

# Marketing recommendations

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This document exposes some recommendations both for EU and for single consortiums or producers' associations, referring to marketing strategies for OLPs and specifically for the PDO/PGI designations.

Obviously, these are first drafts of recommendations, destined to be modified and refined taking into account the results of specific researches (see other WP4 points of analysis) and the bonds and objective limitations of these product sectors. The analysis of these bonds and limitations will come out of WP1, WP2 and WP3 work.

## **The internal analysis**

A knowledge of bonds and limitations, will explain what is possible and what isn't possible, among the strategies of marketing.

For example, the production fragmentation makes the minimum successful level difficult to reach relating to strategies of information and communication. It also reduce the bargaining power of producers and their control of markets and productions

Other examples of limitations are the long reaction times of producers, due to production peculiarities, a strong individualism, the raw materials variability, etc.

## **The typicalness potential**

Besides studying limitations, an important step is the analysis of strong points and weak points, and among them the inquiry on typicalness potential.

This phase of analysis will state how easy will be for the consumer to perceive a certain product as a typical product.

This potential is deeply connected to several factors, and above all:

- ✍ **Quality**: if the product is really perceivable as different from competitors, referring to the organoleptic items (taste, flavour, etc.), the potential will be higher
- ✍ **Safety, confidence**: if the product is believable as healthy and safe food, the potential will be higher
- ✍ **Territory and its culture**: if the region is clearly and positively perceived, if it fosters a nostalgic feeling in the tourist (and his/her desire of reviving the

area), if it is defined by a self identification feeling in the inhabitants, the potential will be higher

✍️ **tradition:** if the product is deep-rooted in the cultural set-up and in the handicrafts, with human agency, the potential will be higher, based also on a nostalgic feeling for the past

✍️ **unicity:** if the product is difficult to find out, and it is perceived as a choice of differentiation from other consumers, the potential will be higher

From the analysis of the spontaneous typicalness potential, the necessity/opportunity to implement marketing strategies and to stimulate a higher level of typicality perceivable will come out.

The aim of this analysis is to state and to measure how much a strategy of differentiation will be possible or difficult, and finally to reach a higher level of differentiation.

A differentiated product favours the reduction of intensity of competition, a lower bargaining power of clients, a protection from substitutive goods.

### **The study of the competition**

An important phase of research is however the identification of a map of competition, and the understanding of peculiarities, weakness and strength of the competitors.

In a first draft, and at a general level, we could now identify two main categories of competitors of OLPs:

✍️ **large industrial productions** which evoke places, nature, handicraft methods

✍️ **handicraft products** personally guaranteed by the producers, and tied to a territory and its traditions

Referring to the five main items of typicalness potential, we could draw the following competition map, built on the probable perception of many consumers (the map, however, must be verified with researches ad hoc on consumers):

	quality	safety	territory	tradition	unicity
industrial production	X	XX	XX	X	X
handicraft products	XX	XX	XX	XXX	XXX

## **The segmentation of the market**

Another step is to face the problems relating the segmentation of the market, and all the decisions about positioning, essential phase for the decisions about marketing mix (communications, distribution, and so on).

For example, a map of segmentation with the five main factors, above recalled, could be the following (to verify with detailed researches on consumers and on single products):

	<i>Items mainly sought by consumers:</i>				
	quality	safety	territory	tradition	unicity
<i>Consumption circumstances</i>					
Consumption at home in a weekday, in a normal situation	XX	XXX	XX	X	X
Consumption at home in a festivity, in a special occasion	XXX	XX	XX	XX	XX
Consumption out of home in a weekday, in a normal situation	XX	XXX	X	X	-
Consumption out of home in a festivity, in a special occasion	XXX	X	XXX	XX	XX

Other criteria of segmentation could be related to the intensity of the search for food facilities, or to the kind of the distribution channel: the traditional retail, the modern retail, the single caterer, the firm of catering on a large scale, the food industry.

## **The marketing mix**

### Product

First of all, the preliminary step of a marketing mix planning is the solution of the knotty problems related to clearness of recognizability and easy identification of the products.

Frequently, OLPs don't benefit by a clear brand strategy, the labels on the same products are sometimes conflicting and difficult to memorize.

Two important questions to face are:

1. What's the right number of PDO and PGI brands for the EU politics strategy? A large number of PDO/PGI products could stimulate a more precise information to consumer, but a confusion in his/her perception and a difficult distinction between the several brands, too; we could take into account the possibility to set up some umbrella brands and the specifications under them, but it could be dangerous for the identity of the brands.
2. The second question is: what amount of production is correct, considering that some difficulties to find the product, for consumers, could reduce the level of service, but could also add value to the emotional perception?

### Communication

Every strategy has to start from the consideration of strong points and weak points of the product it's promoting.

In general, the emotional elements are often leading in the behaviour of consumer, above all for typical products. So, a communication strategy cannot forget that complicated and too technological ways of communication appear cold and far from the emotional sphere.

For example, Internet could be an effective system to reach far consumers, and a group of firms with typical products can carry out communications and promotion via Internet, but just for some targets of consumers and however partnered with classic strategies.

### Distribution

The decisions about distribution strategies must derive above all from the results on segmentation.

An important resolution is related to the behaviour towards the modern chain of distribution. In the opinion of some producers, the large-scale retail trade is a leading partner in the trade exchanges of PDO/PGI products. On the contrary, other operators think that the right commercial channel are the traditional ones. According to their advice, the large-scale trade could reduce the degree of image, referring especially to the emotional constituents of consumers behaviour.

Obviously, if the modern trade is chosen, the firm or the consortium must be able to offer the whole package of required services (for example, supply continuity, punctual and frequent deliveries, etc.).

## Price

Now, in many OLP sectors, the producers undergo the price, because of their low bargaining power. In the future, the price has to be fixed by the producers themselves, taking into account the consistency with other items of marketing mix.

For this purpose, offices of commercial coordinating among producers of OLPs will be very useful.