

Concerted Action DOLPHINS

**Development of Origin Labelled Products :
Humanity, Innovation and Sustainability**

Contract QLK5-2000-0593

WP 4

**Link between
Origin Labelled Products and
consumers and citizens**

Final Report

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Part 1

Synthesis WP 4

**Link between Origin Labelled Products
and consumer and citizen**

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1.1. Framework

1.1.1. Objectives of WP4

This report is a synthesis of findings from the bibliographic research, analysis and discussions conducted by participants in the DOLPHINS WP4, from February 2001 to May 2002. The objectives of the WP were:

- Analysis of theoretical and analytical tools and methods in the analysis of the OLP consumer
- Characteristics and evolution of consumers' habits and perceptions; quantitative and qualitative analysis, gastronomic traditions, case-studies: is the consumer of typical products a typical consumer?
- Role of information transmission (labels, information campaigns, promotional activities, advertising, etc.), education, formation, training.
- Marketing of OLPs and consumers perceptions and expectations of OLPs; analysis of consumer behaviour within different marketing channels and distribution systems; effect of new promotional and marketing methods.
- Policies: analysis of public policies affecting the link between OLP and consumers-citizens, with special reference to EU food safety and hygiene regulations and quality policy, international trade liberalization, WTO.
- Assessing the legal protection of OLP with regard to EU and WTO regulations and providing EU with diagnosis of negotiations basis.
- Identifying needs for further research.

1.1.2. Members of WP4

The following participants were members of WP4:

Belgium	FUL, Arlon	Eric Collet
Finland	University of Helsinki	Tehri Latvala and Jukka Kola
France	Crisalide, Le Mans INRA-UREQUA, Le Mans	Agnes Alessandrin Vanessa Persillet
Italy	Università di Parma, IEAF, Dipartimento di Economia	Cristina Mora
	CRPA, Reggio Emilia	Franco Torelli (WP Assistant)
Germany	TUM-PFM, Freising Ecozept, Montpellier	Frank Thiedig Burkhard Schaer
Portugal	UTAD-DES, Vila Real	Mario Sergio Teixeira
Spain	Universidad Publica de Navarra	Ana Sanjuan
Switzerland	Association Suisse pour la promotion des AOC et IGP ETHZ, Lausanne	Martine Dufour Corinne Couillerotr
United Kingdom	University of Newcastle	Angela Tregear and Mitchell Ness

1.1.3. Methodology

The work was conducted in three phases.

Phase 1. February 2001 - September 2001.

Each participant provided an initial review and discussion report which summarised the key facts and issues relating to the link between OLPs and consumers/citizens in their own country, based on scientific studies and research papers. These documents formed the basis of discussions at the DOLPHINS plenary meeting in Firenze, which were enhanced by the input of two invited experts: Georges Giraud, consumer researcher, ENITA, Clermont-Ferrand, and Luca Fabbri, representative of the Slow Food Movement, Italy. This phase of work led to the compilation of the WP4 draft synthesis report. Themes/issues worked on:

- Theories and tools for analysing OLPs and consumers/citizens
- Market and consumption patterns of OLPs

- ??Characteristics and evolution of consumers' perceptions and behaviour
- ??Marketing elements and OLP consumers
- ??Citizen behaviour and OLPs
- ??Future research needs
- ??Policy implications

Phase 2. September 2001 – March 2002.

At the Firenze meeting, a further set of themes was identified requiring further work. Again, participants submitted analytical documents on these themes. This work culminated in a WP4 seminar in Reggio Emilia, for which minutes were compiled and circulated. Themes/issues worked on:

- ??Identification of appropriate research methods for studying OLP usage
- ??Development of a conceptual framework for studying OLP usage
- ??Development of explanations of OLP behaviour
- ??Communication issues and OLPs
- ??Examination of the OLP 'offering'

Phase 3. March 2002 – May 2002.

At the Reggio Emilia seminar, the need was identified to consolidate the findings of WP4 and to develop policy and research recommendations. Again, participants submitted documents on these matters. Cross-readings of the WP4 draft synthesis report were also received from Bertil Sylvander and Andrea Marescotti. This work culminated in the Paris plenary meeting, leading to compilation of the WP4 final synthesis report. Themes/issues worked on:

- ??Development of a research agenda for the link between OLPs and consumers/citizens
- ??Development of a conceptual framework which identified explanatory propositions regarding the link between OLPs and consumers/citizens
- ??Marketing recommendations for OLPs arising from this WP
- ??Recommendations for policy and WTO negotiations arising from this WP

This synthesis report summarises and discusses the key findings of these phases of work, together with recommendations for new research and policy implications.

1.2. Main Findings

Overall, this WP found a relatively large number of studies relating to the link between OLPs and consumers/citizens. However, a geographical disparity exists with a large concentration of studies reported in countries such as France, Spain and Italy compared with very few in countries such as Belgium, Switzerland and Finland. Nevertheless, even in countries with few OLP specific studies, it seems that the general issues of origin, locality, quality, tradition, health and the environment in food are growing in importance and have been the subject of much consumer research. In attempting to synthesise results across national barriers, it is noteworthy that few previous studies have set out to take a pan-European or cross-national perspective. An exception to this was the RIPPLE¹ programme, and several participants cite the findings of studies conducted as part of this project in their home countries. A further issue of note is that studies of the link between OLPs and consumers often take different perspectives of origin as it relates to food products. In many German studies for example, 'origin' products are conceived of as those produced in the consumers' own region or country (for which the majority of respondents to studies express a preference). This is distinct from investigating OLPs as 'regional specialities' - products with remarkable characteristics or reputation derived from the physical environment or tradition of a geographic area (a common perspective of studies in France, Italy and Spain). A third definition of OLP used by studies is a regional speciality that has an official PDO/PGI designation. This report encompasses findings related to all three perspectives of OLP, indicating in the text, wherever possible, which type is referred to. However the distinctions between them must be borne in mind when interpreting the results. The findings are structured broadly under the headings of the original objectives of WP4, with some variation to reflect the evolution of the work: (i) theories and tools for analysing the link between OLPs and consumers/citizens; (ii) market and consumption patterns of OLPs; (iii) characteristics and evolution of consumers' perceptions and behaviour (iv) the OLP offering; (v) communication issues and OLPs.

1. "Regional Imagery and Quality Products and Services in the Lagging Regions of the European Union" (RIPPLE) – FAIR3 CT96 1827.

1.2.1. Theories and Tools for Analysing the Link Between OLPs and Consumers/Citizens

In terms of theoretical approaches for understanding consumer/citizen behaviour in relation to OLPs, most studies seem to draw from one of two main schools of thought: sociological/anthropological and economics/marketing. In the former approach, the theories of 'habitus' (Bourdieu, 1979) or reconnection with natural roots (e.g. Fischler, 1988) are relevant, as are perspectives of food usage being embedded in socio-cultural networks. In the economics/marketing approach, preference for OLPs is explained as a process of logical prioritising and/or trading off between key needs and attributes, at the point of purchase or experience, in order to maximise utility. Structured constructs of behaviour, such as Grunert's (1997) Total Quality Model, are referred to here. Calls are often made for cross- or multi-disciplinary approaches, as most studies tend to follow either of the above two theoretical approaches. Indeed, studies that set out to examine the links between the different theoretical approaches could be very useful. The need is also identified for a meaningful conceptual framework to guide empirical work, as the aforementioned theoretical approaches are not specific to the context of OLP usage. Perhaps the most relevant and applied frameworks currently existing are those that seek to explain the influence of origin indication in product choice. Two alternative theories exist: 'indirect' (e.g. van Ittersum, 2001; Sirieix and Schaer, 1999) which states that the values of the region influence the value of origin indication, which in turn influence the value of the product, and 'direct', which states that origin is one product attribute amongst others which can impact on behaviour. Although useful, these frameworks lack propositions regarding how different effects may arise in OLPs, or how differences in usage patterns may be explained. Therefore a more unifying framework is needed.

In spite of many authors in different countries recognising the value of sociological/anthropological approaches to researching OLPs and consumers/citizens, it appears that the vast majority of empirical studies are inspired by economic/marketing theories. Such studies adopt different types of specific methodology, for example, multivariate techniques such as factor, cluster and conjoint analysis (e.g. Gil and Sanchez, 1997; Mai and Ness, 1998), contingent valuation, hedonic pricing, logit modelling (e.g. Loureiro and McCluskey, 2000). A much smaller proportion of studies adopt qualitative methodologies, or contain qualitative components as part of larger, structured studies, and employ techniques such as in-depth interviews and focus groups (e.g. Tregear et al, 1998, Wilson and Fearn, 1999). The focus of both types of study is to understand aspects of purchasing behaviour for OLPs, or the development of perceptions and attitudes that may lead to purchasing behaviour. A small number of scanner panel studies are reported (e.g. Giraud, 1998), which are interesting as they are the only studies to give information on actual rather than reported behaviour. The final type of study that has been reported in this work package is the market research study - these straightforward, a-theoretical studies are often commissioned by commercial firms and thus tend to have a very specific focus (e.g. on certain brands of one products category amongst certain consumer segments). As such, it is difficult to draw general inferences from their results, although some individual findings may be useful.

1.2.2. The Market and Consumption Patterns of OLPs

In this topic, the WP sought to find information on the size and shape of the market for OLPs, the typical OLP consumer, frequency of purchase, etc.

Size of the Market for OLPs. In spite of the large number of consumer studies collected in total, there is a frustrating lack of data that could lead to estimates about the size of the market for OLPs in Europe, or even in individual countries. Studies tend to focus on obtaining attitudinal information, rather than measuring or quantifying purchasing behaviour. Even within those studies that do indicate the proportion of consumers claiming to purchase local or typical products, results are very specific to the sample profile of consumers investigated and/or the product category in question and/or the geographic area tested. Furthermore, studies follow their own definitions of OLP. Unsurprisingly therefore, the results of these studies are very diverse and sometimes contradictory, making it very difficult to make generalisations about market sizes.

Interest in Origin Indication and OLPs. Where studies do agree however is in terms of consumer interest in OLPs, with evidence from most European countries suggesting that interest is growing, albeit from different base levels (and with knowledge levels being dependent upon criteria such as renown of particular products). Another strong trend is the level of attention that consumers pay to indication of origin on product labels, and the stated importance of origin indication to food purchases. In countries from Finland (e.g. Söderlund, 1998) Germany (e.g. Alvensleben, 2000) and the UK to France, Italy, Spain and Portugal, consumers state that indication of origin is an important attribute that they look for when buying food products. Within this, consumers also express a preference for products of their own country or region (this is highlighted particularly in studies from Germany, Finland, Switzerland and Italy). Nevertheless, in the same studies it is noted that origin is only one product attribute amongst many which consumers take into account, so that purchase decisions are unlikely to be triggered by the indication of origin alone. A Spanish study confirms this proposal, showing that consumers do not have preferences for origin labelled products when accompanying quality attributes do not match up to expectations (Loureiro and McCluskey, 2000). Giraud (1998) identifies a similar phenomenon, whereby region of origin may be a decisive criterium in the buying process only if the difference between alternative products is low. At the same time, an alternative effect may exist for very famous or renowned OLPs, where the name of the product,

with its territorial associations, acts as a signal to the consumer for a complete package of desirable attributes, giving competitive advantage.

Awareness of Official Designations. Although interest in origin indication and OLPs appears to be growing in many European countries, it is also the case that awareness and knowledge of official designations of origin is very low (an exception is the AOC designations which register high awareness in France (e.g. Trognon et al, (1999) and in French-speaking Switzerland). Even in countries such as Spain, Italy and Portugal (e.g. Teixeira and Marques, 1998) where it may be expected to find consumers generally more familiar with such official marks, awareness appears to be low (e.g. Meza et al, 2000). In fact, studies from these countries indicate that consumers tend to have much greater awareness of the quality marks and symbols of the producers' consortia which make typical products (e.g. in Italy, the Parmigiano-Reggiano consortium mark - van Ittersum et al, 1999), and rely upon these, or other sources of information (e.g. in Spain, retailers' recommendations - Mesias et al, 1997) to make purchase decisions. In countries such as the UK, Switzerland and Finland, awareness of official designations is also very low, and again it seems that other criteria are used to make purchase decisions about OLPs: in the UK, manufacturers' own brand names appear to be important, whilst in Finland, two 'made in Finland' labelling schemes are very well known. As such, questions are raised in these countries about the ability of PDOs/PGIs to add value to products and assist the buying process. When consumers themselves are asked to give their interpretations of terms such as 'typical' or 'local', it is found that their understanding of these is rather vague, and that they do not discriminate particularly carefully between different types of regional food at the point of purchase. In summary therefore, it seems that although there is a strong trend towards awareness and interest in OLPs, understanding of the concept of typicity is rather diverse and confused, with consumers relying upon a range of factors other than official designations to help them make purchase decisions.

The Typical OLP Consumer. In terms of identifying who the typical consumers of OLPs are, the picture is very fragmented, and variations in consumer profile are reported according to product type, location, type of outlet, etc. Results from the pan-European RIPPLE project are illustrative of this, with the authors concluding that a 'splendid mosaic' of consumption patterns exists, with no clear distinction between northern and southern European states. Rather, results identified cross-geographical groupings of OLP consumers that could best be distinguished by their shared attitudinal profile (Trognon et al, 2000). Studies in Spain also identify that OLP consumers can best be grouped by their shared attitudes and concerns, for example towards issues such as health and the environment, rather than by geographic location or socio-economic criteria (e.g. Sanchez et al, 2001). In countries such as the UK and Finland however, evidence is reported that socio-economic criteria can distinguish OLP consumers, namely, it is the slightly older, better educated, higher income consumer which is more likely to purchase OLP-type goods (e.g. Kupiec and Revell, 1998; Söderlund, 1998). Studies in Italy and Portugal, although very small in number, also find evidence that OLPs are particularly, or more regularly, purchased by these kinds of consumer (e.g. Marques and Teixeira, 1998). In contrast, a French study reveals differences between the socio-economic profiles of OLP consumers in different countries, with evidence that in France, OLP consumers are not typically from higher income groups (Sylvander, 1992). A further point is that a significant proportion of OLP usage occurs when consumers are in the role of tourists/visitors to an area, rather than in-situ residents, with wider implications for their profiles. These results illustrate well the complex nature of OLP consumers, and how there is a need for more studies in this area.

Occasion and Usage of OLPs. A further area of interest in the WP was that of the purchase occasion and usage of OLPs, or the more general role that OLPs play in the diet and culinary habits of consumers/citizens. Unfortunately, this topic was another that suffered from a lack of information, so that the relative extents to which OLPs are either occasional or regular purchases cannot be estimated.

1.2.3. Characteristics and Evolution of Consumers' Perceptions and Behaviour

In addition to identifying the nature of the market and consumption of OLPs, the WP also sought to identify the trends and factors that explain the nature of consumption and usage of OLPs.

It appears that there are complex and multiple perceptions of the relationship between foods and geographic origins. As highlighted in the introduction, studies themselves take different approaches to investigating origin/food, which adds to the complexity. With regard to origin, it appears that many European consumers express a preference for products from their own country or region, on the basis that these are associated with enhanced quality and also improved safety/hygiene. In particular, studies from Germany (e.g. Alvensleben and Gertken, 1993), Switzerland, Finland and Italy report this ethnocentric behaviour. However, it is also reported that origin is only one factor amongst many which consumers take into account when purchasing food products, and that other factors such as product appearance, brand name, price and production method are also important. On the issue of perceptions of OLPs (i.e. regional specialities as opposed to simply products from the home country/region), it is identified that consumers do not always associate OLPs primarily with a relationship to a geographic area, but rather with certain quality attributes.

A wide variety of factors can be identified as influencing the perceptions of OLPs, including ethnocentrism/patriotism; food scares; awareness of environmental issues; desire for enhanced food quality; desire to engage positively with agricultural/rural issues; increased foreign travel; increased media attention devoted to food and cuisine. As with the nature of the market however, it is difficult to determine any clear patterns in the influence of these factors, on the basis of current information. Some interesting insights are revealed in individual studies however. For example, the observation from Portuguese studies that the influence of the media is getting stronger, and that the 'experts' portrayed in the media (e.g. wine experts) tend to focus on the image-related and symbolic aspects of OLPs, rather than the intrinsic or sensory elements. Or the arguments from Italian studies that OLPs are motivated by 'self-affirmation' needs (the need to be different from others): OLPs fulfill this function through the technical, sensory, historical and cultural capital they bestow on the consumer. The type of purchase or usage occasion for OLPs is also identified as influential in determining behaviour, so that for example, the behaviour underpinning OLP usage when eating out at a special social occasion will be very different to that associated with a regular, domestic occasion.

A underlying theme which runs through the above findings is that consumers can have different kinds of 'relationships' with OLPs and that such products therefore play quite different roles in individuals' diets and lifestyles. Hypothetically, for some consumers, OLPs may be an occasional, self-indulgent treat, for others OLPs are a regular, intrinsic part of the diet and food culture, for others, OLPs link the individual to wider issues and concerns about agriculture, food and urban/rural matters in a 'deeper' relationship. In the latter two examples, OLP usage may be described as a 'citizen act', where purchase, preparation and/or consumption of a product links the user to a desired community and/or allows them to make a statement about their values and beliefs about 'civic issues'. Evidence of the existence of such a body of users can be observed in the growth of the Slow Food movement. However, academic or empirical studies to examine, explain and theorise about such behaviour are lacking. Therefore little is known about which individuals partake of such movements, what their primary motivations are, how OLPs play a part in their lives, etc. A number of French studies, of a conceptual or theoretical nature, have been written on the subject of individuals' relationships to origin, food and territory. These suggest that some individuals engage in a 'deep relationship' with OLPs, linking them to their wider concerns about food, agriculture and the environment, and prioritising them in their lifestyles by becoming knowledgeable about the products and entering into a close 'cognitive' relationship with producers (e.g. Lassaut and Sylvander, 1997). The origins of such behaviour, the factors that influence its existence or growth, and the mapping of its geographic and demographic dynamics, are all in need of empirical investigation.

Following the synthesis of material from this WP, the following factors are identified as potentially important determinants of OLP usage. First, proximity of the user to the region (either geographically or culturally defined), with 'close' users being more likely to use OLPs in a citizen way than users who are 'distant'. Complexity of the product may also be an important determinant of behaviour, with complex products (implying greater possibilities for the development of distinct methods and traditions) being more likely to inspire culturally motivated usage. Finally, macro level factors may also be important, for example, countries or regions with a strong socio-cultural traditions and food heritage having greater possibilities of OLP users acting with civic issues in mind than those with a tradition of industrialised food production and provisioning. The historic emphasis of different agricultural policies and approaches towards food quality assurance systems are also likely to have an impact on usage. In analyzing these, a distinction has to be drawn between the production region and the usage region. Some of these factors are brought together in the proposed conceptual framework for explaining OLP usage presented in the section "Recommendations for new research".

1.2.4. The OLP Offering

The WP also set out to examine OLPs from a consumer perspective, as marketable items. Typically, consumer and marketing studies take the perspective of OLPs as being comprised of two sets of attributes: intrinsic (sensory, organoleptic, tangible) and extrinsic (symbolic, imagined, intangible). Therefore, it may be said that OLPs exist in both rational and emotional spheres. Empirical consumer studies of OLPs often find that intrinsic attributes are rated as highly important, and for a product category like wine, rational evaluation of technical attributes may be observed. However, behavioural research (e.g. Grunert, 1997) demonstrates that the extrinsic or symbolic attributes of products are highly influential in shaping perceptions and/or expectations of tangible features, so need to be taken into account. The symbolic dimensions of OLPs are rarely the focus of existing consumer studies of OLPs, but analysis of the literature suggests they are varied in nature. Commonly cited symbolic values of OLPs include:

- enhanced quality (cited in many countries)
- healthiness (cited in many countries)
- safe (e.g. Finland, Germany)
- artisan/hand-crafted (Belgium)
- natural (e.g. Italy)
- heritage, link to specific place and time (France)
- rustic, simple, associated with low-income groups (UK)
- good for the environment (e.g. Belgium)

- money-saving (Belgium)
- purchase helps rural communities/farmers (e.g. UK)
- imitation of imported eating models (Italy)
- reminder of holiday (Germany)
- nostalgia/return to roots/back to nature (e.g. UK, France)

What these examples of symbolic attributes of OLPs suggest is that consumers have quite different perceptions of what OLPs represent, and what value they have. This is consistent with the earlier finding that consumers tend not to work with specific definitions of OLPs, but use concepts such as 'local', 'regional' and 'origin-labelled' somewhat vaguely and interchangeably, hence resulting in different views of what such concepts represent in a food product.

At this stage, information is lacking to understand in more depth the symbolic associations consumers perceive in OLPs, nor is it possible to identify patterns in the different types of association between OLPs and consumers. However, differences in symbolic values can be observed across different products, for example, in olive oils, the value of the region contributes directly to the value of the oil via cultural/historic symbolism. In meats however, due to safety scares, origin indication may have values of traceability, so the symbolic benefits might be very different. This WP also raises the issue of possible tensions between the elements of OLP concepts, for example between modernity and tradition, or between gourmet and rustic qualities. It is also identified that the symbolic associations of OLPs may be negative – e.g. backward-looking, folklorist. Thus it is possible that OLPs, as symbolic offerings, have multiple identities that different consumers interpret in different ways. The role of producers, retailers and other actors in the supply chain in creating and manipulating these symbols and identities is an under-researched area.

1.2.5. Communication Issues and OLPs

In this part of the WP, the team considered the processes by which consumers obtain information about OLPs, and within this, issues relating to product identities, branding, and the PDO/PGI designations.

In practice, the WP identifies that consumers are faced with an overabundance of information relating to food, which leads to problems of confusion over messages and issues relating to trust and confidence in message sources. In circumstances where there are close relations between OLP producers and consumers, consumers may rely upon their own experience and cultural knowledge to make choices, with shared values and understanding between both parties leading to trust and confidence in messages. In such circumstances, consumers are likely to use signals other than official designations, e.g. consortia marks, sellers' recommendations to guide their choice. Indeed, the presence of official designations may give the impression of an industrial product to such consumers, so detracting from the OLP's symbolic attributes. The role of PDO/PGI designations as effective means of communication is problematic therefore in these circumstances.

In circumstances where consumers are 'distant' from OLP production sources, the role of official designations can be conceptualized as a means of overcoming information asymmetry between producers and consumers. However, to be effective, designations need to be recognizable and meaningful to consumers, which studies show is not the case. The existence of the designations may only serve to confuse consumers about OLPs' benefits, if they are noticed at all. A further difficulty that designators face is that in many countries, consumers often place little trust or confidence in communication messages emanating from national government or EU sources. Producer consortia, private brands, opinion leaders and word of mouth are more effective in this regard.

1.3. RECOMMENDATIONS FOR NEW RESEARCH

This WP has identified a lack of existing knowledge in many areas relating to the link between OLPs and consumers/citizens. In terms of methodological approaches, the need has been identified for more cross-disciplinary studies, more linking of reported with actual behaviour, and also better integration of theoretical and applied work. The latter is needed because theoretical work on OLPs tends not to be empirically tested, whilst market-based studies tend to be either a-theoretical or based on very 'pure' economic assumptions. In addition, the need is recognized for studies to incorporate more sociological perspectives, as these may be powerful in explaining how behaviour may vary, for example, desire for social identity/belonging in some contexts, desire to show 'taste/distinction' in others. Sociological perspectives also imply inductive analysis, which can lead to a more holistic understanding of OLP usage than hypothetical-deductive approaches. Future research should also adopt case study approaches, and study OLP usage in the context of wider consumer behaviour. The future evolution of OLP usage should also be examined. This section presents the recommendations of this WP for each of these issues.

1.3.1 Recommended Research Areas and Approaches

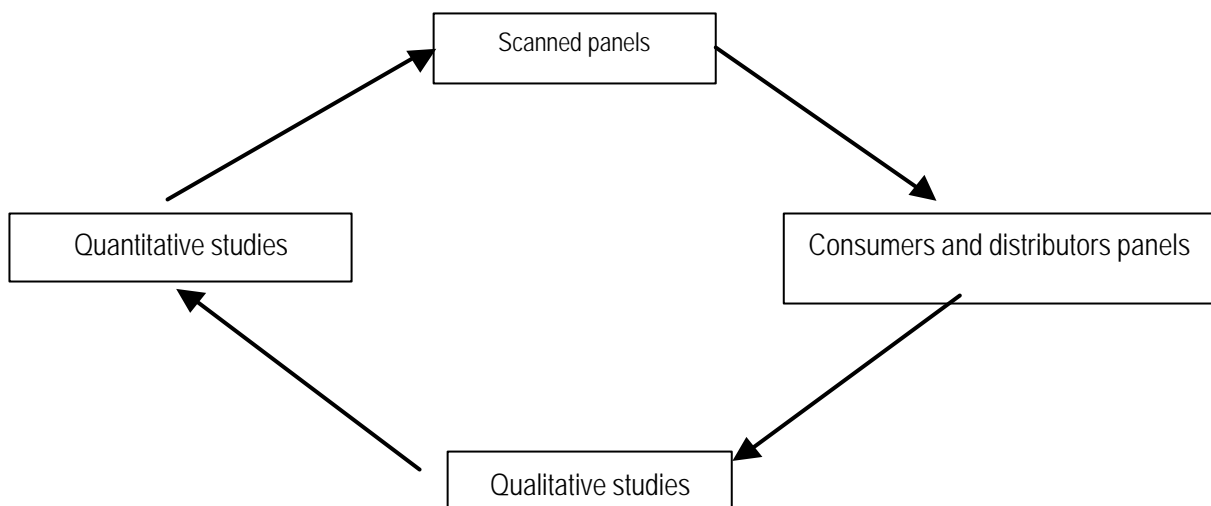
First, in terms of key areas for future research, the following are identified:

- ✗ Estimates of sizes and profiles of markets for different OLPs
- ✗ Understanding/insight into OLP usage in the context of wider (food) habits
- ✗ Understanding of OLP usage as embedded within socio-cultural context
- ✗ Understanding what consumers perceive as an OLP
- ✗ Understanding of how different OLPs are perceived and valued by consumers
- ✗ Estimates of willingness to pay for different OLPs
- ✗ Analysis of the role of official marks and designations (e.g. PDOs/PGIs) in consumer perceptions of OLPs
- ✗ Investigation of future evolution/usage of OLPs

To address these areas, a variety of methods and analytical techniques are required. The following table sets out some of the possibilities:

Research Area	Possible Research Methods	Analytical Techniques
1. OLP market size and profile estimates	Scanner panel data, sales data, survey research	Econometric analysis, time series analysis
2. OLP usage in context of (food) habits	(Participant) observation, food diaries, case studies, focus groups, in-depth interviews, survey research	Combination of qualitative and quantitative
3. OLP usage as embedded within socio-cultural context	(Participant) observation, case studies, focus groups, in-depth interviews, historical data	Semiotic analysis, synchronic, diachronic approaches, ethnography, analysis of food trajectories and networks
4. Consumer perceptions of what an OLP is, valuing of different OLPs	Focus groups, in-depth interviews, survey research	Combination of qualitative (e.g. discourse analysis, grounded theory) and quantitative (means end chain analysis, multivariate analysis, structural equation modeling, repertory grid technique)
5. Willingness to pay for OLPs	Survey research	Contingent valuation, conjoint analysis, hedonic pricing, logit modelling
6. Role of official designations in consumer perceptions of OLPs	Survey research	Multivariate analysis, factor analysis, cluster analysis, conjoint analysis
7. Future evolution/usage of OLPs	Expert panels, jury panels, Delphi method, focus groups, case studies	Scenario analysis, discourse analysis

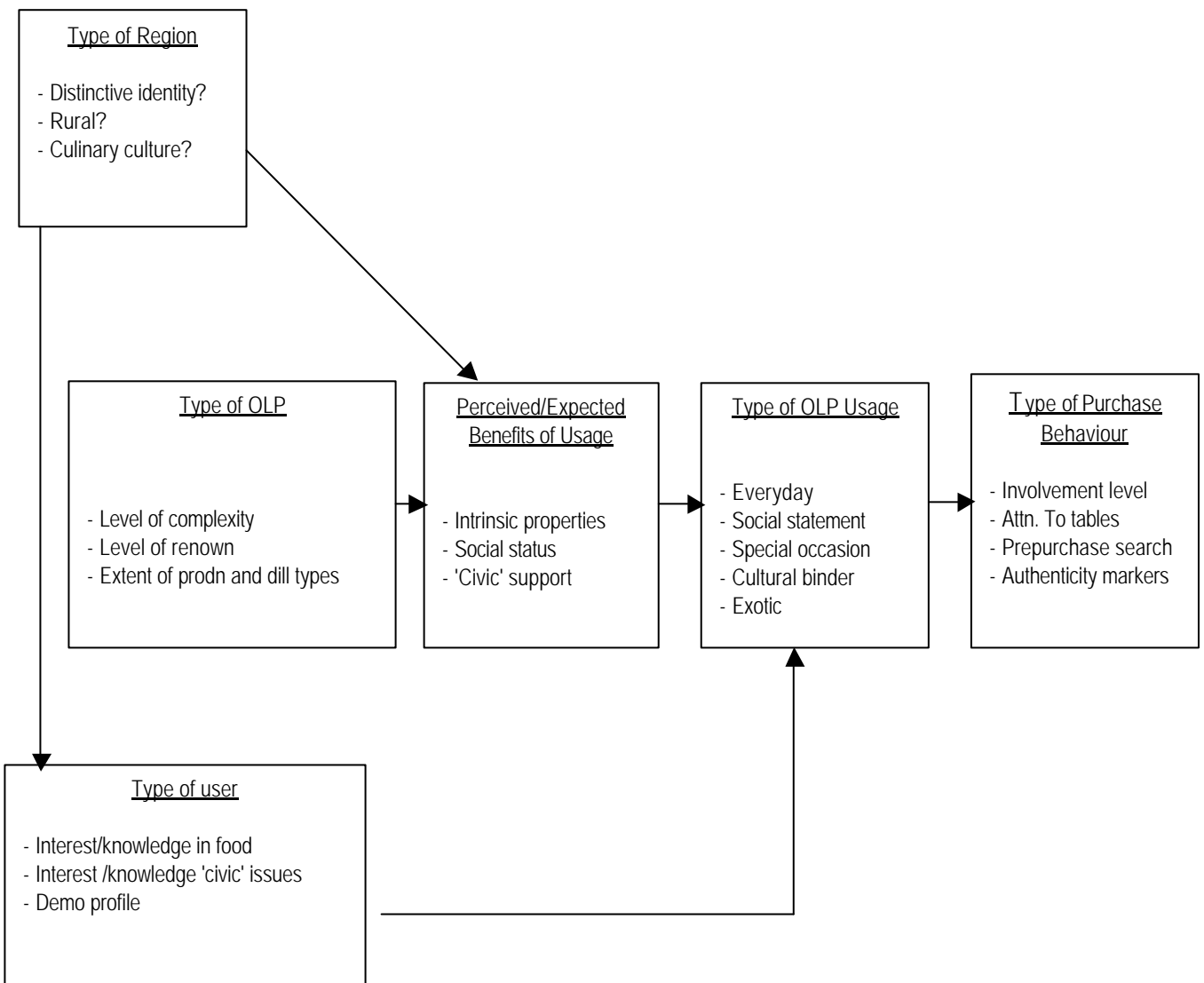
To address the issue of the need to link different approaches and methods together, and to combine advantageously the reported, observed and actual data, the following framework is proposed:



Thus, it is proposed that OLP user research begins with scanned panel data, to gain actual market knowledge. Then, sector specific information is gathered from consumer/distributor panels to understand the circumstances and trends of usage in relation to particular products. Then qualitative studies are undertaken to reveal insights into behaviour, motivation, values, imagination, culture, etc. Then quantitative studies are executed to verify these insights across a wider population and/or obtain estimates of values of OLP attributes. Practitioner actions undertaken in light of this new information will impact on OLP usage, which in turn can be measured using scanned panels.

1.3.2. Development of a Conceptual Framework

To address the WP4 finding that a gap exists between purely conceptual and purely applied studies of OLP usage, and that the overall picture is very fragmented, a conceptual framework has been developed. The framework draws from knowledge and evidence supplied by the WP4 participants in relation to a number of issues such as type of OLP product, type of OLP user, influence of culture/history, type of user behaviour. It proposes that user behaviour is stimulated by a range of factors such as level of complexity of the product, circumstances of usage and perceived benefits derived from usage, which in turn are influenced by the profile of the user and the profile of the region from which the OLP comes.



The application of the framework may be illustrated by two examples of the usage of Parmigiano-Reggiano. P-R is a very typical product, with wide renown, in a category (cheese) which is quite complex in production (therefore open to lots of variation) and which contains proliferation of types and brands. Cheese is also complex in that it can be used in a functional sense, but is also subject to 'gourmandising' (like wine).

Example 1. Parmigiano-Reggiano usage in Reggio Emilia

Reggio-Emilia is a region with a strong food culture and many typical products (Type of Region). Consumers tend to be highly involved with food (Type of User). Typical products such as P-R are seen as embodying the region, so usage may be motivated, at least in part, by the desire to express belonging and identity (Perceived Benefits/Type of Usage). In terms of purchase behaviour therefore, many consumers may buy direct from suppliers, with the product in a 'raw' format (little packaging etc). Consumers draw from own knowledge and experience of the product to make judgements about quality/authenticity, or perhaps use the seller as a proxy, rather than relying on official designations/labels. Packaging/labeling/official designations play a less important role in the purchase decision. Consortia marks (or their proxy signals) play a more important role in choice than PDO/PGI designations, as consumers have long-standing knowledge and experience of the product prior to the awarding of these designations.

Example 2. Parmigiano-Reggiano Usage in London

London is a cosmopolitan city in a relatively heavily industrialized country. Historical forces of industrialization, urbanization, trade and agricultural policy have led to a food culture which is not regionally based, nor is there a plentiful supply of differentiated, artisan produced, typical products. As a large city, London does not have a single, distinctive food culture (Type of Region). Food culture is stimulated by interest in cooking by celebrity chefs (often exotic dishes and cuisines), although interest in locally produced and organic food is growing. A hypothetical consumer in London (e.g. female, early 20s, relatively affluent) may have grown up with food as a relatively low-involvement item. Nevertheless, this consumer may now be taking an interest in food from a 'fashion' point of view, and may also be concerned about safety and/or green issues (Type of User). A typical product such as P-R may have appeal because it is perceived as exotic, of the very highest organoleptic quality, and essential to the construction of an authentically Italian meal as a special occasion (Type of OLP Usage). P-R may accord social status to the consumer, indicating their taste (in Bourdieu sense), knowledge, lifestyle, sophistication (Perceived Benefits of Usage). Knowledge about cheese, and P-R specifically, is more likely to come from cookery programmes, books, retailers' promotions than from family or upbringing. Therefore, information appearing on the product itself, such as name, label, imagery/symbolism and official designations are likely to play an important role in product choice. Retailers may also be used as a proxy for authenticity (e.g. consumers may trust specialist delicatessens more than supermarkets). Nevertheless, as awareness of PDO/PGIs is very low in the UK, it must be assumed that it is the other information appearing on the product which takes precedence in choice evaluations.

It should be noted that these examples are not meant to be illustrations of the 'truth'. Of course, some consumers in London may have grown up with a strong food culture, and it is even possible that some consumers in Reggio Emilia don't buy P-R (!!). Furthermore, some consumers in London who buy Whitstable Oysters might behave more in line with Example 1. The purpose of the conceptual framework is to help 'join up' different theories and evidence about OLP usage, to examine the links between different factors, and to encourage debate about what is assumed to be true regarding OLP usage. The framework is also useful for marketing recommendations for OLPs. In the two examples given above, it can be seen that the different types of usage lend themselves to different types of marketing mixes, communication strategies, labelling, etc.

1.4. POLICY RECOMMENDATIONS

The analysis conducted in WP4 gives rise to recommendations for the EU position in WTO negotiations, for the communication and promotion of the PDO/PGI designations, and for the marketing of OLPs. Each of these is discussed in turn.

1.4.1. EU position in WTO negotiations

In WTO negotiations, the EU takes the position of justifying the protection of OLP names, at least in part, on the basis of food origins being important to European consumers. Evidence from this WP lends weight to this position, with many studies revealing increasing consumer interest and attention to matters of origin in their food choice. However, evidence from this WP reveals that the mechanism by which the EU seeks to protect OLPs (regulation 2081/92) is not working currently, because consumer awareness of the PDO/PGI designations is very low, and thus the designations are not being used to differentiate between products. One policy action could be therefore to increase awareness of the designations, and suggestions for effective ways of doing this are in the next

section. However, legislators face additional problems on the basis of the findings of this WP. One of these relates to the results that show consumers use multiple signals or attributes to obtain origin or typicity (e.g. packaging, symbols, retailers' recommendations). If many European consumers do make choices in this way, this suggests that they are unlikely to purchase designated products, if other signals do not accord with their perceptions and expectations. In terms of policy implications, this lends weight to authors such as Chen (1996), who argue that policy protection of OLPs would be more effectively accomplished by giving marketing support to producers (so that they can be sending the best signals about their products), rather than by pursuing legal protection over the use of product names.

The finding that consumers have varying interpretations of origin in foods gives rise to a second problem for the EU position in WTO negotiations. The EU seeks to protect OLPs on the basis of rural development arguments, that is, protected OLPs are those which give wealth, employment, skills and other socio-economic benefits to marginal areas. However, this WP has found that many consumers do not necessarily link OLPs to these aspects, so there is a conceptual 'gap' between designators and users. Furthermore, even for those consumers who do make the link between OLPs and wider socio-economic benefits, there is a potential credibility problem in the PDO/PGI designations, as they do not actually provide consumers with any explicit guarantees about any of these aspects, only that the product originates from a defined area and is produced in a specified way. The implications of this problem are that either policy-makers must incorporate these aspects into future designations (which would imply the need for a much stricter and more detailed set of criteria for awards to producers) or else find alternative arguments for the protection of OLPs which overcomes the 'conceptual gap' and 'credibility' problems.

A final issue relates to the matter of authenticity. From a consumer perspective, PDO/PGI designations are intended as guarantees of products' authenticity. However, as the above paragraph indicates, there is a lack of clarity regarding exactly what is being authenticated. The designations do not offer explicit guarantees to consumers regarding rural development, environmental protection, health, safety or quality, even though these may be present, to some extent, in many designated OLPs. Perhaps the most explicit guarantee relates to the aspects of tradition and heritage in OLPs, yet even this is problematic in light of sociological theories that tradition is a socially constructed phenomenon, the result of representations from different protagonists, not an objective, unshakable truth (Bérard and Marcheney, 1995). In a context where 'origin', 'typicity' or 'tradition' are flexible concepts exchanged between different actors (e.g. producers and consumers), who each interpret their meanings according to their own purposes, the question is raised of what role a guarantee of authenticity has at all.

1.4.2. Communication and Promotion of PDO/PGI Designations

In terms of recommendations for the communication of the PDO/PGI designations, WP4 has the following observations to make. Although the effectiveness of the 1995 promotional campaigns have not been evaluated, the low consumer awareness of the designations recorded in many subsequent studies suggests that the campaigns were not very successful. The EU faces two main problems: first, the lack of consumer confidence and trust in the EU as a message source, and second, the problems of generic campaigns lacking specificity and meaning. To address these problems, this WP suggests linking future campaigns to on-going national or regional events (for example, exhibitions, markets, shows), and to use specific products in communications literature to illustrate and exemplify what the designations mean and how they are beneficial. In doing this, better relationships and coordination should be developed with the national and regional agencies responsible for supporting and certifying OLPs, so that different assurance schemes can work in harmony rather than competition. Greater account should be taken of the acceptance and relevance of the designations to EU consumers, as to date, the designations have been producer-driven. It would be beneficial for communications to be tailored to specific consumer segments, rather than 'all consumers'. Where possible, the independence and rigour of the certification system should be emphasised. Legislators should also consider adapting the designation logos so that the PDOs and PGIs are more distinguishable from one another.

1.4.3. Recommendations for Marketing of OLPs

Finally, this WP has recommendations to offer regarding the effective marketing of OLPs. This involves a process of setting out the goals of producers, analysis of the market and competition, identification of consumer segments, and development of appropriate marketing mixes.

In terms of goal-setting for producers, it is identified that the PDO/PGI protections may have the effect of encouraging producers to strive for a monopoly position, rather than being focused on meeting the needs of consumers. In other words, the legislation may counteract market orientation amongst OLP producers. In terms of market and competitor analysis, there is a need to conduct the kind of research studies proposed earlier in this report. It should be recognised that OLPs are in competition with each other as well as with industrial and non-origin identified products. In terms of consumer segmentation, possible useful criteria could be socio-economic profiles or proximity of the consumer to the region of production.

In terms of developing effective marketing mixes, there are a number of issues to consider.

Product strategies.

OLP producers are limited in manipulation of tangible features, but have more scope in manipulating symbolic and service features. For less well-known OLPs, decisions have to be made about the unique benefits to be conveyed, and this may be problematic when it is considered that benefits of health, safety, environmental protection and animal welfare can be assured quite adequately (in some cases, e.g. organic, with greater veracity) by non-OLPs. For well-known OLPs, care has to be taken that the symbolic benefits conveyed are well-matched by the production realities, as productions which become too 'industrialised' are likely to lead to consumer discontent. OLP producers have also to consider product identities, and the levels of branding and labelling on products. Care must be taken that different brands, e.g. individual producer, consortium mark, PDO/PGI designation, complement rather than compete with each other.

Communication strategies.

To be effective, it is advocated that OLP communications follow the 4Rs - rooting (products need to show their roots), responsibility (for delivering product quality), reciprocity (underlying interdependent links between producers and consumers) and reinforcement (product is solid with the region). Emotional and imaginary elements should be conveyed, with key benefits being the support of local producers and the landscapes they maintain. To communicate with consumers in close proximity to the OLP source, this could mean the historic origin, traditions, biological cycles, seasons, myths and rituals shared in the local community. As well as conveying these messages through paid promotions, OLP producers could also reinforce them via participation in local activities, events, schools, clubs, etc., to cement the firm's position as an integral part of the social fabric of the area. For local consumers, purchase of OLPs becomes a citizen act, whereby the consumers themselves are more than just receptors, but build up a system of shared values with producers. To communicate with 'distant' consumers, the idea of homesickness for places and towns visited, or the feeling of identification with other cultures could be targeted. Producers could aim for coverage in specialist magazines, journals or even TV programmes which this segment of consumers uses.

Pricing strategies.

It is normally assumed that individual OLP producers have little flexibility on price. Indeed, individual pricing strategies can be considered undesirable within the context of consortia systems of production. However, to be effective, pricing strategies should be consistent with other elements of the marketing mix and overall, should reflect the perceptions and expectations of consumers. Some existing studies have investigated consumers' willingness to pay more for products with a guaranteed indication of origin (e.g. Arfini, 1999; van Ittersum et al, 1999). Often, consumers *do* state a willingness to pay a premium, however the level varies and other product factors influencing perception need to be taken into account. Caution should also be applied in interpreting results as stated behaviour is often exaggerated compared to actual behaviour. On the basis of the analysis conducted in this WP however, it is suggested that prices of OLPs should be higher than other food products, as low prices would have negative impacts on consumer expectations of quality. Price promotions may be possible in order to address situations of supply excess, but these should only be temporary and exceptional in nature.

Distribution strategies.

Evidence from this WP suggests that very different channels of distribution are likely to be used by OLP producers in different countries. Thus, in countries with highly concentrated supply chains (e.g. UK, Finland), food multiples and supermarkets are likely to be used, whereas in other countries where there is a greater prevalence of direct selling, local markets and specialist outlets, which can be feasible channels in their own right. OLP producers also need to consider tourist channels of distribution and also catering outlets, such as restaurants, hotels, bars, etc. In addition to these private catering outlets, public institution outlets might also be considered such as schools, government offices, daycare centres, residential homes, military facilities. Although very different in style to private outlets, usage volumes are high and where public support is given, as has been the case in Finland for example, these outlets show much potential.

In terms of executing these marketing recommendations, policy-makers have to consider what systems of organization and support are most likely to be effective. For example, in situations where producer consortia or associations exist, the consortia administration may be best placed to take on marketing functions, therefore support and assistance should be targeted at this level. In situations where producers act in isolation, policy-makers must choose between delivering support at an individual level (which implies highly tailored, but resource intensive training), or encouraging individual producers to enter into collective groupings. The latter approach would be more resource efficient, but implies managerial and coordination difficulties in circumstances where producers may perceive themselves in competition with one another and/or do not share the same goals or value systems.

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Part II

Literature review WP 4

Link between Origin Labelled Products and consumers and citizens

Belgium	(FUL - SEED, Arlon)
Finland	(University of Helsinki - DEM)
France	INRA - UREQUA, Le Mans)
Germany	(TUM-PFM, Freising)
Italy	(CRPA-SPA, Reggion Emilia)
Portugal	(UTAD - DES, Vila Real)
Spain	(Universidad Pública de Navarra - DGM, Pamplona)
Switzerland	(Ass. Suisse Promotion AOC/IGP, Verbier Village)
United Kingdom	(University of Newcastle - AEFM)

