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Blessed Earth: engaging customers

Abstract

Bedding and cotton underwear are products that are considered a necessity by most consumers. For some consumers, organic cotton is a high involvement product and the purchase of this item reveals a great deal about consumers' ethical values and sense of self. This case study focuses on Blessed Earth, a company that sells organic cotton products to the ecologically-aware, health conscious consumer through the internet from its base in Queensland, Australia. Key marketing objectives are to educate the consumer, project an image of environmental and social responsibility and develop strong, trusting relationships with their consumers.

Learning outcomes

This case is intended for use in undergraduate courses in marketing and sustainable marketing management. It explores the development of a successful customer relationship strategy in the context of organic cotton purchasing. It prompts discussion and learning about sustainable business. Green entrepreneurs must sell the company, not just their products. Communication is particularly important in sustainable marketing strategies and marketers need to educate stakeholders about health and environmental issues and project an image of environmental and social responsibility. The primary teaching objectives for this case are:

- To recognize the impact of ethics on businesses
- To describe the concepts of fair trade and organic cotton production

- To explore the use of the internet in educating the consumer, projecting an image of environmental and social responsibility and developing strong, trusting relationships with customers.

Introduction

Blessed Earth is an entrepreneurial venture in Australia. Founded by Radha Theresa and Raithe Handiman in 2004, it began in a pattern that is similar to many other start-ups. When Radha wanted to buy organic cotton underwear and couldn't find any, the idea was born to manufacture it and sell it by mail order. The founders knew that the idea of organic underwear needed to be cultivated in the public consciousness, so all their limited funds went into advertising and they began writing magazine articles explaining the importance of having organic cotton next to one's skin.

After a slow start, people from all over Australia began finding them, mostly looking for relief from allergies. The business grew and they soon incorporated clothing, bed-linen, and organic cotton and wool mattresses. Most of their products (including underwear, clothing, bed-linen and wool mattresses and bedding) are manufactured in Australia. Today they have a large customer base, many of whom have health issues, and most of them are ecologically-aware consumers who have come to insist on top quality, environmentally responsible textile products.

According to the FAO (2009), consumers are increasingly aware of the social and environmental conditions in which the products they purchase are manufactured. The market for organic and fair trade cotton is growing. Organic cotton fibre is used in products ranging from personal care items (sanitary products, cotton pads, ear swabs) to home furnishings (towels, bed linen, bathrobes, etc), children's products and

fashion clothing. Market growth is spurred by the increase in availability and widespread media coverage.

More and more mainstream retailers are stocking organic ranges but the philosophy of high-street fashion is the antithesis of organic and fair trade cotton production values. Fast fashion is an operations strategy, pioneered by Zara, where designs move from the catwalk to stores very quickly. “Knockoffs” of the designs appear in the outlets of the fast fashion retailers who have copied, manufactured and distributed them much faster and cheaper than the established designer brands. The “fast fashion” retailers have influenced consumer expectations for speed, variety and style at low prices (Walters, 2006). By democratizing high couture and bringing celebrity-inspired, fashionable, affordable items to the masses, fast fashion has transformed the industry. Prior to fast fashion, clothing retailers maintained a seasonal sales cycle where new trends were introduced only a few times a year. However, retailers are criticized for creating disposable fashion that is worn only a handful of times before being thrown away (Cline, 2012). According to the Natural Resources Defense Council, textile-making is one of the most polluting industries in the world; growing cotton, making synthetic fibres, dyeing the fabric and other processes, all have adverse environmental impacts (NRDC, 2011). Life cycle assessment of a cotton T-shirt shows that it consumes a relatively large amount of fossil fuels and toxicological impacts are high (Laursen et al., 2007).

The internet, customer education and customer relationship management (CRM)

According to Todd (2009), environmentally aware individuals are guided by their personal ethics. In trying to attract new consumers, environmentally minded businesses use the Internet as a valuable medium for environmental marketing. They showcase details about their production methods, business philosophy and other facets of their ecological values on the web. This is certainly the case with Blessed Earth. Many of their products carry the Fairtrade mark, the Global Organic Textile Standard and the Demeter standard for biodynamic production. Environmentally sustainable packaging materials are used wherever possible. Blessed Earth prides itself on long-term trading relationships, fair prices and non-exploitation of workers' rights along the supply chain. Its suppliers are based in Egypt and India. In Egypt, it partners with SEKEM, one of the world's leaders in sustainable agriculture. By working closely with the Egyptian Government, SEKEM have successfully converted over half of Egypt's cotton growers to organic certification. In India, cotton is grown by a community of about 100 families. Organic cotton growing involves practices such as crop rotation, composting and the use of organic and biodynamic preparations to improve the quality of the soil. Blessed Earth highlights the environmental costs of conventional cotton production, with its reliance on insecticides, pesticides and synthetic fertilizers.

Their customers can buy online or from the specialist retail outlet at Maleny on the Sunshine coast. According to Chris Anderson, the author the book *The Long Tail* (2006), the power of the internet lies in its ability to provide virtually anything to anyone. Blessed Earth targets a niche market on a worldwide scale. The following characteristics are viewed as integral to good customer service:

- Anytime, anywhere access

- Friendly, capable, proactive customer service
- Streamlined, secure, online payment service
- Totally satisfying online customer experience, easy to navigate site, with frequently asked questions, gift certificates, photos and descriptions of all products
- Money-back guarantee on the products if they don't meet the description given them on the website or are faulty.
- Permission-based marketing program

Blessed Earth has been pursuing a customer relationship management (CRM) strategy since company foundation, although they don't use this term. The founders recognise that there is strong relationship between with customer satisfaction, customer retention and company survival and growth. In fact, many of their customers have become dear friends and sometimes it seems as if they function more as a family than a business.

Blessed Earth emails their customer base regularly, telling customers what's new, what's on sale, giving them tips on sustainable living in their newsletter and on their website.

Because each customer has to register online and uses email, Blessed Earth has gained good knowledge of customer behaviour:

- Customers names, addresses and email addresses
- Sales activities such as purchase amount, type of product bought, purchase frequency are recorded.
- Response to special offers is also recorded

Blessed Earth has to consider the timing of the customer interaction and the nature of the offer and tailor communications appropriately. Although attracting new customers is important to Blessed Earth, they tend to focus their main effort on mining opportunities with current customers.

Summary

This case study focuses on Blessed Earth, a company that sells organic cotton products to the ecologically-aware, health conscious consumer. The founders recognise that there is strong relationship between with customer satisfaction, customer retention and company survival and growth. They use their website to educate the consumer and project an image of environmental and social responsibility. They have managed to develop strong, trusting relationships with their consumers in a virtual environment.

Discussion questions

1. Do consumers care about ethical fashion?
2. What approaches have retailers have Blessed Earth taken to become more environmentally and socially sustainable?
3. How could Blessed Earth educate and engage their customers and build stronger relationships with its customers?
4. Explore the website and critically analyse the health claims made by the founder for the product.

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