

Abstract

This research paper aims to answer the question of how a vertically integrated company can be competitive in the grocery market in Luxembourg. To give a deeper insight into the market and to be able to analyze the situation of the company in question (OIKOPOLIS), the researcher has opted to lead a case study on the firm and its specific nature. Not only is the company vertically integrated, which is rather unusual in today's business world but it also relies 100% on organic products. The company thinks that by implementing more sustainable practices such as the fair treatment of farmers, land and animals a better future can be saved for the planet. After careful analysis of the driving factors for organic food purchases in a first step, the writer compares these findings with the statements given by the seven interview partners of the company that all hold different positions in the supply chain. Another aspect that will be analysed is the governmental situation that may allow for an increase in sales in the near future. The Luxembourgish government is launching a new project that aims to increase organically cultivated lands from 5% to 20% in the next five years. Essentially this means that the OIKOPOLIS group may expand in the very near future if it is able to analyze the situation and development of the project accordingly. There has been little to no research been done on this specific topic and since the future indicates a very probable change to more and more organic agriculture and food production, it may be quite interesting to have a deeper look at the matter.

Findings in this paper also suggest that customers actively choose organic products for three main reasons namely: environmental and health concerns and the perceived higher quality of the products. In combination with locally produced goods, this can be a very promising product mix that may be very attractive for customers and would be very beneficial for the environment due to the nature and basic advantages of organic farming.

