Literature review WP 4

Italy

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Review report

1. THE MOST RELEVANT RESULTS

Filippo Arfini, Istituto di EconomiaAgraria e Forestale – Parma

The value of typical products : the cases of "ParmaHam" and "Parmigiano Reggiano" cheese

67. EAAE Seminar, Le Mans, 1999/10/28 ; 1999/10/30, EAAE, European Association of Agricultural Economists, La Haye, In : Sylvander, B. (éd.) ; Barjolle, D. (éd.) ; Arfini, F. (éd.) The socio-economics of origin labelled products in agri-food supply chains : spatial, institutional and coordination aspects, 408 p.

Actes et Communications, N° 17-1, Paris, INRA Editions, 2000/11, 2 ; vol., pp 77-98

The aim of the work was to analyse the factors that can condition the behaviour of consumers and producers, and thus the success of EU policy, with respect to the protection of two well-known products carrying the PDO mark (Parmigiano Reggiano and Parma Ham). The analysis also aimed to estimate the value that consumers attribute to the EU mark.

What is the weight of the Consortium mark on the price paid? Does the PDO mark add value to the typical product? To respond to these questions, the judgement of the consumers was analysed in terms of their willingness to pay.

The results of interviews with a sample of 325 consumers with a certain level of sensibility towards the questions of food quality and a medium-high level of information and culture gave a significant measure of the trust that consumers place in the marks of the two Consortiums. In fact, 75% of the consumers interviewed see these organisations as being able to provide the highest level of guarantee of the purchased product.

On the basis of the data found, we can affirm that these two typical products have become famous precisely due to the activity of promotion and protection carried out by the respective Consortiums, as consumers interpret the mark of these organisations as synonymous with quality and, therefore, look for it at the moment of purchasing.

The consumers were asked if they were willing to pay the same price in the absence of the mark of the respective Consortium. 89% of the consumers responded negatively in the case of Parmigiano Reggiano and 86% in the case of Parma Ham. Subsequently, those who answered negatively were asked to indicate the maximum price, with respect to the one indicated, they would be willing to pay for each of the two typical products without the Consortium mark.

As regards Parmigiano Reggiano, the price most often chosen by the consumers was 30% less than the current price. For Parma Ham, the percentage reduction was 22%.

One problem that emerged was the fact that 42% of the sample is familiar with the PDO marks, 38% stated to have only heard them mentioned, and 18% are not familiar with them at all. How can a consumer be willing to pay a premium price for the strengthening of quality control if he is not familiar with, or only superficially familiar with, the mark that guarantees such improvement? When asked a further question on the capacity of the PDO marks to substitute the consortium marks as guarantor of the quality of typical products, only 13% expressed complete faith in the EU recognitions, 21% responded with a decisive “no”, and 60% of the responses were in an intermediate position.

If Parmigiano Reggiano and Parma Ham were sold without the Consortiums' marks but only with the PDO mark, consumers would be willing to pay 14% less than the current price. The Consortium mark supersedes the PDO in terms of quality guarantee.

PDO and PGI products : Market, supply chainsand institutions - The European consumer of PDO/PGI protected regional products

A – The market for PDO/PGI protected regional products: consumer attitudes and behaviour

Koert van Ittersum, Math Candel, Franco Torelli

July 1999

This report describes extensive research on the consumer evaluation of PDO and PGI protected regional products. Consumer surveys were conducted in six European countries. The objectives were to gain detailed insights into how a regional indication influences the evaluation of food products and to determine the extent to which a PDO or PGI protection can add value.

In Italy, two products were taken into account (Parmigiano Reggiano and Parma ham), and for each product 200 consumers were interviewed. The data were gathered by means of face to face interviews.

The conclusions were drawn with respect to *users* of the two protected regional products that, by the end of the interviews, were made aware of the PDO/PGI protection labels and their meaning. Before this, it was shown that, although the PDO/PGI protection labels add value to the regional product, a lack of awareness and understanding of these labels hinders their performance significantly.

More than 47% of the consumers of Parma ham and/or Parmigiano Reggiano indicated that they have heard of the PDO regulation. Of these, more than half know quite well what the PDO regulation means.

These percentages are not as low as it was found for the other products studied in other countries. Surely, improving the consumer awareness of the PDO/PGI regulation may well influence the performance of protected regional products.
For Parmigiano Reggiano cheese, an increase in price significantly reduces the share of the protected regional product. Considering the results of the willingness to pay questions, this means that consumers are willing to pay more for protected regional products, but that when the price become too high, the consumption of the product will decrease.
Referring to Parma ham, the consumption share of the product would most probably decrease somewhat when the price of the product would be increased: an increase in price of for instance 10% (compared to the closest substitute) would reduce the share of the protected regional product with 6.5%.
Obviously, reducing the price of the two protected regional products will increase the consumption share of the product.
However, for the two protected regional products taken into account, many consumers are willing to pay more than they are already paying. Since it is shown that consumer tend to exaggerate, some caution with these conclusions should be taken.
The attitude towards the protected regional product positively relates to the willingness to pay. Hence, the more favourable this attitude is, the more consumers are willing to pay for it.
Both the regional indication and the PDO label do add a significant amount of value to the ham. But there are large differences in the utility of the regional indication and a PDO/PGI label. The first in very higher than the second. However, also the PDO label does positively influence the evaluation of Parma ham.

B - Third year report (1998/1999)- Results of the general research on consumers

Koert van Ittersum, Math Candel

In Italy, the survey was conducted by means of 920 face to face interviews. The results showed that of the total number of consumers interviewed who actually purchase the individual products, the share who consider the indication of origin to be important was 8% for cheese, 17% for olive oil,8% for lamb, 7% for potatoes, 5% for ham, and 3% for fruit.
The share of consumers who consider the indication of quality to be important, out of the total number of consumers interviewed who actually purchase the individual products, was 22% for cheese, 19% for olive oil, 7%for lamb, 4% for potatoes, 25% for ham, and 4% for fruit.
The users of regional products tend to be older, and have higher incomes; the consumers living in the region of origin of a regional product are significantly more likely to purchase the product than consumers living elsewhere. Further, it was shown that users of regional products attach more importance to the presence of quality labels and knowing the place of origin of the products they purchase.

C – Progress report on qualitative consumer survey

Franco Torelli, CRPA

October 1997

In Italy, nine group discussions were held, three for each of the selected PDO/PGI products (Parmigiano Reggiano, Parma hamand Fontina cheese).
For all the products, delimitation of production area becomes more and more indeterminate as we go away further and further from that area. In theproduction area, in opinion of the participants, both breeding and processing and ripening would take place.
The existence of a protection Consortium is known or,at least, perceived intuitively for all the three products examined. Consortiums would have been started by producers themselves (who anyway have interest in working correctly if they want to safeguard their market), supported by public bodies or institutions above the parties.
In front of the alternative between Consortium mark, distribution mark and big producer's mark, choices fell on the first one, with a few exceptions however.
As far as denomination of origin is concerned, the abbreviation DOC recalls above all wines because it's in this business field that it appears explicitly on labels.
DOC is attributed also to the three products examined, but with many doubts and reservations, just because this abbreviation has never been readon cheeses and hams.
After reading the definition, a higher value was attributed to PDO, but also a probably higher price.
In conclusion, marks of these products now have such a power to make PDO presence almost superfluous.

Nomisma –Coldiretti

8th Report on Italian Agriculture

Rome, December 2001

The survey was conducted bymeans of 400 telephone interviews to a stratified sample of Italian consumers.
The typical products are actually divided into two broad categories:
- those covered by are cognised denomination, defined by EU regulations;
- those tied to acertain territory, to precise production methods, to the tradition of certain areas but which do not present formal credentials.

The point of reference for the development of the typical system is the consumer. The logic of typical products involves behaviours of choice in favour of foods that go in the direction of health, well-being, imitation of imported eating models, but also of foods that present a certain significance and intrinsic value.

The in-depth studies highlighted the existence of a serious problem of knowledge and information. While at the overall level Italian consumers, and more generally European consumers, show interest in typical food products, a more in-depth analysis shows very diverse interpretations in the meaning giving to "typicalness. "Specifically, only 30-35% link typicalness directly with geographical origin. Over 80% of Italians are not familiar with the PGI indication, and 72% are not familiar with the PDO. This situation, moreover, creates confusion and the possibility of commercial practices that may be "misleading" to the consumer.

65% of the consumers stated their willingness to pay a higher price for the product, therefore giving it greater value. Clearly this is an average figure related to the simple declaration of willingness to spend, while in reality :

- there are marked differences of attitude related to categories of distinct products; for example, this willingness seems to be much higher for cured meats and cheeses than for fresh produce and ready-to-eat foods;
- on the other hand, the willingness is transformed into a habitual purchasing choice only for a part of the consumers, while for others it remains an occasional behaviour.

Nonetheless, the data demonstrate that typicalness may be a positive factor, and that the potential demand is not limited simply to consumption niches.

The search for food quality and safety identifies a 'global' direction towards which the consumer moves, one which is realised above all through the consumption of Italian food products. Greater geographical characterisation of the product, on the other hand, does not seem to be a discriminating element in the choice. Just 35% of consumers attribute strong importance to the regional and/or provincial provenance.

The only case of a model of choice in which the top three criteria include the quality mark is that of cured meats, not so much because there is not a tendency to seek out this prerequisite in other product categories, but more because there is less recognisability and awareness of the meaning of the mark itself. In the cured meats sector, there seems to be a consolidated association between the mark of certain consortiums and high quality standards.

To the direct question on what characterises a typical product, 32% of the interviewees responded with the definition “natural without preservatives”, 24.5%“made with local or regional raw materials”, 18.5% “made with handicraft methods”, 16% “based on a traditionalrecipe”, and 9.5% “purchasable directly in the place of production”. The analysis of the classification of definitions shows a dual value : thefirst answer reveals an association of the idea of typical product with the production process; in second position is the connection of the typical product with the territory.

For Italian consumers, there seems to be a widespread need for food safety, and particularly for healthy, natural foods. One instrument that can absolve these functions and transmit a guarantee is the denomination of origin.

The various areas of communication should make reference not exclusively to the characteristics of origin of the product but also to the traditionalness of the production process and the naturalness of the raw materials as characteristics of quality.

Centro Ricerche Produzioni Animali

“Marketing red meat in the European Union : extending the options” - Final report onconsumers

Aprile 2001

The quantitative survey involved twelve areas throughout Italy. The sample of interviewees, a total of 505 consumers, was stratified by age and sex. In the qualitative step, a focus group and fourteen in deep-interviews were managed.

For the consumers interviewed, the most important factors that influence the choice of beef are safety and the health and nutritional characteristics. Factors of moderate importance included satisfaction and enjoyment, the tradition of consumption, knowing how to cook meat and the ease of cooking.

As regards perceptions of the formation of the beef quality, the animal production phase is considered crucial. Consumers give particular importance to animal diet and nutrition as an element of quality of them eat. Geographical origin is also seen by Italian consumers as a quality factor.

Respect for the environment and for the animals’ well-being are very highly considered, which confirms the increasing importance attributed to production factors in influencing the quality of there sulting food products.

In light of the upcoming application of labelling on beef throughout the European Union, the consumers’ expectations in this regard were examined : specifically, which indications, according to the consumer, should be given on the label to qualify beef.

Freshness, interpreted as the indication of the “best before” date, is the main element, but consumers would also like to have indications on the path of traceability or quality control, of origin and the production system.

Other quality indicators that could be included on the label include : nutritional information, maturation time, the name of the cut, the name of the farm.

In the sphere of the segmentation constructed according to the frequency of beef consumption (heavy-light consumers) and to the quantitative evolution of red meat purchases which has taken place over the last few years, we note how the traceability of the product is situated in a central position, and involves all four segments considered, as if it were a synthesis of a vast series of issues.

While in the light and in decline segment it seems that there are no particular requests for information (a sort of confirmation of their disinterest towards the product in question), for the heavy but in decline group it seems that the trademark of the product to be purchased is particularly important; these consumers would tend to identify in meat a product similar to the majority of other food stuffs which are characterised by more or less well-known brands.

The group called strong on the rise seems especially to require the name of the cut and (to a greater degree than the other groups) cooking suggestions, perhaps in search of ways of using the product that differ from the traditional methods. On the other hand, the segment which can be considered that of the new consumers (currently light users but in a phase of increase), shows precise demands particularly in terms of the maturation time and clear “bes tbefore” dates.

2. SELECTION OF SCIENTIFI AND RECENT PAPERS, PUBLICATIONS, STUDIES IN THE COUNTRY

Consorzio del Formaggio Parmigiano Reggiano
Parmigiano Reggiano – The image today, the competitive context, the potentials
Milan, 2001
Qualitative survey based on eight focus groups conducted on the national territory. A segmentation of consumers is proposed based on two parameters: the tendency to prefer products characterised by a precise geographical origin; the propensity towards craft products.
The "origin-non craft" quadrant is oriented towards the industrial firms that promote themselves as small businesses, developing local cultures and adapting them to current tastes.
The "non origin-craft" quadrant is composed of consumers inclined towards brands characterised by a certain level of tradition, but not localised.
The "place-craft" quadrant is dominated by PDO products; the respective consumer looks for the consortium trademarks, certified origins, and food traditions.

Accademia dei Georgofili – Quaderno 1998-X; Ugo Abbagnano Trione, Claudio Peri
Quality marks in the agro-food system : organisational and deontological issues – European quality marks : evolution and emerging expectations
Florence, September 1998
The study was conducted by means of 404 interviews with persons working in the agro-food sector. From the consumer's point of view, the origin of the product involves the blend of an element of reassurance (knowing where the product comes from) and an element of culture/tradition.
As regards the future, the use of the guarantee of origin within the sphere of traceability systems will have a strong impact.

Istituto di Economia Agro-alimentare dell'Universit Cattolica di Piacenza - Working paper 8/97; GiovanniGalizzi
The promotion of typical local products. From the concept of value to the operative indications
Piacenza, November 1997
This study highlights the main objective that must be established by a denomination of origin; i.e. consumer protection and correct information. Indirect results are the barrier to competition from imported products and reduction of the disadvantages of unfavoured zones.
The PDO is involved in the growing complexity of foodneeds, with particular regard to the needs that belong to the system of social and cultural values.
Given the asymmetry of information deriving from industrialisation, the denomination of origin represents a factor of informational re-equilibrium and reduces the costs that the consumer would have to sustain in order to identify a product correctly.

Gabriele Canali
Italian agriculture and the Mediterranean and continental prospects – Acts of the 33rd SIDEA study conference : Typical local products within the scenario of international competition
September, 1996
In general, the PDO/PGI product adds the feature of typicalness to the intrinsic characteristics.

Carlo Magni
Italian agriculture and the Mediterranean and continental prospects – Acts of the 33rd SIDEA study conference : Typical local products within the scenario ofi nternational competition
September, 1996
The investigation was conducted in a number of phases : desk, opinion leaders, focus groups, and quantitative. A concept of typicalness emerges that for Italy is mainly based on the place of origin, followed by the craft production traditions. At the European level, on the other hand, the order of the two factors is inverted. Certainly, highlighting geographical origin is not sufficient for giving the perception of quality characteristics. Another result is the low level of trust that consumer shave in the self-certification of quality on the part of the producers themselves.

Unione Regionale camere di Commercio Emilia Romagna– Regione Emilia Romagna, Osservatorio agro-industriale
The agro-food system of Emilia-Romagna -Ch. 12: Management and certification of quality for PDO and PGI products
Bologna, 1997
Often consumers are not aware of the production techniques or the existence of regulations. A strategy to undertake is that of assuring consumers regarding the product with a denomination of origin without, however, expecting them to become experts on the technical aspects.

Mark Up

Typicalness comes from the filière

Milan, September 2000, page 50

The volume of business of typical high quality food products in Italy is about 5 billion Euro (Source: Indicod). The typical products should be promoted more extensively, emphasising the differences and guaranteeing consumers the maximum protection.

Mark Up

Fabio Lunati

Typical local cheeses bring in sales

Milan, November 2000, page232

As regards cheeses, typicalness justifies higher prices and the dynamics ofthe demand is favourable. Over the next three years, a generalised positive development is foreseen for the typical local cheeses. A 20% difference in price is accepted as the maximum limit by over 50% of consumers.

The correct perception of a protective mark is expressed by 47% of consumers in the case of cured meats, 48% for cheeses,28% for fresh produce, and 23% for baked goods.

Ismea

Multiregional operative programme – Services for commercial promotion of southern Italian products : the experience offresh produce

Rome, February 2000

The survey, which was conducted by means of four focus groups, underscored that the image of the Italian product is reassuring from the point of view of quality and naturalness.

Names such as “Val di Non” and“Arance di Sicilia” are correlated to the type of product and geographical origin, but also to a value of quality.

Ismea

Multiregional operative programme – Services for commercial promotion of southern Italian products : the experience of olive oil

Rome, February 2000

This survey, which was conducted by means of four focus groups, showed that the most important factors that condition purchasing choices are price and provenance.

The consideration that the oil must be Italian is unanimous.

Another result of the survey is the consumers' desire to know not only the place where the oil has been bottled (which is very probably indicated on the label), but also the specific indication of the provenance of the olives.

Nonetheless, in most cases the level of trust in the indication of provenance of the finished product is sufficient to guarantee the origin of the raw material as well.

There also emerged a low level of knowledge concerning the variety of quality marks (those of the producer, commercial, origin, quality). Consumers never notice the PDO mark when looking at the labels.

Ismea

Agro-food panel for monitoring the distribution channels and problems of supply

Rome, January 2001

This survey was conducted on a sample of 600 producers and 100 distribution concerns. The results showed that, in the opinion of those working in the industry, when consumers purchase food products they consider the typicalness recognised by the PDO, PGI, and other marks to be important. In fact, 47% responded that this aspect is very important for consumers.

However, comparing other aspects that the consumer would take into consideration, 79% responded that safety is very important, 78% that hygiene is very important, and 52% that provenance is very important.

71% of the firms in the agro-foodindustry affirm that consumers consider typical products to be safer than others.

As regards large-scale distribution concerns, 46% state that the spreading of fears about safety has led to an increase in the sales of typical products. 48% of the distribution centres and the large supermarkets responded that for this reason they plan to increase the space allotted to these products in their sales points.

Ismea

Filiera Vino

Rome, December 1993

An analysis both bibliographic and based on twelve focus groups, which indicates that in wine consumption the DOC is important, as it represents a guarantee. It is important above all when the product is purchased as a gift or for a social get-together, or when the wine is consumed for festive occasions.

The importance of the DOC in the wine sector is linked to the phenomenon of regionalisation of consumption. The analysis highlights, however, the "jungle" of marks, zones, and abbreviations which is difficult for consumers, especially those who are less knowledgeable, to untangle. Another result of the survey is the presence of wines with very different organoleptic characteristics within the overall DOC sphere.
While the DOC, as an abbreviation, showed to bewell-known (though often in a quite approximative way), the PGI mark is unknown to almost all consumers.

Mara Miele, Vittoria Parisi (editors)
Consumer attitudes and quality policies on meat in Italy and in Europe in the ‘90s
Franco Angeli Editore, Milan,2000
A qualitative and quantitative survey conducted in six European countries, based on focus groups and on 500 telephone interviews in each country. In Italy the parameter of the region of origin of the meat resulted in the second place of importance within the range of characteristics for choosing in the shop (preceded by the colour or flavour, depending on the type of meat).

Nomisma –Coldiretti
8th Report on Italian agriculture
Rome, December 2001
See "The most relevant results".

Eurisko – Ismea
Survey on typical Italian products inDenmark, Sweden, Japan, Canada, and the United States
Rome, March 2000
A qualitative survey conducted by means of interviews with purchasing managers of large-scale distribution chains, importers, restaurant managers, journalists, and other opinion leaders.
The certification of typical Italianfood products is well-known to the majority of Swedes, Canadians, and Japanese, and to approximately half of Danes and Americans.
DOC and DOCG are the most well-known marks, to a larger extent with respect to PDO and IGT. These denominations are judged to be very or quite important in the five countries considered.
The level of information on typical Italian products is very high for olive oil, good for cheese, cereal grains, and cured meats, and insufficient for fresh meat and fresh produce.

Ismea
Consumers and typical Italian products
Verona, 1996
A quantitative survey involving a panel of 1500 families, aimed at identifying a series of indicators related to typical products: indices of penetration, monthly purchases in quantity and value, and purchase prices.
This study is linked to the quarterly surveys cited in the following point.
The study showed that regional provenance assumes an important role for a significant part of the Italian population, but not for everyone.
The experience of products with regional provenance marks stands out positively for a fair share of consumers as regards the controls that are attributed, the component of tradition, the organoleptic characteristics,the naturalness, and quality in general.
The products with indication of provenance are judged to be more expensive; a large number of consumers, however, state that they are willing to spend more for a mark of guarantee of the zone of production.

Ismea
Consumption observatory - Family panel : domestic expenditures for typical products
Rome, 1997-2000
A quantitative survey conducted quarterly, carried out in collaboration with the ACNielsen institute, on the expenditures of Italian families for purchasing typical products. The situation that emerges is not at all stable, with frequent oscillations in the quantities sold, in the market values, and in price.

Largo Consumo n. 10, page 68 ff - FrancoTorelli
Hard cheeses still in good shape
Milan, 1995
The article underscores the confusion that characterises various PDO cheeses, as the consortium mark is present on high quality wheels as well as on those of lower quality. In addition, the long commercial channels impede a control by the producers along the commercial chain and create difficulties in the direct management of the quality mark.

Largo Consumo n. 2, page 106 ff - ArmandoGarosci
New perceptions for the typical product
Milan, 2001
The article highlights the probable growth inconsumption of typical products in Italy in the upcoming years.

Forecast – Azienda Fiere di Gorizia
Survey on the PDO and PGI speciality foods
Gorizia, September 2000
This survey brings to light a strong sense of confusion among Italians regarding the concept of the typical product. The sphere of typical products also includes industrial products such as Nutella or "panettone"cake. The level of confusion is reduced ifone takes into consideration certain categories of products, such as cheese and wine. The concept of a typical product has positive associations, including the transmission of a local culture and provenance from a limited area.

Ismea
Arancia Rossa di Sicilia : what do consumers look for?
Rome, December 2000
Conjoint analysis conducted on 2000 Italian consumers, preceded by fourfocus groups, which shows the importance of provenance as a criteria of choice at the moment of purchase. Imported oranges have a negative experience, as it is believed that they undergo preservation processes and are less controlled than the domestic products.
Consumers express the need to know the origin of the product with certainty, even when purchasing loose oranges or from the local greengrocer.
The PGI mark is perceived in a positive way, beyond any specific knowledge of the terminology proposed. However, all the interviewees expressed a purely intuitive judgement, based on a personal interpretation of the mark.

AERPROC
Survey on the market potentials of PDO pecorino of the Romagna Region
Faenza, November 1999
A survey conducted on consumers of the Emilia-Romagna regionand on the related tourists, carried out in two phases: one qualitative (three focus groups) and one quantitative (300 face to face interviews).
As a criteria of choice, the PDO shows to be of little importance (0.4%,with spontaneous answers), due not so much to the lack of importance attributed to origin as to the lack of knowledge about the PDO mark in the cheese sector.
In the area of stimulated responses, the situation is different: the concept of PDO has a positive value, perceived as a guarantee of good quality.

Conva
Survey on Parmigiano Reggiano fromorganic farming and from mountain areas
Castelnovo Monti (RE), February 2001
A survey aimed at analysing consumer behaviour towards Parmigiano Reggiano coming from certain places, conducted by means of a qualitative phase (two focus groups) and a subsequent quantitative phase (602 interviews with sampling in steps and stratified).
A large number of consumers do not know whether Parmigiano Reggiano is a PDO product; the study also seems to show the weakness of the PDO denomination as a criterion of choice, probably because the Parmigiano Reggiano Consortium mark is the main criterion of choice, independently of whether or not the cheese is PDO.
When consumers think of the provenance from a certain area, their thoughts refer primarily to the processing phase (45% of cases), and secondarily to the place where the milk is produced (25% of cases).

Gross Magazine – Logistica edistribuzione per l'Horeca – n. 2
The "designer" product is fashionable forcured meats as well
October 2000
The principal outcome that emerges from this article is the growing demands and expectations of consumers regarding the quality (inthe broadest sense) of the cured meats they want to purchase.

Centro Ricerche ProduzioniAnimali
Survey on the market potentials of cheese and meat from sheep and goat farms
Reggio Emilia, 1992
This survey involved face to face interviews with consumers, retailers, and wholesalers. The results show that one of the most important factors that reassure consumers when purchasing cheese is its provenance, particularly when this product comes from the area where the interviewe resides. As regards the consortiums and respective marks,consumers are still quite disoriented, tending to confuse these names and marks with those of the single producers.

PDO and PGI products : Market,supply chains and institutions - The European consumer of PDO/PGI protected regional products

A – The market for PDO/PGI protected regional products: consumer attitudes and behaviour
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Centro Ricerche ProduzioniAnimali
"Marketing red meat in the European Union : extending the options" - Final report on consumers
April 2001
See "The most relevant results".

Rivista di Economia Agraria Anno LIV n. 1– page 3 ff - Emiro Endrighi
Promotion of typical local products. From the concept of value to the operative indications
Rome, March 1999
The strategy of differentiation has become increasingly important in the sphere of company tools. The typical local products are involved in two areas: first, there is a growing search among consumers forself-affirmation by distinguishing oneself from the others with specific behaviours and precise consumption choices; then, the typical food products, with their strong characterisation (technical, organoleptic, historical, cultural, social) seem to be particularly suited to respond to this type of orientation.
Greater attention to health issues also leads to giving priority to traditional products.
The processes of urbanisation and globalisation have distanced many consumers from the traditional products. Therefore, it is necessary tore-establish cultural premises and knowledge, as the typical products require consumers who are more aware and better informed.

Filippo Arfini, Istituto di Economia Agraria eForestale – Parma
The value of typical products : the cases of "ParmaHam" and "Parmigiano Reggiano" cheese
Le Mans, October 1999
See "The most relevant results".

Eurisko
Survey on marketing strategies for the upcoming years
GDO WEEK n. 13 - Milan, 2000
This survey, conducted by means of interviews with management level personnel of the food industry and distribution, analysed the level of priority given to various company strategies, including the possibility to produce/offer typical products.
The attitudes of the industry showed a reduced interest inthe typical product option, in 11th place out of 18possible options.
Distribution showed greater interest in the typical products, a fact that seems to be justifiable given its proximity to the consumer and which this seems to indicate the substantial presence of purchasing attitudes oriented in this direction.

Inra – Eurobarometro n. 50.1
Europeans and quality marks
1999
More than 70% of Italians state that they purchase typical products; in 30% of the cases, the typicalness is directly linked to a specific territorial origin.
In addition, the survey shows the willingness to pay a higher price for products with guaranteed origin.

Discussion report

1. THE CONFUSION AMONG CONSUMERS

From the bibliography analysed, serious problems of confusion and disinformation emerge concerning both the denomination of origin marks and the concept of the typical product. The interpretations of the meaningattributed to typicalness are very diverse, and some industrial products are also brought into the area of typical products.
Which factors qualify the origin mark? Is it taste, natural or traditional methods, production techniques, area of origin, history? There is a great deal of confusion regarding this concept.
In many cases it is not known which phases of production and processing take place or have to take place for an OLP : farming,processing, ageing or curing, and so on.
For cheese, for example, when consumers think of its provenance from acertain area, they primarily make reference to the processing phase (45% ofcases), and in second place to the phase of milk production on the farm (25% of cases). These responses, however, are only intuitive and not informed.

2. THE PENETRATION OF THE VARIOUS MARKS

The DOC mark shows to be quite well-known in Italy (even though this knowledge is often approximative), and is attributed primarily to the wine sector. In fact, the denomination of origin mark has always been evident on wine bottles, written out completely on the label.
The same is not true for other products, and this situation gives rise to many doubts on the part of Italian consumers : for example, the DOC mark has never been read on cheeses and hams.
The PDO mark is decidedly less well-known than the DOC in Italy. For some consumers it seems to be an imitation. The PGI mark is completely unknown to almost all consumers.
From this one could draw an initial conclusion : asa criterion of choice, the PDO mark has little importance, not due to a limited importance attributed to origin but to a lack of familiarity with the PDO mark itself.
From the consumer's point of view, the product origin has a blend of an element of reassurance (both affective andrational) and an element of culture/tradition/nature.
Nonetheless, although the PDO/PGI protection labels add value to the regional product, this lack of awareness and understanding hinders their performance significantly.

3. THE NEED FOR INFORMATION STRATEGIES

It therefore seems necessary to promote greater information to consumers on the nature, function, and role of the origin marks, also due to the fact that the processes of urbanisation and globalisation have distanced many consumers from the traditional products.
Correct information must also be aimed at reducing the risks of consumer misinformation, as consumers frequently interpret certain industrial products as typical or having origin marks, while in fact only the marketing policy and the contents of advertising campaigns are oriented in this direction.
Given the asymmetry of information deriving from industrialisation, the denomination of origin represents a factor of informational re-equilibriumand reduces the costs that the consumer would have to sustain in order to identify a product correctly.
A strategy to undertake is that of assuring consumers regarding the product with a denomination of origin without, however, expecting them to become experts on the technical aspects.
Surely, improving consumer awareness of the PDO/PGI regulations may well influence the performance of protected regional products.
Therefore, it is necessary tore-establish cultural premises and knowledge, as the typical products require consumers who are more aware and better informed.
The good potentials for acceptance of the products with denomination of origin can become concrete if it becomes possible to allocate resources for communicating to the final consumer the elements that characterise the single products (provenance, technology, history, the culture of the product, the organoleptic characteristics, and so on) with sufficient intensity.
In parallel, it is important to adopt clear policies regarding the marks (only certain characteristics should be associated to a mark) and ensure a certain level of uniformity among the products.

The quality variability of the product is taken for granted, appreciated and considered inherent to the production characteristics, but only within certain limits; if this variability is too marked, it is perceived negatively, as one can never be sure of the product one buys.
In conclusion, an attentive policy of label management and control should be studied in detail, clearly defining the values expressed by the label, the quality standards, and the production specifications.

4. DIFFERENTIATION

The strategy of differentiation has become increasingly important in the sphere of company tools. The typical local products can benefit from this thanks to their strong characterisation (technical, organoleptic, historical, cultural, social) that makes it possible to respond to this type of orientation.
In effect, the promotion of a product is based primarily on differentiation with respect to the competition; this strategy must be undertaken more incisively than it istoday. If the prices of many OLPs are strongly affected by production oscillations and the market trends of competing products, this is precisely due to the fact that a solid differentiation has not yet been created, at least at the level of final consumer.

5. THE CONSORTIUM MARKS

All activity regarding the denomination of origin marks, however, should be studied with great attention, as it should be considered that many typical products have become famous thanks to the activity of promotion and protection carried out by the respective Consortium, and that many consumers see the mark of these organisations as synonymous with quality and therefore look for it at the moment of purchasing.
The mark of the Consortium, then, often supersedes the PDO mark as a guarantee of quality, and the Consortium mark is the main criterion of choice, independently of whether or not the product is PDO.
A particularly great risk of the policy that may be implemented by the EU to protect the quality of typical products is that of diminishing the role and importance of the Consortiums and consequently distancing a part of the consumers from typical products, thus weakening the fabric of small and medium-sized businesses on which the production of PDO products is based.
In other words, many of the products in question are perceived as natural, genuine, healthy, and traditional, and thus the presence of the PDO mark could be almost superfluous, in comparison to the power of Consortium marks. All these matters need to be carefully investigated.
The point of departure should not be the demonisation of the Consortium marks but, rather, the affirmation of the positive aspect of another mark in addition to the PDO that could add further value to products that are already situated in an area characterised by naturalness, healthfulness, and so on.

6. WILLINGNESS TO PAY

On the basis of the results of many studies, people are generally willing to pay a higher price in order to have greater guarantees and for protected regional products. However, since it has been shown that consumers tend to exaggerate in their responses to direct questions, some caution with these conclusions should be taken. It is simply a statement of willingness to spend.
Both the Consortium marks and the PDO labels add a significant amount of value to a product. But the first is higher than the second. Indeed, how can a consumer be willing to pay a premium price for the strengthening of quality control if he is not familiar with, or only superficially familiar with, the mark that guarantees such improvement?
Finally, the price issue is thus not as secondary as it might appear, and it requires in the future a more in-depth step of research. In fact, the price factor emerged frequently in response to indirect questions based on projection.

7. TRACEABILITY

Again as regards the future, a phenomenon with a strong impact will be the use of the guarantee of origin within the sphere of traceability systems.
The traceability of the product is a synthesis of a vast series of issues, but above all healthfulness.
As regards healthfulness and quality, it has been shown that in daily purchasing behaviour, the consumer is not likely to think about the difference between these two concepts as attributes of a product : as the norm, they coincide.
Traceability along the production-commercial filière is requested across the board by consumers looking for service as well as by those who use other criteria and are therefore indifferent to the service component.

8. OTHER POLICY ISSUES

It would seem opportune to have a crisis management unit at the public level that is able to intervene rapidly at the most critical moments when food scandals erupt. The role, the operation, and the mechanisms for spreading the effects of the crisis management unit should be carefully studied and tested in every detail, as there are potentially many operative instruments.

The publications with the greatest pertinenceto policy-related issues are those included in the section "The most relevant results.