

# Relevance and Potential of Cooperative Marketing for Sales of Regional and Regional Organically Produced Products in Saxony

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The demand for regionally and organically produced products is increasing. For this reason, more and more cooperative forms of marketing (coops) have been established in Saxony in addition to the well-known direct marketing.

Coops are based on local economic networking between producers and consumers. In contrast to most other forms of marketing, consumers play an active role in the value chain by creating, building and maintaining these relationships.

The KOORA-study aims to determine and analyze the cooperative marketing forms in Germany and specifically in

Saxony. The study was conducted between December 2021 and February 2023. Cooperativity and regionality of the initiatives were evaluated and quantified with newly developed quantification tools ("scores"). Relevance and potential for sales of regional and regional organically produced products in Saxony are presented. Possible opportunities, risks and hindrances for further development of such cooperative forms of marketing ("COOPs") are identified and recommendations for action are provided.

## Types of cooperative marketing

### Community Supported Agriculture (CSA)

CSA connect producers and consumers with the aim of joint financing and sharing of the harvest (Netzwerk Solidarische Landwirtschaft, 2022).

### FoodCoop

People form a community with the aim of using collective purchasing power to acquire quality food at an affordable price (Frenzel, 2013).

### Producer-Consumer Community (PCC)

PCCs strive to link production, marketing and consumption within a regional network that brings producers, traders and consumers together (Asendorf et al., 2003).

### Other forms of cooperation

Include alternative forms of marketing such as "Marktschwärmereien" and "Genießergenossenschaft".

## Procedure

- Literature research
- Development of RegioScore and KoopScore
- Online Survey
  - Invited via mail and phone: 58 initiatives
  - Survey period: Sept. 26<sup>th</sup> until Oct. 31<sup>st</sup> 2022
  - n<sub>complete</sub> = 11, n<sub>partially</sub> = 6
  - Total return thus 29.31 %
- Workshop
  - Discussion of survey results
  - Elaboration of problems, opportunities and recommendations for action

## RegioScore

Quantification tool: How **regional** are the products of the COOPs really?

### Results:

The most important product for all participants in the survey indicated a RegioScore in the regional or very regional range. Thus, the most important products are proven to be regional.

- Terrestrial Score: **3.63** (possible maximum: 8)
- Psychological Score: **3.63** (possible maximum: 6)
- Added Value Score: **7.45** (possible maximum: 8)
- Total Score: **14.91** (possible maximum: 22)

(1 to 7 points: product not or hardly regional; 8 to 15 points: product regional; 16 to 22 points: product very regional)

## KoopScore

Quantification tool: How **cooperative** are the COOPs really?

### Results:

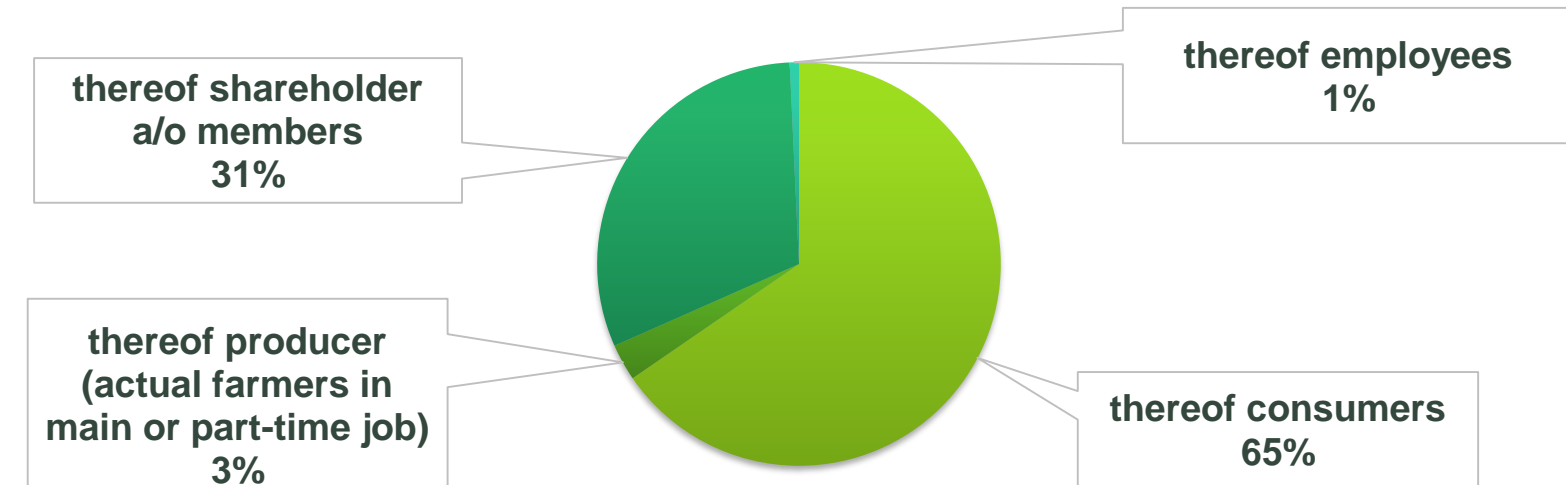
The COOPs participating in the survey show an overall medium to high degree of cooperation. All participants are thus proven to be cooperative.

- Feature Score: **31.18** (possible maximum: 45)
- Judicial Score: **14.45** (possible maximum: 23)
- Cooperation type Score: **3.09** (possible maximum: 13)
- Total Score: **48.73** (possible maximum: 81)

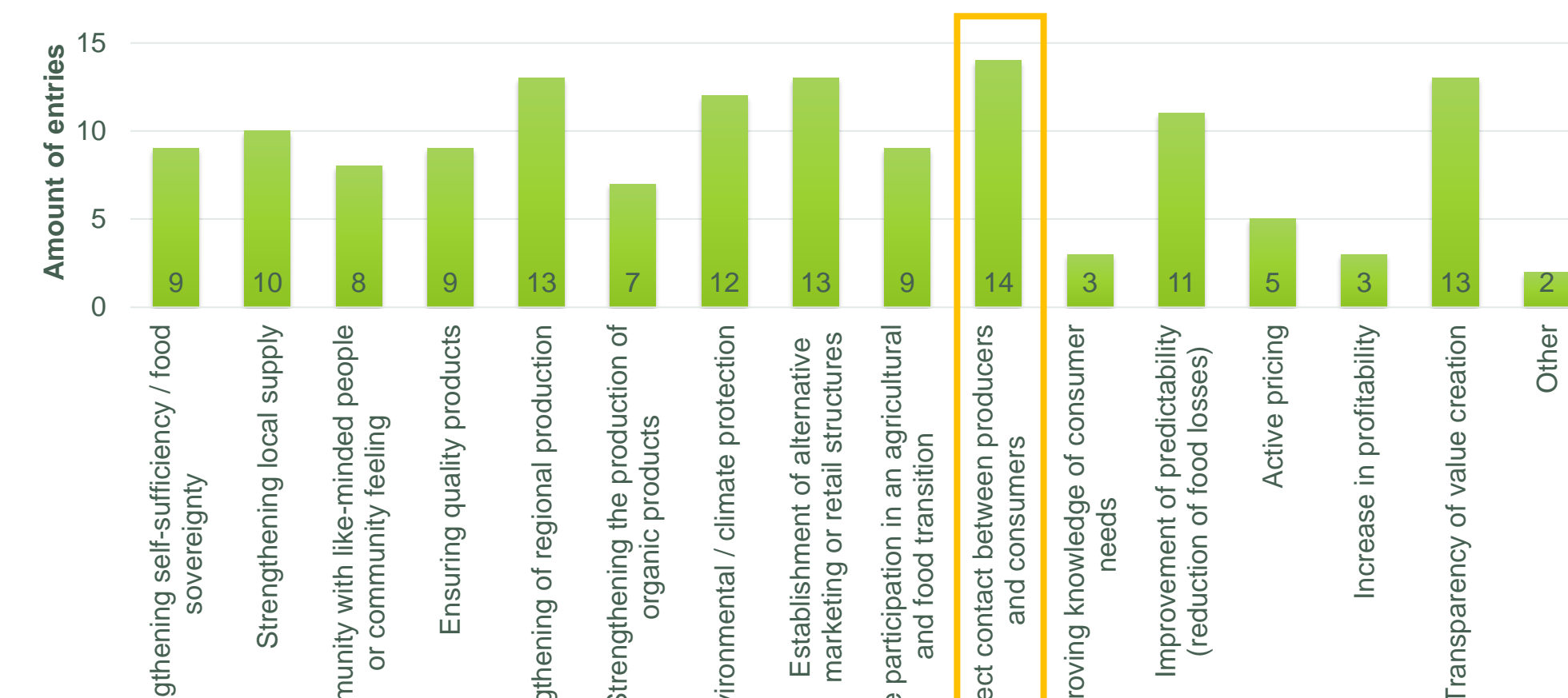
(0 to 26 points: no to low degree of cooperation; 27 to 54 points: medium degree of cooperation; 55 to 81 points: high degree of cooperation)

## Abridgement of results (88 questions total)

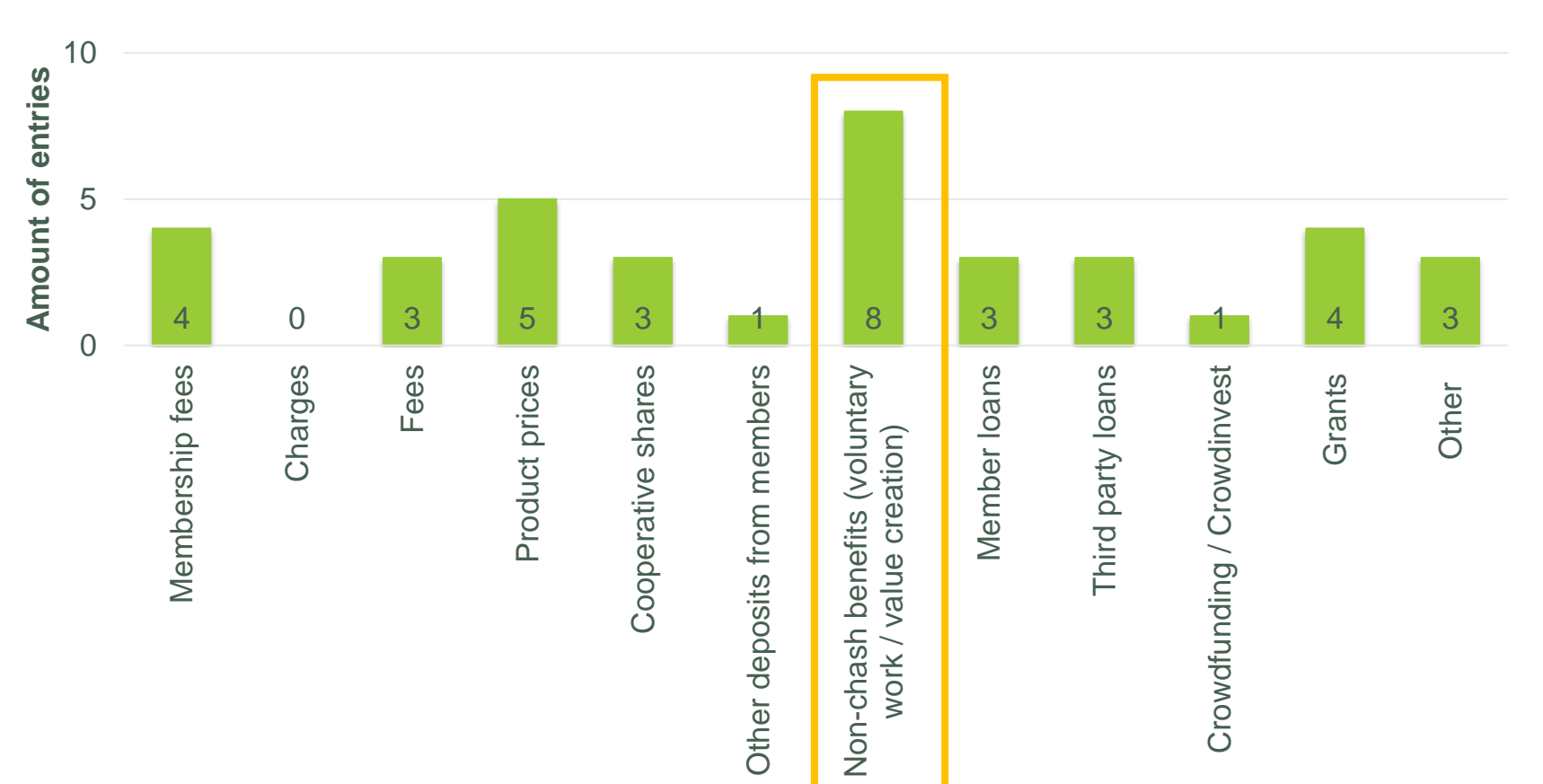
How many agents does your company / cooperation have? (n = 17)  
Average total: 545.06



What is the motivation for your company / cooperation? (n = 14)

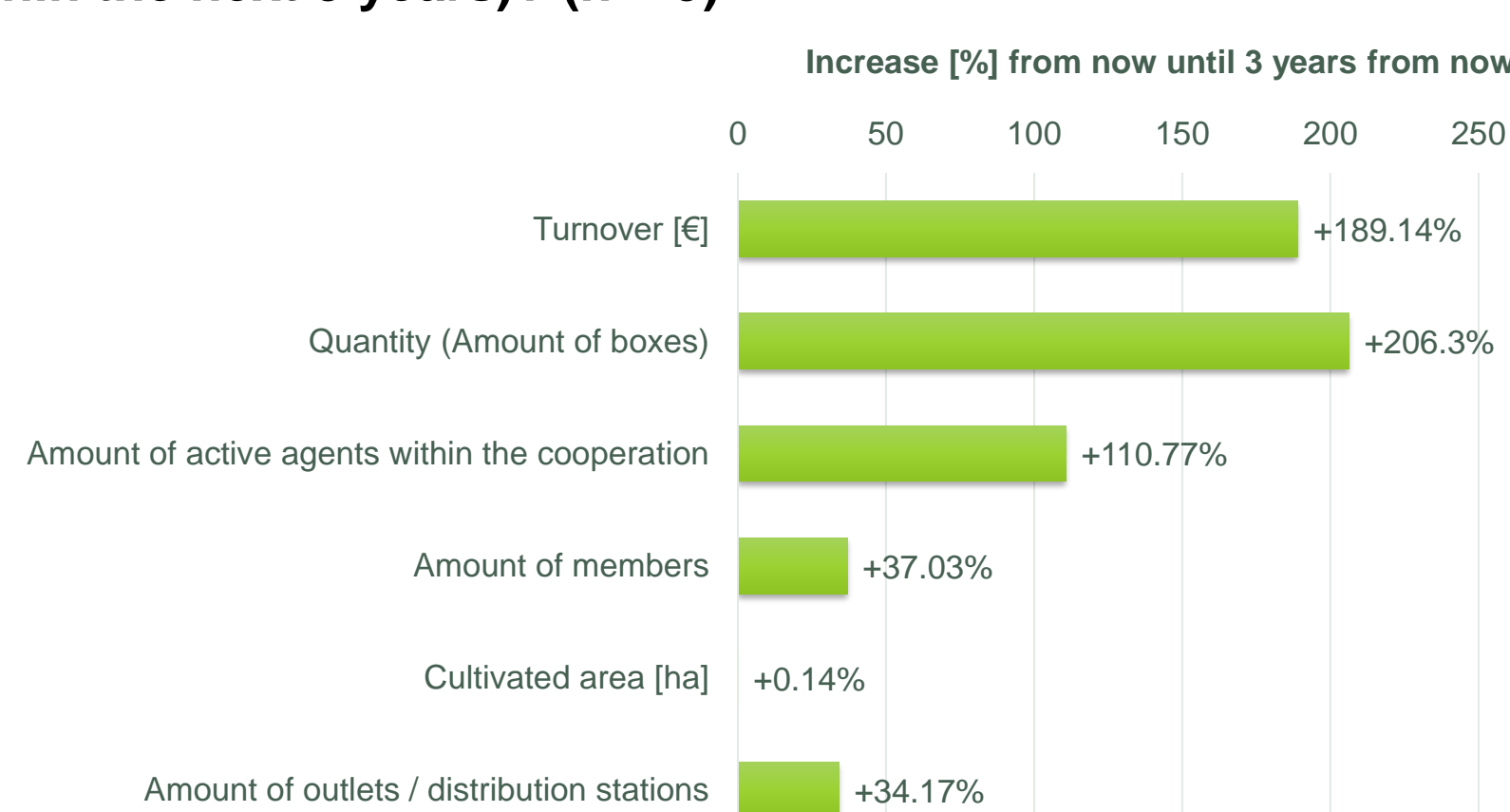


What is your financing model? (n = 15)

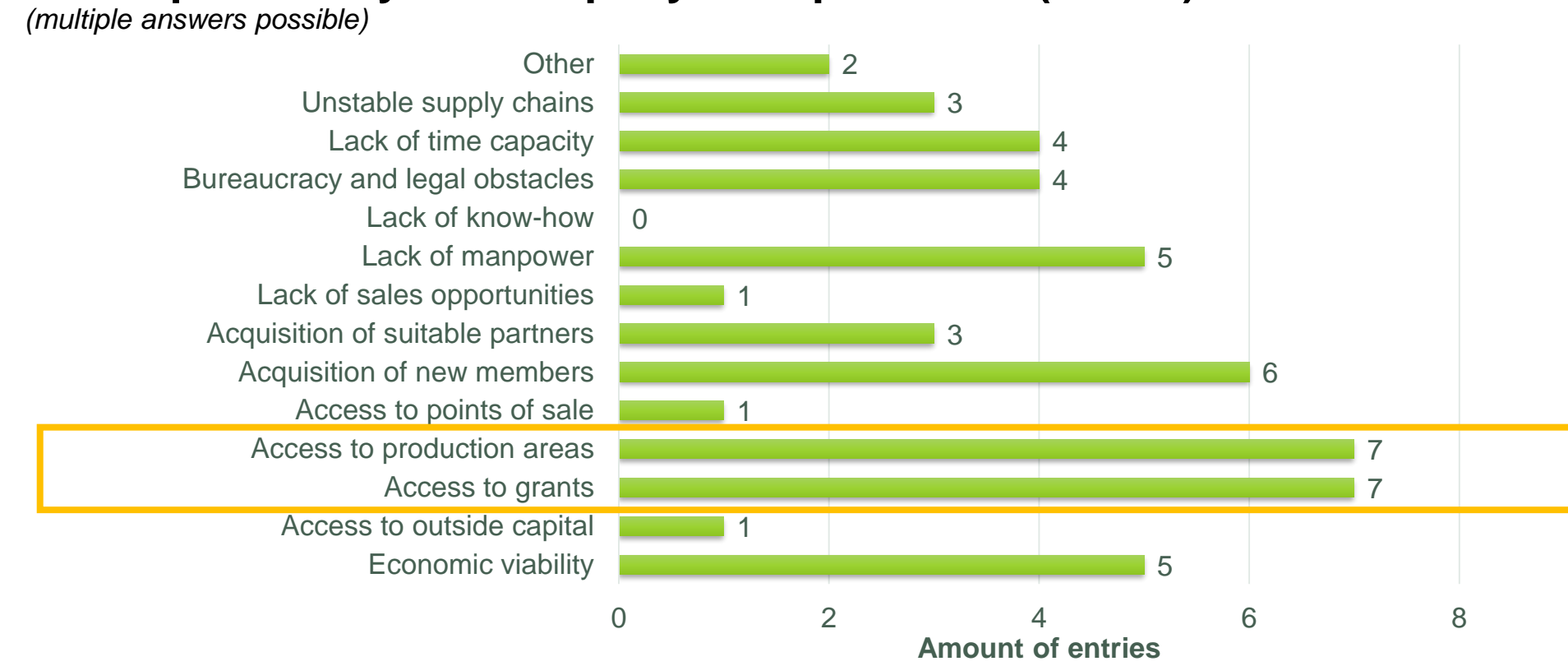


Annual net sales below 50,000 €: 73.33 %  
No liability capital: 72.73 %

What is the economic situation of your company / cooperation and how do you predict it to be in the future (within the next 3 years)? (n = 9)

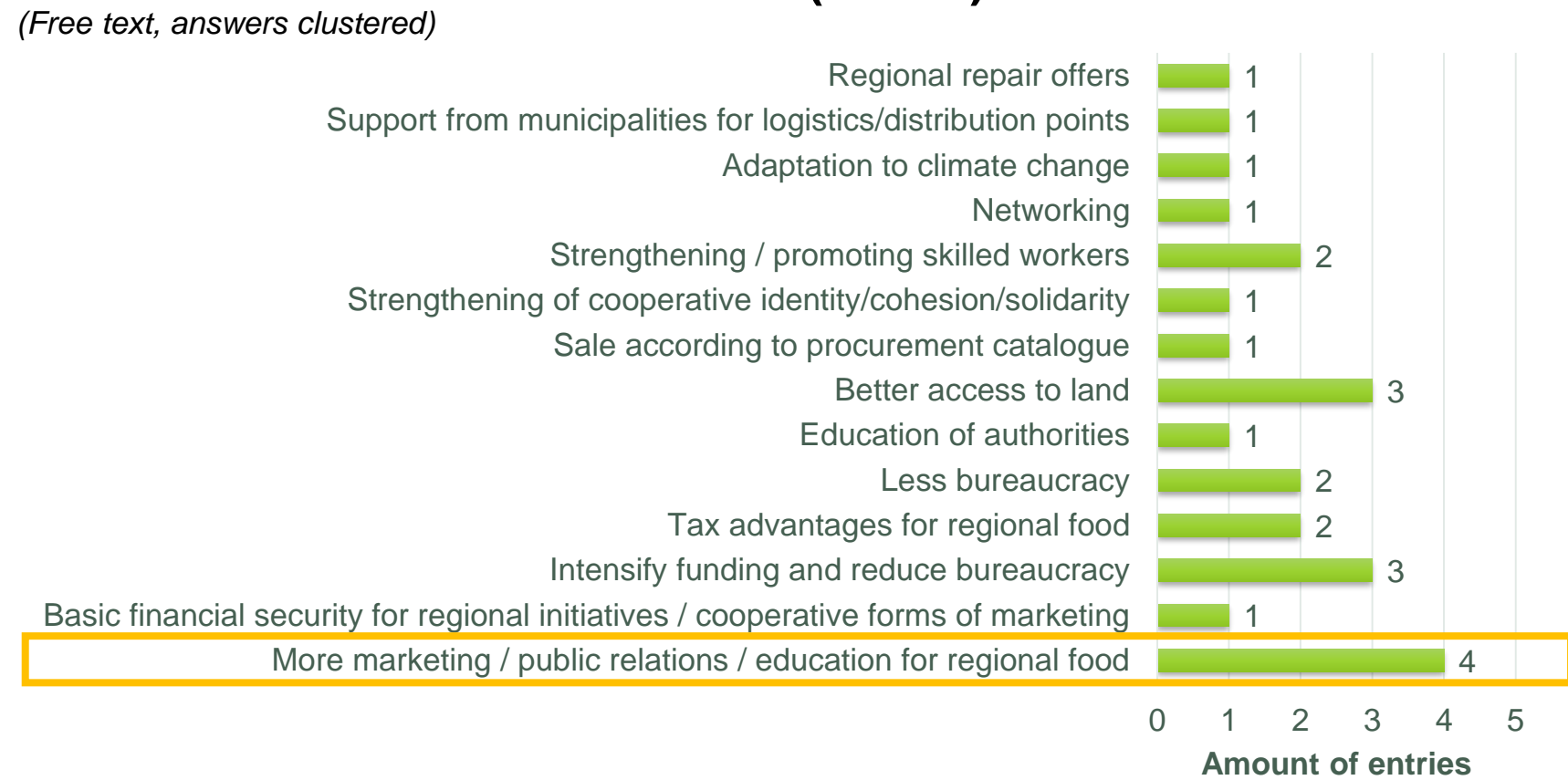


From your point of view, what are problems and hindrances for further development of your company / cooperation? (n = 13)  
(multiple answers possible)



Most viewed risks: decline in consumption / lack of purchasing power, economic crisis (54.5%)

What measures do you suggest to eliminate problems and hindrances and minimize risks? (n = 10)  
(Free text, answers clustered)



## Conclusion

- COOPs are **proven to be cooperative** and their (most important) products are **proven to be regional**. However, there are differences in intensity of cooperation and regionality.
- COOPs are extremely **diverse** and their success largely depends on a few active individuals. These individuals need to be identified and supported.
- COOPs often see themselves as **volunteers**. They activate very few employees and many volunteers. They should therefore be strengthened and supported as volunteers.
- Goals and benefits of COOPs are **primarily ideational and social**. (Business) economic motivations and goals play a subordinate role. The COOP is understood as promoting the common good, less as a business.
- Nevertheless, COOPs are bound to operate in an economic environment. In order to avoid risks (e.g. liability, law), they need **suitable support with little administrative effort** (e.g. regarding taxes, insurance, legal advice, funding).
- COOPs are intra-cooperative, but little inter-cooperative. Cooperation between the COOPs should be promoted in order to enable **grouping and interconnection of services** (logistics, advice, education, training, further education, etc.).
- COOPs are based on the principles of regionality and community. Centrally managed **marketing, communication and sales measures** are necessary in order to raise awareness for regional products, to successfully position them and the COOPs themselves on the market and to ensure sustainable development.



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