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**Consumer Expectations Towards Origin- Claimed Food
Products
Compensation and Acceptance for Global Trading
System**

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Consumer Expectations Towards Origin- Claimed Food Products Compensation and Acceptance for Global Trading System

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Abstract: *Origin- claimed food products mainstream gives diverse features over the world. The food labelling practices based on origin or provenance are frequently developed as a reaction to global trading system: private and NGO's initiatives (Fair Trade), enterprises in UK (Local Foods) and USA (Food Alliance), medals for winners in local exhibitions awards, or public regulation in European Union (PDO, PGI, Organic Farming). These practices claim at reaching consumer expectations. For a consumer who is frequently being uprooted and is stressed by his/her urban environment, the emotional content of where one's food is produced is greater than ever. With a longing for one's home, the consumer becomes an identity seeker. Origin, organic or fair trade food products respond to this need of native tangs revival. Such food products help consumer to identify his/her lost roots, to have recall of exotic holidays, to resist against ethical values' decline and finally to accept globalisation of food trading system.*

Because of their historical and cultural content, these foods give a meaning to taste. The demand for origin, organic and fair-trade food products is to be found somewhere between lifestyle habits and changes. The future of these products is supported, strangely enough, by the development of novel food products such as fat- or sugar-free foods, restructured meat, alcohol-free wine, and GMOs. The reference to tradition makes modernity tolerable. The arrival of High Tech food products should also result in a demand for compensatory products, and thereby favour those that can help to remove the guilty feelings of ready- to-eat consumers. Therefore, origin-, organic- and fair-trade- labelled foods seem to contribute to the modern food globalisation. The paper focuses on the place of these products within European food consumption. It examines in turn the rare estimation of market share of labelled food products, and their consumers' perception and purchasing behaviour in different sales channels, with a special focus on fair-trade and organic farming. It concludes with consideration of the marketing dynamics, which should be followed in order to favour consumption of origin- claimed food products.

Key words: fair-trade, organic farming, consumer expectations, food distribution, globalisation.

1. Introduction

For a consumer who is frequently being uprooted and is stressed by his/her urban environment, the emotional content of where one's food is produced is greater than ever. With a longing for one's home, the consumer becomes an

identity seeker. Origin, organic or fair trade food products respond to this need of native tangs revival. Such food products help consumer to:

- identify lost roots
- have recall of exotic holidays
- resist against ethical values' decline.

Because of their historical and cultural content, these origin-claimed foods give a meaning to taste. The paper focuses on the place of these products within European food consumption with marketing approach. It examines in turn the market share of food labels, their consumers' perception and purchasing behaviour in different sales channels. It concludes with consideration of the methodology of surveys and data collection in order to improve our knowledge of origin-claimed food consumers' actual and non-linear purchasing behaviour.

2. Consumer expectations for origin and authenticity: Compensation of globalisation

2.1 Diversity of origin-claimed food products

Consumers' fears, triggered by food scares and technological developments such as GMOs, have been translated into serious concern about food safety, ever-increasing demands for quality assurance, and more information about product origin. Moreover, public awareness of the irreversible damage done to the environment by practices that lead to soil and water pollution, the depletion of natural resources and the destruction of delicate ecosystems has led to calls for a more responsible attitude towards our natural heritage.

Extensive agriculture such as organic farming and on-farm processing, once seen merely as a fringe interest serving a niche market, has come to the fore as an agricultural approach that not only can produce safe foods with a distinctive native character, but also is environmentally friendly [11]. On the other hand, recent Latin-American or African financial crises lead citizens to the conclusion that growth for emerging developing countries seems not possible by means of current international trade. Thus fair trade appears as a more concrete way to create added-value instead of structural or periodical charity, in order to reach sufficient development [16].

As a consequence of these converging traits, trend in favour of origin-claimed food products emerged during the last decade. Origin of products is claimed for consumers and from producers, both as a mean of food authentication and a way of good traceability of benefits. It seems that provenance and origin are similar for most of people. On consumer standpoint origin labelled food products, speciality foods, on farm processed food products, local foods, organic and fair trade foods are origin-claimed food products. Consumers are looking for products from somewhere. It is not sure that they can clearly differentiate between these different labels.



Throughout Europe, there is an enormous range of branded foods. When a product acquires a reputation that spreads beyond national borders, it can find itself in competition with products that pass themselves off as the genuine article and take the same name. This unfair competition not only discourages producers but also misleads consumers. Private brands are protected by property rights, but not collective or local brands. That is why the European Union has created labels known as PDO (Protected Designation of Origin) and PGI (Protected Geographical Indication) to promote and protect traditional food products. Directives on PDO and PGI (2081-2082/1992) complement the directive on Organic Farming (2092/91), and were updated in 2006 (510/2006).

2.2 Public and private initiatives for origin labelling

The European Community created in 1991 and 1992, new regulation for official certification of origin or provenance of food products: *Protected Designation of Origin* (PDO); *Protected Geographical Indication* (PGI); *Organic Farming*. The factors contributing to the birth of these new labels are well known. The European Community has developed such systems since the 1990s for several reasons:

- to encourage diverse agricultural production
- to protect product names from misuse and imitation
- to help consumers by giving them information about the products' specific characteristics.

Nowadays, expectations towards a guarantee of origin reach other range of food products. PDO, PGI or Organic labelled food products are coming mainly from local region, not so far away from consumers' settlement in Northern Europe. The claim of origin is a topical question now for foods from distant production coming from Asia or Latin America.

Table 1. Fair Trade labels



A food product with *Fair Trade* label is sold in order to alleviate poverty in the South by providing disadvantaged producers in Africa, Asia and Latin America with fair opportunities to access Northern markets. Fair Trade aims at building sustainable direct relationships between these producers in the South and consumers in the rich part of the world. Max Havelaar and Oxfam are two major Fair Trade labels.

Fair Trade movement is born in the Netherlands and in UK, thus it spread throughout Switzerland, Germany and Scandinavian countries. Nowadays it becomes well-known in France, Italy, Belgium and Austria. As Fair Trade is a private movement, there is a great variety of organised supply chains and labels [10]. Few is known about Fair Trade movement in new accessing European countries or North America and Asia.

PDO and PGI labels are mainly applied towards processed foods from animal production and beverages (wines, cheeses, meats, ...). Organic label is mainly used for less processed plant productions and some animal ones (cereals, fruits and vegetables, milk products, ...). Fair Trade label is mainly applied towards more raw agricultural products (tea, coffee, chocolate, rice, sugar, banana, and some candied fruits or juice, ...). It seems that olive oil is one of the items seldom involved by each kind of label. Fair Trade and Organic labels are often combined. However we didn't found any significant correlation between respective market shares of these labels, nor PDO-PGI, in Europe.

3. Consumption of origin- claimed foods within global trading system

3.1 Image attractiveness of origin- claimed foods and little market share

Due to their positioning, origin- claimed food products look like an objection of the brand system. However, it seems that the brand effect works also with origin- claimed food products. In each European country there is a big difference between unaided or aided recall of origin- claimed labels and the actual market share of the relevant products. For PDO-PGI labels the rate of recognition varies from 50% to 70%, depending of the country, while the estimated overall market share of these labels is around 7% to 9%. Organic label is known by 40% to 80% of European consumers, and the actual market share varies from 0.2% to 4.5% within countries. Fair Trade label is known by 13% to 91% of European consumers but the market share of the most sold items (coffee, tea) varies from 0.1% to 3% in European Union.

Modern way of life includes now high mobility of working people. This consumption of distance, both from home and childhood, seems to create a need for native tangs. On the leisure side, foreign tourism opens cultural landscape and leads to a variety seeking behaviour. At a European level, origin- claimed food products belong to a small cluster, including exotic and ethnic segmentation, according to a distance gradient [14]. Commodities from European regions are representative of typical products as origin labelled, organic or local foods; whereas exoticism refers to products coming far away from European area, as fair- trade, tropical or foods for immigrants.

The demand for origin- claimed food products looks like under the influence of a heliotropic effect. During sunny holidays any origin- claimed food product is always very good and fully tasty when eating it with friends. Came back at home during ordinary life, this food does not give same taste, because it does not have the same sense. For some ones it becomes too strong, far away their own palatability. Those who still like it, meet some difficulty to find it in shop and this product becomes suddenly too expensive. There is a kind of schizophrenia between tourist looking for explanations on process of local food products during holidays, consumer hedonist sensation seeker in one hand, and buyer paying attention to the price once arrived in daily shops in the other hand [3].

As a consequence of our frenetic need of move and speed, environmental protection seems to be one of the most important concerns for the European consumers [1]. However, some studies note inconsistencies in several countries between the political views of self-described environmentalists and their shopping habits [7]. Most cross-cultural studies indicate that German consumers can be considered as the most green-oriented and discriminating with respect to organic credentials, whereas southern Europeans seem more enthusiastic towards every proposed item about organic farming but cannot discriminate clearly among them [15].

3.2 Distribution channels for origin-claimed foods inside the global trading system

The high green commitment level of some consumers results in a relatively small base of consumers interested in origin-claimed food products. The distinction between regular and occasional consumers is commonly used to describe the driving forces and barriers in this market. Consumers can choose among different sales channels: supermarkets; bakers/butchers; speciality, organic, fair trade or dietetic food shops; and direct sales (farmers markets and weekly markets). Regular organic consumers seem oriented towards speciality shops and direct sales, and consider these short retail channels as a convenient guarantee of the products' authenticity, whereas occasional consumers are more oriented towards supermarkets [13]. The dilemma between dedicated short channels but small market share, versus the supermarkets' broad potential but less involved consumers, has already been pointed out [6].

Furthermore, one can discern between *conviction* stores, which address green-oriented consumers' demands, and *convenience* stores, which offer sometimes origin-claimed products to current shoppers, as suggests Pontier [12]. Bakers, butchers, speciality food shops, world shops (fair-trade), delicatessens, farmers markets and weekly markets belong to the category of conviction stores. Supermarkets are larger than usually called convenience stores but belong to the convenience category regarding retail distribution in Europe. This distinction, allows us to explain how conviction stores offer *destination* products, while convenience stores offer *interception* products, both origin-claimed.

Looked at this way, it is not certain that occasional consumers can become regular ones. Daily shoppers cannot transform themselves into militant consumers. The former are more price sensitive and likely to seek origin-claimed products in supermarkets, while the latter are more health-conscious and a bit reluctant to frequent supermarkets [13]. We find a similar situation on Fair Trade market. The development of fair trade food consumption is positively and strongly related to the establishment of Fair Trade stores in Europe (see Figure 1). But this consumption could be also increased with a better presence of Fair Trade food products in supermarkets.

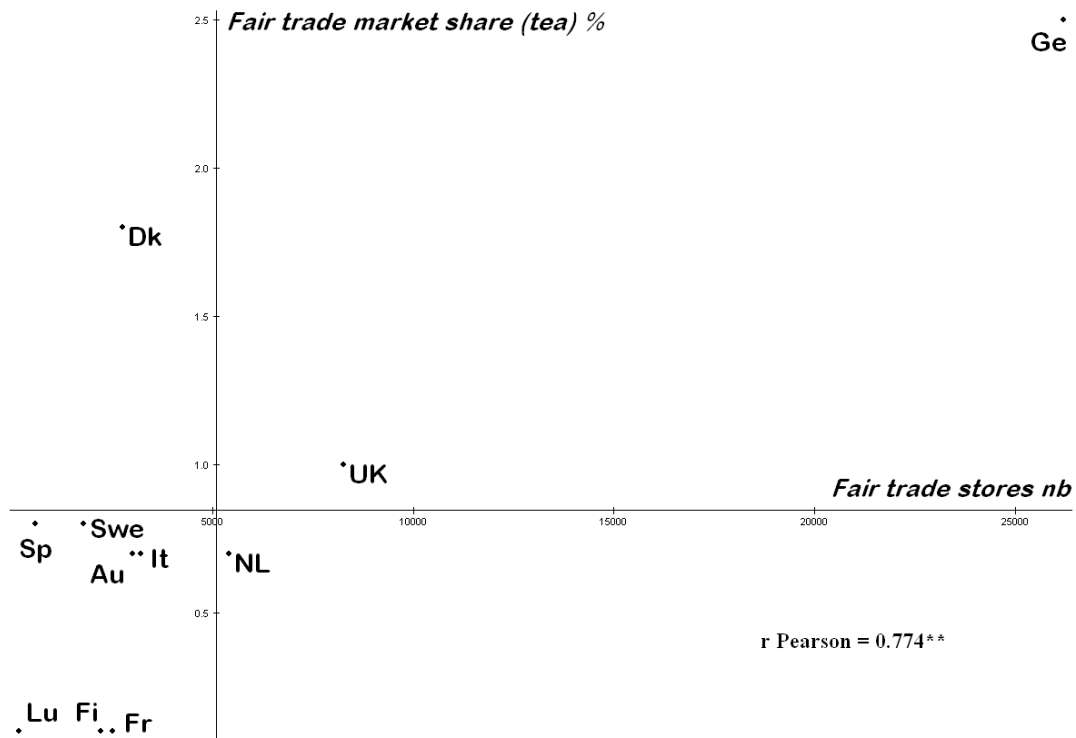


Figure 1. Relationship between fair trade market share and number of fair trade stores in Europe

3.3 Varying knowledge and fuzzy perception of origin- claimed foods

Origin- claimed food products seem subject to a fuzzy perception. Without knowledge or familiarity with a origin- claimed food product, consumers base their judgement on more general information they have about the country of origin of the given product. When the country is well-known or when its reputation on food is well established there is a halo effect that lead to a favourable consideration of the given origin- claimed food product [2].

Consumer perception of origin- claimed food products seems to be based on global image rather than on deep knowledge of products. One finds both preference for his/her own region and some acceptability of foreign origin- claimed food products. Outside its area of production and its customers zone, an origin- claimed product is perceived in a wider eating mode and represents a foreign culinary area.

Origin- claimed food products belong to a niche market in Europe around 7 – 9% of overall food consumption [5]. With specific strong and long term marketing plan one can guess to reach 11 - 15%, no more. Marketing action has to fit with such a niche market. This adaptation needs to use new expert models and small scale of investigation and action. It seems that it will be difficult to increase the consumption of current consumers. But we have to enlarge the scope of consumers. Marketing plan on a given origin- claimed

food product has to find new consumers first in the big cities throughout EU, where exists a real curiosity towards food ways of neighbours, and high expectations towards exoticism, as well as environmental and ethical concerns within urban consumers.

4. Conclusion

Marketing with description and analysis is only academics, we have to rub shoulders with market realities. *Strong brands ever test better*. We have to promote origin label (reputation is repetition) and to encourage local brands from micro regions - that do not mean anything for consumers - to merge. According to Miller's rule, advertising has to be enhanced in order to reduce the number of promoted attributes of origin-claimed food product.

From a scientific point of view, the origin-claimed effect is related to the authentication of source: region-of-origin, on-farm processing, direct distribution channel. It is also linked to the environmental and ethical concerns of consumers and farmers, in a way of clearly identified responsibility. By a strange short cut, the origin-claimed effect is sometimes translated as a narrow-minded patriotism factor by market analysts: the country-of-origin effect [17].

We consider that the origin-claimed effect is a result of globalisation: it is a kind of compensation to global trading system and its impersonal and strongly branded products. The origin-claimed effect is also a way of acceptance of global trading system. Origin labelled, organic and fair trade food products are bought and eaten as substitute of lowering border lines. Finally the origin-claimed effect seems to be a modern expression of free market expectations, meaning a brand-free market. It is an interesting paradox to see how we have to promote food labels in order to develop a market with no logo [8]. This kind of market is open, as the evolution of food habits reflects the pragmatic open-mindedness of cultures.

From a methodological standpoint, data collection of consumption has to be strongly improved especially for niche markets such as origin-claimed food products. Accuracy and reliability of these databases need to be enhanced in order to supply representative image of actual consumption. Consumer surveys have also to be improved in order to avoid declarative bias in face-to-face interviews and because food sensory perception can not be easily expressed with a lexical register [9]. Dealing with the consumer as a whole does not allow us to focus only on the stomach or the brain nor the purse. We have to take into account contradictions, discrepancies and diversity that affect consumer behaviour with respect to food [4]. This is a difficult but exciting challenge. From a sociological standpoint, we have to consider that consumers and producers approaches of origin-claimed food products differ. Producers, and most researchers too, are process-oriented when focusing on origin. Consumers are oriented towards confidence when focusing on origin labels.

The demand for origin, organic and fair trade food products is to be found somewhere between lifestyle habits and changes. The future of these products is supported, strangely enough, by the development of novel food products such as fat- or sugar- free foods, restructured meat, alcohol- free wine, and GMOs. The reference to tradition and authenticity makes modernity tolerable. The arrival of high tech food products should also result in a demand for compensatory products, and thereby favour those that can help to remove the guilty feelings of ready- to- eat consumers. As a consequence, origin- , organic- and fair trade- labelled foods seem both compensation and acceptance of the global trading system.

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