



Calculate Search Marketing ROI
DOWNLOAD THE WHITE PAPER NOW



oneupweb
 INTEGRATED ONLINE MARKETING

SEARCH [Advanced Search](#) [Archives](#)


[Home](#) > [All Archives](#) > [Marketing Daily Archives](#) > [Monday, Jan 22, 2007](#)
Welcome | [sign-out](#) Thu, Mar 8, 2007
[EMAIL THIS ARTICLE](#) [PRINT](#) [REPLY](#) [SUBSCRIBE](#) [TODAY'S EDITION](#)

Wal-Mart Fraud Flap Begg Question: What is 'Organic'?

by Sarah Mahoney, Monday, Jan 22, 2007 5:00 AM ET

WHEN A WAL-MART SHOPPER SEES the word "organic," what do they think it means? How about at Starbucks? Thanks to consumers' changing preferences, the meaning of the "O" word may be a moving target that neither retailers nor environmentalists fully understand.

The Cornucopia Institute, an organic watchdog group, has charged Wal-Mart with "organic fraud," claiming the company consistently mislabels certain products, including yogurts and sugar, as "organic." And after filing a complaint with the U.S. Department of Agriculture several months ago, the group, based in Cornucopia, Wisc., lodged another one recently with the Wisconsin Department of Agriculture, Trade, and Consumer Protection, which is also investigating.

The Organic Consumers Association responded by calling for a boycott of Wal-Mart stores. Never heard of the OCA? It's the same organization that has been pressuring Starbucks to stop using milk with artificial growth hormones. Last week Starbucks announced its intention to make that switch in all of its company-owned stores.

Wal-Mart, for its part, maintains the store signage violations are rare and "strictly an executional issue," said a spokeswoman for the Bentonville, Ark.-based chain. "We don't have an organic section--our customers want to see the organic alternatives displayed right next to the conventional counterpart. We believe it to be an isolated incident should a green organic tag identifying a product be accidentally shifted in front of the wrong item."

And last September, Cornucopia published a white paper accusing Wal-Mart of "cheapening the value of the organic label by sourcing products from industrial-scale factory-farms and Third World countries."

"The idea of 'selling the sizzle, not the steak' has never applied to anything as much as it does to organic products," said Mark Kastel, co-director of Cornucopia. "When consumers buy organic products, they are buying a story, a romance--it isn't just about chemicals,

If you have questions about online video and how to get your brand involved in the video revolution, ask Tremor Media.

Call Randy Kilgore:
 646.421.6210



Today's Most Read

1. Advertisers Flee Coulter Web Site, Claiming Ignorance
2. Another Way The Rich Differ: They're Online Longer
3. IAB Pegs 2006 Online Ad Spending at \$16.8 Bil, Up 34%
4. Cable Chief Slams eBay Plan, Offers Partnership
5. Online Publishers Association High On Promise of Mobile

they want to believe they're buying milk from small family farms, not 10,000-cow industrial farms. We will not tolerate anyone exploiting that sense of trust and authenticity."

The USDA has strict guidelines for the organic label, but those aren't necessarily understood by consumers. "When people see the word organic, they likely think it means the product is natural," said Jacquelyn Ottman, a green marketing consultant based in New York, and author of *Green Marketing: Opportunity for Innovation*. "Some of the more sophisticated ones will understand that means something is grown without pesticides, and there will be an association that is from a small farmer, and locally grown."

About 73% of Americans purchase organic products at least occasionally, said Laurie Demeritt, president of The Hartman Group, an environmental marketing group based in Bellevue, Wash. But only 21% of those represent what she terms the core organic market. "These are people who shop at farmer's markets and food co-ops, and probably don't shop much at all in any national chains," she said. Typically, they are very concerned about such issues as whether a product was produced locally or in another country.

But 66% of organic consumers shop in many channels, and "really don't want to be educated about the finer points of what makes something organic. By and large, these people buy organic because of perceived health benefits. To them, organic means the lack of something bad--the lack of pesticides, or the lack of growth hormones. We're pretty selfish as consumers--we're buying these products because of what we believe they can do for us, more than what it can do for the environment."

There's also another group: The discerning foodie. And while Wal-Mart may not have a prayer of ever regaining the trust of the core environmentalists, it is hoping to win over this more affluent customer base. "These cooks are important, and they are buying organic because they expect it to taste better," Ottman said.

Sarah Mahoney can be reached at sarah@mediapost.com

Recent Marketing Daily Articles

[Another Way The Rich Differ: They're Online Longer](#) Mar 8, 5:00 AM

[Research] A new study shows that affluent consumers are focused on getting information so banner ads...

[Avon Signs Jennifer Hudson To Imari Fragrance Deal](#) Mar 8, 5:00 AM

[Beauty] The "Idol" loser and Academy Award winner is a good fit for a company that's...

[Ducati Cuts Marketing Department, Increases Sales](#) Mar 8, 5:00 AM

[Automotive] The company set North American sales records after it stopped running glossy print ads and...

[Pampered Pets Driving Industry Growth Toward \\$40 Billion Mark](#) Mar 8, 5:00 AM

[Packaged Goods] From their little tiny rain boots to their massage therapists, the nation's pets are...

[Hot Fish: Tilapia Still Rocks, But Make Way For Cobia](#) Mar 8, 5:00 AM

[Food] The International Boston Seafood Show gets underway this weekend--where marketers will hear that while consumption...

[Carmakers Offer 'Live' Chat To Online Shoppers](#) Mar 8, 5:00 AM

[Automotive] Consumers like the technology because they can remain anonymous. Clients like it because the program...

[March Madness: Dell, Marriott, State Farm In Game](#) Mar 7, 5:00 AM

[Sporting Events] Among major televised sporting championships, only the Super Bowl commands a higher ad rate...

[Lunch May Not Be Free, But Parking Is On GM](#) Mar 7, 5:00 AM

[Automotive] General Motors is offering to pay for shoppers' parking in eight cities through April to...

[Huggies Adds Sunscreen To Disposable Swim Line](#) Mar 7, 5:00 AM

[Packaged Goods] The extension makes sense because the brand equity is in protecting children, says a...

[Quaker Maid Reprises Steak-Umms Lyrics In New Campaign](#) Mar 7, 5:00 AM

[Food] National ads are all over TV, reminding consumers -- in 10-second bursts -- of the...

[>> Marketing Daily Archives](#)

[ABOUT MEDIAPOST](#) • [MEDIA KIT](#) • [RSS FEEDS](#) • [PRIVACY](#) • [TERMS & CONDITIONS](#)



©2007 MediaPost Communications. All rights reserved.
1140 Broadway, 4th Floor, New York, NY 10001
tel. 212-204-2000, fax 212-204-2038, feedback@mediapost.com

