

# Report of the workshop 1

## "Consumers' expectations and purchasing behaviour for origin labelled products"

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In the EAAE Seminar on the socio-economics of origin labelled products, twelve papers have been presented on consumer behaviour with respect to regional food products. They cover a broad range of products, focus on different research questions and use a diversity of research methods.

Consumers perceive regional food products not only as being produced in a specific region, but also often as environmentally friendly and as being produced in a traditional way. Also researchers are not unanimous about the characteristic features of a "Regional product". The definition of "Protected Designation of Origin" (PDO) or "Protected Geographical Indication" (PGI) is helpful in diminishing the ambiguity in defining a regional product.

Consumer research with respect to regional products may be concerned with "What, who, why, what if and what should" of consumer behaviour. Results from consumer research serve a broad spectrum of policies ranging from company policies on specific PMCs (Product Market Combination) to government policies on rural areas. Consumer research reported in this seminar is mainly concerned with *what, who, why* questions. Research results related to these questions will be discussed. Attention will also be paid to the methodology used in different papers. Our report closes with some suggestions for further research.

### RESEARCH RESULTS

#### What is region of origin ?

The reported studies demonstrate a substantial variation in the way region of origin plays a role in the market :

- (a) PGI, PDO label is *the extrinsic cue* determining the image of a specific regional product ;
- (b) The name of the region is *the extrinsic cue* determining the image of a regional product, while a PGI, PDO label is *guaranteeing* that origin ;
- (c) Region of origin is one of a great many attributes characterising a "*pure*", "*natural*" product ;
- d) Region of origin is one of the attributes which enhances the *general quality image* of a food product.

In order to compare research results on regional products and to make valid generalisations on the basis of these results it is important that research in this field is specific about the role the region of origin is playing in the investigated consumer behaviour.

#### Who is buying regional products ?

Many studies come up with interesting conclusions about who is buying regional products. It has been

reported that the importance of region of origin as a selling point differs between countries. For instance, it is concluded in one paper that in Germany, Ireland, Italy and Spain consumers pay much attention to regional products. An in-depth study of consumers of *Camembert* cheese in France concludes that only "Connoisseurs" did more than 50% of their purchases in the PDO category.

It was found that in Spain and in the Netherlands consumers, who are more knowledgeable about regional products and who are more likely to purchase such products, belong to medium and higher income groups, respectively are older. Taking into account that Western population is ageing, the latter conclusion suggests increasing opportunities for regional products. On the other hand, this conclusion stresses the need for stimulating the interest of younger consumers in regional products.

### Why do consumers purchase regional products ?

Many research results are reported about why consumers purchase regional products. For instance, region of origin is perceived by many consumers as a positive cue, being an indicator of natural, safe. Also it was found that consumers perceive region of origin as related to the fundamental values power and security. Consumers' awareness of regional products, carrying a PGI and PDO label, appears to be low but differs between countries.

It should be noticed that in one study a regional product was evaluated by consumers to be of lower quality than a national brand in the same product category.

### RESEARCH METHODS USED

The research methods used in different studies may be classified as descriptive, economic and behavioural.

Descriptive studies increase our knowledge of the actual consumption of regional products, both in volume and quality. Some descriptive studies are concerned with measurement methodology.

Various economic studies used hedonic price functions to measure the implicit price of product attributes, such as region of origin and country of origin. Also contingent valuation methods were used. The reported economic analyses are well underpinned by formal modelling of

consumer behaviour. They focus in particular on the impact of region of origin and country of origin on product prices.

Effective marketing of regional products requires knowledge about the food consumer, which can be used as input for policies on product properties, promotion and distribution. Consequently it is not surprising that many papers take a behavioural approach to the analysis of consumer behaviour with respect to regional products. Some results of these studies have been discussed in section 2. They concern the awareness, perception and evaluation of regional products, respectively the values perceived in these products.

### SUGGESTIONS FOR FURTHER RESEARCH

The presented papers show that consumer research with respect to regional products has come of age. Many of the research topics addressed in the presented papers can be fruitfully elaborated. We suggest the following topics for further research :

- Analysis of the importance which food consumers attach to :
  - (a) Functional and Hedonic values ;
  - (b) Social and Emotional values respectively ;
  - (c) Epistemic values of regional products.

This analysis can improve the effectiveness of marketing regional products. For instance, in the case a regional product is better than similar products at the values of category (a), it has a strong competitive position. When this is not the case, values of category (b) may still give a regional product a competitive edge, which has to be supported by promotion. If a regional product is not superior to other products neither at values of category (a) nor at those of (b), it might yet trigger consumers' demand for variety because of its epistemic values.

- Analysis of the consumer as a user of regional products

In order to stimulate the demand for regional products, it is important to improve the way consumers prepare and consume such products, e.g. by extension, education and by providing recipes. Therefore it is useful to analyse the consumer not only as a buyer but also as a user of regional products.

- Analysis of the role Internet can play in marketing regional products.

Marketing is building relationships with consumers. A new device for developing close relationships with consumers is Internet. Internet has the capacity to

supply a vast amount of information, which can be consulted by consumers in a systematic way. Also it facilitates interaction between consumer and supplier. Therefore it is important to investigate the potential role of Internet in creating a close relationship between suppliers and consumers of regional products.