

# **DOLPHINS**

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

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**Opening Plenary session**

**06/05/2002 - 10:00**

**WP 4**

***Link between OLP and consumers and citizens***

**Introductory paper**

Responsible

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## Introduction

This paper describes the work conducted by participants of WP4 'Link between OLPs and consumers/citizens', from February 2001-May 2002. The paper also identifies the key points raised in the work package synthesis report, and discusses the cross-comments of Bertil Sylvander and Andrea Marescotti. The participants of WP4 are:

- Angela Tregear, Mitchell Ness. University of Newcastle, UK
- Agnes Alessandrin, Vanessa Persillet, INRA, France
- Eric Collet. FUL, Arlon, Belgium
- Martine Dufour, Corinne Couillerot, ETHZ, Switzerland
- Terhi Latvala, Jukka Kola, University of Helsinki, Finland
- Cristina Mora, University of Parma, Italy
- Ana Sanjuan, Universidad Publica de Navarra, Spain
- Burkhard Schaer, Ecozept, Germany
- Mario Sergio Teixeira, INIA-DEESA, Oeiras, Portugal
- Franco Torelli, CRPA, Reggio Emilia, Italy

The work has been conducted in three phases:

Phase 1. February 2001-September 2001 (Florence meeting and synthesis report)

Phase 2. September 2001 – March 2002 (Reggio Emilia seminar and minutes)

Phase 3. March 2002 – May 2002 (Paris meeting)

In each Phase, participants have submitted short documents on an agreed set of themes/issues relating to the link between OLPs and consumers/citizens. These documents have formed the basis for discussion at the meetings/seminars, and have subsequently fed into reports/minutes compiled by the Responsible. The next sections give a summary of this work.

### Phase 1. February 2001-September 2001

In this phase, the following themes/issues were worked on:

- Theories and tools for analysing OLPs/consumers
- Market and consumption patterns of OLPs
- Characteristics of consumers' perceptions & behaviour
- Marketing elements and OLP consumers
- Citizen behaviour and OLPs
- Future research needs
- Policy implications

From these, the following key findings were identified:

- very few reliable estimates of the size of the market for OLPs (approximately 5-10% of total food purchases?)
- many consumers have increased interest in 'origin' of food products, but in practice, many do not discriminate between types of OLP and have only a vague understanding of official labels
- consumers rely upon other signals/information sources than official labels (e.g. own experience/knowledge, consortia mark./brand name, retailers' recommendation) to make choices regarding OLPs
- it is difficult to identify a 'typical' OLP consumer - situation appears very fragmented across Europe according to country, region, product type, distribution channel, etc
- from a consumer point of view, OLPs are a mixture of tangible/sensory attributes and intangible/symbolic attributes. Examples of the latter attributes are:

- enhanced quality (cited in many countries)
- healthiness (cited in many countries)
- safety (e.g. Finland, Germany)
- artisan/hand-crafted (Belgium)
- natural (e.g. Italy)
- good for the environment (Belgium)
- helps rural communities/farmers (e.g. UK)
- reminder of holiday (Germany)
- nostalgia/return to 'roots' (e.g. UK, France)
- factors influencing perceptions of OLPs also varied:
  - ethnocentrism/patriotism
  - food scares
  - awareness of environmental issues
  - desire for enhanced food quality
  - desire to act positively with agricultural/rural issues
  - increased foreign travel
  - increased media attention towards food and cuisine
  - 'self-affirmation' needs

In addition, the following problematic issues were identified in relation to research and knowledge about OLPs and consumers:

- differences in perspective of literature (e.g. economics, sociology, marketing)
- many calls for multidisciplinary approaches, yet few conducted in practice
- gap between theoretical and empirical studies
- difference in volume of studies conducted in different countries
- 'origin labelled products' are studied in different ways
  - e.g. PDO/PGI (France, Italy, Spain)
  - 'local', 'regional', 'traditional' (UK)
  - 'own region' products (Germany)

These issues formed the basis of topics worked on in the second phase

## Phase 2. September 2001-March 2002

In this phase, the following topics were identified as requiring further work:

- ? 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'

From these, the following findings are highlighted:

Research into OLP usage should combine qualitative and quantitative methods, and also combine reported behaviour (e.g. through interviews, surveys), observed behaviour (e.g. participant observations) and actual behaviour (e.g. scanner panel data) (Corinne Coullerot). Multidisciplinary theoretical approaches are also recommended, as the dominance of economic approaches, to the detriment of sociological/anthropological approaches, is recognised (Eric Collet). Case studies based on certain types of product are also recommended, to avoid over-generalisation (Franco Torelli), and the need is identified of studying consumers 'in the round', as food choice is just one part of life (Burkhard Schaer). There is also a need to study the future evolution of OLP usage in addition to present day patterns (Agnes Alessandrin).

In terms of conceptual framework, it is identified that large variations exist in types of OLP usage. Some key sources of variation seem to be proximity of the user to the region (either physical or metaphorical) (Angela Tregear); level of complexity of the product (Ana Sanjuan); socio-cultural context of both the production region and user's region (Mitchell Ness). Figure 1 depicts the conceptual framework synthesised from the WP4 participants' contributions.

The variation in types of behaviour relating to OLPs is also noted (Mario Sergio Teixeira). A large number of different factors influence behaviour (e.g. geographic, demographic, economic, lifestyle), and a similarly large number of alternative benefits may be perceived (e.g. end quality, support for producers, environmental concern). For some users, OLP purchase is a 'citizen act' (Corinne Couillerot), implying high involvement and commitment. OLPs may be linked therefore to 'civic issues' (Ana Sanjuan), as well as tangible benefits. But large variations are apparent between product types, distribution channels etc, as well as type of consumption occasion – e.g. inside or outside the home, everyday or special occasion (Franco Torelli). In Finland, the potential of market growth via institutional catering was highlighted, as this is where many initiatives are taking place (Terhi Latvala/Jukka Kola).

On communication of OLPs, it is proposed that effective communication will be based on 4Rs – rooting (product needs to show its roots), responsibility (for delivering product quality), reciprocity (underlying interdependent links between producers and consumers) and reinforcement (product is solid with the region) (Burkhard Schaer). The effectiveness of the 1995 PDO/PGI promotions has not been evaluated (Corinne Couillerot), but there are differences between countries in the level of trust and confidence citizens have in messages coming from national government/EU sources (UK = low, Finland = high for national government, Italy = mixed). The PDO label is a source of communication which has the potential to restore confidence between producers and consumers (Cristina Mora), but recognition of the label is low. To examine whether PDO designations have an indirect or direct effect on purchasing (Burkhard Schaer), multivariate techniques may be used (Mitchell Ness). Opinion leaders are identified as effective means of spreading positive messages about OLPs, and use of the internet should be further explored for collaborative promotions (Franco Torelli).

On the OLP offering, it is proposed that OLPs exist in a rational and emotional sphere (Franco Torelli), a combination of intrinsic and extrinsic factors (Mario Sergio Teixeira) and that the importance of the symbolic attributes of OLPs should be noted. Some tensions may exist in these attributes, for example, between tradition and modernity (Ana Sanjuan), science and nature. For effective marketing, sources of uniqueness and distinctiveness have to be identified: for example, OLPs may be marketed on the basis of symbolic attributes of high quality, environmental benefits, safety, but there are other types of food product which can also guarantee such benefits, sometimes more explicitly. If we are trying to encourage OLP usage as a citizen act, then it is most important to emphasise the OLP benefit of supporting local producers and the landscapes they maintain.

From the above discussion points, a further set of themes was identified for the third Phase of the work package.

### **Phase 3. March 2002-May 2002**

In the third phase, the following themes were identified for work:

- ? Development of a research agenda for the link between OLPs and consumers/citizens
- ? Development of a conceptual framework which identifies 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

Participants have submitted documents on these themes which will form the basis of discussion during the Paris meeting.

## **WP4 Synthesis Report and Cross-comments from B. Sylvander and A. Marescotti, with Discussion by A. Tregear**

### **Theoretical approaches for studying OLP usage/behaviour**

The synthesis report identifies the tendency of existing studies to adopt single disciplinary approaches, leading to the recommendation that more multidisciplinary approaches are needed. In fact, it would be beneficial for future studies to examine the links between sociology, micro economics and marketing (BS). Sociological theories may be very useful in explaining how behaviour may vary according to proximity to the region, for example, social identity/belonging stimulates behaviour in 'close proximity' usage, whilst the desire to show taste/distinction stimulates behaviour in 'distant' usage (BS). This has some empirical support in research comparing the social profiles of 'home region' OLP consumers and 'outside the region' consumers (BS). However, it is important not to make too strong a generalisation about urban and rural residents, as some urban areas are only recently urbanised, and still have many residents who have strong links to the region/territory (AM). Also some 'expat' communities retain very strong links to the home region (AT). Therefore, it may be that 'proximity to the region' is a useful determinant in OLP user behaviour, but that this may be either physical or metaphorical proximity. The conceptual framework depicted in Figure 1 attempts to take on board some of these points.

### **Conceptualisation of OLPs in consumer research**

The synthesis report identified three types or conceptualisations of OLPs in consumer/market studies: 'own region' products ('regional products' – AM), 'typical' products (the classic concept of an OLP) and products with a PDO/PGI designation. These conceptualisations must be borne in mind when interpreting the results of such studies (BS+AM). In fact, the three types should be debated and clarified in the whole DOLPHINS project, as they have a bearing in the other WP areas too (BS+AM). It is noted that the social, cultural and historical backgrounds of regions may explain the abundance of different types in different countries, and also variations in consumer behaviour (BS). They may also explain the tendency of researchers in different countries to adopt one perspective over another (AT). However, it is important not to be too generalised as, for example, there are consumers in the UK who are highly involved in the usage of local, specialist products because they wish to support local farmers (particularly in the wake of Foot and Mouth Disease). Therefore, even in countries with socio-cultural background of industrial food production, consumers may still link food purchase with 'civic' issues and citizen acts (AT).

### **PDO labelling and awareness**

The synthesis report noted that consumer awareness of PDO/PGIs was low, even in countries with an abundance of such products. In fact, it could be that because in such countries, the products tend to have a pre-existing strong reputation and renown, the PDO/PGI designations have not been well publicised by the producers, as consumers know the products from the product name/consortia mark already (AM). All the evidence suggests that, at the moment, PDO/PGIs are not a strong source of distinction and differentiation from a consumer/marketing point of view (AT). What are the consequences of this for the future application and usage of PDO/PGI labels? Perhaps two types of usage will emerge (AT). First, for users that are highly knowledgeable, involved and 'close' to the region, PDO/PGI-labelled products may be the preferred choice, though not because of the designations themselves, but rather because these consumers use their own experience, up-bringing etc to make the most 'authentic' choice. In fact, it could be that for these users, existence of official designations may detract from the artisan, local value of OLPs, making them more like 'industrial' products (AM). On the other hand, for users that are uninvolved, lacking in knowledge and 'distant' from the region, official designations may be one attribute amongst many appearing on the product that will be used to make a choice. Origin indication may not be the most important factor for such consumers but even if it does play a part, it is likely that attributes such as attractive styling, images, symbols, package design will be just as important in determining choice, if not more so, than the existence of official designations (AT). What are the policy implications? PDO/PGI designations are one means of guaranteeing 'authenticity' to consumers, so resources could be devoted to raising consumer awareness of the designations and what they mean. Alternatively, resources could be devoted to understanding more fully the range of factors that are used by consumers to interpret authenticity in OLPs. Assistance could then be provided to producers to develop effective marketing techniques that respond to these perceptions, which would include factors such as package/labelling design, styling, etc.

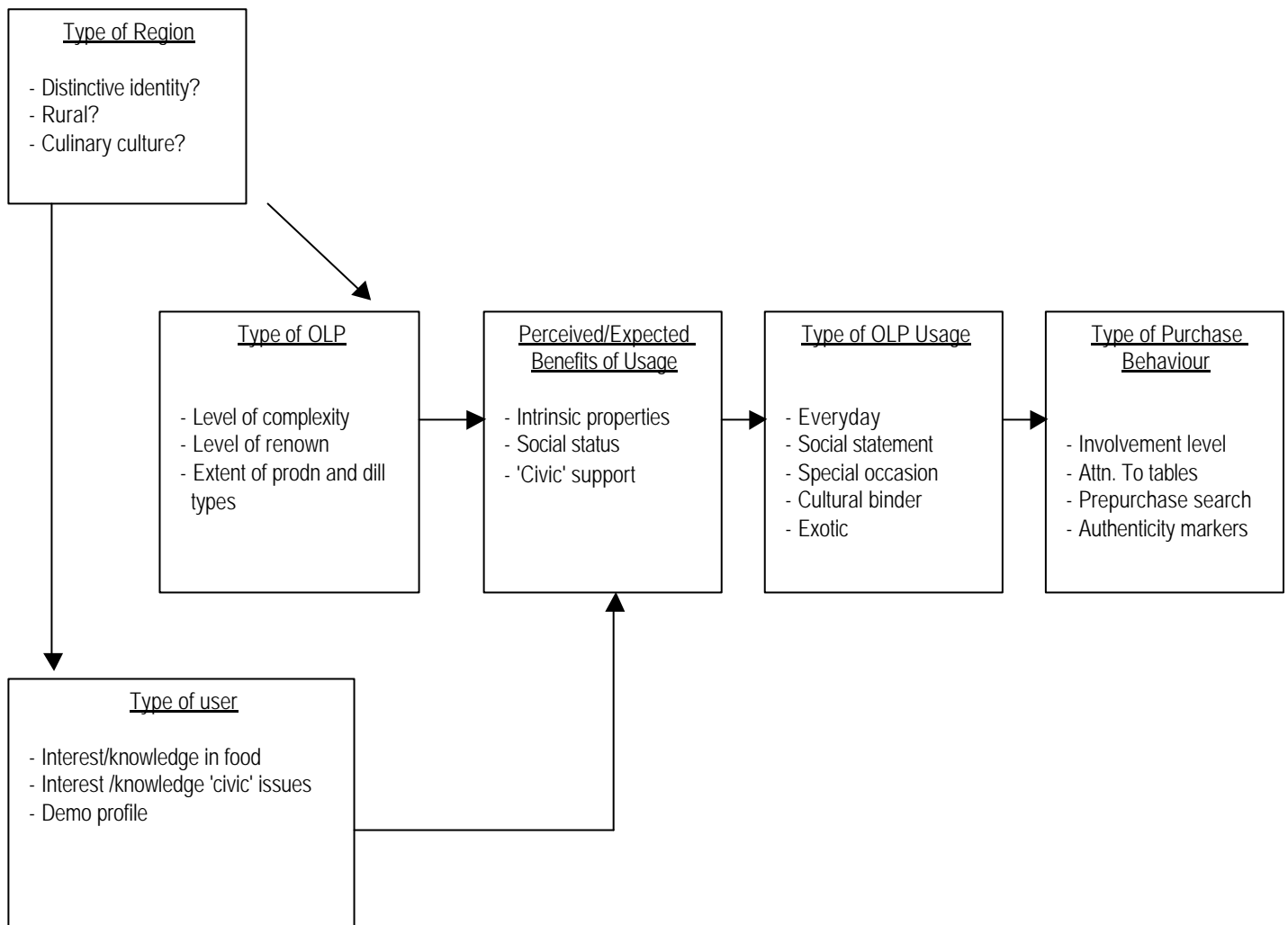
### The OLP concept

The synthesis report identified many alternative associations that consumers can have with respect to OLPs – natural, artisan, gourmet, etc. It is also possible to separate out the values of the region, values of origin and values of the origin label (BS). This is useful to help understand what origin brings to the value of different types of products, for example, with olive oil, the value of the region contributes directly to the value of the origin label. With meat, due to safety scares etc, origin indication has values of traceability rather than cultural/historical value, so the relationship is different (AM).

### Conceptualisation of OLP usage

The synthesis report identified that in some cases, OLP usage can be a 'citizen act'. In fact, this is presumably what legislators wish to encourage, as it implies committed, loyal behaviour. Yet perhaps few consumers act this way, even those in 'close proximity' (BS). We need to investigate the links further. There is the issue that OLPs may infer some citizen benefits – e.g. to the environment, to animal welfare, to consumer safety – but that other types of product actually offer more explicit guarantees about these – e.g. organic food + environmental benefits/animal welfare (AT). The strongest citizen benefits of OLPs, it may be argued, is in relation to regional development (BS), or socio-cultural heritage (AT). There are complexities associated with the former as the PDO/PGI legislation does not actually specify aspects such as levels of employment, skills etc, which are beneficial for regional development (although they are inferred) (AT). There are complexities associated with the latter if a sociological perspective of 'heritage is a socially constructed phenomenon' is applied. How can authenticity of a constructed phenomenon be guaranteed? (AT).

Figure 1. :OLP Usage Conceptual Framework



A conceptual framework is needed to help consolidate and explain the link between OLPs and consumers/citizens. The following framework was proposed at the meeting of WP4 in Reggio Emilia (Figure 1). 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, labeling, etc.