

Cooperative Consumer Marketing

A study of Lantmännen's consumer marketing

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Abstract

In a highly competitive market as the food sector, organizations need to use any advantage they can get over the competition. Therefore, this study aims to explore the reasoning behind the seeming lack of marketing communications by agricultural cooperatives, surrounding their business model, by understanding how cooperatives conduct market research and if they use the gained knowledge to their advantage. Being owned and governed by farmers and making democratic decisions that benefit said farmers could be a factor that diversifies and differentiates agricultural cooperatives product and corporate brands, that may allow for increased profitability.

To gain an insight into the world of cooperative marketing, a case study of Lantmännen was conducted. Lantmännen was chosen since it is one of the biggest agricultural cooperatives in Sweden, with a big number of brands and experience in the marketing field. A qualitative approach was employed since this study also aimed to compare Lantmännen's insights with the consumer. Primary data was collected through a semi-structured interview with Lantmännen, as well as structured interviews with consumers. Secondary data was gathered from online communications, homepages, and packaging from Lantmännen's brands.

The study's findings indicate that Lantmännen's consumer marketing is a relatively new phenomenon since most of the focus was on the members to begin with. Later, an effort was made to make more marketing communications, although they were more focused on quality and Swedish origins of products. From the interview it was concluded that communications about the cooperative identity is a complex topic, making it hard to communicate efficiently. Lantmännen appear set on making an effort to try to communicate the cooperative business model more in the future, since they are convinced that legitimacy and trust will drastically increase with consumer awareness. This also coincides with the findings of the conducted consumer survey for this study.

In general, it can be stated that cooperatives in future most likely are going to start communicating more about their business model. This will process will be slow, but ultimately lead to consumers being able to make more educated purchasing decisions. When big agricultural cooperatives start educating the consumer on the cooperative identity, they will also pave the way for smaller ones to increase legitimacy and profits, which in turn benefits members.

Keywords: Cooperative, Agricultural Cooperative, Consumer, Communication, Marketing, Lantmännen, Framing Theory, Legitimacy Theory

Sammanfattning

I en mycket konkurrensutsatt marknad som livsmedelssektorn måste organisationer utnyttja alla fördelar de kan få gentemot konkurrenterna. Därför syftar denna studie till att undersöka resonemanget bakom den skenbara bristen på marknadskommunikation från lantbrukskooperativ kring deras affärsmodell, genom att förstå hur kooperativ genomför marknadsundersökningar och om de använder den inhämtade kunskapen till sin fördel. Att ägas och styras av bönder och fatta demokratiska beslut som gynnar nämnda bönder kan vara en faktor som diversifierar och differentierar lantbrukskooperativens varumärken och företagsmärke, vilket kan möjliggöra ökad lönsamhet.

För att få en inblick i världen av kooperativ marknadsföring genomfördes en fallstudie av Lantmännen. Lantmännen valdes eftersom det är ett av de största lantbrukskooperativen i Sverige, med ett stort antal varumärken och erfarenhet inom marknadsföring. Ett kvalitativt förhållningssätt användes eftersom denna studie även syftade till att jämföra Lantmännens insikter med konsumenten. Primärdata samlades in genom en semistrukturerad intervju med Lantmännen, samt strukturerade intervjuer med konsumenter. Sekundärdata samlades in från onlinekommunikation, hemsidor och förpackningar från Lantmännens varumärken.

Studiens resultat tyder på att Lantmännens konsumentmarknadsföring är ett relativt nytt fenomen eftersom det mesta av fokus låg på medlemmarna till att börja med. Senare försöktes det mer marknadskommunikation, även om den var mer inriktade på kvalitet och svenskt ursprung av produkterna. Från intervjun drogs slutsatsen att kommunikation om den kooperativa identiteten är ett komplext ämne, vilket gör det svårt att kommunicera effektivt. Lantmännen visar en vilja på att anstränga sig för att försöka kommunicera den kooperativa affärsmodellen mer i framtiden, eftersom de är övertygade om att legitimitet och förtroende kommer att öka drastiskt med konsumentmedvetenheten. Detta sammanfaller också med resultaten av den gjorda konsumentundersökningen för denna studie.

Generellt kan man konstatera att kooperativ i framtiden med största sannolikhet kommer att börja kommunicera mer om sin affärsmodell. Detta kommer att gå långsamt, men i slutändan leda till att konsumenter kan fatta mer välinformerade köpbeslut. När stora lantbrukskooperativ börjar sprida information till konsumenten om den kooperativa identiteten kommer de också att bana väg för mindre kooperativ att öka legitimiteten och vinsten, vilket i sin tur gynnar medlemmarna.

Nyckelord: Kooperativ, Lantbrukskooperativ, Konsument, Kommunikation, Marknadsföring, Lantmännen, Framingteorin, Legitimitetsteori

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1. Introduction

Chapter one presents a background on agricultural cooperatives and modern marketing. Then the research problems (i.e. theoretical and empirical problem), and aim are stated, followed by a presentation of the research questions. The chapter then continues to elaborate on what the unit of analysis and observation are, as well as delimitations. Lastly the outline for the study is presented.

1.1 Background

Prior to taking the course "Agricultural cooperatives" at the Swedish University of Agricultural Sciences, I had personally never heard about cooperatives in general, or within the agricultural sector. After talking to other people who, like me, do not have a background in agriculture and discovering that this seems to be the common occurrence, I grew an interest in exploring the phenomenon of agricultural cooperatives and their consumer aimed marketing. All of us have most likely consumed products sold by agricultural cooperatives without knowing so. The question is, would consumers gravitate more toward these products if they knew about them being produced by agricultural cooperatives and what agricultural cooperatives stand for?

A cooperative can be defined in many ways, one of those being a business that is owned and controlled by its members and focus on common ambitions and needs of these members (European Parliament 2019). By pooling resources, cutting out middlemen and being a larger actor than the individual on the market, cooperatives give farmers the means to be competitive on the market (European Commission 2012). Furthermore, agricultural cooperatives help farmers with their marketing activities and product innovation. Sweden's two biggest agricultural cooperatives are Arla Foods (from here on Arla), for dairy products, and Lantmännen, foremost for grain based products (Food Supply 2019). In this study, Lantmännen's approach to consumer marketing will be examined. While Lantmännen cannot be considered a cooperative focused on marketing, they appear to have a hand in the marketing process of products that are produced by Lantmännen's brands such as Kungsörnen, AXA, Finn Crisp and others. Lantmännen is an agricultural cooperative where operations are divided into three *sectors* of business and two *areas* of business. The business sectors are agriculture, energy, food and the business areas are machinery and real estate (Lantmännen 2024a). Since this study focuses on consumer marketing, the business sector that will be focused and discussed is the food sector. According to Lantmännen (2024b) the food sector is responsible for refining grain into various products, that is sold to the consumer in retail, food service and food industry. The food sector represents 29% of Lantmännen's sales (Lantmännen 2024b).

Lantmännen Cerialia is a division of Lantmännen's food sector that focuses on retailed grain products, such as pasta, granola, flour and crispbread (Lantmännen 2024b). Cerialia also develops new products, as well as produces and markets these products. Cerialia operates in five countries and exports products to around 30 countries (Lantmännen 2024b). In a similar capacity Lantmännen Unibake operates in more than 20 countries with over 30 different bakeries. They produce fresh bakery products as well as bake off and frozen fresh bread (Lantmännen 2024b).

Modern marketing starkly contrasts with the traditional approach (Vargo and Lusch 2004). In modern marketing 'needs and wants' of customers need to be identified (Kotler and Armstrong 2020). In today's society it is especially easy for companies to track and study buying behavior of customers or potential customers, since most grocery stores use some kind of reward or loyalty system. Further modern digital marketing allows for new opportunities for marketers to reach their target audience by tailoring their marketing after said needs (Ryan and Jones 2020). Modern marketing is all about a customer centric approach and using data and analytics to strategically market whatever the consumer needs or wants.

1.2 Theoretical problem

The theoretical problem in this research addresses the gap of knowledge concerning end consumer marketing by agricultural cooperatives. While there is a wealth of knowledge about cooperatives, it does not appear that the way agricultural cooperatives market their products to consumers is a researched area. The researcher suggests that reason for this lack of literature could be threefold; agricultural cooperatives have data that suggests that informing consumers about their business does not drive more sales, cooperatives are more focused on their members than the consumer, a lack of awareness that information asymmetry between consumer and cooperative exists, two parties not having access to the same information when making a decision, may exist. The goal of this study is to shed a light on the reasoning cooperatives have for the previous lack of communication, and capture the consumers view and base of knowledge on cooperatives.

1.3 Empirical problem

As discussed in the background, the empirical problem that this research focuses on is the potential loss of sales that agricultural cooperatives may experience without knowing about them. When cooperatives try to do the best for their members, this may lead to them not noticing potential lost sales by not communication their identity to the consumer, since their sole focus is on the members. Some consumers may only look for the 'from Sweden' or 'organic' certifications since there is a lack of understanding how an agricultural cooperative operates and how it benefits local farmers. By looking at the reasoning a cooperative may have about their communications, this study aims to shed light on the actual potential of communicating the cooperative identity. Furthermore, future developments in their marketing communications may be unveiled.

1.4 Problem statement

As stated previously, personal experience and conversations with other lead to the impression that agricultural cooperatives are not really known or perceived by the end consumers. If this is the case, it could be argued that that agricultural cooperatives might be missing out on potential market segments. When considering the size of some of these agricultural cooperatives it can be assumed that they did and are doing research into the markets they enter and operate in. It can further be assumed that they tailor their marketing, package design and positioning in grocery stores according to data they collected.

Since the agricultural cooperatives first and foremost objective is to represent and act in their members' best interests (European Parliament 2019), it could be argued that that their research and marketing efforts mostly are directed towards their own members. Using Lantmännen as an example; they do not only buy their members' grain, but they also provide services to their members, such as being able to buy fertilizer (Lantmännen 2024c) and machinery (Lantmännen 2024d) at a premium. On the other hand, Lantmännen uses whatever profits they generate, to run their operations and refund their members (Lantmännen 2024e). This would suggest that some resources are put into consumer and marketing research as well, since reaching the consumers stance and selling more products directly benefits members.

Based on the background and previous research on marketing, it can be stated that needs and wants based on marketing plays a large part in the success and profits of businesses (Vargo and Lusch 2004). An increasing number people is becoming more aware of what they want to eat, where their food comes from and sustainability (Petrescu et al. 2020). Rixon and Duguid (2023) argue that cooperatives should adopt the sustainable development goals into their daily operation, also due to the compatibility with their core cooperative principles, this is further elaborated in chapter 2. It is argued that doing this will further differentiate cooperatives from more financially focused investor owned businesses. This makes products that are produced domestically and in controlled environments seem like a perfect attribute to rely on in a modern marketing campaign. Agricultural cooperatives do not appear to inform the consumer enough about what they are and what they do. Understanding an agricultural cooperatives way of thinking and the approach it takes to consumer marketing allows for new insights into the importance and relevance of informing the consumer about the cooperatives part in agriculture and how purchasing their products directly helps local farmers.

1.5 Aim and research questions

The aim of this study is to gain an understanding of how agricultural cooperatives conduct their marketing towards the consumer. This will be done by answering the following research questions:

- 1. Do agricultural cooperatives conduct market research to tailor their marketing to the consumer?
- 2. Does informing the consumer about agricultural cooperatives in a marketing setting hold a possibility for increased sales?

1.6 Unit of analysis and unit of observation

The unit of analysis is Lantmännen, where primary data is collected from an interview with a key actor, who is the unit of observation. Data is also collected from individuals that are part of the consumer base. This is done through structured but informal interviews. The interviews with consumers are structured since there are 20 respondents. Further the only relevant data collected from the consumer interviews are the direct answers to the questions asked. Therefore, not using semi-structured interviews was chosen to eliminate clutter in the results. These subjects are also a unit of observation, allowing for a different view on the topic. Secondary

data is collected through inspecting packaging and advertisements as well as Lantmännen website. *Table 1* illustrates an overview of data collection methods.

Unit of analysis	Data collection	Unit of observation
Lantmännen	Interviews and secondary	Lantmännen spokesperson and
	data	costumers.

Table 1. Unit of analysis and observation

1.7 Contribution

This study will be of help in understanding if agricultural cooperatives have anything to gain from marketing themselves instead of only the product they sell. Having this information allows cooperatives to make informed decisions about their marketing campaigns in the future. Further, looking into the matter through both the consumers' as well as the cooperative's views, will allow for conclusions that are going to be valuable in future marketing of their products. Having this knowledge will be crucial to know if there are any optimizations to be made, to increase turnover and member payouts.

1.8 Delimitations

The research intends to assess and analyze agricultural cooperatives consumer marketing behavior. This limits the possible cooperatives to choose from to agricultural cooperatives (that operate in Sweden) that are big enough to do large scale marketing. For this reason, Arla and Lantmännen are two obvious choices. With the research scale of this project and the intention of also capturing some consumer insights as well as the cooperative side, Lantmännen was picked for the case study. This is because of previous interactions with and knowledge about Lantmännen allows for a deeper dive.

Limiting the case study to only Lantmännen could be viewed limiting the perspectives that this research is able to capture. However, gaining an understanding of how one agricultural cooperative operates within the marketing field will allow for further research and development of new perspectives by comparing different cooperatives in future research.

1.9 Outline

This thesis begins with explaining why this topic was picked, as well as a background on agricultural cooperatives and modern marketing. Aim and research questions are also presented and contributions are discussed. Lastly the scope and delimitations of the study are stated. Chapter two presents the reviewed literature and theoretical framework that will be used for later analysis. Chapter three elaborates on the chosen method and how this may impact results and gained insights. The fourth chapter presents collected empirical data from interviews and the case study, which then is analyzed and discussed in chapter five. Chapter six is a conclusion of the findings from the data collection and analysis.

2. Conceptual framework

In chapter 2 the conceptual framework is constructed. First, the cooperative concept is explained briefly. The development of marketing throughout time is elaborated on, the issue of framing is discussed, and the legitimacy theory, as well as the stakeholder theory are elaborated on. Lastly, the theoretical framework is presented.

2.1 The cooperative concept

The International Cooperative Alliance (ICA), which describes itself as the global steward of the Statement on the Cooperative Identity (ICA 2018), as well as their values and principles, defines a cooperative as "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise." (ICA 2018). While Nilsson (1996) states that any organization not in compliance with all of these attributes cannot be considered a cooperative.

Furthermore, the ICA elaborates on six values and seven principles that a cooperative is based upon. These cooperative values are self-help, selfresponsibility, democracy, equality, equity and solidarity (ICA 2018). These values essentially describe the social aspects of a cooperative, pointing out the reasons and advantages of being part of a cooperative. According to Nilsson (1996), it is advantageous when members have these same or similar values, since it will allow the cooperative to act in their interest. The principles are described as a guideline to use to be able to apply the cooperative values in the real world, they are: voluntary and open membership; democratic member control, economic participation of members, autonomy and independence, provision of education, training and information, cooperation among cooperatives and concern for the community (ICA 2018). While the ICA appears to be an authority on cooperative matters, and is even mentioned in laws in some countries, there are experts arguing that the ICA's aims and norms for cooperatives are not strict enough (European Parliament 2019). By being vague the ICA supposedly leave some things like nonmember investors and voting rights open to interpretation. Further, there does not appear to be any specifics on their aim to return investments to members (European

Parliament 2019). It could be argued that cooperatives have other values in mind, although financial stability should most definitely be one of the core ones.

While there are cooperatives in many areas, such as banking, fishing, health, housing and others, the agricultural cooperatives stand out. They can often cover multiple sectors and markets as they sell as well as buy products. Being a member in an agricultural cooperative means to be many things: They own part of the cooperative, buy and sell products to the cooperative, they are part of the decision-making process and they get paid by the cooperative (Arcas-Lario et al. 2014). Being part of a cooperative also means financial possibilities, as they employ about 280 million people across the globe, with the 300 biggest one having an annual turnover of over 2 trillion dollars in 2016 (European Parliament 2019).

2.2 Marketing

Contrary to what most have been led to believe, marketing and the studies thereof only started to gain any relevance after World War 2 (Tamilia 2009). In the 1950s, marketing changed from being product centric, meaning the belief that standardized mass produced products will sell themselves; to a consumer centric approach (Vargo and Lusch 2004). Consumer centric marketing relies on collaboration with consumers to be able to adapt to their specific needs and wants. Haeckel (1999) points out that successful organizations are the ones that abandoned the old make and sell strategy and adopt the mindset of sense and respond.

In modern society and the sheer number of available products and services, most market sectors are a highly competitive area (Diyanova et al. 2019). Promoting products and making them recognizable to consumers has become a highly relevant topic (Diyanova et al. 2019).

Within the context of cooperative marketing, trade marketing could be applied to increase sales. Trade marketing is a branch within marketing that takes focus of the consumer and instead aims to increase demand on products within the supply chain (Diyanova et al. 2019). This is achieved by reinforcing the interaction between all parties involved in the sales process. When looking at the consumer, trade marketing underlines the importance of informing the consumer about products, having thorough campaigns and promotions, understanding what the consumer is after, open communications, as well as consumer brand image (Diyanova et al. 2019).

In the last decade, digital marketing has been on the rise, with more daily internet users than ever before (Alghizzawi 2019). It offers opportunities that traditional

marketing channels do not. Brands that conduct marketing online tend to make the consumer feel closer to the company, since there is the possibility of instantaneous feedback from the consumer, millions of potential customers can be reached in seconds, and digital marketing can be adapted to each individual consumer, further building onto the "sense and respond" way of thinking (Al-Quaran 2022).

A further point discussed within trade marketing is the brand image. Tying in with the digital communications channels, and access to information, it could be argued that a company's or products brand plays an even bigger role than before, since public perception can change within hours. Interbrand (2024), the self-titled Leading Global Brand Consultancy, defines a brand as "the sum of all expressions by which an entity (person, organization, company, business unit, city, nation, etc.) intends to be recognized." (Interbrand 2024).

When talking about a brand for a product, it usually means that the product has some differentiating factors to a competitor's product, but in as complex markets as they are today, companies cannot always rely on having a strong product brand, they also need to have a strong corporate brand (Hatch and Schultz 2003). A strong corporate brand can be built through vision, culture and image (Hatch & Schultz, 2001; Hatch & Schultz, 2003). Within the context of the agricultural cooperative, it can be said that culture and vision play a big role, the cooperative that acts in the members interests should reflect that in their image and therein their brand.

2.3 Framing Theory

Within the theory of framing, it is suggested that the way something is presented, or framed, has a considerable impact on the way it is perceived and understood by the audience. According to Chong and Druckman (2007), framing implies selective highlighting of specific aspects of something, in order to promote certain traits. This means that framing can for instance be used to press on values or traits that may help an audience to better understand the core message that is being communicated.

Framing theory is employed in many areas, like politics and journalism and marketing (Wu 2023). Since this study is focused on cooperative marketing, the general idea of framing is applied with a focus on market communication, more precisely if and how framing can be used by a cooperative, in order to highlight their unique business model and leverage their values to sway consumers their way.

While there are essentially endless ways a frames that can be constructed, for the scope of this study, frames will be confined to message framing; highlighting

positives or negatives from a perspective of what the cooperative stands for. Message framing is considered a complex topic, meaning it is possible to frame messages in different ways and context (Florence et al. 2022). Some of those possibilities are positive and negative, abstract and concrete and self and other focused framing.

To elaborate, a possible positive concrete self-frame would say: "More money goes back to farmers, therefore buying our products contributes to something important", while a negative, concrete other-frame would proclaim: "Buying anything but our products means that farmers make less money". When looking at the effectiveness of a positive or negative frame, it can be stated that there is no conclusive evidence of either of them working better (ibid).

However, it can be stated that framing can be used to garner media hypes if the right frame is picked in the right time. When something is timed and framed correctly, the message may resonate with the audience causing it to be shared and reaching further than it ever would have otherwise (Güran and Özarslan 2022). While this phenomenon can have major benefits, it also comes with the risk of being used to spread misinformation and rumors (ibid).

2.4 Legitimacy theory

Legitimacy theory concerns itself with how the organization can build and preserve legitimacy in the public eye (Crane and Glozer 2016). Furthermore, as explained by Gray et al. (1996) legitimacy theory can help an organization to be perceived as adhering to social norms and societal values. As pointer out by Martens et al (2023), legitimacy theory is often used in conjunction with other theories like stakeholder theory, rather than opposing them. This is due to perceived legitimacy being closely interlinked with an organization's success, and there in most of the stakeholders needs. For consumers legitimacy can even be considered a direct need.

Regarding an agricultural cooperative, legitimacy can be gained in the eyes of the public by informing them about cooperatives' vision and mission. Putting money in the pocket of local and domestic food producers is something that carries a lot of value to people. The knowledge that food is produced in an ethical and safe way also holds weight. Having legitimacy in the eyes of the consumer base may drive more people to gravitate towards product that agricultural cooperatives stand behind.

2.5 Stakeholder theory

The stakeholder theory is a theory within the field of organizational theory, with the aim to identify actors in and around an organization that contribute to its success or failure. These actors are subcategorized into internal and external actors. Examples of internal actors include employees, managers and owners, while the external ones are comprised of suppliers, shareholders customers and others. The actors within the stakeholder theory are called stakeholders. The theory concerns itself with identifying each individual stakeholder as well as their needs and contributions to the organization (Phillips 2003). An organization not considering each stakeholder theory underlines the importance of the organization making decisions that are in line with its stakeholders' expectations, to build positive relationships (Crane and Glozer 2016). Issues that stakeholders may face are also problems that impact the organization itself, for example a supplier with bad economy or supply chain disruptions.

In the agricultural cooperative's context, the two stakeholders that are most interesting to look at are the farmers and the consumers. The farmers are internal stakeholders, while the consumers are external ones. When comparing the expectations of the consumer and the farmer, it becomes clear that meeting the consumers expectations, that could be anything from fresh and safe produce to reasonable prices, also aligns with the farmers interest of economic safety. Meeting the consumers' expectations means more sold products, which in turn leads to economic growth.

2.6 Theoretical framework

The conceptual framework is used to clarify the use and value of each presented theory and how they are used in conjunction, to further the understanding and insights gained from the collected data.

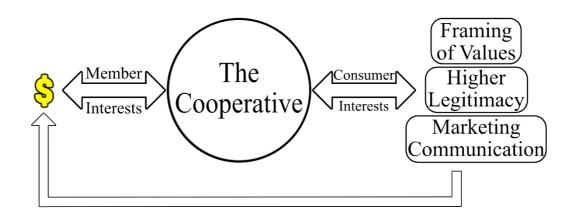


Figure 1. Theoretical framework. Own illustration.

Figure one illustrates how the different theories may work together in order to increase profitability. The cooperative is at the center of the framework, but also in the center of the stakeholder theory. In this case the only stakeholders of interest are the consumer and the members. By using framing and marketing communications that focus more on the cooperative side of Lantmännen, they may be able to increase perceived legitimacy, in turn increasing profitability. Increased profitability in turn is a direct interest of members and can also be reinvested into more education of the public on the cooperative concept.

3. Methodology

This chapter starts with presenting the views of the researcher by disclosing the research paradigm. The research method is presented and argued for, as well as the methodological fit. Further, data collection and analysis are discussed. Lastly the ethical considerations and quality assurance are touched on.

3.1 Research Paradigm

A researcher's ontological and epistemological views are an important aspect to be considered, both for a study's design as well as the methodological choices made during the execution of the study (Guba and Lincoln 1994). The paradigm a researcher holds also impacts the analysis of collected data (Bell et al. 2022). Because of the implications on the results of a study, the researcher should state their ontological and epistemological beliefs, so the reader has the ability to consider them.

When researching and collecting data for this study, a constructivist paradigm is applied. This means that interactions within a social context can be used to explain why and how different individuals will have different perceptions of reality, therefore creating their own understanding of what reality is (Belle et al 2022). Further, Berger and Luckman (1966) state the fluidity reality, constantly being reshaped and redefined depending on context and social interaction. This suggests that reality is a dynamic and subjective phenomenon. Understanding this allows researchers to see that one individual's reality does not need to align with others but is shaped through personal experiences and context. Ontology studies what reality is. By using a different scientific approach to a study, the answer to "what reality is" will differ (Bell et al 2022).

While the ontological paradigm of constructivism is used, the epistemological paradigm of interpretivism is used as a perspective on knowledge. According to Bell et al. (2022) interpretivism asserts that knowledge will be impacted by the subjectivity of the researcher, meaning that previous experiences, preconceptions and cultural values are coloring collected data. This approach to gaining knowledge contrasts drastically from a traditional view on learning, where information is

absorbed passively from a teacher (Pham and Nguyen 2022). Epistemology studies what knowledge is. How to be certain that something is a fact or that we know something, should be a crucial reelection every researcher should concern themselves with (Bell et all 2022).

3.2 Research Method

For this study, a qualitative method with an explorative case study and an inductive approach is selected. Primary data is collected through a semi-structured interview with Lantmännen and structured interviews with consumers. Further secondary data is collected by analyzing packaging of products, communications and websites of Lantmännen and their products. Moreover, the collected data is compiled and analyzed using the theoretical framework. Lastly, the result of the analysis is discussed and generalized.

3.3 Methodological Fit

The qualitative approach is selected since it enables the researcher to dive into personal experiences and opinions, that shape decision making, both for how Lantmännen chose to market products, as well as the consumers viewpoint and buying behavior. A qualitative approach lends itself to research that aims understanding of socially complex issues, where the results are put into words (McCusker et al. 2014), rather than the hard numbers a quantitative approach will generate (Bell et al. 2022). The qualitative approach lends itself to this type of study, since the goal is not to collect hard data, but opinions and experiences, it seeks to gain insight into the dynamics of agricultural cooperatives consumer-based marketing, by understanding the reasoning behind chosen marketing practices as well as the consumers' perception.

The inductive approach is used to observe reality and building understanding around a phenomenon (Bell et al. 2022). Contrary to the deductive approach, where the researcher has a hypothesis and tries to confirm or deny it, based on gathered empirical findings, the inductive approach aims to build knowledge and theories by observing patterns in the gathered data (Bell et al. 2022). It can, however, be argued that there are some deductive qualities to this study, since the researcher will hold some options from own previous experience. Specifically, from talking to people about the topic previously.

A case study is used, in order to analyze a specific cooperative, in this case Lantmännen, and then draw generalizable conclusions. It can be assumed that the

results of a case study surrounding Lantmännen has a high likelihood of being generalizable when looking at other organizations with a similar business model and values, a critique of this assumption follows in the next paragraph. A case study is used when researching a real-life phenomenon or case. It allows the researcher to take a deep and detailed dive into the specific case (Bell et al. 2022). If the case is not clearly defined, any study may be called a case study, for this reason, the researcher should be emphasizing certain parameters and characteristics to outline the case (Bell et al. 2022). It should be noted that case studies have been scrutinized on multiple occasions for different reasons, in order to keep transparency, some critiques are to be presented.

It has been argued that case studies are not able to be generalized, meaning that drawn conclusions will not necessarily work with other cases with similar characteristics (Flyvbjerg 2006). Flyvbjerg (2006) notes that this is a common misconception, and while agreeing that case studies most likely never have a perfect fit, the understanding of mechanisms and mechanics in a social phenomenon, can very well be transferred to other cases. Furthermore, it is noted that some individuals seem to hold the belief that case studies only are valid in uncommon cases and outliers. Flyvbjerg (2006) states that case studies have been employed to research common occurrences and offering valuable perspectives in daily matters.

Given these insights, it can be argued that a case study enables research into cases, by giving detailed accounts of occurring phenomena within the chosen context. Furthermore, it can be stated that the gained insights will be transferable and useful in other similar cases. In the context of cooperative marketing, this would mean generalizable conclusions to the value of informing consumer about their operations.

3.4 Literature Review

In order to gain an understanding of previous research and collect existing knowledge a literature review is conducted (Bell et al. 2022). To search and compile all available information, multiple databases such as Google Scholar, Primo and Web of Science were surveyed. Used search terms were: Cooperative, Agricultural Cooperative, Consumer, Communication, Marketing, Lantmännen, Framing Theory, Legitimacy Theory. Peer reviewed sources are collected and analyzed. The importance of sources being peer reviewed manifests itself in sources being reliable and meeting academic standards (Thangavel 2023). The collected data is used to construct the theoretical framework.

During the literature review for this study the absence of research on the consumer marketing of cooperatives is noted, though one study conducted at SLU was found. The found study does not have the same approach as this one, as it is based on a previous unidentified study done in France. Furthermore, the study was written in 2004, and it can be argued that the findings may not be relevant anymore, since it can be assumed that there has been major development in the marketing and communications fields in the last 20 years. The study concludes that large cooperatives should emphasize Swedish culture and values above all and that if they chose to communicate the cooperate identity it should be done passively.

This lack of research led the researcher to gather data on general marketing behavior, as well as the cooperative identity. This allows for the data that is gathered during the empirical study to be analyzed through the lens of existing theoretical insights that are not specifically designed for the cooperative angle. It is important that this fact is kept in mind while analyzing the findings, since the cooperative business model is different to other business models.

3.5 Data Collection

Data is collected through semi-structured interviews with Lantmännen and a pool of consumers. Furthermore, data is gathered from Lantmännen's homepage and by analyzing their communications and packaging. Using more than three sources, also known as triangulation, to collect data contributes to more varied and nuanced results (Bell et al. 2022). Moreover, interviews and analysis of preexisting data lend themselves well to a qualitative approach, allowing for nuanced perspectives and detailed insights by persons of interest. For this reason, short interviews with consumers outside of a grocery store will be conducted as a consumer survey. This is done to capture the consumers' perspective. The results will be presented in *Appendix 1*.

Semi-structured interviews are used when the researcher has broad topics and questions selected, in order to steer the conversation, but leaving room for the respondent to input opinions, it encourages discussion over conversation (Bell et al. 2022), the conversation is allowed to stray from hard set questions, allowing the interviewed person to shine a light on areas that may previously not have been thought of but still staying on topic (O'Keeffe et al. 2016). Bell et al (2022), note that this is the best way to ensure both getting answers to the asked questions, while also having the flexibility to allow for the unique perspective qualitative research is focused on. While flexibility may have its advantages, it can also lead to inaccurate interview results, simply because, follow up questions will be asked dependant on the answers given by the interviewed individual (Knott et al. 2022).

To avoid this, an interview guide is used (*Appendix 2*), and the interviews are transcribed for ease of access during analysis. Furthermore, expected follow-up questions are constructed to use in case the conversation strays too far (Kallio et al. 2016).

3.6 Data Analysis

Data analysis is used to order and extract the important and relevant empirical data. This is done to find patterns that can be used to build theoretical understanding and insight into observed phenomena (Bell et al. 2022).

When analyzing data, Bell et al. (2022) recommend to transcribe interviews, to ensure greater accuracy as well as being able to use programs for thematical analysis. While a program is not used in this study, since the amount of data does not warrant this, transcribed interviews allow for word search and ease of use when discussing results. Further, by writing down answers, the researcher commits more their memory, contributing to a more thorough analysis (Bell et al. 2022).

As mentioned above, a thematic approach is used to analyze collected data. Grbich (2013) states that the data needs to be bundled into thematic groups, that then are connected to common themes within theoretical framework. This makes it possible to find similar answers, as well as outliers. Braun and Clarke (2006), suggest becoming familiar with the data by reading the transcripts multiple times, outlining themes while reading. After multiple pass through, there should be themes emerging, that then can be coded. While deductive coding can be used to match patterns from previous research, this will not be of much use in this study. Inductive coding however seeks to identify emerging new patterns from the collected information, and not been pointed out by other research (Thomas 2006).

3.7 Ethics and Quality

It is imperative to consider ethical conduct for any report. Cohen and Crabtree (2006) discuss a series of ethical considerations when conducting and reporting research. The researcher must ensure that informed consent, secrecy and privacy as well as respect for the participants, is given. During the collection of data, respondents are informed of their rights to being anonymous and to withdraw previous statements.

Since the interviews with consumers are conducted in the field, the need for collection of personal information was not given. By extension, participants will be

anonymous, but some information, such as age and occupation were collected for the sake of replicability. Respondents were informed of the goal of the study, their anonymity, and the possibility to withdraw their answers while engaged in the interview.

Before interviewing the representative at Lantmännen, he was sent the questions to ensure his ability to state any limitations or changes they want to be made. Before the interview was conducted, the representative was asked if he wanted to remain anonymous. Further the respondent was asked for consent to be recorded during the interview, to ensure accuracy for the transcription. Lantmännen was also asked if there is any wish to hold the release of this thesis, to protect any sensitive information.

The representative responded that there is no need for anonymity. Lantmännen did not see the need to hold the thesis, since there is no sensitive information included. Participants of the consumer survey are kept anonymous.

In order to assure a high level of quality within this research some criteria must be considered and addressed. According to Bell et al. (2022) qualitative research needs to display credibility, transferability, dependability, and confirmability.

Credibility addresses the accuracy of the collected data, which can be argued to be hard to assess when assuming multiple perceived realities in a social context. To achieve credibility, triangulation can be used (Bell et all 2022). Triangulation allows for a clearer picture on the results, by having three or more sources to collect data from. This study has done this by collecting data from Lantmännen directly, the consumer and monitoring Lantmännen's homepages and packaging.

Transferability considers the specific setting that data is collected in. This means that depending on the circumstances of where and when a study is conducted, the results may differ depending on the context (Bell et al 2022). This can be minimized through thick description, meaning that the researcher provides very detailed accounts of the context, phenomenon, and participants of the study. This in turn can be used to judge and interpret the study's results. To reach transferability a detailed description of Lantmännen is given, as well as background on the interviewed representative at Lantmännen. Lastly, ages and occupations of consumer survey participants are collected, in order to allow for similar participants for future research, as well as indicating randomness in the selection of respondents. Further the location of the survey is presented, to show transparency in potential similarities within the pool of respondents, that may arise because of the where the data was collected.

Dependability is another metric that can be used to indicate trustworthiness (Bell et al 2022). This is done by being transparent, through thorough documentation of the research process, allowing for traceability for the reader, this can be achieved by an audit trail. In this study the audit trail consists of the found data being presented, as well as the way it was acquired, leading to the possibility to evaluate the research process. Further, two appendixes are kept in order to be transparent about asked questions, as well as the presentation of data found from said questions. The methodology elaborates on how the interview questions are applied for each interview.

Lastly, confirmability refers to the conclusions being shaped by the findings, and not the researchers believe. According to Bell et al. (2022) the researcher must show that the derived conclusions are not colored by personal values or inclinations. In this study this is achieved though reflexivity, meaning that the researcher is aware of their preconceptions and makes an active effort not to let it impact results. The ontology and epistemology sub-chapters help in shaping the researcher's awareness of what those preconceptions and values may be. It can further be argued that that triangulation also is helpful in eliminating potential personal feelings impact on the findings.

3.8 Limitations

When choosing an approach for research, some aspects of the researched topic may not get as much emphasis than others (Bell et al. 2022). For this study, choosing the qualitative research method means that social phenomena are studied, this is done for the reason of Lantmännen being the primary source of information. This is easiest done through a case study with an interview, allowing a deep understanding of Lantmännen's reasoning. A quantitative study may have allowed for the analysis of numbers the represent Lantmännen's evolution and popularity over the years, but it does not allow a deeper look into the thinking behind their marketing. It could be argued that the consumer survey is a quantitative approach to collecting data, however, the amount of data simply is not big enough to qualify. The researchers approach to collecting data from the consumer is to be able to compare Lantmännen's perspective to the consumer, not derive a deeper insight into the consumers behavior or thoughts, for that reason the interviews are structured, to lessen the amount of clutter in the results, while the interview with Lantmännen was semi-structured, allowing for discourse and exchange of ideas.

4. Empirical Study

The chapter starts by presenting the results from the consumer survey. It progresses on to a review of Lantmännen's communications, through different channels. The chapter concludes by presenting results from the interview conducted with a representative at Lantmännen.

4.1 Consumer Survey

Individuals were picked at random in front of an ICA store in Sävja, Uppsala. Age and occupation were collected (*Appendix 1*) for replicability. Below questions asked, answers and explanations are provided. To visualize the results pie charts are employed. A total of 20 respondents were picked for the consumer survey.

4.1.1 Ability to explain the cooperative concept

An overwhelming majority of respondents could not give a satisfactory explanation to what is means to be a cooperative company, as illustrated in *Figure 2*. Key factors that should be mentioned by respondents were member owned, democratic and mutually beneficial, simpler but correct characterizations also count as satisfactory.

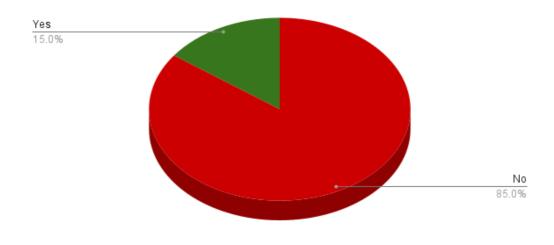


Figure 2. Percentage of respondents able to explain the cooperative concept. Own illustration..

4.1.2 Recognition of Lantmännen and logo

Almost all respondents knew the name Lantmännen, most of them could also associate the logo with the company. For this question no explanation of what Lantmännen is or does was required, since the only goal was to identify the amount of people being able to recognize Lantmännen in general. As indicated in *Figure 3* 95% of respondents recognized Lantmännen in some way.

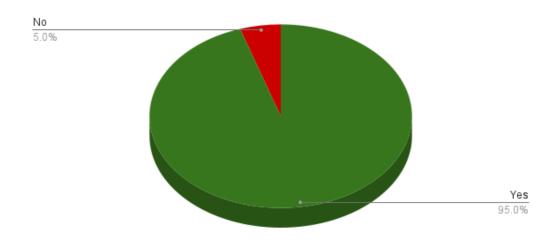


Figure 3. Percentage of respondents recognizing the name or logo of Lantmännen. Own illustration.

4.1.3 Ability to recall having seen advertisements

Figure 4 shows that only 30% of respondents could recall ever seeing an advertisement specifically by Lantmännen, though many of them said they had seen advertisements by brands that are a part of Lantmännen, with or without knowing about affiliation with Lantmännen.

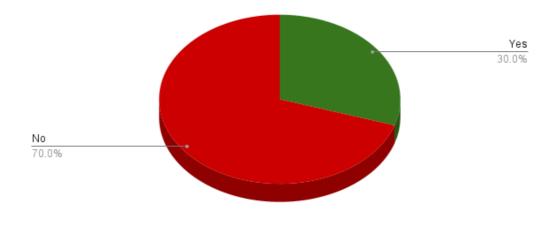


Figure 4. Percentage of respondents able to recall seeing an advertisement by Lantmännen. Own illustration.

4.1.4 Ability to explain what Lantmännen is and does.

A staggering 90% of respondents could not give a satisfactory answer to what Lantmännen is or does, as visualized in *Figure 5*. Some responses included "something with food" and "they are the ones with those green silos". Explanations counted as satisfactory included cooperative concepts in their explanations.

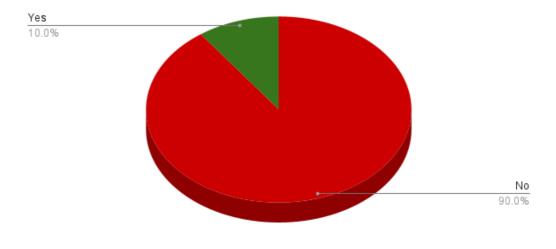


Figure 5. Percentage of respondents able to explain what Lantmännen is. Own illustration.

4.1.5 Associates Lantmännen with something positive

As indicated in *Figure 6*, 80% of respondents associate Lantmännen with something, some of them expressed that seeing the logo on products indicated quality. The majority of respondents who responded no, stated they did so, since they could not associate Lantmännen with anything at all.

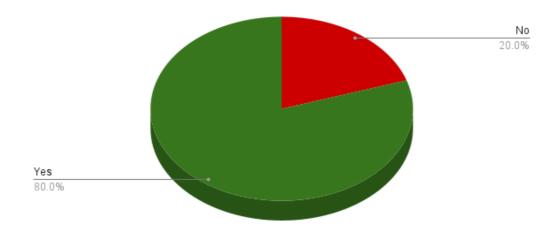


Figure 6. Association of Lantmännen and something positive. Own illustration.

4.1.6 Opinion after explanation

The respondents who could not explain what a cooperative or Lantmännen is, received a simple explanation on the core idea behind both things. When asked about their opinion on what Lantmännen stands for after the explanation, the positive association of Lantmännen went from 80% to 100%. *Figure 7* shows this change in perception.

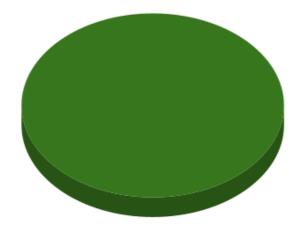


Figure 7. Change in perception of Lantmännen after explanation. Own illustration.

4.1.7 Purchasing behavior

Lastly, the respondents were asked if they now are more likely to pick a product associated with Lantmännen, instead of other similar products, 80% of respondents replied with 'yes', as indicated by *Figure 8*. Three out of four of the ones that answered 'no' stated that the price of products is a factor for them, they still expressed support for the idea and values of Lantmännen.

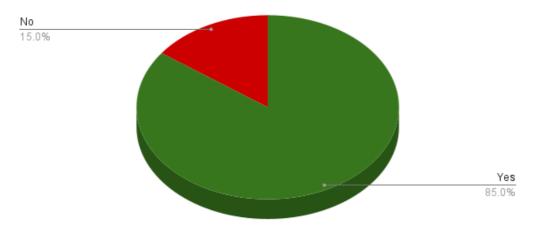


Figure 8. Behavioral change after being informed. Own illustration.

4.2 Review of Lantmännen's Communications

Lantmännen's communications throughout all channels were collected to gain an insight into the current communications conducted by the cooperation.

4.2.1 Packaging

For the analysis of the packaging of the products in Lantmännen's lineup, multiple stores were surveyed. This was done to allocate the biggest possible spread of products to grant the most insightful analysis possible. Lantmännen's homepage was used to gather information on what brands and products to look for.

While Lantmännen has a wide variety of different brands and products, the review of the packaging revealed coherent design choices regarding Lantmännen. Packaging differs from brand to brand in regard to coloring, formfactor and conveyed information, but the green Lantmännen logo in the upper right corner is present on all of them. Furthermore, upon turning the package 90 degrees to the right revealing a small text that informs on some background on Lantmännen. However, this text is very limited and only mentions being owned by farmers briefly.



Figure 9. Kungsörnen's packaging showcasing the Lantmännen logo. Own illustration.

As illustrated in *Figure 9* while Lantmännen's logo is present on the front of the packaging, the consumer needs take and flip the packaging on the side, to read

more. It is also noted that the term "svensk" or "Swedish" is present on a lot of the packaging observed. When translated into English the text on the side of the packaging reads: "Thank you for choosing good food by Lantmännen! We are owned of Swedish farmers. By choosing our products, you contribute to viable agriculture. Together we take responsibility from earth to table."

4.2.2 Brand and Product Pages

In tandem with the review of product packaging used by Lantmännen's brands, the individual homepages of said brands were also looked at. Unsurprisingly there is a similar theme on the homepages as the packaging, meaning that the brand itself, as well as values or "Swedish" are focused.

All product pages seem to follow a similar formfactor with a banner on top that allows the consumer to inform themselves about what product each brand has, recipes and other general information about the brand (Lantmännen 2024f). When looking at the homepages side by side they all appear to follow some kind of template or guideline. When scrolling all the way to the bottom of the page, there is a footer on every brand homepage that has a similar text to the one on the packaging (*Figure 9*). Additionally, there is a button that allows consumers to be taken to Lantmännen's main page, where they can get more information about Lantmännen in general.

4.2.3 Social Media

To form a complete picture, it is also necessary to look at Lantmännen themselves. For this purpose, Lantmännen's communications of social media and their homepage were reviewed. When reviewing Lantmännen's homepage it becomes apparent that they are active on Facebook, Instagram, YouTube and X, formally Twitter. All of these platforms, except YouTube, for obvious reasons, have the same communications cross posted. While there are some videos and posts that seem to be angled towards the consumer, such as the "Länge Leve Jorden" (Long live the earth) video, most of their communications appear to be mostly aimed at members or prospect members.

Lantmännen's homepage itself offers a wealth of information on all different kinds of the cooperative's activities. It features information on the business model, structure of the company, innovation, the different brands, sustainable development and of course the members of the cooperative. For consumers, the website is the most concentrated source of information, without a lot of effort attached to finding it.

4.3 Interview with Lantmännen

The interview was conducted the second of May 2024. The representative from Lantmännen who was interviewed is Per Holgård, the head of Group Marketing at Lantmännen. According to Holgård, he has been working with Lantmännen for thirteen years and in 2019 he started working as the head of Group Marketing. Before the formal interview started, Holgård stated that he has always had similar thoughts about the way the cooperative idea was communicated, his stance is that knowing about Lantmännen's or Arla's background would make him want to buy these products over others. Holgård also conceded that this may have to do with him being an integral part of the business though.

4.3.1 Brand Awareness

According to Holgård, Lantmännen started investing into the corporate brand around 2007, before that, there were no attempts at shaping the image of the firm all though the company has been around for over 100 years at this point. Holgård remarked that only around 4% of people asked knew that Lantmännen had a hand in food production back then, even though they had a broad portfolio of food brands.

You must always prioritize [...] It is probably the hardest thing in marketing and communication; to dare to hold on to one message and to push it as much as possible. What message creates the most positive affinity or evokes the emotion connecting to the brand. That is what we went for back then. (Holgård 2024-05)

When Lantmännen started communicating to the public, they decided to take the rout of responsibility, from field to fork, that is still there today. Holgård noted that the message that was picked for market communication was to be Lantmännen having operations in every aspect of agricultural production. Holgård continued that this choice was made, since the name Lantmännen already was associated with farming and agriculture. Farmers having a high level of trust also reflected on Lantmännen, making this communication the obvious choice.

In 2019, a new strategy was adapted, that aimed to highlight the unique business model that Lantmännen operates with. Holgård expressed that this is due to an uptick in consumers looking for companies that are purpose driven. This new communication also included a campaign called "Länge Leve Jorden" (Long live the earth) that had the goal of highlighting sustainable work and the cooperative model.

4.3.2 Consumer Perception, Education and Modern Media

Holgård revealed that during market research and information gathering with focus groups it was found that Lantmännen and their image appears something that is hard to grasp for young adults. It emerged that a lot of them associate something positive with Lantmännen, but really only have a blurry image of what Lantmännen is. Further, he stated that most asked people associate Lantmännen with quality in some way.

When asked for his opinion on the reason for this lack of knowledge, Holgård responded that it is more difficult to spread information in todays fragmented media landscape. There are a lot of possible communication channels. The attention span of people has also gone down drastically since people started scrolling on the internet. Holgård continued saying that even when paying for impressions and when having a perceived reach, a lot of people scroll on to the next thing after one second, which makes it very hard to say anything of meaning, much less explain something as complicated as the cooperative concept.

We simply need more time to explain, than most people spend watching. Explaining the whole idea behind Lantmännen or a cooperative is not feasible. (Holgård 2024-05)

As to possible solutions for this problem, Holgård explained the possibility of using influencers that already have a following. This allows for more time to say something while people listen. These influencers need to be in the right niche, in order for this to work. Another thing he mentioned is trying to adapt trends on the internet and turning them into something to ride on to spread awareness.

Lastly, Holgård expressed, that most people seem to have a hard time in grasping what the cooperative business model is and how it can work. The notion that a cooperative business can be owned by the farmers but still make decisions that do not benefit every member every time, is hard to grasp. He elaborates that most of them seem to be distrusting when hearing about being member owned. After some explanation the majority appears to think that a cooperative is a good thing, and more people should purchase their product over the competition.

4.3.3 "Swedish" and "Cooperative"

Holgård indicated that there are studies that show, having the "from Sweden" mark is a driver of sales for a lot of products. A lot of consumers look for it when shopping for groceries. He also stated, that the "from Sweden" mark is a lot more established and more well known than Lantmännen's logo. Holgård continued that the Lantmännen logo also stands for more than just Swedish origins, and in that, consumer that support Lantmännen do so with a lot more conviction. He also said that this is something that is constantly worked and improved on, since the hope and goal is to drive Lantmännen's message to more people. Finally, Holgård stated, that it is hard to compete with such a strong and established thing, and that it will take time and balance for Lantmännen to get there.

Finally, Holgård stated that the awareness of the cooperative business model is not high enough to warrant using the word "cooperative" in marketing. While Lantmännen have started indicating being owned by Swedish farmers, there is still a long way to go before the word "cooperative" holds enough meaning and recognizability to be used in effective marketing.

4.3.4 Cooperative in Correlation with Legitimacy

When Holgård was asked if hypothetically, Lantmännen's legitimacy would be heightened, if they manage to communicate everything they want to say about themselves and their cooperative identity, he responded:

Absolutely. Trust too. I also think that the willingness to pay for our products would be higher if they knew that money went back to Swedish agriculture and a good cause. Many people also have the image that farmers are vulnerable, that there is low profitability, that you have to struggle and that you do not get a big enough piece of the pie. People would like to see farmers get paid more for what they produce. I think there are only advantages in talking about it. (Holgård 2024-05)

Further, Holgård stated that he considers products being produced by a cooperative a factor that differentiates and diversifies the products, giving a further reason why cooperative products are different to the competition.

4.3.5 Strategy Behind Design

Holgård explained that Lantmännen brands used to be independent with design choices and marketing. Now there are rules, guidelines and core design elements that need to be followed when making a website for a band or designing packaging. A part of that is the footer on the bottom of every brand's homepage as well as the green logo in the top right of every product. According to Holgård this is called "the green framework"

Further, Holgård stated that every brand has some of these guidelines to follow, resulting in unity and homogeneity between brand and products. Lantmännen does have a hand in most of the design decisions made by each brand. This means that

the brand can stay true to its core values and selling points, while also attempting to make clear, that it operates as a part of Lantmännen.

Kungsörnen for example, positions itself more in family tradition and quality. Usually that is probably the deciding factor when choosing flour, and then maybe you can see that it is a part of Lantmännen as a bonus or an added value, another reason to choose us over someone else. That is the way it is right now, it is more of a bonus for the product. If we were to take up much more space on the packaging, it could be a disadvantage for the other values to be conveyed. It is always a balancing act. Now, however, we have come to a point where we have started to investigate the possibilities and potential of being clearer in communicating that it is a Lantmännen product. It will be interesting to see if it creates a greater interest among the consumers. (Holgård 2024-05)

4.3.6 Feedback Systems

According to Holgård, Lantmännen uses feedback systems in order to assess the success of the cooperative in general, as well as the success of marketing campaigns. Tracking long time data is done through a third-party company, this is called a brand tracker. The company will ask a sizable number of the population, about their opinions, knowledge and awareness of Lantmännen.

Secondly, campaign measurements are taken after every major campaign. This includes showing advertisement to consumers without the logo in order to gain insight into their ability to recall who placed the advertisement, how they perceive it, what emotions it triggers and more. Lantmännen were not able to share any data at this point in time, but Holgård stated that the number are looking up in every metric.

I can say that the image has been strengthened very clearly since data collection began in 2007. Trust and attitude towards Lantmännen are at extremely high levels. [...] Lantmännen has a level of trust that is extremely high in the industry. A lot of this probably has to do with the fact that consumers do not only see Lantmännen as an ordinary company, but there is this connection to the farmers in people's minds. Knowing about the cooperative is probably less important right now, but being associated with farmers is good, because they have a very high level of trust. (Holgård 2024-05)

4.3.7 Marketing Going Forward

Holgård seemed confident that Lantmännen's future marketing communications are going to lean more towards consumer education. From his statements it is apparent that he believes being a cooperative to be an advantage in modern society. His belief is that people are interested in where and how their food is produced, now more than ever. It may be difficult to put a timeline on this evolution of the communication, simply to avoid the consumer from disassociating from Lantmännen, it appears that the future will hold more cooperative communication from Lantmännen. On the one hand, you do not want to risk it by changing messages too much, and at the same time, you also know that it is difficult to try to spread too complex messages. Usually, simplicity is key can be applied to marketing. [...] Being seen as something unique and positive gives us a slight advantage over other food companies. As long as the perception is positive, people not knowing 100% what we are and do is not so bad. Building a brand in less than 20 years is still very fast compared to the competition. So, I would say we are still on a journey. (Holgård 2024-05)

4.4 Summary

In the past, Lantmännen appears to have been known to people in some capacity, mostly by association with farmers. The cooperative concept seems hard to grasp for most people only knowing conventional business models. Brands under Lantmännen used to be separate entities, but Lantmännen now make an effort to show a united front, making brands unify under similar design. The consumer perception is and has been positive, levels of trust keep increasing. As of now, cooperative does not hold enough meaning to really communicate as a term in marketing, it appears to be hard to inform the consumer on a complicated topic efficiently. Lantmännen have feedback loops in place that allow them to monitor public perception, making changes accordingly. Holgård expects the cooperative identity to be communicated more in future and seems certain that this will increase brand legitimacy.

5. Analysis and Discussion

The chapter opens with an analysis of marketing communications conducted by Lantmännen. It continues by discussing framing done by the company and then analyses the impacts on the brand legitimacy. Lastly the chapter is summarized to grand a brief overview ending with a discussion of the findings compared to another study.

5.1 Marketing Communications

Judging from the collected empirical data the argument can be made, that the marketing communications by cooperatives about the cooperative identity, has been somewhat lackluster in the past. This is made clear when analyzing the data collected from the consumer survey, where the majority of respondents did not have the necessary knowledge to explain the cooperative concept or Lantmännen, even though most of them had heard of the company. This is coherent with Holgård's remarks to the state of awareness at the consumer level. When considering Lantmännen's reasoning behind the choice of marketing in the past, it is understandable that the taken route most likely was more efficient than aimlessly trying to spread information.

Holgård stated that communicating the cooperative identity would help in differentiating products on the market. In the example of Kungsörnen, he argued that being a part of Lantmännen simply is an addon, on top of the good reputation of the brand to begin with. Consumers interviewed appear to agree, when looking at the difference in frequency of association Lantmännen with something positive before and after explanation. Sticking with the example of Kungsörnen, the choice of flour to pick in grocery stores are essentially endless, making the market highly competitive (Diyanova et al. 2019). This means that consumers having the information about the business model that Kungsörnen is a part of may be the deciding factor in what brand they pick. Lantmännen being a corporate brand that a lot of consumers are aware of will increase the recognizability of products that have the Lantmännen logo on the packaging, therein increasing potential sales (Diyanova et al. 2019).

Lantmännen's current marketing strategy appears to make use of something that resembles trade marketing (Diyanova et al. 2019). They openly communicate their business model, informing consumers that show interest. Holgård's statements indicate that Lantmännen is very aware of their brand image and consumer opinions. Furthermore, Holgard's statement in regard to analytics indicating positive attitudes towards Lantmännen, as well as the consumer survey that show mostly positive impressions, even when consumers have a blurry picture on the day to day operations, would suggest a strong corporate brand. This is done through having a strong vision, culture and image (Hatch & Schultz, 2001; Hatch & Schultz, 2003), both from the consumer standpoint and Lantmännen's own data collection, they seem to tick all boxes for having and building even more of a strong corporate brand.

While digital marketing is and has been a big tool in plenty company's marketing efforts (Alghizzawi 2019), it does not give the impression to be as easy to use for the application of spreading word of the cooperative business model as thought. Digital marketing may be useful to market a single product, with flashy color, or some eye-catching advertisement, but according to Holgård it does not lend itself well to spread a bigger message. Though it is true that digital marketing is very efficient at reaching millions of consumers in a short period of time, while also granting the ability to customize the experience for the consumer (Al-Quaran 2022), Holgård does not see the potential to spread knowledge about cooperatives here. His suggested solution rather makes use of preexisting factors like influencers or trends on the internet that can be "ridden" to success.

Lastly, both the consumer survey and Lantmännen's data indicate that while the majority of consumers may have a rough idea of what Lantmännen do, there is a clear gap of knowledge that if filled holds huge potential, not only for increased sales, but also enables consumers to make a more educated choice, when they purchase food. While not everyone may care about Swedish farmers receiving more money, or simply does not have the financial means to opt for products from a cooperative, arming consumers with more knowledge is in general a desirable outcome of increased communications.

5.2 Framing the brand

One could say that framing also ties into the chapter of market communication, but for the purpose of this study and in order to accommodate for the theoretical framework, framing is discussed in a separate sub-chapter. To assess and predict the way that Lantmännen's framing could evolve, analyzing the current frame will be of help. Lantmännen currently mostly frame the messages they put out on different media channels. This message framing is done by highlighting positive things that Lantmännen are working towards, this is known as positive, concrete, self-focused framing (Florence et al. 2022). From reviewing current and past media activity no real media hypes surrounding Lantmännen could be detected. Holgård however talked about the possibility of using influencers and trends to an advantage in media outreach. This may result in a media hype if time correctly, allowing for a big boost in attention and reach (Güran and Özarslan 2022).

Judging by answers by respondents from the consumer survey, the overwhelming majority appears to see Lantmännen in a positive light. This is also true according to measured data by Lantmännen themselves. Even though a lot of consumers cannot really say a lot about the company, them having a positive outlook on it, implies a positive frame existing they picked up on somewhere. Future possible frames could either continue with the positive messaging, emphasizing Lantmännen's role in the whole process even more, while moving towards implementing messaging that also slowly implements information about the cooperative side. According to Holgård, this process has already started. Further, the negative messaging could also be used to focus on the bad side of purchasing non cooperative products, though this may not be in Lantmännen's best interest, simply because the attitude of consumers already is a positive one.

To conclude, the messaging that has been employed seems to work. Keeping up the same pace and as Holgård said; not changing up the message to fast or too much, is the way forward. Gradual shifting of frames will allow to ease the consumer towards a still positive but more educated view on the company and the industry.

5.3 Impact on Brand Legitimacy

Legitimacy, similarly, to the framing deals with how an organization is perceived in the public eye (Crane and Glozer 2016), though in this case it is done by showing an adhesion to social norms and values (Gray et al. 1996). As discussed with Holgård, farmers are seen as high trust individuals in society, this in turn means that Lantmännen being an integral part of agriculture, are helping this valued part of society. Further, "from Sweden" being a high demand and socially appreciated and approved indicator of quality and Lantmännen having the goal of similar messaging and meaning with their logo also increases legitimacy and trust in the products produced by associated brands. Holgård remarked that Lantmännen strives to mean more than just made in Sweden, the clear positive attitudes from the survey and Lantmännen's own data shows that this is already being achieved. Furthermore, when directly asked about his thoughts on legitimacy increasing alongside of consumers being educated, Holgård responded with a resounding "absolutely". His impression is that the more consumers learn, the more trust and legitimacy will increase. This also appears to be true when looking at the results of the consumer survey, where after being educated on Lantmännen's business model, the attitude and willingness to purchase increased drastically.

In tandem with legitimacy, stakeholders' theory should be touched upon. Within this theory stakeholders within and around an organization are identified and their needs are assessed. The two relevant ones for this study, which also are illustrated in Figure 1 are the members and consumers. The cooperative's first and foremost duty is to the members, to represent their interest and needs (ICA 2018). This means that the members financial well-being is one of the interests that the cooperative needs to look after. The consumers however will have different needs. These may include, quality, Swedish sourced, responsibly produced, safe to eat and affordable products. When the cooperative is able to provide this, as well as mediate the fact that their products are some or all of these things, profitability will most likely increase. Both of these can be done at the same time, keeping both stakeholders happy. Of course, there are different stakeholders involved in a cooperative that would make this more complicated to organize, though those stakeholders are outside of the scope of this study, one aspect that should be mentioned is that a cooperative not having investors and other owners than the members, makes managing the stakeholders more streamlined.

5.4 Summary

The analysis heavily indicates that what Lantmännen is doing is leaving mostly positive impressions on the consumer. While the communication was little to none in the beginning, as Holgård states, the development is going in the direction of attempting to do more with Lantmännen as a corporate brand. As further indicated by Holgård, they have only attempted to communicate more with the consumer since 2007. The communicated message is ever evolving, what started out simple is growing into a more and more informative network of social media platforms and campaigns, homepages and sources of information. The framework to inform the consumer already exists, the only real hurdle now, is to find a way for Lantmännen to spread this information and make it more readily accessible, for an interested consumer. While this sounds easier than it is done and as Holgård put it, it will always be a balancing act, Lantmännen have a solid foundation to stand on, allowing them to ease into the spreading of knowledge and awareness.

The same is also true for Lantmännen's framing it is already there, though the focus still needs to shift more into the cooperative identity. The findings of the survey clearly indicate the preexisting positive outlook on Lantmännen, this can slowly be morphed into more cooperative framing, allowing the company to connect with consumers on a deeper and more value-based level. If Lantmännen should stay on the positive frame or experiment with the negative one is hard to predict but may be worth experimenting with. As told by Holgård, there are measuring tools in place for campaigns, that would allow for assessment of effectiveness of a negative frame.

While Lantmännen's legitimacy already is considered high, both according to own measures and Lantmännen's, there does not appear to be a cap on how high legitimacy can be. Increasing this will allow for better profitability which also opens up more avenues to invest in more marketing, spreading of information, experimenting with different frames and more. Being able to support domestic farming will always be held in high regard, especially in times of despair. As an integral part of domestic agriculture and helping it to thrive will most likely mean more as time progresses.

These results clearly indicate that the cooperative concept is one that needs more awareness. It further indicates that awareness is on the rise, and Lantmännen seem eager to do their part in spreading the word. According to Holgård the future holds a lot more possibilities for education and understanding on the matter of cooperatives, further increasing possibilities for development. Though it remains to be seen, how long it will be for this development to really take place.

5.5 Discussion

The study conducted in 2004 concludes that the cooperative identity should not be on the forefront of consumer marketing communications in cooperative marketing. The author states that whiles it appears that consumers care about the cooperative values, they do not care about cooperatives themselves. The author further states that companies like Arla have been around for a long time and thereby are an integral part of Swedish culture and dairy production, meaning that the cooperative part essentially only "follows the brand" but does not carry meaning for the consumer.

The findings of this study have some points of intersection with the 2004 study, though mostly in findings that represent what used to be the case. In the interview Holgård states the late start of more cooperative based communication, simply for

the reason of having to pick and chose a message to broadcast, and that he thinks it would be beneficial to communicate the cooperative identity, if it was easier to communicate the complex topic of the cooperative business model. Similarly, the consumer survey indicates that consumers, when informed, care about the idea and values, while also gaining a more positive view on cooperatives, and increasing willingness to buy products.

It can be argued that the results from 2004 have fallen out of time. As discussed in the background, the importance of the source of food matters more and more to the consumer (Petrescu et al. 2020). Further, newly established cooperatives will not have the luxury of being a part of the Swedish culture, as Arla is, argued in the 2004 study. Overall, it is safe to say that the 2004 study show the same results as what has been observed as past activities by Lantmännen in this study, but not what the future of cooperative marketing will look like.

6. Conclusion

Chapter 6 provides conclusions drawn from the conducted research. A recap of all major findings is done some predictions are made. Lastly possibilities for future research are discussed.

6.1 Drawn Conclusions

In this study, Lantmännen was used as a case study, exploring cooperative marketing communications. Although Lantmännen was used for the gathering of data, the findings can be considered generalizable. While some aspects, like the positive outlook on Lantmännen may be a thing specific to them, the general idea of being associated with domestic farming and being an integral part of it holds true for any agricultural cooperative, the core values and identity are the same. Other cooperatives were not looked within the scope of this study, though consumers not knowing what a cooperative is or does can be applied in general. Furthermore, it can be argued that the results for Lantmännen can be applied to other companies in similar situations and sizes, such as Arla.

Today, cooperative marketing communications surrounding their cooperative identity are not yet widespread. Lantmännen has taken first steps into the direction of educating consumers, it can be assumed that others have done, or will start doing so as well. The cooperative identity is a complex topic that takes time to manifest in the consumers mind, as of now, this has not happened yet, though first steps are taken in order to begin the process.

Since the lack of knowledge surrounding agricultural cooperatives is a common denominator it can be concluded that the findings surrounding Lantmännen most likely hold true for most, if not all of them. Tools mentioned by Holgård, which allow companies to assess their performance and image over long periods of time, as well as monitoring success of individual campaigns are accessible to every cooperative. If the gained knowledge is used to tailor the marketing to the consumers interests or demands remains highly individual though. It can be stated with certainty that doing so will increase likelihood of garnering interest with consumers. Staying with the times and making sure to capitalize on trends and customers interests is a good way of staying relevant and competitive. For now, it can be assumed that, at least bigger cooperatives, most likely are collecting data. Although the use of said data regarding consumer-focused marketing and its emphasis on the cooperative identity remains to be seen.

Looking at the results of the customer survey and Lantmännen's data, as well as Holgård's comments, that communicating the cooperative identity holds a lot of potential. Informing consumers to make informed decisions about the products they purchase and what their money goes to is a powerful asset. Furthermore, as stated by Holgård, consumers are looking for companies that are purpose driven. Agricultural cooperatives must rank high on the list on purpose driven companies, making it even more important to communicate values and purpose to the consumer.

6.2 Future Research

How cooperative marketing and communication will develop remains to be seen, although the swing towards communication the cooperative identity may come sooner than expected. In future it would be interesting to take a look at the evolution of cooperative marketing communications and gaining an insight on the pace of said evolution. Further, it may also be of interest to repeat the same study with a different cooperative, to gain further understanding into the ways others may think. This will allow for a comparison, possibly enabling deeper understanding of cooperative marketing.

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Popular science summary

When marketing a product or brand, one of the best ways to stand out amongst the sheer mass of competition, is by being different. For a lot of companies this may be hard, since everyone can argue for good quality or a lower price. Something that may be harder to come by is values and ideas a company stands for and communicating them to the consumer in a way that is believable. In a society where organizations are constantly scrutinized for their behavior and actions, where a lot of people care about the environment and sustainability, one business model stands out from others: the agricultural cooperative, but what is that?

An agricultural cooperative is a business form that is owned and governed by farmers, for the benefit of said farmers. This allows farmers that are a part of an agricultural cooperative to cut out middlemen by owning larger parts of the production chain. It also means that, since a cooperative sells and buys in bulk, farmers can gain a larger market share, and not being exploited by large corporations. More importantly, agricultural cooperatives are built on core values that exceed the importance of financial gains. In agricultural cooperative decisions are made democratically by members, ensuring the farmers have a say in the day-to-day operations.

Being a company, owned and governed by farmers, producing food that is farmed, refined, produced, and sold in Sweden and in a sustainable way, is a huge diversifying factor on the food market. Using these identifying attributes to their advantage may lead agricultural cooperatives to have an edge on the market, so why do they not appear to talk about it? Why do most consumers not know what agricultural cooperatives are and what they do and would doing so increase profitability?

By conducting an interview with Lantmännen, Sweden's largest grain based cooperative, and exploring marketing communications, as well as doing a consumer survey, offered a conclusion to these questions. Historically Lantmännen have had more focus on members than consumers, though around 2007 they have started more outward marketing communications. Back then they had to choose one simple message, the cooperative identity they have not being a simple topic was therefore

forgone for the most part. Recently Lantmännen started to try to push the cooperative idea to the consumer, although this will take some time, there is a lot of potential for a huge positive outcome for Lantmännen, both financially and image wise. The consumer survey concluded a higher willingness to purchase Lantmännen's products, as well as a more positive image with consumers after they were educated on Lantmännen's operations and values.

When this is generalized to all agricultural cooperatives, it is safe to say that the findings made through Lantmännen most likely will work in some capacity. They all have similar ideas, values and are driving to make life easier for farmers. This is a huge selling point that can be capitalized on.

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Appendix 1

Appendix 1 presents the questions asked to randomly chosen consumers outside of an ICA store in Sävja, Uppsala. The table recorded their answers to the asked questions as well as their age and occupation.

Respondent	Age	Occupation	Could explain what a cooperative is.	Knows the name Lantmännen	Do you recall ever seeing an advertisement by Lantmännen?	Could explain what Lantmännen does.	Associates Lantmännen with positive	After explanation: Associates Lantmännen with positive.	Would buy more products from Lantmännen with knowledge
				Maria	Maria		N.	Maria	Maa
1	34	Construction	NO	Yes	Yes	No	No	Yes	Yes
2	26	Personal Trainer	No	Yes	No	No	Yes	Yes	Yes
3	56	Unemployed	No	Yes	No	No	Yes	Yes	Yes
4	37	Accounting	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	45		No	Yes	No	No	Yes	Yes	Yes

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6	38	Salesperson	No	Yes	Yes	No	Yes	Yes	Yes
7	63	Retired	No	Yes	No	No	Yes	Yes	Yes
8	22	Unemployed	No	No	No	No	No	Yes	No
9	53	Truck Driver	No	Yes	No	No	Yes	Yes	Yes
10	24	Student	No	Yes	Yes	No	Yes	Yes	No
11	49	Construction	No	Yes	No	No	Yes	Yes	Yes
12	35	Clothing store	No	Yes	No	No	Yes	Yes	Yes
13	43	Digital Designer	No	Yes	No	No	Yes	Yes	Yes
		<u>_</u>							
14	58	Hardware Store	No	Yes	No	No	Yes	Yes	Yes
15	36	Clothing store	No	Yes	No	No	Yes	Yes	Yes
13				100			100	100	100
16	50	Construction	No	Yes	Yes	No	No	Yes	Yes
10	50	Construction		162	162	INU	NU	162	162

17	25	Student	Yes	Yes	No	No	Yes	Yes	No
18	38	Teacher	Yes						
19	57	Engineer	No	Yes	No	No	Yes	Yes	Yes
20	34	IT	No	Yes	No	No	No	Yes	Yes

Appendix 2

Appendix 2 presents questions asked during the interview with Per Holgård at Lantmännen. The interview was semi-structured, which led to more of a conversation than strict asking of questions and simple answers.

Packaging and Brand

- Both websites and packaging have a lot of similar design elements such as the logo on packaging and the footer on websites. Do you have a department that takes care of all design choices?
- Does Lantmännen emphasize its product or corporate brand more?
- A lot of you products use the buzzword "Swedish". Do you have any data indicating this is more important to communicate than "cooperative"?
- Does Lantmännen have other buzzwords that intentionally get repeated a lot?
- In a market, where hundreds of products fill the same need (like bread or pasta) do you believe that using "cooperative" as a buzzword would help in differentiating your product in a meaningful way?

Marketing

- With digital marketing allowing access and reach to potentially millions of people, do you have plans of highlighting the cooperative identity more through those channels?
- What potential advantages or disadvantages do you see with a heavier emphasis on the cooperative identity?
- Do you think a lack of knowledge may be the reason that a competitor's product may be chosen over yours?
- Do you believe the cooperative identity can increase Lantmännen's legitimacy in the consumers eyes?

Data Collection and Feedback

- Do you have data indicating that the cooperative identity does not have any impact on consumer behavior? If it does, why do you not make a heavier note of being a cooperative?
- Do you use some form of feedback systems?
- If you collect and analyze data, how frequently is this done?

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