

Benchmarking the online services of local and organic food in Austria

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<p>Sustainable living, locality and doing together are currently some of the top lifestyle trends. Alongside with the lifestyle development, online retail has increased its share and online food shopping is booming in various countries. This report binds all these themes together and the target country is Austria. When it comes to organic farming, Austria is the leading country in Europe. Also the local origin of the food supplies is currently rated high in this Alpine country.</p> <p>This report provides information about the Austrian organic and local food box deliverers. The research was conducted in 2012-13. During this time the author familiarized herself with the Austrian organic and local food market, collected material for the desk research, tested the food box delivery service and did three of the interviews. One interview was done over email.</p> <p>The aim for the research was to identify the best practices of the 18 companies that were included in the research. Another target for the research was to gather experiences from the entrepreneurs. This report presents the results from the desk research and from the interviews as well as remarks from testing the food box delivery service on site. As a conclusion, various benchmarks could be identified from the Austrian companies' business models or ways of operating.</p> <p>Finnish company Makumaku, the commissioning party for this research, was also interested in possible market gaps in the Austrian market. The combination of a social media platform and organic and local food online retail turned out to be a missing concept in the Austrian market. According to the information obtained about the Austrian target market, this kind of concept would have fair possibilities to succeed.</p>	
<p>Keywords benchmarking, local food, organic food, Austria, home delivery, online marketing</p>	

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1 Introduction

1.1 Background of the study

Organic farming and local food supplies are booming in the food markets in Europe. In some countries the development in these particular sectors have taken many steps forward; as good examples can be mentioned Austria, Denmark, United Kingdom and Germany. This research is conducted to provide information about Austrian organic and local food home delivery services and their marketing methods. The aim is to enhance a Finnish company's business practices in marketing by utilizing the method of benchmarking.

The commissioner of this research is Makumaku online shop that wants to improve its business practices and their market position. Makumaku delivers once a week ecological and local food bags and boxes to their customers' homes or to selected pick-up points. Ordering takes place in Makumaku's online shop. Interest towards local and organic food is growing in Finland, but online food shopping, direct selling and delivery services are still small sectors in food retail market. Makumaku's business on the field of ecological and local food delivery services is unique but this field is growing so competitors can be expected.

Makumaku is also interested to start exporting their business concept. Therefore the data gathered during the research process was also utilized to analyze whether Makumaku would have a market gap in Austria. With a quick overview it seemed that the organic and local food market is already saturated and there is no much space for newcomers, but actually the model Makumaku is offering might be the one that is missing in Austria.

1.2 Objectives of the study

The aim of this research is to provide information about organic and local food market and to benchmark the business practices of the selected organic and local foodbox deliverers that are operating in Austria. Another objective is to identify the best

practices of marketing methods and to analyze how those practices could be implemented in Makumaku's business processes in Finland. This report provides also information about the experiences in the food box retailing. This study is outlined to Austria, where organic and local food market is highly developed and so it offers a great opportunity for benchmarking and learning. I spent five months in Austria, where I had a great opportunity to observe and test the local and organic food delivery services.

The main tasks of this benchmarking study are to describe the distribution channels in Austrian local and organic food markets, to observe the different business models of the foodbox delivery companies and to identify the marketing methods and service mix they use. An important task was also to gather experiences from the entrepreneurs that deliver food boxes. As the organic and local food market is more developed in Austria and some of the food box deliverers there have been operating already for over ten years, the aim of this study is also to give some ideas for Makumaku. Implementing some ideas from Austria may help Makumaku to enhance their business model and to raise the consumers' awareness regarding Makumaku's services and to increase their market in Finland.

Companies included in the research were such that have food box delivery service as a part of their business concept. Companies were chosen so that they are located in different parts of Austria. However, due to the larger offer of the delivery services in Lower Austria region, most of the companies included in the desk research operate in this region. In the discussion part is also analyzed whether Makumaku's business model would have a possible market gap in Austria.

The study concentrates on the marketing and online retail of organic and local food that is to say to the distribution channels, product assortments, services and advertising of the products. Production and packing are not included in the benchmarking analysis as they are not part of Makumaku's business processes.

1.3 Key concepts

Key concepts in this report are *local food*, *organic food*, *home delivery*, *online retail* and *online marketing*. The companies that were benchmarked during the study were such that deliver organic and local food in boxes directly to customers and the ordering takes place in the companies' online stores. Therefore all the key terms are connected to this particular business model that was researched.

There is no exact definition for *local food*, as the term is open to various interpretations. What can be seen as 'local' varies in different countries and in some cases the term is also mixed with the term 'domestic'. The two key definitions for local food are the distance that how far from the retail point the product was produced and the profile of the producer. Usually if the retailer wishes to receive a local food label for the products, the company needs to be domestically owned. This way for example a multinational company could not label their products as local food. The term will be explained further in chapter 2.1.

Organic food is a way of doing agriculture that seeks to produce high quality products while respecting the nature and its natural life-cycle systems. In organic farming for example certain herbicides and fertilizers are prohibited. Compared to local food, organic food is a heavy-regulated industry, where products must meet certain standards in order to receive the organic food label. In Europe the European Commission has set clear definitions, standards and labeling system for organic food. The term will be explained further in chapter 2.1.

Home delivery refers to a service that delivers the purchased goods to customers' homes or to another given address, for example to workplaces. As Punakivi (2003, 7) points out, the service provider defines the home delivery model. Delivery model refers to the delivery times and whether the package needs to be personally received or is an unattended reception possible. In the case of food box delivery services, some entrepreneurs use pick-up points where more boxes or bags can be delivered and the customers come to pick the purchase from a chosen pick-up point. This allows the company

to cut delivery costs but also allows customers to choose the most convenient location for the pick-up.

Online retail has become a wide business sector in the 21st century. In an online store the goods are available for the consumer 24 hours a day and therefore shopping is not tied in a certain place or time frame. Purchase is paid online and the goods are delivered in a package to the customer. In the earlier days online store was an aid for a company's business, but currently it has become also a separate way of doing business. Nearly every big retailer has their own online store and nowadays book stores, music stores and clothing stores are moving more and more towards online business models. Only food retail has not yet caught up with the online business boom on full speed. This fact makes this study interesting, as the target companies included in the research – the food box deliverers- are operating on a growing business sector.

Alongside with the growing sector of online retailing, *online marketing* has also become a significant part in company's operations. Different forms of online marketing are for example online advertisements, websites, mobile marketing, email marketing and social media marketing. Social media itself has changed the face of online marketing completely. Merisavo, Vesanen, Raulas and Virtanen (2006, 15) believe that the significant breakthrough will be the utilization of online channels to maintain and take care of the customer relations. Online marketing is already offering various cost efficient and easy tools for this, for instance personalization of marketing methods, customer profiles and interaction.

Kankkunen and Österlund (2012, 22-24) bring an interesting viewpoint to online shopping that is also closely relevant with my research topic – local traders and village shops. The development from multiple village shops to super- and hypermarkets and then to online shops comes around a clear circle, where customer has again the power. Like in the earlier days in the village shops, in online stores the service has come back to customizing, personalization and direct contact between the trader and the customer. Online shopping mixed with social media elements has brought back the feeling of

a community, where people want to share their buying experiences, get to know others like-minded and receive customized service.

As Kankkunen and Österlund (2012, 58) present, online shopping has clearly changed the roles of an individual, of a buyer and of a company. (Figure 1) An individual used to be an isolated and bystanding observer who did not know enough, whereas in today's world individuals are connected for instance to the society, with each other and with the supplier. They participate and possess much information, which from the supplier perspective may seem too much of information. When it comes to buyers, they used to need things and they adapted their needs to the available assortment. New releases were attracting excitement and buyers saw themselves as single individuals. Currently instead of wanting just the product the buyer is searching for experiences and the product needs to be adjustable to the specific need of one buyer. New things appear but what really attracts excitement is the speed that everything happens right now. Buyers have also adopted a sense of community and belonging to a certain consumer group. Companies' role has also upgraded. Instead of marketing and producing for masses, companies need to possess excellent networking skills and diversify their products for various customer groups. In today's markets successful companies cannot just produce and present themselves as flawless; real and interesting image and values present the companies alongside with the products.

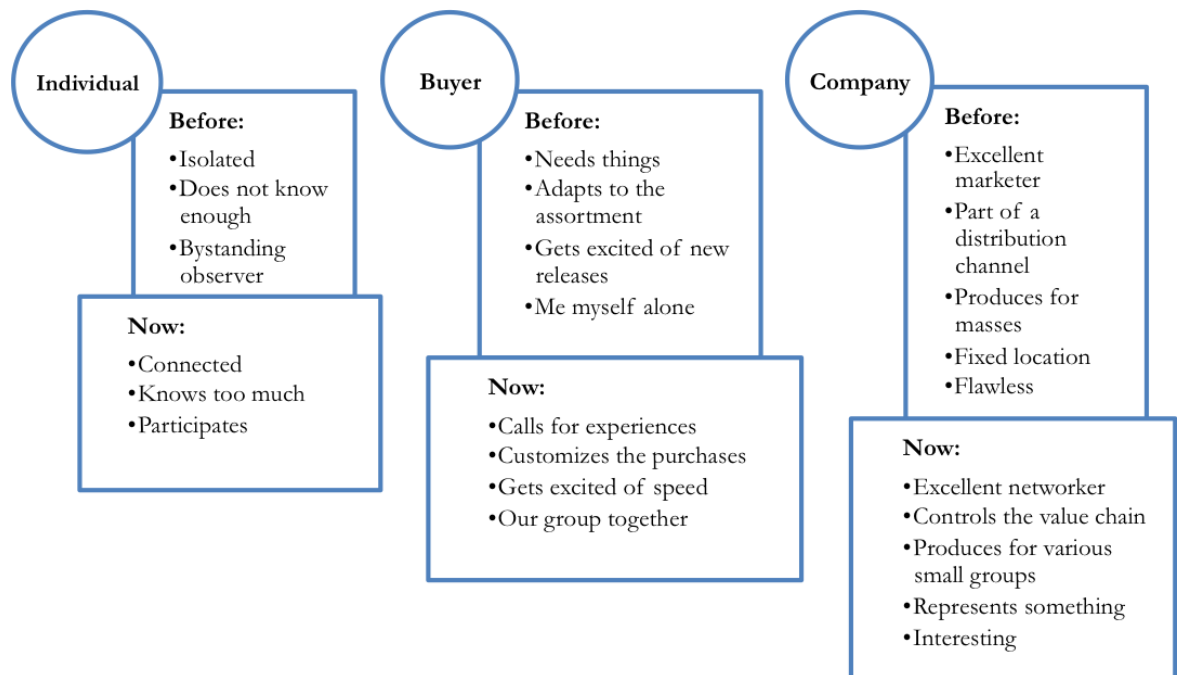


Figure 1. How online trading has changed the roles of an individual, buyer and a company according to Kankkunen and Österlund (2012, 58).

1.4 Commissioning party: Makumaku

Founded in Helsinki in 2010, Makumaku is an Internet platform, a "virtual market hall", that connects local and organic food producers with health and environmentally conscious consumers. The aim is to offer an easy and fun way to order local and organic food online that is then delivered to your doorstep or to the pick-up points. Makumaku's idea is also to offer health services in the online shop. As an addition, by creating a profile in Makumaku it is also possible to follow your own purchasing habits and what impacts those habits have. Customer profiles also help to connect with other consumers that are like-minded and to share customer experiences. (Makumaku 2010, 1-6.) This connects Makumaku to social media, as it has the elements that describe this kind of online sites; content creation, networking, sharing and participation.

For farmers Makumaku offers a channel for selling and marketing but also for networking and for seeking help with marketing or with legal or financial issues. Makumaku is also connecting local producers with hotels, restaurants and catering firms. Ma-

kumaku's added value for producers and service providers is also the collection and exchange of market data. (Makumaku 2010, 1-6)

In Makumaku's online shop there are products mainly from Finnish local and organic food producers but the assortment has also imported organic food products, books, kitchen utensils, cooking courses and gift cards. Customer may choose either the amount of each product to be delivered or choose one of the ready-packed bags or boxes. Web store offers also recipes and recommendations, for example a "barbeque mix", where different products are recommended but the customer may still choose which to take and how much. (Makumaku 2013)

Purchasing takes place in the web store. Customer may either register to the site and follow previous orders in the customer profile, or order without registration. Orders are either delivered home in the capital area (9,50€ or free when purchase exceeds 120€) or to the pick-up points (six in Helsinki, two in Kirkkonummi and two in Espoo). Postal delivery for dry products is also possible with a fee of 16€. Delivery day is Thursday. (Makumaku 2013)

One of Makumaku's challenges lies in their concept; their idea to create a network, where different actors can profit from the interaction, requires a large amount of users and may take some years to develop. Makumaku's business plan (2010, 11) sets as a target to engage 80% of Finland's food circles with Makumaku. In order to have a wide product selection, Makumaku tries to engage a variety of local producers to join the network.

Makumaku's target is also to export the concept. When starting operation in another country, Makumaku –platform would be run by a franchisee. Internationalization would promote the export of Finnish food products. (Makumaku 2010, 9) Challenge related to exports especially to Austrian markets may be the strong nationalism that is connected to local and organic food, which may cause less interest towards Finnish products in an online store that would offer also Austrian products.

1.5 Structure of the report

Makumaku set a question how Austrian entrepreneurs have organized their businesses. This study was to find out ways how companies in Austria are operating. This first chapter has been describing the background of the study, the objectives and aims for it and the key concepts of this report. This chapter also presented the commissioning party of the study, the Finnish company Makumaku.

Chapter 2 takes a look to the food industry in the 21st century. The concepts of organic food and local food are explained and also the difference between the two concepts is described. Another timely concept is presented, which is the Community Supported Agriculture –model that has been combined in an Austrian company with the box delivery service. Chapter 2 also describes the current state of local and organic food market in Austria and in Finland.

Chapter 3 is describing the research methods used for this research process and what methods for data collection were used. Chapter 3.1 describes benchmarking as a research method and presents the theoretical background for it. The methods for data collection include desk research, interviewing and testing and observing. Chapter 4 is presenting the results of the study. The chapter is divided in three parts according to the data collection methods, presenting results from each part separately. Chapter 4.3 regarding testing and observing includes a SWOT –analysis on the organic and local food box delivery service from a customer point of view.

Chapter 5 draws the conclusion from the study results and presents and describes the best practices that were found as benchmarks. Chapter 6 analyzes whether there would be a market gap for Makumaku's business concept in Austria, even though the organic and local food market is highly developed and there are many operators already on the field. But what Makumaku is offering is not just food delivery service, but social media connected to food shopping and this might be concept missing on the Austrian market.

2 Food culture in the 21st century

During the recent years eating and cooking has become much more than just different ways to consume food supplies. Consumer choices have started to form certain statements about that specific consumer's values and habits; what kind of food one eats, if they follow a certain kind of diet, where the food is purchased and is it bought ready-made or cooked at home. Those choices are also openly discussed, questioned and even judged in the media. Famous cooks have own TV –shows and they can change attitudes like rock stars did few decades ago. Food blogging has made ordinary home cooks equally powerful publishers as cookbook writers or restaurant reviewers. Both in the media and in everyday life, it has become pop to talk and write about trends in food culture.

Economic crisis, climate change, situations in national economies and growing differences in incomes around the world have all raised the question of the origin of the food that consumers are purchasing every day. A concern has now become a hot topic both in the media and in literature as well. Environmental impacts of distribution channels have been brought to daylight together with the malfunctions related to mass production. More and more cases appear where errors in production and cutting costs have lead to poor quality or even uneatable food supplies. As Kallio (2013) and Lehtonen (2013) both mention in their articles, food scandals are impacting on consumers' concerns regarding food safety. This has resulted to an increasing interest towards local food production, which was before seen as safe and trustworthy.

Sustainable development and ethical consumption are not anymore a lifestyle of an alternative consumer, but they are brought closer to all consumers and made easier to adapt to everyday life. Most of the supermarkets have their own bio brand and also fairly traded food supplies are common in the selections. Organically grown, fairly traded and local food has also become more mainstream.

Food has also become something that is bringing like-minded consumers together and that is forming communities. Consumers are interested in trying alternative ways for

purchasing and selling food; International Restaurant Day, shared dinners and Community Supported Agriculture are all responding to this interest. As sociologist Amory Starr (2010, 479) notes, food communities are not only formed by consumers, but over the last decade various types of collaborations have been developed. In addition to distinct consumer sectors, also farmers, agronomic experts, retailers, chefs and food writers are involved.

2.1 Local food and organic food

'Local' and 'organic' as concepts tend to go often together and mix, at least in consumers' minds. A good example can be found in an Austrian market study 'Regionalität von Lebensmitteln' (Regionality of food) where motives for buying regional products were researched. The results show the confusion; in the motives for buying regional products appear such as "natural", "controlled food", "safety", "happy cows", "not gene manipulated" and "without additives" even though these would define organic food. Other motives were for example solidarity, homeland, less transport, landscape management, childhood memories and that regional food is seen as personal. (AMA Marketing & Sensor Marktforschung 2008, in KeyQuest Marktforschung 2012, 7) When looking the definitions, the latter motives relate closely to regional products as they are more connected to images and feelings rather than standards or regulations.

To some extent it is true that locally produced food can be seen as eco-friendly as for example the delivery distances are shorter and therefore also less packaging may be needed. However, there are detailed regulations for defining which products are organic. What is local may not be organic and what is organic may not be locally produced. In this sense a clear difference must be made between the two terms.

Organic food production is a regulated and a controlled industry both nationally and internationally. European Commission (2013) defines organic farming as "an agricultural system that seeks to provide you, the consumer, with fresh, tasty and authentic food while respecting natural life-cycle systems." In order that this can be achieved, European Commission has set various regulations, objectives and principles for the

production and distribution of organic goods. On their website are listed some of the common practices for organic farming:

- Wide crop rotation as a prerequisite for an efficient use of on-site resources
- Very strict limits on chemical synthetic pesticide and synthetic fertiliser use, livestock antibiotics, food additives and processing aids and other inputs
- Absolute prohibition of the use of genetically modified organisms
- Taking advantage of on-site resources, such as livestock manure for fertiliser or feed produced on the farm
- Choosing plant and animal species that are resistant to disease and adapted to local conditions
- Raising livestock in free-range, open-air systems and providing them with organic feed
- Using animal husbandry practices appropriate to different livestock species

(European Commission 2013)

Organic products are labelled which increases food safety as the products need to meet certain standards in order to carry the label. An organic label, for example the international 'Euroleaf' in the EU countries, ensures to the consumer that the production and handling of the product has been done according to regulations and that 95% of the ingredients are organically farmed. Labels also help consumers to recognize organic products in stores. From July 2010 all organic pre-packaged food products must be marked with the EU organic farming logo (Figure 2). Traders may also use the logo for non pre-packaged organic products produced in the EU or for any organic product imported from third countries on a voluntary basis.



Figure 2. EU organic farming logo, the Euroleaf, from July 2010.

http://ec.europa.eu/agriculture/organic/organic-farming/what-organic_en.

Countries may also have their own labels for organic food. In Austria one widely used label is from Agrarmarkt Austria Marketing that is responsible for the agricultural marketing in Austria. They have two labels for organic food where the other indicates also the Austrian origin of the raw materials (Figure 3). In this label 'organic' and 'local' are put together. The other label from AMA Marketing (Figure 4) is the same but black and white and without the word 'Austria' so it does not indicate the source of organic raw materials.



Figure 3. Agrarmarkt Austria Marketing label for organic food from Austria.

<http://www.amaexport.at/en/download.html>



Figure 4. Agrarmarkt Austria Marketing label for organic food that does not indicate the source of raw materials. <http://www.ama-marketing.at/?id=554>

When comparing to the regulations and definitions of organic food, local food can still be defined quite freely and often different players in the market define it according to

their profit. Most common confusion is that the term 'local' is connected to 'domestic'. In Finland for example it may happen that food from Lapland is still marketed as local. I noticed the same in Austria. In Vienna a supermarket shelf was labelled as local food shelf but it contained also products from Voralberg that is a region nearly 450 kilometers away.

Austrian market research and marketing consulting firm Keyquest Marktforschung (2012, 5) present in their study 'Regionality' (Regionalität) a definition for regional food that is from a study 'Regionality of food' (Regionalität von Lebensmitteln) published by AMA Marketing and Sensor Marktforschung (2008) The primary definition for regional food according to the research has been as follows:

- Products from farmers and small local firms
- Products from my region (ca. 100 km area)
- Products from the home federal state
- Products from Austria

According to this definition the geographical distance is seen as an important factor as well as the Austrian origin of the food. The meaning of regionality also differs when comparing Vienna and other large cities to federal states. In the federal states and especially the more towards Western Austria you go, the more important the regional origin of the food is. The importance comes from the image that the food is seen as "our food" and so it is also an important part of the regional identity.

Regional food products are often bought directly from farms and farmer markets, which highlights the regionality. In large cities as Vienna the regional origin of the food has minor importance and the regionality as a marketing line has barely no impact; consumers prefer Austrian products in general. For example for wine and vegetables it is not seen as important if the product is from the surroundings of Vienna. In cities the origin from a certain region has only meaning in such cases when there is a certain reference to that region. (AMA Marketing & Sensor Marktforschung 2008, in Keyquest Marktforschung 2012, 6)

In Finland the Central Union of Agricultural Producers and Forest Owners (MTK) defines local food so that it is produced as near as possible and that it is Finnish food where the origin, producer and manufacturer are known. (MTK 2011) According to this definition for example Swedish or Russian food could not be classified as local food, even though it would be produced geographically closeby. MTK also describes on their website that on 2011 there were changes made in the Finnish legislation that eased local businesses operations. Currently it is defined that deliveries taking place within a certain province or an equivalent area can be considered as local business operations. (MTK 2011)

In the Finnish study 'Lähirookaselvitys – Ehdotus lähirookaohjelman pohjaksi 2012-2015' authors of the study suggest an addition to the earlier definition and that is local food's impact on regional food cultures. The definition they suggest would be: "Local food is food production and consumption that utilizes raw materials and production possibilities from the region and therefore facilitates the region's economy, employment and food culture."¹ (Kurunmäki, Ikäheimo, Syväniemi & Rönni 2012, 25) This definition does not set a condition that the food products would need to be Finnish nor draws any kilometer limits to geographical distances.

2.2 Community Supported Agriculture

Community Supported Agriculture has its origins in the early 1960s, when the movement started in Germany, Switzerland and in Japan with an idea "farming with a face on it". Eventually this movement became Community Supported Agriculture in the United States. The idea behind it was the personal relationships between the farmers and consumers and the effect they had on creating a more ecological society. It also increased the support for farmers as social actors and promoted the trusting, convivial and neighbourly conversation between the producers and end customers. (Starr, 2010, 482-483)

¹ "Lähirooka on ruoantuotantoa ja -kulutusta, joka käyttää oman alueensa raaka-aineita ja tuotantopanoksia edistäen oman alueensa taloutta, työllisyyttä ja ruokakulttuuria."

There are many variations of CSA communities and working practices. Local Harvest (1999-2012) from the United States describes a CSA concept as follows:

”A farmer offers a certain number of "shares" to the public. Typically the share consists of a box of vegetables, but other farm products may be included. Interested consumers purchase a share (aka a "membership" or a "subscription") and in return receive a box (bag, basket) of seasonal produce each week throughout the farming season.”

As another example, Biohof Mogg in Lower Austria is establishing a CSA community with an annual membership of 1000 euros or 20€ per week for a 50-week box delivery order. If a member does not wish to pay the whole amount, 20-30% of the money can be substituted with participation on the farm work. (Biohof Mogg, 2013)

In Finland CSA's are known as 'food circles' (ruokapiiri) and in Helsinki there are already around 20 of them. As described by Luomuliitto (2013), a food circle means that a group of consumers order a large amount of organic products from local producers and distribute the delivery according to individual orders. So the concept binds 'local' and 'organic' together. Volunteers often run food circles, which is also to minimize the costs. Products are delivered to pick-up points meaning in this model consumers are not participating in the farm work but purchase only the end products.

In a close cooperation with farmers and producers, CSAs can also be seen as real-life platforms for networking and for exchanging information. This is what Makumaku wishes to create online. But the question remains if consumers are satisfied with an online connection? Otherwise Makumaku's concept would work as a replacement of the food circles' current online ordering systems. Especially in Austria the trend is moving towards an actual interaction between the producers and consumers. Makumaku's online concept may need an upgrade in the sense that it could facilitate also face-to-face –meetings.

2.3 Austrian organic and local food market

Austria is the leading country worldwide when it comes to the percentage of organic farming in the total utilized agricultural area. In 2009 this share was 18,5%, rising 5,4% from the year before. (Lebensministerium 2010, 6) Within the country percentages are even higher; in the federal state of Salzburg the same number rises to 50%. (Burgstädt 2013, 27) As consumers, Austrians are concerned of the food origin and safety and the national pride of their own land is also adding its affect to purchase decisions. Geographical aspects in this Alpine country have affected to the formulation of isolated communities but close-knit residential areas and this has resulted as a development of strong communities in various areas. These factors have formed Austria an ideal market for organic and local food retailers and for the food box delivery services.

In the interview (7 Nov 2012) senior consultant Lili Lehtovuori from Finpro Austria describes Austrian organic food market to be way ahead of Finland; organic food has been well commercialized and this has made the products to be part of mainstream. Lehtovuori describes that as a target group Austrians are open-minded for alternatives. Thanks to supermarket private labels the prices for organic products are not much higher and there is a frequent circulation of goods.

In Austria the availability of local food, wide use of labels and wide product assortments show the level of cooperation between the operators. For example in supermarkets can be found own shelves for local food and the Austrian origin is marked on the price tags with a letter A (A=50% Austrian product, A+A=100% Austrian product). Local food is also distributed to businesses and public schools. As farmer Franz Mogg described in his interview (1 March 2013), "Es ist mehr ein Miteinander oder Nebeneinander aber niemals Gegeneinander." (It's about doing together or side by side but never against each other.)

In the newspaper Kurier's Freizeit –magazine (2012, 72-75) Strobl and Holzer listed the main hot topics for the year 2012 in Austrian culinary scene. As the first topic they mention the origin of the food, which has turned so that where in 2011 'quality' meant

'organic', in 2012 the images were moving more and more towards connecting 'quality' with 'regional'. Regionality comes also up in Sandra Adler's and Katharina Wiesler's article (2013, 50-53), where they had interviewed 15 operators in the Austrian organic food branch. 10 out of the 15 mention that customers are more interested of the origin and there is a growing demand for regional products.

Among the other topics appear also 'food bags' that contain recipes and ready-packed ingredients and also the rise of the Alpine cuisine. In another article regarding food trends mentions hyperregionality, personality, guerilla dinners and urban gardening with growbags as new upcoming or already existing trends in Austria. (Teufl 2013, 23) They all connect to the same phenomenon of eating and cooking becoming more social and the interest towards the origin of the food.

According to Austrian Ministry of Life (Lebensministerium), the rising significance of online shopping is one of the most important trends in food trade. (Lebensministerium 2010, 6) Klemsch is also bringing the topic up in his article (2013, 76). He writes that online shopping is booming and now the growing organic food trade is searching its niche also on the internet, with different business models. Article presents two service providers, Gemüsewerkstatt and Greißlerei 2.0 that are both distributing organic and locally produced food supplies.

2.4 Finnish local and organic food market

Organic food and locally produced food have become more popular in Finland and consumers' interest towards the origin of food supplies is clearly rising. When making purchase decisions, in 2011 59% of the consumers considered local origin as an important factor when in 2005 the same percentage was 41%. (Peltoniemi & Yrjölä 2012, 23) Rising interest can also be noticed in visitor numbers in events that promote organic and local food; Herkkujen Suomi –market organized in Helsinki in August 2013 reached its record with over 64 000 visitors. (Turun Sanomat 2013)

Even though interest is rising and consumption habits are changing, the brand and the recognition of local food in Finland still remain as a challenge for both local producers

and for consumers. A survey conducted in 2004 (Arvola, Roininen, Mäkelä, Isoniemi, Paananen & Forsman-Hugg 2006, 1-6) shows that Finnish consumers barely differentiate Finnish organic food, local food and Finnish food in general; attributes such as trust and good quality and wellbeing were connected to all these three. In general terms foreign food is seen worse in regards of its quality and therefore domestic food is seen as a better option. Local food differentiated only in two aspects; as a support for local entrepreneurs and as a hard to recognize in shops. This shows the confusion that in Finland local and organic food are connected to similar images and local food in itself is still quite unknown term. According to the results there is still work to do with the commercialization of local food before small companies can use it as a competitive advantage.

Internet is offering solutions to both marketing and distribution. As Kiviranta (2013) states, online food shopping is still relatively small but the field is increasing its share in Finland. According to the study conducted by Itella Corporation (2013) regarding online food shopping, 60% of the consumers that responded to the study (800 in total) would be ready to purchase food supplies online. 40% of the respondents did not know that there are online food stores in Finland and only 4% had already purchased food supplies online. This shows that there is interest towards online food shopping, but the operators are still poorly known. Concerns related to online food shopping were the delivery times and price range. Most preferred way for the delivery was home delivery during evening time. Customer groups that were most interested on online food shopping were children families, consumers with good income and consumers between the ages of 40-59. (Itella 2013)

Small operators concentrate in organic or in local goods and these online shops are currently located mostly in Helsinki metropolitan area. Demand would attract online shops to reach further to the north but infrequent residential areas are increasing delivery costs. In these areas the promotion of local food and sharing of information is vital; aitojamakuja.fi –website has been promoting local entrepreneurs since 2008 by gathering a database that currently consists of 1700 firms. (Aitojamakuja.fi 2013)

Comparing the Finnish market to Austrian market the most significant differences seem to be the awareness of the consumers and the level of cooperation. Kurunmäki, Ikäheimo, Syväniemi and Rönni (2012, 52) present the current challenges that local food industry is facing in Finland. There is a lack of three important factors - cooperation, coordination and information. Promotion of small scale entrepreneurship has been insufficient plus the supply and the demand do not meet. As a solution Kurunmäki, Ikäheimo, Syväniemi and Rönni (2012, 54-60) suggest the execution of the development program for local food market (Lähirookaohjelma), the setting of common targets as a base for operating, enhancement of the support for the small entrepreneurs and of the distribution channels.

3 Research methods

The methodology used in the research is benchmarking, which is to identify the best practices in the Austrian market. This gives information for Makumaku so they can analyze how those practices could be implemented to their business processes and also to identify whether Makumaku's business concept would have a place in the Austrian market. For this research I have used an exploratory research approach that is used to, for instance, finding information regarding consumer habits and beliefs, marketing opportunities or changes in the consumer behaviour (Kolb 2008, 26). The methods for data collection apply mainly to the qualitative research methods. As Kolb describes (2008, 26), these methods, rather than asking for facts, are concentrating more on needs, desires, preferences and values.

3.1 Benchmarking

Benchmarking is a common method for companies who wish to improve their business practices. Benchmarking is about comparing, sharing information, learning and setting targets –benchmarks- to be achieved. Jack and Boone (2009, 2) describe benchmarking as "a systematic approach in which a business evaluates its own operations and procedures through a detailed comparison with those of another business, in order to establish best practice and to improve performance." Peters (1994, 20) follows this definition but highlights that benchmarking is also "...using best practice to stimulate radical innovation rather than just seeking minor, incremental improvements on historic performance."

As more concrete reasons, why a company should benchmark, Peters (1994, 20) presents the following five benefits that can be obtained through benchmarking:

1. Customer requirements can be more readily met.
2. Best practices will be brought into awareness and actively examined.
3. Goals will be established with an external perspective
4. True measures of productivity and customer satisfaction can be established.
5. A more competitive position will be obtained.

According to Stapenhurst (2009, 4), in addition to business practices, benchmarking can also be applied to products and services or, in a broader sense, to any area where a company wants to compare performance and/or learn from others. Peters (1994, 19) presents the benchmarking process in four steps (Figure 5). Identifying should be a continuous process in a company, never a one-off exercise. Analization refers to the areas that need improvements. Planning step selects the best practices, both inside and outside of the company. Implementation and evaluation is a stage where the chosen best practices are put in action and therefore this step must lead to specific actions. As Peters highlights, benchmarking is not about data collection but the implementation.

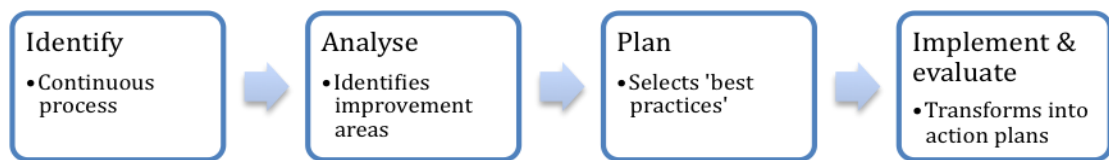


Figure 5. The four steps of the benchmarking process. Peters, G. (1994, 19).

There are various forms and methods for benchmarking and they should be considered and implemented according to the company's need. Comparison to other companies is called external benchmarking but as Jack and Boone (2009, 2) mention, benchmarking activities can also be internal, where different divisions or departments of the company are compared in order to set common standards or to promote internal competition.

Spendolini (1992, in Jack & Boone 2009, 2) has identified two forms of external benchmarking for best practice; a functional (or a generic) form and a competitive form. These terms describe the relation between the companies. In a functional form the company observed may not be in direct competition and it may involve collaborative sharing of data. In a competitive form the target company is a direct competitor. In this study the form of benchmarking is functional, as Makumaku is not operating in the Austrian market and therefore is not a direct competitor for the local operators.

Stapenhurst (2009, 3) names two aspects for benchmarking; comparison and adaptation. Comparison is the process where a company compares performance levels to be aware of the position of the best and of their own organization and from which company they could be able to learn the most. Adaptation aspect means to look at the business practices and notice what has made better companies to achieve their position. After that the company who is running the benchmarking process may adopt the suitable practices. In Makumaku's benchmarking process this study takes part in the comparison and partly the adaptation. In Peters' four steps for benchmarking (Figure 6) this study takes part in the first step of continuous identifying Makumaku team is responsible for the final phase of adopting and customizing the business practices.

3.2 Methods of data collection

This research was done by using qualitative methods for data collection. The four methods that were used are desk research, interviewing, testing and observing. In addition to these methods I conducted a literature research during the whole research process (Figure 6). I spent five months in Austria during the research process and that time was utilized to conduct most of the interviews, to observe the organic and local food market and to test the food box delivery service as a customer.

The collection of experiences from some of the Austrian entrepreneurs was set as a target since the beginning and therefore it was clear I would include interviews to the research process. The interviews were to find out the entrepreneurs' experiences regarding organic and local food market and online trading and what challenges they have experienced. Questions covered also possible concept developments and future plans.

Before conducting the interviews I needed to collect background information related to the Austrian organic and local food market and clarify the objectives of the interview. I collected background information about the distribution channels and business models in Austria through desk research and also through field work in Vienna. After returning to Finland I continued with the desk research and with the

analysis of the field work results. Testing and observation was done in order to receive more information regarding the Austrian organic and local food market and the box delivery service and also to bring a customer viewpoint to the study. The conclusion was to present the best practices found in the Austrian companies.

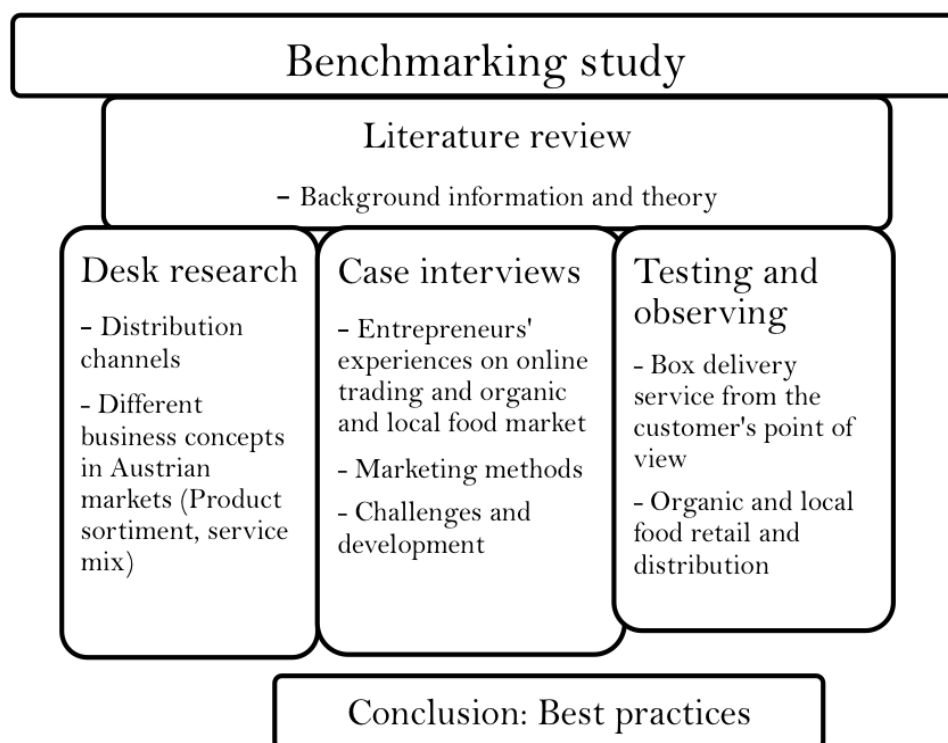


Figure 6. Design of the study and the purpose of each research method.

3.2.1 Types of data collection in benchmarking

As for data collection methods for benchmarking, Stapenhurst (2009, 19-20) lists the following methods:

- Public Domain = Data published for example in newspapers, consumer magazines
- One-to-one = Visits to one certain company
- Review benchmarking = Typically carried out by a team visiting each participant, identifying relative strengths and weaknesses, best practices and maybe making recommendations and even facilitating improvement actions
- Database benchmarking = Participant's data are compared to a database of performance levels

- Trial benchmarking = Carried out by trialling and/or testing products and services from other organizations and comparing them to your own products and services
- Survey benchmarking = Carried out by an independent organization surveying customers to ascertain customers' perception of relative strengths and weaknesses compared to competitors
- Business Excellence Models benchmarking = An independent assessor scores aspects of the organization according to a Business Excellence Model such as the Baldrige Award or the European Foundation for Quality Management (EFQM)

From these methods I have used in this study the public domain, one-to-one and the trial benchmarking methods.

3.2.2 Desk research

Desk research was conducted to study the theoretical background related to the research topic and also to find out information about the multiple entrepreneurs located around Austria. As for source material I have used books, print newspaper and magazine articles, online articles, web sites and previously conducted studies. Desk research data was quick to access and also an inexpensive way to obtain valuable information. The quality of the sources had to be varified but as the local and organic food and online food shopping are all very current topics both in Austria and in Finland, there were many good quality sources as articles and reports available.

3.2.3 Interviews

The advantages for using qualitative interviews are that the interviewees can respond with their own words and the responses may give an insight that might be missing in other forms of research, for example in surveys. Qualitative interview may also give time for developing ideas and for adding follow-up questions. Disadvantages are that the sample might be small, the interviews may generate non-comparable data and the interviewer must have the needed skills to keep the interview in the topic without leading the respondent too much. (Kolb 2008, 142-144)

The collection of experiences from the entrepreneurs and other specialists was an important target for this research and therefore I have used qualitative interviews as one data collection method. As Kolb mentions (2008, 26) in qualitative interviewing the size of the sample is not the most important, but the quality of it. This means the researcher is paying attention on selecting the right people to be interviewed. Keeping this in mind, I asked from all interviewees to be part of this research because of different objectives; one was an external market expert and the three entrepreneurs were all presenting different kinds of companies. Interviews were conducted by using three languages; Finnish (Lehtovuori), English (Fischer-Neuberger) and German (Mogg and Teichmann). The selection of the language had a major impact on the quality of the interview.

I made four interviews for this study; one with the senior consultant Lili Lehtovuori from Finpro Austria and three with Austrian entrepreneurs that operate on the local and organic food market; Franz Mogg from Biohof Mogg, Elmar Fischer-Neuberger from Adamah Biohof and Maria Teichmann from Greißlerei 2.0. Interviews with Lili Lehtovuori, Franz Mogg and Elmar Fischer-Neuberger were conducted face to face in Austria. Interview with Maria Teichmann was conducted over email, as I had already returned to Finland.

I modified the interview questions for the three entrepreneurs, as each of them had different business models, but I presented also some same questions to be able to compare the responses afterwards. This way all the three interviews were based on the same frame (Appendix 2). One of the main targets of this research set a good base for the interview questions; to gather experiences from the entrepreneurs. First question was to find out about the interviewee's position in the company and this way also his/her perspective to the company. Three next questions were related to the company background; where it started and if the business concept has changed or developed.

Each interviewee represented a different kind of company, so in order to obtain as much information as possible with a limited amount of questions, I modified some questions to be more related to the concept and to allow the entrepreneur explain the

business model further and add experiences related to various aspects. Questions related to the financial stage, strengths, competitive advantage and marketing methods were presented to all entrepreneurs. These were presented in order to obtain more insight information and therefore to form a clearer image of the company. Answers to these questions also described how the interviewee sees the company and its position compared to the competitors. The question regarding the changes in customers' buying behaviour was asked to confirm whether the entrepreneurs had noticed the rising popularity of local food in their sales or if there would have been some other aspect affecting to the demand. As the previous question had led the interview to the current and possible future trends, it was natural to finish the interview with a question regarding the future plans in the company.

All interviewees received the questions beforehand over email and they were given a possibility to clarify the questions if needed. Face-to-face interviews took around an hour, where the time was used not only for going through the questions one by one, but also for the interviewees free talk regarding any of the topics discussed on the interview. This information together with the observing helped me to form a clearer picture of the Austrian market.

3.2.4 Testing and observing

According to Grönfors (2001, in Tuomi & Sarajärvi 2002, 83) there are four reasons for a researcher to choose observation as a method for data collection. One is that the topic of the research is not known, or there is only a little amount of information. Another reasons – and benefits – are that observation supports and connects the data that is gathered through other methods. Especially when it comes to analyzation, the observed data may provide supporting information. Fourth reason is that observation diversifies the research outcome. In this research, the observation helped to connect the data obtained from various sources and it also provided supporting information.

During the time I spent in Austria I visited farmer markets, farm shops, organic food stores and ordinary supermarkets. For the interviews I also visited two organic farms in the areas nearby Vienna. From all of these locations I gathered observed data, that is

presented throughout this report as a background information. This chance that I could visit the shops, read the free magazines related to sustainable living and talk with people helped me to form a better overall picture of the Austrian organic and local food market.

I tested the products of two food box deliverers, Biohof Mogg's Austria box and Adamah Biohof's regional box. I also visited Adamah Biohof's stand in Naschmarkt that is one of the biggest open air markets in Vienna. In addition to ordinary supermarkets in Vienna as Billa, Spar and Hofer, I also visited Denn's Biomarkt that is an ecological supermarket and has already grown into a chain with stores located in Austria and in Germany.

4 Results of the study

4.1 Desk research

In this research I have included data from 18 Austrian bio and local food retailers who have a food box home delivery service. The companies and entrepreneurs were located around Austria, though the majority of them – nine out of 18 – are operating in the federal state of Lower Austria. The rest were from Burgenland, Upper Austria, Salzburg, Styria, Kärnten, Tirol and Vorarlberg. The large amount of companies in various locations in a country that is relatively small like Austria shows the popularity of the food box delivery service.

The results from the desk research have been collected to a table that is presented in the Appendix 1. This summary will refer to that table and to the data presented there.

Factors considered in the desk research were based on the 5P's of marketing (Product, Price, Place, Promotion, People) and are mentioned on the following list, referring also to which 'P' each of them relate.

Factors considered in the research were:

- Operating area (Place)
- Year of establishing the company
- Business concept (People)
- Food box sizes and prices (Product)
- Food box types (Product)
- Other products offered on the web store (Product)
- Delivery costs (Price)
- Is there information about local or organic food provided on the website (Promotion)
- Advertising methods (Promotion)
- Consumer remarks

Makumaku as the commissioning party was also interested to find out about the Austrian companies' marketing methods. In the comparison I have also included if the company has any information on their website regarding biological or local food, as the information about the products is often the key determinant for the consumers when they decide to purchase organic or local products. As a hypothetical customer I have also viewed the clearance of the websites from the customer point of view.

4.1.1 The five P's of marketing

The original four P's of marketing include *Product*, *Price*, *Place* and *Promotion*. This is a concept first created by Michigan State University marketing professor E. Jerome McCarthy in 1960. (VanRysdam 2010, 22) However, many marketing experts have widely accepted the additional fifth P that is *People*. VanRysdam (2010, 24-27) explains the traditional meanings of the five P's but adds also what new elements social media and online shopping are bringing to this marketing mix.

Product refers to the actual good or service that is offered, including packaging, warranties and support services. Internet has changed the pack significantly as companies may now provide online services like FAQ pages, manuals, forums and even customer-driven support. For a customer the change means the information can also be obtained elsewhere than from the company itself. (VanRysdam 2010, 24)

Price is affected by the costs, the margins, customers' willingness to pay, the quality and the additional services. Especially for the reduction of costs Internet is offering various ways as for example processes can be moved online. *Place* or *Placement* refers to the physical location where the product is offered but also to its position on the market. Internet has opened up various channels for also small businesses to sell their products, but tightened the competition as the offering has increased. Therefore companies need to concentrate also on the placement of the product in the customers' lives. (VanRysdam 2010, 24-25)

Promotion binds together all activities that are aimed to increase the awareness of the product and of the brand. For that the social networking sites are becoming more and

more important as companies encourage customers to talk about their products and share experiences. *People* refer to the ones inside and outside of the company where the ones working inside of a company are seen as brand ambassadors. (VanRysdam 2010, 26-27) Especially the current trend towards the sense of community is highlighting the meaning of the people, even in an online store. This can be seen as a competitive advantage for a successful online store or service; to ensure the customer is receiving personalized service and feels that the trading is still done with real people behind the online system.

4.1.2 Size of the companies and their business concepts

The size of the companies varied from single entrepreneurs and family businesses to limited partnerships. Most common business concept among the companies included in the research was that the company has a biological food store and they also deliver the same products in boxes to customers' homes. The store could be either the company's or entrepreneur's own farm shop or a retailer who is acting as a middleman between producers and consumers. Ten out of 18 companies had the concept including the shop and the box delivery. Six from those had an own farm, so most of the products sold in the store were also produced by the same company. (Appendix 1)

The idea of a bio and local food box home delivery service has come to Austria from Germany and Adamah Biohof introduced it as first in Austria in 2000. (Fischer-Neuberger, E. 6 March 2013) After that the service has spread around the country. Agricultural products from organic farming have been in the Austrian market for a longer time; for example Biohof Adamah converted their farm into an organic farm in 1997 (Fischer-Neuberger, E. 6 March 2013), Biohof Mogg has been operating since 1995 and Biohof Achleitner since 1990. (Appendix 1, 55, 58)

Most of the company owners run the business together with their family or partner. As farmers and/or farm shop keepers the traders are perfect ambassadors for their own products, as their own lifestyle is according to their values and these values are transmitted to their products. Family entrepreneurship affects also positively to the brand image as the main target group for organic and local food are the children families.

4.1.3 Box types

The research showed a wide selection of different kind of food boxes in the Austrian market. There were only three service providers who do not have a ready-made box but the customer is choosing the content of the box from the company's web store. Otherwise among those who offer ready-packed boxes, all deliverers offer the box including only vegetables. Right behind that comes the fruit box, which is also offered by almost every company. By having the vegetable and the fruit boxes, it is a logical and a beneficial solution for the companies to offer also a mixture box including fruits and vegetables. 11 out of 18 companies offer the mixture box. (Appendix 1)

Vegetable and fruit boxes contain fresh food supplies from the region and from abroad, but also the imported goods are from organic farms. Arising box type in terms of popularity and offering is a regional box that contains fruit and vegetables only from the region or – in Frischebox's case – only from Austria.

Seven out of 18 companies are already offering regional boxes (Appendix 1) and can be assumed that even more companies will offer them in the close future, as the Austrian consumers are becoming more aware of the regional origin of the food. According to Elmar Fischer-Neuberger from Biohof Adamah (6 March 2013), regional boxes are their second most sold box type. Same phenomenon can be noticed also elsewhere; in BioMitter's top10 –list of most sold boxes are the small regional box (3.) and the medium regional box (7.) (BioMitter 2013)

An interesting and a seemingly popular box type is the "mum-kid –box" (Mutter-Kind –Kistl), that includes only such vegetables and fruits that are ideal for pregnant women, small children and special diets. This means the box does not include any flatulent vegetables or citrus fruits (Table 1). The popularity of this box type can be seen from the wide offering among the special box types; seven out of 18 companies offer the "mum-kid –box". (Appendix 1)

Table 1. The contents and prices of middle-sized mum-kid boxes in Adamah Biohof and BioMitter for the week 20 in 2013. "A" is to indicate when the product is from Austria."A" is to indicate when the product is from Austria.

Biohof Adamah: Mum-kid –box	BioMitter: Mum-kid –box
<i>Middle size ca. 19€</i>	<i>Middle size 19,50€</i>
Salad, 1 piece A	Salad, 1 piece A
Cucumber, 0,5 kg	Chard, 0,6 kg
Rhubarb, 0,5 kg A	Cucumber, 1 piece
Celery, 0,4 kg	Rhubarb, 0,4 kg A
Parsnip, 0,6 kg A	Zucchini, 3 pieces
Oyster mushroom, 1 bag (120g) A	Carrot, 0,55 kg
Pear "D'Anjou", 0,6 kg	Apple "Idared", 0,7 kg A
Banana, 0,6 kg	Strawberries, 1 bag (250g)
Avocado "Hass", 2 pieces	

Box deliverers are also marketing their food boxes for businesses. Eight out of 18 box deliverers have in their selection boxes called "Office box", "School box" and "Snack box". These boxes contain fruits and/or vegetables that are suitable and easy to be eaten raw as a snack. BioMitter is offering the Office fruit box also in a decorative basket to make it nicer looking and easier to display in an office. Biobote in Kärnten has reserved Mondays only for delivering fruit boxes to offices. Biohof Adamah offers both fruit and vegetable boxes for offices. (Appendix 1, 55)

Besides the Mum-kid –box that contains digestion friendly fruits and vegetables, the Austrian entrepreneurs have also taken into account another special diet; raw food. Compared to office boxes, which contents can also be eaten raw, the raw food boxes contain only vegetables and such that are used also as ingredients for preparing raw food dishes.

Other box types found in the research were Juice boxes (Biohof Adamah, BioMitter, Biohof Achleitner), Gardener boxes (Adamah, Kristahof), a Gourmet box (Kristahof), a "Flotte Lotte" box (Kristahof), fresh dairy box (Kristahof), fresh meat box (Kristahof), a Vitaminkick (Achleitner) and a Summer box (Achleitner). Juice boxes mean the content of the box includes fruits and vegetables that are suitable for making juices at home. BioMitter is also offering a box with ready-made bio fruit and vegetable juices

(6x1 L bottles). Gardener box contains only vegetables, but compared to a vegetable box it does not contain salad, herbs or seasonal vegetables, so the content remains similar throughout the year. (BioMitter 2013)

Kristahof in Voralberg and Biohof Achleitner distinguish themselves by offering boxes others do not. Kristahof's Gourmet box is a special service for those who wish to receive information regarding their purchases; when ordering a Gourmet box the customer is invited to the Kristahof shop and can choose the products together with a worker and hear more about the origin and contents. Chosen selection will be delivered to the customer's home. Another Kristahof's speciality is "Flotte Lotte" –box that contains salads, herbs and vegetables for quick cooking. (Kristahof 2013)

Achleitner has created a box called "Vitaminkick", which is an Office box with another name. Marketing line for this box says it brings new life to kindergardens, schools and offices. Large box contains also peanuts in addition to fruits and vegetables. "Summer box" is also an already existing box with another name. It contains fruits and vegetables like the mixture box. (Achleitner 2013)

4.1.4 Supplementary products

Besides the ready-composed boxes, all companies offer also other products to be home delivered in their web stores. (Appendix 1) In many cases the selection of the web store is comparable with a full-supplied supermarket, only that in the web store all products are organic. Some deliverers mainly buy the food supplies from wholesale markets but some have also established cooperations with other local food producers. Among the long lists of possible products to order a customer can find also some peculiarities. For example, BioMitter is offering also books in their web store. Bioladen's Gsunde Körperl has a wide selection in their bio shop; food supplies, shoes, books, cleansers, flourmills and cosmetics, among others. All the products offered in the store can also be ordered home with the box. Also two other deliverers, Bioladen and Biobox Tirol offer cosmetics. (Appendix 1, 58, 59)

4.1.5 Prices and delivery

Half of the companies included in the research offer boxes in three sizes; small, medium and large. Four deliverers offer two options so the customer can order either a small box or a large box. Prices between the same-sized boxes from different deliverers do not have a significant difference. Small boxes cost between 10-15,50€, medium-size boxes 18-19,50€ and large boxes 19-25€. The only exception is Biobote in Kärnten whose boxes are clearly lower-priced than others; small costs 5€, medium-size 10€ and large 15€. Vegetable box is also available in extra-large –size with 20€. (Appendix 1)

Die Grüne Grille and Bioladen have their own ways for pricing. Die Grüne Grille has one box size, but it can be supplemented with eggs or with potatoes. Therefore only the box costs 15€, a box with eggs is 19€ and a box with potatoes is 22€. Bioladen has priced their boxes according to the type and origin. For example a Styrian fruit box is 14€, but if the box will contain also imported fruits the price is 17,50€. Two deliverers do not have ready-made box sizes, but the customer is choosing the amount of products to be delivered from the web store. (Appendix 1, 57, 58)

Delivery costs vary among the 18 companies. 10 out of 18 companies offer free home delivery for the box without conditions, meaning the delivery fee has already been included in the box price. The rest eight have a minimum order amount in euros that ranges between 15-100 euros as a minimum order and up from those amounts the delivery is free. Few companies have also set a minimum order amount in euros for the home delivery, meaning the delivery is not possible if the order does not exceed certain amount. For BioWichtl this is 40€, Frenkenberger BioBox it is 45 € and for Bioladen it is 17,50€ or 29€, depending of the area. (Appendix 1)

All companies deliver the food supplies in boxes. Five deliverers mention the box is reusable, which means there is a deposit to be payed for the box. Some deliver in reusable boxes only for regular customers who have subscribed to for example a weekly or a 2xmonth –box. With a single order the box is a carton box. Deposits vary between 3,50-12 euros. (Appendix 1) As an example of the system, Biohof Mogg is delivering the food supplies in a reusable box and to the receipt they place a deposit of 3,50€,

which will be returned in the next payment. When bringing the new box the deliverer picks the empty box.

4.1.6 Print advertisements

Local food box deliverers do not need to market their products widely to new customers; in villages word goes from mouth to mouth and boxes in front of doorsteps on the delivery day market the service. Delivery cars are also an effective way for the deliverers to let the neighbourhood know about their service. Also many entrepreneurs have their own shop, where the home delivery service can be marketed.

However, some print advertising is used. Adamah has advertisements in Biorama –and Oliv –magazines, which are free magazines for consumers interested in sustainable lifestyle. Also Biobote is advertising their food box delivery in Biorama. Magazine is can be picked from ecological stores and is also delivered to Adamah’s customers inside their food boxes. In the advertisements Adamah is not marketing the food box delivery, but their bio catering service. This is however raising the awareness of the company itself and by so also the awareness of the food boxes.

Other print advertisements noticed were Adamah’s leaflets and that they have also published a cookbook.

4.1.7 Websites and other forms of online marketing

Food boxes are mainly traded online; only few entrepreneurs who have own farm shop offer a possibility to order via paper form. Otherwise consumers choose the products they wish to be home delivered in the company web shops. Company websites present mainly the entrepreneur and their business concept. Wider descriptions include also information about the background of the company, about the workers and about upcoming events. Some also offer information regarding biological agriculture and what benefits it brings to the consumer, to the region and to the environment.

Most of the websites of the 18 companies are very simple, meaning they contain 3-5 pages that provide only the necessary information needed for presenting the entrepreneur, product selection and ordering instructions. The bigger and more diverse the company is, the more information is also included on the website; good examples from this are Adamah Biohof and Achleitner Biohof. As a conclusion from the customer point of view is that the more the site provides information, the more trustful the company seems. Clear structure and design gives a professional feeling and invites the possible customer to spend more time on the site before making the purchase.

Six companies publish an online newsletter, which at least in Adamah's and Mogg's case was also printed and brought home with the delivery box, together with food recipes. Also six companies have a page on Facebook, but only Achleitner and Adamah seem to have understood the meaning of a Facebook –page. Four other companies' sites are established but they are not updated and therefore they do not have much content. Achleitner and Adamah have both published many photo albums and events and are using the wall space for keeping possible customers up to date with company's daily life. Adamah has 5216 likes on their page and Achleitner has 2651 likes. (Appendix 1, 55, 58)

Company websites are in German; the only different one is BioSchatzkistl. As located close to the border with Slovakia, they provide the website also in Slovakian. (Appendix 1, 58)

4.1.8 Offers for new customers

Besides of newsletters and Facebook, there were also few kinds of offers found during the research that are meant to introduce the service to new customers. BioMitter offers a gift for those customers who bring a new customer to the delivery circle. Both, the old and the new customer, receive a gift that can be chosen on the website. Possible gifts were a bottle of white, red or sparkling wine, two 100g packages of cheese, two tea packages or spaghetti and tomato sauce. (BioMitter 2013) Achleitner is rewarding new customers so that the fourth delivery is for free and the friend, who introduced the service to the new customer, receives also one free delivery. Minimum order

amount for these deliveries is 14 € which is the price of the small box. (Appendix 1, 58)

For the first order of the new customer, Biobote offers a fruit box and a vegetable box together with a price of 10€. Size of the boxes is not mentioned but can be assumed it is the medium-sized, so the customer receives -10€ discount. (Appendix 1, 59) Biobox Tirol does not offer a mixture box otherwise, but as a trial box a new customer can order a mixture box with the price of a large box (22€). (Appendix 1, 59)

4.1.9 Other marketing methods

BioWichtl mentions on their website that the customer data will be used for direct marketing that contains also telemarketing. BioMitter is offers an up-to-date way for delivering their boxes as the web store has also a smart phone version for Android and iPhone. For spreading the word not only offline or on Facebook, Adamah also offers a possibility to send an e-card from their website with pictures from their farm and with their logo. (Appendix 1)

4.2 Case interviews

4.2.1 Biohof Mogg

Biohof Mogg's farm is located in Herzogenburg in the federal state of Lower Austria. Their business concept consists of their own farm, farm shop, food box delivery and, as a new part of their operations, they are establishing a CSA food community. Biohof Mogg is a regionally operating family business that has been growing steadily since the family Mogg overtook the farm in 1995. In 2000 the farm was converted into an organic farm and in 2005 they started delivering food boxes (Mogg, F. 1 March 2013).

Franz Mogg is the head of the family business and has now nearly 20 years experience from farming and direct selling. During the interview I had with him we discussed how the consumer preferences are changing in the region and how this has affected to Biohof Mogg's operations. He also described what challenges they have experienced in the food box retailing and what can be expected in the future.

Before 2005, Biohof Mogg was trading their harvest to warehouses. However they noticed that as a small producer they would have had to produce a wider selection of products, which would have demanded more handwork. Also when concerning the price paid by the warehouse, the cost-benefit –calculations were not beneficial. This is how Biohof Mogg came to the conclusion to start direct retailing; it meant more income for the producer (Mogg, F. 1 March 2013).

Currently Biohof Mogg is delivering roughly 550 boxes every week and they have a database of around 2000 customers. Franz Mogg counts as their main strength their own production – that the products they deliver come mainly from their farm. Direct selling has been a success and even up to that point that Biohof Mogg has reached the top of their capacity. As Mr Mogg notes, they do not wish to have more customers in the box delivery circle, because it would be too much for them (Mogg, F. 1 March 2013). Even though the box delivery is an established part of their business, it has brought some difficulties as well.

Franz Mogg mentions the quantities versus prices as one challenge when it comes to the food box retail. If the box is traded as a 10kg-box, they always need to pack it over the 10kg because of vaporation; this is causing financial losses for the farmer. Also regarding the product quality, they need to complement the orders often with wholesale goods as their own are not enough, and therefore it is harder for Biohof Mogg to guarantee the quality (Mogg, F. 1 March 2013).

Biohof Mogg is delivering in the close-by region, where the competition is still very small, but the situation is changing. Interest towards regional food is growing and this means there will be more food box deliverers. As Franz Mogg points out, these new entrepreneurs will possibly diminish Biohof Mogg's share of the local market, which forces them to deliver to further distances. This is not according to their ideology of ecological and regional production, so Mogg has chosen another way for their future operations; Community Supported Agriculture (CSA) (Mogg, F. 1 March 2013).

Another problem that led to Franz Mogg's decision to establish a CSA network was that the amount of box orders is fluctuating and this causes certain difficulties in planning and forecasting. They never know how many boxes exactly will be delivered on the following week because of summer season, holidays and single orders. Biohof Mogg is operating on the countryside area where many consumers also grow their own garden vegetables plus that some travel away for holidays. This leads to a drop of 40% in sales during the summer (Mogg, F. 1 March 2013).

CSA model secures their activities on the farm for the whole year so it is a safer option. Biohof Mogg will keep the box delivery still on the side this year but when the CSA will be established, which they hope will be by the beginning of 2014, they will most likely close down the box deliveries.

4.2.2 Adamah Biohof

Founded in 1997, BioHof Adamah is currently in their own league in local and bio food retailing. Gerhard and Sigrid Zoubek's family business has been growing steadily and is nowadays supplying roughly 5 500 clients in Vienna and its surroundings with their organic food home delivery boxes. Besides the box delivery service, Adamah has various other activities that are food store in Marchfeld, 16 open air market stands, events like farm festivals, seminars, cooking courses and excursions around the farm, plant markets and organic food catering services. Adamah has also an important part in the region as they employ 80 people (Adamah 2013).

I had an interview with Elmar Fischer-Neuberger, who is the open air market responsible in Adamah Biohof. Topics discussed during the interview covered Adamah's past and the current state and what successes and difficulties they have experienced during the years and how they want to develop the business in the future. Mr Fischer-Neuberger commented also the current trend of locality and what should be considered when dealing with it.

Along with the new owners, Adamah was converted into a "Biohof"(organic farm) in 1998. The first retail method was the open-air markets, but they noticed they could not

sell as much as the farm was producing. They were searching other forms of direct selling as this was the way the farmer can give a recognizable profile for the products – otherwise in wholesale they would become unanimous (Fischer-Neuberger, E. 6 March 2013).

Gerhard Zoubek was introduced to the food box delivery service in Munich and he brought this concept to Austria in 2000. Adamah started delivering boxes to 20 clients per week –currently their amount of weekly orders ranges from 5000 to 6000 (Fischer-Neuberger, E. 6 March 2013). Adamah Biohof offers 13 different types of boxes and also other supplementary products to be home delivered (Adamah 2013). For managing the orders they use software called BioOffice that is suitable for handling a large quantity of orders (Fischer-Neuberger, E. 6 March 2013).

Before implementing the BioOffice software, Adamah was using Ökokiste. Ökokiste was suitable when their business was smaller -and it is currently used by for instance Biohof Mogg- but in the long run as the amount of orders grew over 3000 per week by 2006, they noticed they were making significant losses. They were missing 70 000 euros and this was the result of wrong packing. In the organic agriculture where GMO (Genetically Modified Organism) seeds are not used, products vary in size.

”We found out that the box sizes in exact kilograms combined with an exact amount of products was the problem. Because of the organic way of farming, one cellery can be 1,2 kg and the next one 0,5 kg, so the amount had to be adjusted with the weight and thought that with the price.”

(Fischer-Neuberger, E. 6 March 2013)

As mr Fischer-Neuberger describes, with 200 boxes it was no problem to do scaling but with 3000 boxes the quantity versus weight versus price did not match anymore and the software was not suitable. They switched to BioOffice to obtain more flexibility –now the customer is paying really for what is put inside the box. The implementation of the software cost them 150 000 euros but they calculated that in two years they would have earned the money back (Fischer-Neuberger, E. 6 March 2013).

Currently Adamah Biohof has a turnover of 10 millions where the boxes make 6 millions, the farm 1,5-2 millions, the farmer markets 600 000 euros a year and the farmer shop 4000-5000 euros a year. The cash cow is the box delivery service and that is how they want to keep it. Their annual marketing budget is roughly 4000-5000 euros and they do not want to spend more by increasing for example print advertising (Fischer-Neuberger, E. 6 March 2013). Currently Adamah has advertisements regarding their bio catering service in Biorama and Oliv that are free magazines for consumers interested in sustainable lifestyle. They also have cooperation with the newspaper Standard; Adamah delivers boxes to their editorial and they publish their advertisements. In addition to print advertisements Adamah has also leaflets.

Elmar Fischer-Neuberger counts as the main strength of Adamah its authenticity. Their main goal is to run the activities in a transparent way and to share information about organic and local food –this is also their main marketing method. As mr Fischer-Neuberger points out, they do not intent to be missionaries but they wish to inform consumers about the organic agriculture and the characteristics of local food; then it is up to the consumers to make the purchase decision (Fischer-Neuberger, E. 6 March 2013).

When asking about future development in Adamah, mr Fischer-Neuberger describes they are currently on a consolidation phase. The company was growing fast, which he says can be very dangerous, so now they want to establish the operations they have. Adamah is also trading products from other producers and as mr Fischer-Neuberger says, their goal is to bring their farmers and the other producers closer to the customers. This is done on the farmer markets, farm festivals and seminars. Mr Fischer-Neuberger is also telling they would wish to open a shop in Vienna, where consumers could come instead of ordering boxes to their homes (Fischer-Neuberger, E. 6 March 2013).

4.2.3 Greißlerei 2.0

Greißlerei 2.0 is an online shop that sells organic products grown and produced in the St.Pölten region in Lower Austria. Customers place their weekly orders by Tuesday 9 am and the delivery can be picked up from the company premises in St.Pölten on Fridays between 9.30 am and 6 pm. (Greißlerei 2.0, 2013.) All products in the online shop are organic and produced in the region, which in this case means no further than 40 kilometres away. (Teichmann, M. 2 October 2013.)

Company started first as an association and the idea for it came in 2009 when Maria Teichmann and Petra Kirchner met Gerhard Zwingler, the founder of the association for sustainable lifestyle, Nets.werk. The association Nets.werk had set a target to start distributing organic products grown and produced in the region of St.Pölten and that was the start-up idea for Greißlerei. (Teichmann, M. 2 October 2013.)

The online shop model and platform for the customer database was bought from the Nets.werk association. Maria and Petra spent around one year searching for suitable producers and a suitable location and choosing products to be sold in Greißlerei 2.0. When building the customer database, they were sending emails and asking recipients to forward the message to people who might be interested. That worked well. The first delivery took place in 2011, when they had 20 customers in their database. From the beginning the number of customers has been growing steadily and nowadays it is reaching up to 70-90 customers per week. Due to the lack of space in the pick-up point Maria Teichmann comments that they could not handle a much bigger amount of orders. (Teichmann, M. 2 October 2013.)

Greißlerei 2.0 was operated as an association (Verein) for two and a half years. Customers could join and pay a membership fee of 15€ per year. Membership fee was to support the association and by joining Greißlerei 2.0 one could attend the events organized by the association with a lower enrolment fee. (Greißlerei 2.0, 2013.) Change to this model came in June 2013, when Greißlerei 2.0 was registered as a private business and Maria Teichmann started to run it on her own as a sole entrepreneur. (Teichmann, M. 2 October 2013.)

The main advantage of Greißlerei 2.0 is that they deliver only regional products and buy mainly directly from the farms, which is a unique concept. This differentiates Greißlerei 2.0 from many box deliverers, because the delivery boxes are often a combination of own farm's products, regionally produced products and wholesale or imported products. The only exception for Greißlerei 2.0 is the small wholesaler Bersta, but also from them they buy only regional products. The reason is that some farmers cannot deliver their products separately, so it goes through a wholesale. (Teichmann, M. 2 October 2013.)

The product assortment includes dairy products, cereals, vegetables and fruits, bakery products, vinagres and oils, fresh meat and beverages. Interesting additions for the product assortment are alcoholic beverages like wine and liquors and also cosmetics. (Gleißerei 2.0, 2013.) Altogether the assortment covers over 2000 items. In the beginning the managers Maria and Petra chose all the products but after establishing the service farmers started to offer their products for sale as well. Before the product is put on sale to the Greißlerei's webshop, Maria gets to know the producer and finds out more about the farming or production practices. Also the regionality of the product is checked and if there is anything Maria thinks is missing, the product is discarded. (Teichmann, M. 2 October 2013.)

Maria is visiting producers herself so the relation is more personal and based on understanding and trust. Through this close contact Greißlerei 2.0 can also narrow the gap between consumers and producers as they tell the background of the producers to customers. When knowing the background, it is easier for the customers to understand better if there are sometimes difficulties in the supply of certain products. Greißlerei 2.0 does barely any advertising or promotion; word of mouth in reality and online works the best as good customer experiences and stories behind the products are easy to pass on. Sometimes Maria is also presenting the business on festivals with an own stand. (Teichmann, M. 2 October 2013.)

Maria has not encountered any significant challenges during the four years. She only mentions that from the customers' point of view the challenge regarding online order-

ing might be that you need to remember to place the order on time (minimum 3 days before the delivery date) and that you need to plan more, therefore this kind of trading is not suitable for spontaneous shoppers. (Teichmann, M. 2 October 2013.)

From the financial perspective Greißlerei 2.0 is running on plus side and Maria is living on this business, so she gets her salary from 20 hours of work per week. However, she believes the business model is expandable. She is currently considering whether Greißlerei 2.0 should have two opening days per week. She would add Tuesday to the opening hours, when currently the doors are open for the delivery pick-up only on Fridays. She is also considering establishing more pick-up points so it would be shorter way for the customers. (Teichmann, M. 2 October 2013.)

4.3 Testing and observing

During the time I spent in Austria I had an opportunity to test the foodbox delivery service and visit two farms that both deliver foodboxes. I also visited some farmer markets and organic food stores to familiarize myself better with the Austrian organic and local food market. In Austria one does not need to look far for organic or local products; they are well presented also in ordinary supermarkets. There is also an own supermarket chain just for organic products. Denn's Biomarkt has already 12 branches in the capital area and new ones are opening. (Denn's Biomarkt, 2013) Denn's is also emphasizing the regionality and domestic origin of the products, so they favour Austrian food supplies. In Finland the closest comparison to Denn's Biomarkt would be Ruohonjuuri, but the wide product assortment in Denn's was already close to an ordinary supermarket.

I had not tried foodbox deliveries or online food shopping before, but the two times were both very positive buying experiences. I ordered one box from Adamah Biohof and one from Biohof Mogg. In both online shops it was easy and relatively quick to place the order; both sites were clearly structured and I found a suitable box easily. In both cases the delivery was included in the price so I did not need to think, whether I need to pay extra for the delivery or pick the box from somewhere. After the purchase I received a confirmation email where the purchase and the delivery date was stated.

Both boxes I purchased were small regional boxes and costed 14 euros which was a good amount to pay for the amount of vegetables and fruits and plus the home delivery. Both boxes were delivered behind the home door. In addition to the food supplies the boxes also included recipes from those ingredients, a summary of the purchase and a newsletter. In Adamah Biohof's box there was also a free magazine related to sustainable living.

As these two foodbox purchases were my first ones, I observed the purchasing process from the new customer's viewpoint. I considered the food box delivery service also generally as an alternative for ones weekly food shopping. I gathered the ideas in a SWOT analysis (Table 1), where the strenghts, weaknesses, opportunities and threats of a food box delivery service are presented. Strenghts of a food box delivery service are certainly the easyness and convenience that the food supplies are ordered online and the delivery comes to the doorstep. Flexibility in box sizes and contents make the boxes more attractive as products. Weaknesses relate to the lifestyle, that ordering beforehand for the upcoming week requieres planning on what, when and how much one is going to eat. Opportunity for the food boxes and for the delivery service is that consumers get used to using the service. An overall increase of organic and local food supplies may decrease delivery costs and diversify the product selection. For a consumer a threat would be that the prices of the boxes increase or that there are difficulties in supply.

Table 2. SWOT -analysis of the foodbox delivery services from a customer's viewpoint.

Strengths	Weaknesses
<ul style="list-style-type: none"> - Easy to order and pay online - Convenient to have the goods delivered on the doorstep - Wide product sortiment in most online shops - Easy to find suitable foodbox, small enough for 1-2 persons - Possibility to change products - Recipes help in menu planning - Prices are affordable - Box combinations encourage to try new dishes or ingredients - Less waste 	<ul style="list-style-type: none"> - Requires planning on what to eat and when - Need to have a credit card or an Austrian bank account - Not possible to see all the products before ordering - Need to remember to place the order in time - Need to estimate the consumption and the quantity needed for the food supplies - Changing daily routines - Requires planning if the delivery needs to be picked from a pick-up point
Opportunities	Threats
<ul style="list-style-type: none"> - Getting used to shopping online and placing weekly orders - Cooking at home as a part of lifestyle - More customers using the service, decrease in delivery costs 	<ul style="list-style-type: none"> - Price increases - Difficulties in the supply

5 Conclusions

5.1 Benchmarks

5.1.1 Familiarity as a brand image

Organic food and especially local food sell with an original story behind the product and with traceability. In Austria it is very common that the deliverers are distributing products from their own farm and in many cases box delivery is an additional service to the farm shop. Only few deliverers did not have their own farm, so they act only as a distributor. In addition to this, many operators are family businesses, which increases their brand value as local and organic food marketing is mainly targeted for other families. By operating as a family and distributing products from their own farm, it is easy for the Austrian box deliverers to create close customer relations within the area and share their knowledge regarding the production. This increases customers' trust on the origin of the products, which is very important in the local and organic food sale.

5.1.2 Direct contact as an added value

In Austria as well as in Finland the box deliverers need to consider how to differentiate themselves from the organic and local food shops. The main competitive advantage for the box deliverers is the home delivery that is very convenient for the customer. In those cases where the deliverer has an own farm another plus in the service is the customers' direct contact with the producer. This adds a personal touch to the products and makes the buying experience different for the customer. As Elmar Fischer-Neuberger from Adamah Biohof described their operations that what they do is "farming with a face on it." (Fischer-Neuberger, E. 6 March 2013)

Direct contact with the producers and to the origin of the products may also be improved by organizing tours on the farms and different kind of meetings or seminars. In Adamah Biohof concept they invite families and school groups for a visit on the farm and also organize farm festivals. Meetings and seminars are also in their future plans as those kinds of events bring their customers and the specialists together and it is an easy and nice way to share information. In Biohof Mogg customers may familiarize them-

selves to the production phase and products by joining the farmwork in the Community Supported Agriculture model.

When considering the Austrian companies included in the research, Adamah Biohof (6080 likes) and Achleitner Biohof (3531) are the most active on Facebook. Seeing the number of their likes can be noticed there are also consumers following them. Noticeable on Adamah Biohof's and Achleitner Biohof's Facebook –pages is that the posts are not used plainly on advertising the products or delivery service. Content is generated from updates from the farm, posts related to sustainable living, photos of the workers and also from the events. This is one of the keys in social media marketing and can be seen as a direct online contact between the entrepreneur and the customer.

5.1.3 Product selection

Many deliverers offer a wide product selection. Various types of delivery boxes are offered plus that the consumer may choose the same box in different sizes. By offering various types and sizes of boxes the deliverer can easily widen the product selection as the vegetables and fruits were mainly the same in all boxes –just different quantities. From the customer point of view the wider selection makes the delivery service more attractive as you can choose the box that fits to your needs and this way you do not need to order and pay for more than you need.

Even though the deliverers may offer the possibility to combain your own box, this takes more time for the customer to choose the products and think through what to do with them. For the customer it is easier and more convenient to choose a ready made box with suitable recipes. Also the fruit and vegetable sortiment in the delivery boxes encourages customers to try new vegetables that they otherwise might not have chosen. By offering a wide selection of different boxes the deliverer is saving customers time as the planning for the content is already done and within the different options it is easy for the customer to choose the most suitable box.

Different diets were taken into account as some deliverers offer boxes for raw food eaters or for those who wish to have easily digestable food. Besides of serving those

customers who already follow this diet it may also encourage other customers to try a new diet. For allergic or preference reasons there was also in most cases offered a possibility to change a limited amount of products in the box into another product.

5.1.4 Information to support purchase decisions

Most of those websites included in the research presented information about organic food and why to choose organic products. This would be one benchmark for the content of the website, because if the box deliverer wishes customers to buy more local and organic food products, there must be enough of information available as the purchasing decisions in this case are mostly based on the knowledge. Customers need to know what kind of positive impacts organic and local food products have in their community and how the products are grown or produced. Information regarding seasonality was also found to guide customers purchase decisions. These pieces of information are very important because they increase motivation to buy the products and it also enhances customers' trust on the producer. Box delivery company cannot expect the customer to have obtained this information already beforehand, it must be provided on the website in the same way as the salesperson in the shop would offer information for the customer.

5.1.5 Promotions

Achleitner Biohof encourages customers to recommend Achleitner to their friends with a simple deal. The deal is that Achleitner offers one free home delivery for the existing customer and the new customer receives the 4th order with a free delivery. This way the new customers are encouraged to try the box delivery for more than once or twice and if they order a box four times, it is more likely they will stay Achleitner's customers for a longer time.

5.2 Implementing the ideas

Implementing the ideas mentioned in this chapter requires time, effort and a small allowance from the budget, but are all such that make the company more attractive to new customers. Familiarity and direct contact cannot always be formed only by using

online methods. Events such as trade fairs, open air markets, farm festivals and excursions are perfect to introduce the company, the workers and the suppliers to the old and especially to the new customers. Personal contacts and live meetings increase customer loyalty as they offer an interactive way to share and obtain information.

Diverse product selection does not necessarily mean to grow the selection, but in the case of a box delivery company the product selection can be made more diverse simply by creating new mixes – in this case new box types- of the already existing products in the assortment. This way the assortment is made more attractive to various groups of customers. Information regarding the products, the suppliers and the organic and local food in general is also a simple way to promote sales. Promotions always cost money and affect to income, but when they are designed so that an existing customer is rewarded for recommendations and the new customer is encouraged to try the product or service more than once, both customer groups feel rewarded. It also creates a positive circle, where a new customer wants to recommend the service further.

6 Possible market gap for Makumaku in Austria

The organic and local food box delivery service in itself seems to be working well in the Austrian market as there are already a multiple number of entrepreneurs and some of them have been able to grow significantly. Therefore the box or bag delivery in itself may not be the service Makumaku can consider as a competitive advantage, but the connection to social media might be a factor that is still missing in Austria. The possibility for creating a customer profile is not common. The level of cooperation and the general attitude towards other entrepreneurs seem to be positively developed, which may offer a chance for creating one network for various farmers and shop owners.

In a common network also concepts like the box delivery and Community Supported Agriculture can be united, where neither one closes the other out, but are presented as options for the customer. A larger network also frees the farmers to concentrate on the farm work, products and services, while the network provider takes care of the online retail, logistics and marketing communications. Wider network offers wider product selection for the customers and may also enhance farmers' sales quantities. Only drawback what might be confusing the Austrian customers is that if they are so far used to buying directly from the farmer or from the shop owner, Makumaku –network might be seen as an extra link in the customer's mind.

Makumaku offers a possibility for customers to create an own customer profile and interact with other customers. This way Makumaku website is a social media site, as it allows users to generate content, share information and experiences and interact with other customers. By ensuring the social media elements Makumaku can offer a plus for both customers and suppliers, in addition to the benefits of a large network. This would be a new element on the Austrian local and organic food online retail.

An interesting topic to be researched still would be the various online programs designed specifically for the food box delivery businesses. Elmar Fischer-Neuberger (6 March 2013) referred to the multiple number of the programs in the interview as he explained why Adamah Biohoff had changed the program. He mentioned that differ-

ent program providers come to present their products at the 'Biofach', the annual trade fair for organic food in Nuremberg, Germany. It would be interesting to find out what other programs there are on the market and what programs the Austrian entrepreneurs are using. By comparing those programs that are in use to the Makumaku platform, Makumaku could receive valuable information regarding its chances to enter the Austrian market.

7 Self-assessment

The aim for this research was to provide information regarding Austrian local and organic food market and to search for best practices among the Austrian box delivery companies. This target has been well reached considering the scope of a Bachelor Thesis and the time and report length limitations. The topic for the research would offer much more information so therefore limiting the topic exactly for this report was important, in order to have the research work and reporting done.

I had an opportunity to stay in Austria, which gave me time for on site observations, testing and especially for live interviews. German language skills were very important and helpful when searching and going through the research material. Local contact persons in Austria also helped to proceed with the research by giving suggestions for source material. The collection of the data on site in Austria has increased the quality of the research and also makes it more trustworthy, as the material was not only collected from publications and online sources.

The interviewees were selected so that the outcome would be as diverse as possible. This means I chose companies with different but interesting profiles, in order to receive various viewpoints. Personal interview gave a chance to explain the questions, which ensured the response would be relevant to the question. This enhanced the quality and the usefulness of the interviews. Meeting in person gave also time for free discussion, which was an interesting way to obtain more information regarding the Austrian market.

Conducting the research and writing the report was an interesting learning process to the various aspects of research work. The topic was interesting for me and therefore it was also natural curiosity to look for more information regarding the Austrian and Finnish organic and local food market. Product testing was also an interesting way to obtain an insight to the box delivery services.

The main target for the research developed and turned more specific as the work proceeded. I see this development as a natural part of a research process, especially in the beginning. Altogether this was a valuable learning experience that developed my skills in researching, project management and in German language.

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Appendices

Appendix 1 Comparison of the Austrian organic and local food box deliverers

Company	Area	Year	Concept	Box size & price	Box types	Other products	Delivery cost	Info about bio on the website?	Marketing	Other notes
Biohof Adamah	Vienna and NÖ	1997 boxes: 2000	Box delivery, farm, shop, market stand, bio catering, b2b, excursions, plant market, cooking courses, seminars	S 14 € M 18 € L 23 €	Veggie box Fruit box Mixture box Regional box Mum & kid box Office & school box Office fruit box Gardener box Juice box Raw food box Cheese pack Sausage pack Mixture pack	Wide selection: Bread Eggs Dairy Oil Grain and wheat Herbs	Free home delivery	Explanation about bio farming, various links related to bio lifestyle	Facebook –page with many photo albums, events and 4303 likes Possibility to send an e-card. Leaflets, cooking books. Newsletter. Print ads	Recipes, newsletter and Biorama magazine in the box. Social responsibility. Solar power investment.
Biohof Mogg	Vienna and NÖ	1995 boxes: 2005	Farm, farm shop, box delivery, CSA	S 14 € M 18 € L 24 €	Veggie box Fruit box Mixture box Regional box Raw food box (=snack box)	Few other products, easy to choose Dairy Conservants Grain and cereals	Free home delivery, in a reusable box with 3,50€ deposit	Info about CSA	Word of mouth. Newsletter	Unique with CSA concept. Clear and nice website.

						Meat Juice Herbs				
BioWichtl	Vienna and NÖ	-	Shop, box delivery	No pre-determined box sizes	Own selection	Wide selection	Min. order 40€ in Vienna and Linz, delivery 4€. From 70€ free. Outside delivery 8€	Short description "What means bio"	Newsletter, BioWichtl Zeitung. Consumer data will be used for direct marketing, also telemarketing	Home delivery or picked up from the store. Either paid for the driver or with a monthly payment. Messy website.
BioMitter/ Biohof Breitenfurt	Vienna and NÖ		Boxes, but closely connected to Breitenfurt: farm, farm shop, horse riding, events, kid friendly	S 15,50 € M 19,50 € L 24 €	In all 3 sizes: Veggie box Fruit box Mixture box Office box Snack box (raw) Mum & kid box Regional box Juice box 6x1L ready juice box One size: Veggie weekly with/without bread Weekly with/without bread	Wide selection, nice extra: books	Free delivery in the delivery area	Info about Demeter alliance	Recommendation rewarded. Webshop also in a smart phone format for Android and iPhone.	Office box can be ordered in a decorative basket.
Biofritz	NÖ	Late 1980's	Box delivery	S 15 € L 20 €	One kind, doesnt say how	Good selection. Prod-	No data	Yes in few sentences,	Biofritz flugblatt newsletter	Nice website, but messy,

					much each product in S or L	ucts only from the region, nothing imported		about bio quality and their values		hard to navigate, box info in separate documents
Die Grüne Grille	NÖ		Box delivery, delivering other farms' products	normal 15€ + eggs 19€ + potatoes 22€	Veggie box Fruit box (office) Mixture box Mixture box + 10eggs Mixture box + 5kg potatoes	Few. Eggs, potatoes, apples, juices, herbs, honey + gift card	Free when min.15€ purchase, otherwise 3€. To the outer delivery area +1€. Box deposit 10€.	None	Presse –page, short description about them and the new box plus few pictures	New box coming: snack box 35€ with durable products. Simple and clear website and business concept
Bioladen's G'sunde Körberl	NÖ	2004, boxes 2005	Shop and box delivery, Hermes delivery, events	S 15 € L 20 €	Veggie box Mixture box	In the shop theres "everything", also shoes, can be delivered	Free delivery	Reasons why to choose bio, seasonal calendar	Newsletter Has received many regional recognitions.	No clear mention where the products come from. Input to the community.
G'sunde Pause	NÖ Waldviertel		Shop and box delivery		No readymade boxes, amount stated in kg/pieces	Products from Bio-Lutz farm (1978)	Free delivery with min.purchase15€			Doesn't calculate the end sum. Services in the shop; acupuncture, massage etc.
Wurzel Werk	NÖ Weinviertel	2000 boxes 2002	Box delivery	S 14 € L 19 € Own sortiment min. 15 €	Veggie box Mixture box	Flour, flakes, oil, seeds	Free delivery	Examples of seasonality: winter/summer box	Car stickers	Products from own farm, other products origin ? Simple online

										form Arch Noah cooperative
Bio Schatzkistl	Burgenland		Box delivery	S 15 € M 19 € L 23 €	Veggie box Fruit box Mixture box	Large selection of bread Wine, juice, eggs, honey, cheese, sweets, coffee	Free delivery with min 15€, otherwise 5€ According to region different dates	Why to choose bio and regional	Facebook page (288 likes) Website also in Slovakian	Large delivery area, to Bratislava Either weekly or 2/month 2 products can be changed in a box
Achleitner Biohof	ganz OÖ Salzburg, West-NÖ OSTEI	1990	Farm, shop, restaurant, wholesale, box delivery, excursions, cooking courses	S 14 € M 18 € L 22 €	Veggie box Fruit box Mixture box Vitamins Regional box Summer box Office fruits Office mixture Snack box Mum&kid –box Juice box	Cheese and sausage packs (sortiment) Herbs +20 pages of other things	Free delivery	Lot of information about them, bio, regional-ity and other interesting : recipes, how not to waste	Facebook (2541 likes) Tell forward, get a free delivery (min14€) and your friend's 4 th delivery is free (min14€)	Big company
Frenkenberger BioBox	Salzburg			No ready made, min order 45 €		Long list	Free delivery min.75 € purchase and in Salzburg area. Longer dist./smaller amount, cost max 6,5 €	Why to order bio box		Messy website. As in many other, re-usable boxes. Hemp product delivery to all Austria and Germany
Bioladen	Steiermark	1979 Bio-	Shops and	Veggie	Sty-	Long list:		Links		Hard to fig-

		laden 1992 Kornwaage	box deliv- ery Bio lunch restaurant	box/Fruit box: Styrian 14€ International 17,50€ Mixture: Styrian 17,50€ International 21€ Mum-kid box 21€ Cheese pack Styrian 9€ International 13€	rian/internation al: Veggie box Fruit box Mixture box Mum-kid box Cheese pack	fresh food, preservatives, cosmetics		Info about traditional plants		ure out the concept vs. cooperation
Frischebox	Steiermark		Farm, shop, res- taurant, café, cloth shop, box delivery, event (yo- ga, cook- ing)	S 14 € M 18 € L 23 €	Veggie box Fruit box Mixture box Office & school box Snack box Mum & kid box Regional box	Bread, eggs, grains, flakes, flour, cheese, dairy	Free in the de- livery area, cer- tain products can be sent to elsewhere in Austria		Seasonal bro- chures	Clear and nice website
Biobote	Kärnten		Box deliv- ery	S 5 € M 10 € L 15 € (Veggie XL 20 €)	Veggie box Fruit box Mum-kid –box	Wide selec- tion	Free delivery with min. 30€ order, otherwise 5€		Offer for first timers: veggie box+fruit box 10€ recipes	30 farmer's group Mondays reserved for office boxes List of sup- pliers

BioBox Tirol	Tirol		Box delivery	S Fruit 10€ S Veg 12€ M 18 € L 22€ Own sortim. Min 35€	Veggie box Fruit box Office box	Wide selection Food Cosmetics	Free delivery when min. 22€ order Extra fee 5€ when paying with cash	What means 100% bio Supplier data	Trial box 22€ (veggie, fruit or mixture)	Box deposit 12€
Gemüse kiste	Voralberg (Ländle) Salzkammergut Tirol		Box delivery	Veg 13,40€/11,50€ Fam 17,20€/14,15€	Veggie box Family box	Bio Herbs Bio Spelt Apple juice	Free delivery		Supplier data Recipes Nutrition info	Veggies are from the region but not bio
Kristahof	Voralberg		Farm Farm shop Holiday houses Box delivery Events (hoffest, seminars)	S 12 € M 19 € L 21 €	Veggie box Fruit box Mixture box Mum-kid –box Regional box Gardner box Snack box Flotte Lotte (quick cooking) Cheese and sausage pack Dairy box Fresh meat box Culinary box Office box	Potatoes Bread	Free home delivery	Information about the farm work	Newsletter FAQ's	Box deposit 5€

Appendix 2 Frame for the interviews

Frame for the interviews with Franz Mogg (Biohof Mogg), Elmar Fischer-Neuberger (Adamah Biohof) and Maria Teichmann (Greißlerei 2.0).

1. Interviewee's position in the company and for how long s/he has worked in the position
2. Business concept in the beginning
3. Possible concept developments
4. Creation of the market
- 5.-7. Company specific questions; B2B, opinions regarding Ökokiste -software, possible challenges in operations, concept related questions
8. Company's financial state
9. Company's strenghts
10. Company's competitive advantage
11. Marketing methods
12. Possible changes noted in the customers' buying behaviour
13. Further developments in the company
14. Additional comments