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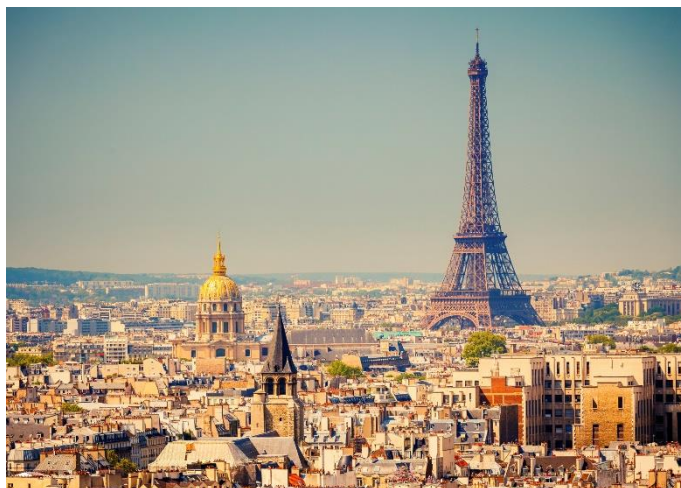
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Plurality of organisational forms in the supply of typical products: empirical evidence in Italy

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Abstract

Evolutionary phenomena affecting the agro-food system, especially those concerning the increasingly numerous forms that the relationship between production-consumption can assume, take on a particular importance and at the same time more evidently reveal their character in the case of typical and traditional products, previously linked exclusively to specific niche markets.

The variety of forms assumed, in space and time, by the process of social construction of quality is expressed in the diversity of coordination models among the actors involved. This is more evident in typical products, which are characterised by a higher symbolic density compared to conventional products.

This paper proposes to exemplify, through selected case studies, the multiplicity of concrete solutions in which the relationship between suppliers and consumers of typical products expresses the complexity of the relations which are established among the actors involved in the negotiation of quality.

Keywords : typical products, commercial circuits, organisational innovation, marketing strategies

1. EVOLUTION OF THE AGRO-FOOD SYSTEM

Until a few years ago, debate on the modernisation of the agro-food system was based on a dualist framework, whose principal assertion was that modern production and distribution of food should be bound to adhere to two basic models : *modern circuits* (or mass circuits) and *traditional circuits*, whereas niche products were considered as marginal entities or as exceptions to a general rule. The concept of niche, in fact, is linked to small quantities and to high value products. So that for many scholars, it was rather easy to understate its importance and the big companies have until now left this segment to smaller enterprises.

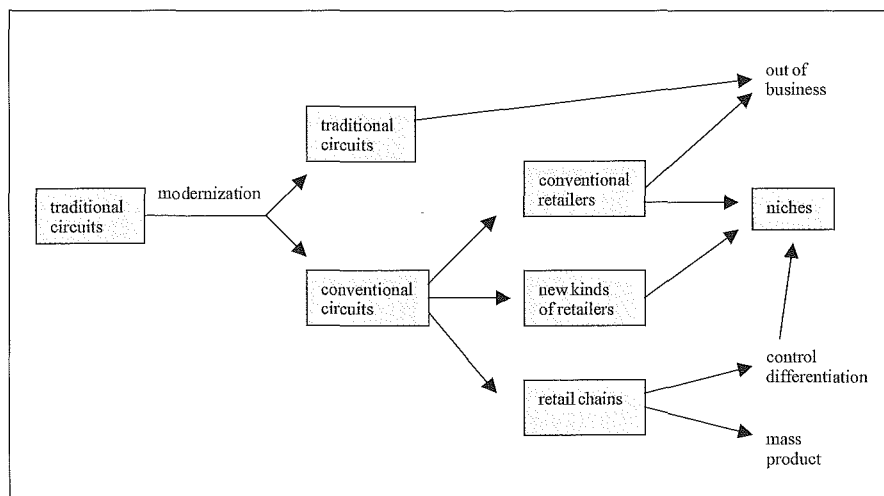
The recent evolution of the agro-food system is overcoming this dualism, since the increasing fragmentation of consumer expectations and the development of Information Technologies stimulate an approach to product differentiation, rather than cost leadership. Increasingly, new organisational patterns are emerging in the agro-food sector. Three ideal typical models of quality systems can be singled out :

- *Traditional circuits* are based on small units of production and distribution in which consumers and producers are rather close to each other. A high degree of naturalness of production processes and the cottage industry nature of processing of the raw material are sources of great heterogeneity in the qualitative characteristics of the product. This brings

about a lack of clarity in the parameters necessary to appraise quality of the product bought, so that the retailer plays an important role in ensuring quality. Representing the interface between consumer and producer, the retailer perceives consumer needs and expresses them to the producer. Owing to the high informality of such a process, quality is continuously being negotiated among these three basic actors. The system is fundamentally based on trust : the consumer has a personal knowledge of the retailer, the retailer has a personal knowledge of the producer, and each of them interacts with the other on the basis of trust. Moreover, the choice of both retailer and producer is based on personal reputation.

- *Modern circuits* are characterised by the enlargement of the circuits of production and consumption. The number of actors involved increases and the chain from producer to consumer becomes longer, so that personal trust is no longer possible as it once was in the traditional systems. Quality is formalised into standards, which are based on few criteria, mainly on morphologic or hygienic classification. This level of coarse formalisation brings about a standardisation of production processes ; many quality characteristics, which in the traditional systems were appraised through negotiation, are lost, so that erosion of quality appears. Since personal knowledge among actors of the system is in great part lost with the enlargement of the circuits, personal reputation and trust are progressively replaced by brand reputation and loyalty.

Figure 1 : Evolution of the distribution circuits



- *Post-Modern circuits* benefit from the improved technologies of communication and transport ; organisational efforts are concentrated upon the objective of promptly reacting to the consumers' needs. Compared with modern systems, formalisation of quality into standards is carried out at a higher level, thanks to the improvement of the systems of standard production, control and quality assurance. In a post-modern system, production of standards is based on monitoring the consumer needs. Within such a system, standards are languages created through interaction and are continuously updated. Circuits of production-consumption can consist of long distance relationships, but advanced communication systems allow direct connection among producers and consumers (or retailers). Brands are still very important, but trust is brought back in, since long-term relationships are sought to keep transaction costs low and to perform learning-by-interacting advantages.

The main characteristic of post-modern circuits is the understanding of the market potential of fragmentation of consumers into segments and the consequent rearrangement of strategies, organisational patterns, business approach. Post-modern circuits actively pursue the fragmentation of consumers through an endless recombination of product characteristics, symbols, communication tools, mixing together modern and traditional, real and imaginary, appealing to emotions even for very ordinary products. In the post modern circuits, elements of both traditional and modern circuits mix together, as shown in the scheme of evolution proposed in figure 1.

This paper aims at identifying these dynamics in the empirical context. After a short reflection to define some keys to interpretation, it proposes selected case-studies showing different organisational patterns which can fall into the illustrated category of post-modern circuits, and that can represent good examples of appropriate distribution solutions to the specificity of typical products.

2. EVOLUTION OF THE CHARACTERS OF TYPICAL PRODUCT AND OF THE RELATIVE MARKETING STRATEGIES

The evolutionary scenario outlined above, characterised by the increasingly numerous forms that the *production-*

distribution-consumption relationship can assume takes on a particular importance and more evidently reveals its characteristics in the case of traditional and typical products whose presence and promotion on the market had long been associated with the persistence of niche markets aimed at specific segments of consumption.

The diversification of typical products characteristics and of the ways these reach consumers becomes apparent when we observe the most frequent typologies/situations which are found concerning this :

- Typical products subject to institutional recognition (PDO, PGI) which can enjoy broad market protection and promotion ;
- Typical products with no quality certification but which, in any case, enjoy considerable and irrefutable renown, most frequently at a local level, but often even in more extensive contexts ;
- Typical products that are known to consumers for their high volumes of production and wide distribution, which acquire a character similar to industrial products, to such a degree as to be considered "mass" products (this is the case of Parmesan cheese, of Parma Ham, etc.) ;
- Typical products whose scale of production has remained at a handicraft level, which seek an external market in very specific areas of consumption, since the local markets are often limited by the purchasing power of local consumers ;
- Typical products where there is still a close relationship between production and consumption, in local-sized distribution circuits (this is frequently the case of varieties of fruits and vegetables or of transformed products).

As theorised by the French conventionalist school, quality (and within this, in a still more specific way, typicality) is the result of a process of *social construction* in which, in a given spatial and temporal contest, all the agents directly or indirectly involved in the process which extends from production to consumption participate within this context, the various actors converge around a single *quality convention* (Eymard-Duvernay, 1989 and 1993 ; Gomez, 1994 ; Sylvander, 1995 ; Marescotti, 1999). The variety of forms that process assumes, in space and time, is at the basis of the diversity and, therefore, of the coexistence of diverse coordination models with which the actors

produce-promote-distribute-consume the specific quality of the products. It is in this sphere that space is allowed for diverse combinations of material and symbolic characteristics of products, that diverse motivations for consumption are present and evolve, that diverse instruments of qualification and communication are created and adopted, that traditional and modern marketing means coexist, that relationships based on trust and on the presence of institutional guarantees are found side by side or overlaying.

Thus, at the basis of this diversification of *coordination models* and of *quality conventions*¹ that characterise traditional and typical products, within the setting of the economic, social and cultural dynamics that are involved in the agro-food system, and, more generally, in society, lies the perception that the diverse actors have of the specific quality, and, therefore, their expectations and requirements with respect to it.

In a way potentially more apparent than for other products, the presence of conventions and diverse coordination forms for typical products, which are distinguished by a greater symbolic density, is strictly linked to the evolution that has occurred in their significance in the eyes of the consumer and in the ways in which that different significance relates to purchasing behaviour.

The relationship, which is established between typical and traditional products and the consumer is more complex than the theoretical definitions or than the aspects guaranteed by regulatory instruments² and is expressed in a variety of forms. Typicality and traditionality assume concrete meanings for consumers, linked to the capacity to recognise specific organoleptic characters, which pertain, more or less, to personal experience, but also to symbolic values, associated with a sensitivity toward the evocative power of the products (from their association with the character of the localities – the countryside, the environment of the area – and of the methods of production – traditional techniques and technologies, the knowledge -, to the sense of belonging to a social and cultural context, or at least, to its characters and values). This perception, in itself complex, must contend with buying behaviour, thus giving rise to further combinations in that relationship.

In the typical product-consumer relationship, a complexity of elements comes into play, which can

depend, in part, on the consumer's character and, in part, on the characters of the product. Among the former, belonging or not to the territory, and within this, to the world of production, knowledge of the content of the typicality and/or of the product tradition, the motivation for appreciation/quest of such products and, obviously, age, economic means, cultural level are important. From the product point of view, the specific material and/or non-material characters are fundamental, but aspects such as service content (ease of use, information, etc.), correspondence to hygiene and health codes, and availability in terms of quantity and time also assume an importance. Obviously, this relationship does not present itself in a crystallised form, but rather in continuous evolution. This is due not only to the changes, which occur in the style of consumption, but also to interaction of the other actors who participate in the process of definition of the specific quality - the producers, the distributors -, who, if on the one hand draw elements from the character of consumers for making decisions for their actions and marketing strategies, on the other, condition consumer choices themselves by acting on his motivation, and on his knowledge and appreciation of the characteristics of the products. It is what some Authors have defined as *cognitive marketing* (Lassaut et Sylvander, 1998). To the expectations and relative behaviour of the actors directly involved in the process of production-distribution-consumption can be added the objectives, and, therefore, the actions of institutional agents, interacting in administrative spheres or in operative spheres (production, distribution, consumption), that can contribute to the enhancement of value and of implications of the production and consumption of those products.

The multiplicity of the forms thus assumed by the product-consumer relationship, based on specific and diverse *quality conventions* among the actors involved, finds concrete expression in the variety of relationships between production and circulation circuits, relationships capable of combining in various ways and characterised by a high innovation potential. In these relationships, the qualitative characteristics of traditional and typical products can, therefore, be the object of different methods of definition, communication, guarantee, so, too, can the methods of placement on the market be diverse, from relationship with the consumer, more or less direct and formal, to the organisational methods with which distribution is managed.

Exemplifying this are :

- The simultaneous presence of the same typology of product in very different supply chains which adopt different methods of presentation and are directed toward different consumers, if not, increasingly more often, at different times and occasions of purchase ;
- Those diverse elements on which the transmission of information and the guarantee of product qualitative characteristics can be based in the different supply chains in function of the type of relationship that is established between supplier and consumer ;
- The diverse elements on which the *supply-consumption* relationship can be based, even within the same supply chain, in relation to whether or not the consumer comes from the area of production ;
- The changes that the institution of a PDO or PGI brings about in the local production organisation and, therefore, in the relationships with consumption with respect to a previous situation for qualification and guarantee based on direct knowledge and/or trust ;
- The role played by the action of associations involved in questions of diet and of preserving and promoting the gastronomic heritage.

3. CASE STUDIES

As was previously mentioned, the case studies are described for the purpose of exemplifying the diversity of concrete solutions in which the relationship between typical products and consumers can be expressed in function of the ways in which the actors agree on the specific quality of the products.

In particular, four cases are reported :

1. The first case related to a firm managing a chain of traditional retail stores that, noticing the increasing decline of this form of sales, sets up a society with producers to develop a network for franchise sales of typical products from a specific region. The case is interesting because, in addition to utilising a form of supply that limits the risks of the undertaking, it addresses a segment of consumers accustomed to purchasing local typical products, and leveraging an intense advertising campaign promotes typical products of that region.
2. The second case demonstrates opportunities for promotion that are opened to small production

operations by availability of modern information technologies, which permit them to reach those specific segments of consumers - the "connoisseurs", the "gourmets" - who are best able to appraise the particular characteristics of those products. In this sense, e-commerce has demonstrated itself to be extremely effective, capable of establishing a profitable contact with consumers when supported by adequate advertising activity.

3. The third case examines the strategy of a Producers' Cooperative which, in order to acquire greater added value for its products, has created a very extensive national sales network which is also in expansion abroad. A determining factor in the choice of this commercial strategy is represented by the great notoriety which some of their products enjoy on the market, particularly mozzarella made from buffalo milk (produced by a organic method), which is their best seller. In addition to highlighting the origin of the product, which is a strong drawing point for consumers in the area of production, and is a strong point for other consumers as well, the conspicuous territorial presentation of the product at giving consumers the feeling that they have a direct rapport with the producers.
4. Finally, the fourth case concerns a promotion initiative for typical Tuscan products, particularly fruit and vegetable products, aimed at expanding the market of these products currently limited within the local production context. Involved in this initiative are a big supermarket chain operating in Tuscany, associations of agricultural producers, a consumers' association and a public body (Region of Tuscany). Its achievement, which has significant organisational implications for the supermarket chain assumes particular significance in terms of the impact that it can have on purchasing behaviour.

3.1. Franchising : the *Buon Appetito* delicatessens

3.1.1. The experience

The idea to create a chain of franchise delicatessens occurs in 1996 when a family of pork butchers from Trieste, owner of 11 stores in that city, joins with some local producers of cheese and pork products and inaugurates, in Trieste, the first *Buon Appetito* delicatessen. At the same time, in addition to that point

of sale, which is the pilot store, the franchise company, *Buon Appetito*, is founded which guarantees supply of typical products from Friuli Venezia Giulia and Trentino Alto Adige³ to the entire sales network.

Since that time, the franchise network has developed, with the opening of another store in Trieste and others in various cities in Northern and Central Italy (Milan, Parma, Massa, Padua), always strategically located in the historical centres and distinguished by a standard model of both management and image⁴.

3.1.2. The product

Buon Appetito delicatessens are characterised by sale of pork products, dairy products, bread, baked goods and tinned foods typical of Friuli Venezia Giulia and Trentino Alto Adige. The assortment offered by the head office is complemented by other fresh and transformed products, acquired from local producers who are known for the quality and typicality of their products, and with traditional grocery products to satisfy all the necessities of daily shopping⁵. With the idea of increasing their clientele, the delicatessen accepts meal tickets and is among the few in the neighbourhood to have this arrangement with numerous banks and public offices.

3.1.3. Market position

Though it does not assume the form of network of typical Products (PDO and PGI), the commercial organisation de facto takes on this character; a large number of their products are, in fact, presented in the points of sale as typical products of Friuli Venezia Giulia and Trentino Alto Adige. The supply of an original assortment thus permits the delicatessen to differentiate itself from other gastronomy speciality stores. At the same time, resorting to local products permits offering a wide assortment identified, among other things, by lower prices than luxury grocery speciality shops. The choice of franchising combined with the original assortment, competitive prices and a policy of clear-cut advertising gives this method of distribution as a form of traditional-speciality retail capable of responding to the supermarket chain competition.

3.1.4. Customer relations

All of the affiliated stores are distinguished by their desire to represent the synthesis of the efficiency and

transparency offered by the supermarket chains and the warmth and quality offered by the traditional delicatessen. This is expressed in the warm but essential decoration, a very large display case with unpacked products placed in plain view with some arranged within easy reach for the public to sample.

Great importance is given to self-service, with large signs placed over the refrigeration cases which indicate the contents of each one to make it easy to find products, and there is a portion of the display case dedicated to fresh products, pre-packaged in the store.

Advertising activity is aimed at introducing little known typical products to local consumers and to achieve this aim, particular importance is given to training of personnel which is instructed by the Trieste firm itself⁶. In order to create an informed and faithful clientele, many promotions are sponsored among which are weeks of product sampling, planned and organised by the main office.

3.1.5. Product quality construction

An important marketing lever used by the marketing organisation is the strong territorial nature of the supply linked, for the most part, to products from areas other than those where consumption takes place, but also to the most well-known local products. The consumer who frequents these points of sale undoubtedly values typical products and has an open mind, which leads him to seek out new cultural-taste experiences, even beyond the knowledge acquired because he comes from the territory. The completion of the range of goods with local products aids in further reinforcing the bond between the quest for and the supply of typicality.

The marketing strategy adopted by the marketing organisation relates itself to and has an influence on the perception and attitude of the consumer, also through elements other than specific product requisites.

The intense and meticulous advertising activity about the points of sale put into action through transfer of information on the characteristics and the ways of using the products as well as through direct experience (tasting). Equally important is the creation of an environment that is suited to modern purchasing behaviour and, not least, the placing of products in price ranges that are competitive with other forms of speciality retail.

On the one hand, through emphasis on the typicality of the supply, the marketing organisation tends to segment sharply the demand according to the very characteristics of traditional speciality retail, on the other, by means of the choices concerning methods of presentation and of making the products available, integrating the services of modern forms of distribution as well as of more recent forms of catering, it contributes to broadening, or, at least, to making more frequent the consumption of typical products.

3.2. E-commerce : the *ESPERYA* idea - Italian Food Experience

3.2.1. The experience

The experience is that of computer sales of typical products, based on use of a web site as publicity instrument and to receive purchase orders whose delivery is supported logistically by private delivery services.

Antonio Tombolini, known in Italian gastronomy circles as a connoisseur of typical products, and especially of products risking extinction⁷ is the founder of the IFE (*Italian Food Experience*) and creator of the web site *Esperya*. It all starts when he leaves his position as marketing director of an important firm and in January, 1998 founds the IFE⁸, together with his brother, a 25-

year-old Law student and a friend who is a graphic designer in advertising. His objective is "to bring typical grocery products from every region of Italy to the global niche market".

The site is currently only in Italian and, therefore, reaches primarily Italian clients on the domestic market and in nearly all the countries of the European Union ; The company plans however to institute a site in English and thus achieve 70% of its turnover on foreign markets after the year 2000. The initiative has had considerable success achieved, not only from an increase in turnover, but also from the fact that in June 1999, *Kataweb*, a company of the *Gruppo Editoriale l'Espresso spa* (The Espresso Publishing Group) acquired a 70% share of *Esperya*, leaving the remaining 30%, along with management of the firm, in the hands of the founding associates.

3.2.2. The product

The wide range of products offered by *Esperya* includes PDO and PGI products and other very well-known traditional products, including fresh products, for a total of 181 items coming from 19 different regions. One nearly constant characteristic is the limited supply, given the predominance of small producers⁹, and another, the seasonal nature and, therefore, fluctuating availability of the products.

Table 1 : *Esperya's* range of products

Type of product	Reference number	Origin
Oil	8	Tuscany, Puglia, Sardinia, Campania, Marche, Umbria, Sicily
Wine	37	Basilicata, Veneto, Friuli Venezia Giulia, Piedmont, Lombardy, Veneto, Emilia Romagna, Trentino Alto Adige, Marche, Sicily
Honey	19	Tuscany, Campania, Sardinia
Pasta, rice and confectionery	23	Piedmont, Veneto, Abruzzo, Sicily
Pork products	36	Tuscany, Marche, Emilia Romagna, Calabria, Valle d'Aosta, Friuli, Sicily
Cheeses (produced from unpasteurized milk)	37	Piedmont, Val d'Aosta, Lombardy, Trentino Alto Adige, Veneto, Emilia Romagna, Tuscany, Marche, Abruzzo, Molise
Canned seafood	13	Sicily, Sardinia
Canned vegetables	8	Puglia, Sicily

Introduction of products into the assortment requires a phase of research/discovery of the product and producer and a second phase of investigation/selection based primarily on the organoleptic quality of the product. This second element represents a distinctive feature of the *Esperya* selection with respect to other computer sales sites of typical products.

The principal sources of information for identifying products and producers are the *Atlante dei Prodotti Tipici*¹⁰ (*Atlas of Typical Products*) and the Internet discussion group *it.hobby.cucina* in which Tombolini is an active participant.

Selection is made on the basis of certain requisites that the product must satisfy in order to be defined *typical product* and to be able to be marketed in this circuit :

- *Organoleptic quality*, which is submitted to taste-testing performed by Tombolini who has the role of *chief of tasting* in the firm ;
- *Hygienic quality*, which must be assured by an extremely limited use, or total absence, of preservatives, additives and antioxidants ;
- *Nutritional quality*, guaranteed by use of traditional techniques, so as to permit preservation and improvement of the nutritional characteristics of the foods ;
- *Territorial roots*, and from this a typicality as expression of the material and historical-cultural wealth of an area.

If the product does not have such characteristics, for which the organoleptic test assumes a fundamental role, *Esperya* will not even initiate business negotiations with the producer. With such a procedure, *Esperya* is able to offer customers a selection of very high quality products, otherwise unavailable outside of the area of origin.

The products are bought from producers and stored ; this allows maximum quality control of products and a more efficient management of logistics, for which *Esperya* uses the services of UPS.

3.2.3. Market position

Esperya, recognising that many local typical products, based on small scale production structures, have difficulty in developing outside the local markets because of the high incidence of distribution costs in

traditional channels, has found, in computer marketing, an organisational solution to surmount this barrier.

Leveraging this opportunity, *Esperya* is able to offer a wide assortment of very high quality typical products, in many cases, true rarities. This has been done in the awareness that there exists a growing segment of cultivated consumers, particularly sensitive to high quality prestige products, and with a good purchasing power, and who, therefore, better than others, are able to appraise them. For a market that has the feature of not being concentrated in specific territorial spheres, but is spatially spread out ("ageographic"), Internet (the global network) has been seen as the most effective instrument for reaching this "global niche" (as defined by Tombolini) and for promoting recovery and reinforcement of productions of high cultural and social value whose existence had been endangered.

3.2.4. Consumer relations

A strong point of the web site is certainly the considerable space dedicated to communication. In a rather simple graphic setting, a conversation with the consumer and, therefore, the transfer of information, predominates : every typology of product is introduced by an explanation of the characteristics which must be taken into consideration to evaluate its quality ; in addition, the production processes of the individual products are described and information about the producer is reported, not only about the characteristics of the concern, but also the personal histories, from how the product and/or the concern itself was discovered to how the business collaboration with *Esperya* came about. All in an extremely informal style.

In addition to this pre-purchase information, other services are available : not only the rapid delivery (and in this sense the choice of delivery service is strategic), but also a full guarantee in case of dissatisfaction, broader than that provided by regulations in effect¹¹.

3.2.5. Product quality construction

The *Esperya* experience exemplifies the opportunities that are created within a diversified production-distribution-consumption relationship : in this case, the availability of modern systems of advertising and delivery at the service of a simple, but otherwise difficult to execute idea, become promotion factors in a market

of production realities of minimal dimensions penalised in traditional circuits, but of extreme importance for gastronomic-cultural heritage.

The computer is well-adapted to reaching the typology of consumers interested in these products. These are consumers who are particularly well-informed about the characteristics and significance of these products and who attribute a particular value to the act of consumption, which is lived as a "quest" and an "experience", pursued to discover new products and to increase their own capabilities of perceiving and defining the qualitative characteristics of them, in their material and symbolic components. A journey in consumption-learning which also permits a cultural growth.

In addition, in this direction *Esperya* has oriented its marketing strategy. Based on a good organisation and by means of intensive and well-devised publicity, the firm, though within a context of an absolutely impersonal relationship and of total separation of the consumer from the product, manages to re-create the climate of cordiality and trust between the seller and the customer of a traditional shop and to re-propose, with considerable success, the task of food and cultural education that takes place in that context. Supplying elements for appraisal of the product and for knowledge of the production context (history of the producer, characteristics of the business, etc.) as well as an effective system of guarantees (from Tombolini's reputation in the phase of quality evaluation of the products to the possibility imposing one's own opinion at the act of consumption), *Esperya* manages to give substance to a "virtual" bond that the consumer has with the product and with its distribution, making the conquest of his interest and trust.

3.3. Integration in the later phases : Cisternino Milk Producers' Cooperative

3.3.1. The experience

The Cisternino Milk Producers' Cooperative of Latina in Southern Italy was founded in 1961 and currently has 175 individual or associated members, among whom are 50 milk producers and 50 suppliers of organic PDO cheese. Also small producers are members of the Cooperative who find it to be an advantageous marketing chain.

The Cooperative receives and transforms 240,000 litres of milk per year, with a turnover of 40 billion liras, an

average of 40,000 customers served daily through its own points of sale and a 15% annual increase in sales.

The marketing strategy of the Cooperative has always been based on direct sales of its own products through its own network of points of sale bearing the name of the Cooperative, supplied by its own truckers¹². Starting from the first marketing experience of the Cooperative, there are currently 97 sales points in Italy, spread throughout the north-central regions. In addition, foreign expansion has already begun with the opening, in early '99, of five points of sale in Paris. Development plans provide for a further increase in the number of points of sale in Italy, as well as the opening of stores in Lyons, Marseilles, Nice, Geneva and Lucerne.

3.3.2. The product

The assortment is comprised exclusively of member products. Offerings are milk, organic PDO cheeses, ice cream, organic fruit juices and preserves, olive oil and wine ; among the cheeses, the mozzarella, especially the buffalo milk mozzarella, are the biggest sellers of the entire selection, given their widespread renown¹³. The range is enhanced by pork products supplied by a producer external to the Cooperative, but these sales represent only marginal activity.

3.3.3. Market position

The strategy of market expansion carried out by the Cooperative is based on presentation of a range of products which are highly distinguished for their adherence to a specific local production tradition and whose typical (the large number of PDO products) and natural (organic products) characteristics are highly praised. Equally effective is the emphasis placed on the direct relationship established between production and consumption.

On the basis of these things, the Cooperative has managed to expand distribution of the product well outside of the traditional context of production and consumption to the point of successfully placing itself on foreign markets.

Besides the play on image and, therefore, on the symbolic content of the products, an important role has been played by the possibility of offering competitive prices, which results from direct management of distribution¹⁴.

3.3.4. Consumer relations

The advertising of the Cooperative is aimed at communicating to consumers the idea of purchasing directly from the producer and, therefore, of purchasing traditional "farm" products. The white-tiled points of sale that evoke the image of a cheese factory, the place where a large number of the products are produced, are used for this purpose. Moreover, both on the sign and inside the points of sale, great emphasis is placed on the experience of direct sales from the central social cheese factory in Cisterna di Latina. The new points of sale are presented as an expansion of this activity and, therefore, as a further possibility of purchasing the products directly from the producers. Contributing to reinforcement of this image are the accent placed on the territorial origin of the products (the name of the Cooperative constantly found on materials used as furnishings, as well as the designation of typicality of many products) and the accent on the traditional character of their production processes (space given to products designated as organic). The territorial origin constitutes a strong point also for attracting consumers from the area of production, who are generally very much tied to the products of their own tradition, or at least, for attracting consumers who value the productions of the area.

3.3.5. Product quality construction

The fundamental marketing levers of the Cooperative's marketing operation are the strong territorial characterisation of the offerings, associated with a specific production context which capitalises on the image known throughout the world, and in a special way on the image of a part of the production (the mozzarella)¹⁵, and the emphasis placed on the traditional character, promoted by advertising the strong bonds between production and consumption and certification of the requirement for many of the products to be "natural".

Advertising in the points of sale is aimed at creating or reinforcing a direct bond with the consumer, who is a person aware of his purchase choices, where the quest for typicality of the products is specifically aimed at a single area of production. In the Cooperative's points of sale spread throughout Italy and Europe, the perception of a precise territorial and traditional identity of the products and the identification of the suppliers as producers make it possible to draw production and

consumption together again, even within the context of the great physical distance between the two.

3.4. Supermarket Chains : regional typical products at *UniCoop*

3.4.1. The experience

UniCoop is a supermarket chain operating in Tuscany which is part of *Coop Italia*, the largest Italian supply chain (annual turnover about 20 thousand trillion liras) which, as a consumption cooperative, is particularly committed to offering guarantees of quality requisites for its own food products and to consumer education.

UniCoop has recently signed a draft of agreement to market typical Tuscan products, with particular reference to the fresh fruit and vegetable production, with the three regional farmers' confederations and with *Arcigola*, a cultural association committed to the topics of nutrition and of the cultural value of the food and gastronomic heritage. This agreement has received the legal protection of the Region of Tuscany, which has for some time been promoting initiatives to recover and promote typical productions of the region ; the public commission, after an initial phase aimed at evaluating the current regional state of typical productions, has given incentive the initiative, recognising in it a further opportunity to place these products on the market. In the partnership, the role of *UniCoop* is not limited to ensuring the marketing, characterised by ever more intense consumer advertising, but is also aimed at supplying the producers with information on aspects of product quality improvement, an interaction which is also sanctioned by participation of the farmers' associations in the agreement.

The initiative assumes an important significance in terms of diversification of the forms of supply of these products. This significance also results from the great organisational implications that the initiative has on the undertaking of supply : a marketing strategy for fresh fruit and vegetable products which provides for expansion of the variety of offerings for each typology of product, management also of small supply volumes and respect of seasonal production of products, imposes adjustments to the traditional system of provisioning, based on purchase of large lots from a few operators in order to assure adequate and constant supply, diminishing monetary and transaction costs. The

achievement of the initiative was made possible by the organisational flexibility reached by supermarket chains, which have developed direct supply relationships between producers and points of sale, eliminating passage of the product through central supply depots.

3.4.2. The product

The range of products offered is not limited to fruits and vegetables, but is augmented by other PDO and PGI regional productions, including oil, cheeses, fresh meat and sausages, cereals and canned vegetables. In some cases, as in that of fruit and vegetable production (ex. the "zolfino" bean, the *Florentine costate tomato*, the *Lari cherry*, etc.), the limited production permits marketing of these products only in a few of the points of sale of the entire chain (1-2 supermarkets). The seasonal presence of these products is also noticeable.

The fresh products are always offered in self-service displays, and this has been another factor that has made it possible to create a supply relationship also with small producers who could not guarantee the necessary packaging services.

3.4.3. Market position

Within the broad strategy of improvement and enhancement of the quality of food products as an instrument for winning the loyalty of a growing segment of consumption¹⁶, the introduction and promotion of typical Tuscan products for *UniCoop* is an important opportunity to reinforce its presence on the regional market. Starting from the awareness that the Tuscan consumer who shops at modern supermarkets pays particular attention to local typical products, the initiative proposes to reinforce this consumption and, especially to broaden the area of consumption compared to the area of production, promoting purchase of typical products originating also in other regional production contexts.

In this direction, marketing activity finds a first important lever in the presence within the regional territory of many traditional productions for which there is frequent coincidence of the area of production and that of consumption¹⁷. Besides this aspect, the renown that the product of a specific locality has acquired on non-local markets, especially through traditional supply chains¹⁸, assumes special importance, particularly when supply of the product exceeds local demand.

3.4.4. Consumer relations

The advertising strategy provides for a series of initiatives aimed at informing-educating the consumer, enabling him to recognise and appreciate the qualitative and organoleptic characteristics of the various local typical products and to know the best times and methods of consumption. This is an advertising strategy that is addressed in particular to the "local" consumer, whose purchasing behaviour shows him not very open to new consumption experiences (ex. typical products from other localities).

Specifically, in its own points of sale, *UniCoop* promotes days for tasting and presentation of information on the characteristics of Tuscan typical products and the methods of use best suited to those products, with invited guests who are known in the world of regional gastronomy (restaurateurs, butchers, pork butchers, cheese producers, etc.). Within the realm of these initiatives, along with the promotion of the requisite of typicality of the products, support is given for the recovery of a knowledge that has been progressively lost by the consumer, the seasonal nature of the fresh products, which is considered and presented as an indispensable element for better appraising the qualitative characteristics of the products themselves.

3.4.5. Product quality construction

The reference context is, therefore, that of an important supermarket chain committed, in a setting of growing horizontal competition, to a strategy of differentiation of its marketing policies and, therefore, to nurturing loyalty in its customers, based on quality of the products offered. Implementation of that strategy is expressed, on one side, by the strong advertising commitment to consumers, in activities of food and cultural education, on the other, in a close relationship with producers, who are guided in the process toward conformity of their production processes. Through this strategy, *Coop Italia* has managed to achieve a role in the forefront, as authoritative actor in the agro-food system, expert in the field of quality improvement of food productions.

In the specific case of the promotion of consumption of regional typical products carried out by *UniCoop*, the operation is distinguished by a closer bond with the territory and, within this, by the interaction among a greater number of actors. Along with local producers,

with whom a direct relationship is established through an adjustment in the traditional organisational schemes of the chain and with reference to a formalised agreement with the associations of the various categories, a considerable importance is assumed by the actors of an institutional nature. The public institutions, who are aware of the opportunities associated with promotion of typical productions within the context of a more general strategy to promote rural development, are doing their utmost to set up an adequate instrument of standards and to create a network of relationships between actors sensitive to these themes and able to contribute actively and concretely. In this sense, collaboration with individuals who are very familiar with the purchasing behaviour of Tuscan consumers and, and who also have the marketing capacity and instruments to orient and strengthen consumer sensitivity toward typical local productions were of fundamental importance for the success of the initiative.

In addition to public institutions, a considerable role is played by pressure groups such as *ArciGola*, which has for some time been carrying out initiatives to sensitise consumers to qualitative characteristics of the products and their methods of consumption, and, more generally, to sensitise public opinion to the cultural and social value of food and gastronomic heritage. The collaboration of that authoritative association with *UniCoop*, a consumption cooperative which, among the objectives of its company mission, places attention to the needs of consumers in a position of primary importance¹⁹, and obviously carries a great deal of weight in the orientation of consumers and, more generally, for its influence on the consumption models that, even on a regional scale.

4. AN OVERALL EVALUATION

The above cases give an idea, even if incomplete, of the diversity of organisational solutions that the relationship typical productions-consumption can assume, to which corresponds the presence, at times within the same distribution context, of various models of coordination and of quality conventions among the actors involved.

In the case of the typical product franchise stores, the marketing organisation aims at expanding the market of the typical products of the region in which it is located, but acting on the segment of consumers who habitually buy typical products, fond of the products of their own territory but also open to new experiences. The new

context of coexistence of local and non-local typical products causes the convention on the quality of the products to be based on different elements. From the point of view of the consumer, the sense of belonging to the territory and knowledge of the products play a fundamental role, for the non-local products what counts is the quest for typicality and, within that, willingness to experiment. In the relationship with the retailers, the highly specialised assortment offered plays in favour of a relationship of trust, based on the reputation that the merchants acquire in this way and on sharing of values ; within this relationship, the ability to impart information about non-local products compensated for the physical and cultural distance between production and consumption.

In the case of the computer sales, the virtual bond between the product, the place of purchase and the consumer is given substance by the relationship between marketing organisation and consumer. The attitude of inquiry of the expert consumer, open to new experiences, is in this case, even more marked, so much so that as to have him accept an impersonal situation for making purchases. The arrangement that is created with the vendor, and indirectly with the world of production, in addition to shared values, is strongly based on the personal reputation that the organiser of that system of distribution enjoys, and from this arises the absolute trust in the qualitative requisites of the products, even in the absence of institutional guarantees, frequently the situation in the case of very small typical productions. Besides these aspects, the trust deriving from the guarantees offered by the quality of service contributes to the acceptance of the innovative character of this form of distribution.

In the case of the sales network of the cooperative of milk and cheese producers, both the strong territorial character of the offerings and the identification of the distributors in the producers play a key role in the relationship that is created with consumers. The first aspect is expressed differently according to whether or not the consumer comes from the area of production : if the consumer is from the area, the sense of belonging and of shared knowledge and traditions is strong and gives rise to a situation of total trust and also to a knowledgeable evaluation in the purchasing phase ; in the case of consumers from outside of the area, the attraction to the characteristics and the image of the products and, at the same time, the need for information

prevail, aspects which, for different reasons lead, in any case, to a relationship based on trust. The emphasis placed on the close ties to production, from which spring the association of the product quality with the characteristic of authenticity, with the traditional nature of the production processes, with its social value lead in this direction.

In the case of promotion of regional typical products by a supermarket chain, we have before us an experience that looks at, on the one hand, the evolution of the already consolidated relationship between distribution operator and frequenters of the points of sale, on the other, participation of other actors. The distribution-consumer relationship sees the distribution chain

performing an activity of education of the consumer (an attentive, but not necessarily expert, consumer and not always open to non-local typical products), in an actual action of marketing awareness ; in this setting, the trust and the reputation that the chain enjoys play a fundamental role. However, the actions, more or less direct, taken by institutional agents that intervene are equally important : the public body, that introduces elements of institutional guarantee and reinforces the contents of belonging to the territory and of sharing of social values of the productions ; the consumers' association the reinforces knowledge and also promotes the agreement on shared values (protection and promotion of the natural-gastronomic heritage).

NOTES

- (1) In the theory of conventions, the construction of quality implies/derives from one or more forms of coordination among the actors who can assume various characters (be more or less extensive, more or less stable in time, more or less institutionalised). In the agro-food system some principal coordination models have been recognised to which respective conventions on quality correspond (Boltansky et Thévenot, 1987, 1991 ; Eymard-Duvernay, 1989 ; Sylvander, 1995) – *market conventions, domestic or interpersonal, civic, industrial, of opinion*- in relation to various criteria that guide the actors in the interaction for the definition and management of quality.
- (2) The perception of the characteristics of typical products, based on experience and/or knowledge, has been reinforced by institutional forms of qualification of products of specific quality, such as the protected denomination of origin and the protected geographical indication, which, in a context characterised by distancing of the world of production from that of consumption, serve to communicate and guarantee those characteristics to consumers, thus promoting de-localisation of consumption of the local product while maintaining territorial identity of the products (Sylvander, 1995 ; Letablier et Delfosse, 1995).
- (3) Regions of the Italian North-East.
- (4) The "*Buon Appetito*" society provides assistance both in the opening phase and in that of management of the store, supplying a series of services and materials : advice in the selection of the location and commercial space, concession of signs and decorations, supply of equipment, training courses for sales help, organisation of promotions.
- (5) The franchise contract provides for purchasing loyalty for products from the main office list for at least 75% of turnover. In a "*Buon Appetito*" delicatessen in Tuscany, local typical products are sold, such as "*Lardo di Colonnata*" ("*Colonnata Lard*"), supplied by a well-known producer in the area and, in the summer, prepared dishes of Tuscan gastronomy are supplied by a local company.

- (6) The one-week training course is designed to instruct local sales help in the particular characteristics of the typical products offered. The courses are based on a series of tastings aimed at having sales help come to know and appreciate the products and the relative methods of consumption so that they will be able to pass this knowledge on to the customers in the points of sale.
- (7) Tombolini was called as supervisor in nine *Taste Workshops* at the 98 edition of the *Taste Show* in Turin, one of the most important appointments of this sector.
- (8) The society has its headquarters in Loreto, in the province of Ancona, in Central Italy.
- (9) From a small cheese factory supplier of Bettelmatt that produces 15-20 q of cheese per year to the cottage industries that supply exclusive products in limited quantity, as in the case of the dressed pork factory in Greve in Chianti (FI) that has 15 employees and produces particular dressed pork products from an autochthonous breed of pig, the Cinta Senese.
- (10) This Atlas was edited by Corrado Barberis, Director of the National Institute of Rural Sociology.
- (11) The D.Lgs. 15/10/92 n.50, equates on-line business with correspondence sales and defines consumers' rights concerning returns. *Esperia* goes beyond these legal guarantees permitting the purchaser to :
 - Return the merchandise even after the seven days provided permitted ;
 - Communicate the desire to take advantage of the right to return even by fax, telephone or electronic mail and not just by registered mail with a return receipt as stated in the law ;
 - Takes back merchandise with no added expense in case of customer dissatisfaction, even if it has opened and tasted.
- (12) The delivery of goods is the responsibility of the headquarters, which it makes with its own trucks to its points of sale on a bi or tri-weekly basis.
- (13) Although the production of mozzarella is now spread throughout all of Italy, the image of a traditional production remains alive in some areas of Southern Italy, to which superior organoleptic qualities are attributed. Even more specific is the renown of mozzarella made from buffalo milk, whose production, traditionally located in lower Lazio (including the province of Latina) and in Campania, obtained the PDO in 1993.
- (14) Retail prices of the products are established by the Cooperative and vary from city to city. In the Parisian points of sale, the prices are estimated 30% lower than the average price for the same type of product.
- (15) The notoriety of this product has infected the English Royal House, which is supplied directly by a local production company.
- (16) The introduction of the line "*Prodotti con Amore*", ("*Produced with Love*") including fruit and vegetable products, oil and meat, obtained with techniques employing reduced use of synthetic chemical substances and with specific production disciplines aimed at safeguarding, in every aspect, the organoleptic, health-hygiene and ethical quality of the products is a full expression of this strategy.
- (17) This phenomenon can be traced to the strong sense of belonging to the local community which characterises Tuscans, and which is also expressed in behaviour in consumption : "*It can be said that many zones that make typical products want only those and consume only those ; in Lari they eat only their own cherries and the same can be said for other Tuscan localities. S. Sepolcro, a town in Tuscany on the border of Umbria and the Marches, would be a considerable market for dressed pork products if it were not so attached to its own product [...] This explains the difficulty of the big multinationals in moving into our market ; they don't understand the need to have and want so many particular and distinct products around them*" (head of purchasing of UniCoop, Firenze).
- (18) In this sense, the following example is significant : the Lari cherries (which come from a locality a few kilometres from Empoli) are currently marketed in the supermarkets in the city of Florence and not in those of Empoli, because the Florentine consumer is able to appreciate the quality and characteristics of this product better than the consumer from Empoli. The greater esteem of the product by the Florentine consumer has a historical origin : when the predominant form of distribution was traditional retail, Florence was always the most important outlet for Lari cherries whose origin was assured verbally to the consumer by the retailer himself. Many Florentine consumers internalised this information and made it part of their personal knowledge ; information which has not been lost even with the development of modern distribution which can, today, make use of this element to recover this segment of consumers.
- (19) In this sense, we remember that *Coop* was the first chain to introduce a seal of approval on the quality, hygiene and wholesomeness of fresh products as well as the first chain to introduce self-service for fruits and vegetables.

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