advantages of organic food, and labelling methods; 2) EU and national campaigns promoting organic farming (the introduction of the EU logo of organic farming has already triggered positive effects in this area); 3) increases in the supply and availability of organic products (new shops and new sections in supermarkets and groceries); 4) a decrease in the prices of organic products in Poland (a reduction of the price differential between organic products and conventional food, whose prices tend to grow gradually) (Organic Farma Zdrowia, 2016, p. 39).

Organic Farma Zdrowia (2016, p. 46) is planning to focus on the domestic market in its strategy for 2016–2021. The strategy includes the following elements:

- the retailing network of the company will benefit from the development of the organic food market in Poland thanks to a systematic growth in the number of new customers and to a higher value of the shopping basket among the existing customers;
- a sales growth stemming from the achievement of the maturity stage among shops which have been opened or added to the company network since 2013;
- opening of the first supermarket with organic products in Poland in 2017 and of the second outlet of this type in 2019; both of them will have a commercial area of approximately 800 m<sup>2</sup> and will be located in Warsaw;
- expansion of the retailing network by new locations in commercial centres and shopping streets, as well as the best city districts;
- development of shops branded Organic Zielone Oko (convenience shops with a small bistro) in the biggest Polish cities;

- acquisition of single shops and small distribution chains with organic products;
- increasing the company's sales of high margin products with a private label both in the own shops and in the company's franchising network;
- intensification of promotion and marketing activities;
- development of the franchising network, which is expected to reach 50–60 shops in 2021.

Two elements of this strategy deserve particular attention: 1) the model of mixed development combining company own shops and franchising; 2) creation of an innovative retail format – a supermarket specialising in organic products. Franchising has proven to be one of the most successful business development models recently, as it brings multiple benefits both to the franchisor (minimum investment outlays, rapid expansion, brand awareness) and to the franchisee (transfer of knowledge, risk reduction, strong brand). Creation of a specialised supermarket format may revolutionise the market of organic food. The existing prevailing organic food distribution models (small specialised shops and specialised stands in convenience food hypermarkets and supermarkets) suffer from many problems (limited assortment, insufficient focus and expertise, suboptimal locations, lack of consumer trust, poor relations with suppliers). Therefore, changing the organic food retailing landscape in Poland offers a great opportunity for market success.

## Conclusion

Organic Farma Zdrowia specializes in distribution of organic products in Poland. It has expanded through stages of organic growth, acquisitions, attracting a Dutch investment fund, and entering the NewConnect stock exchange. It is planning to grow further through the development of its own franchising system. It operates on the basis of a model of multichannel distribution, combining physical and online retailing. The assortment consists of 4,000 products, including organic food, cosmetics, and cleaning aids. The company has managed to create 3 own label product lines. An interesting idea from a marketing perspective is also the company's offer of gift packages called Biodarek. The online retailer belonging to the company ([organic24.pl](http://organic24.pl)) is organized and managed in a professional way, although some improvements are still possible. In 2015, the company engaged in ambitious marketing projects, including running its first TV advertising campaign and launching a new culinary show with Jamie Oliver. Organic Farma Zdrowia is an example of a company specializing successfully in creating and delivering value for consumers of healthy food. Value creation stems from meeting customer expectations in the field of assortment, marketing com-

munication, and auxiliary services, whereas value delivery is reflected in the sales dynamics and in the development of the company's distribution network. It is worth mentioning that the company in question delivers value to its customers, investors, and employees alike.

This study is not without limitations, though, which does offer certain avenues for further research. First of all, it is a case study of a single company, which limits the generalisability of our findings to other businesses operating in the organic food sector. However, we believe that the strengths and weaknesses indicated in this particular context may be a source of inspiration not only for the company in question, but also for other players on the market. Furthermore, our analysis may provide some point of reference for researchers aiming to delve into the marketing strategies of other companies that specialise in organic food retailing. Second, we acknowledge that this case study is based only on company documents and online sources. It might be useful to triangulate our findings in the future by conducting interviews with company managers, retailers, and customers. Third, our analysis reflects the situation at a certain stage of development of the analysed company and of the organic food market in Poland. As dynamic changes have been – and still are – seen, it would be interesting to return to our case study in a few years with the benefit of hindsight.

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