Perspectives of Traditional Food Supply Chains on the European Market

Edited by Alessandro Banterle and Xavier Gellynck

Papers prepared for presentation in an organised session at the XIIth Congress of the European Association of Agricultural Economists “People, Food and Environments: Global Trends and European Strategies”

Ghent, Belgium, August 26–29, 2008
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Introduction

In recent years consumer interest in food quality has been increasing, and traditional food products (TFPs), which are linked to regional specificities and cultural and gastronomic heritage, are playing a growing role in the EU market as they are connected to the evolution of consumer preferences. TFPs are considered as being produced locally through an authentic production process and constitute a relevant share of EU food production. Most traditional producers are SMEs, that represent the greater part of the EU food sector. SMEs are facing growing competition in the European food market, related particularly to globalisation; nevertheless, SMEs can take advantage of the traditional food market opportunities by adapting their strategies to the evolution of demand, and by being part of a well-performing supply chain.

“Perspectives of traditional food supply chains on the European market” is the topic of an organised session, accepted after the review process, at the XIIth Congress of the European Association of Agricultural Economists “People, Food and Environments: Global Trends and European Strategies” (Ghent, Belgium, August 26-29, 2008). This book collects five papers prepared for presentation in this session.

The session focuses on different aspects of the traditional food market, considering consumer perception, SME marketing capabilities, supply chain performance, concerns regarding quality signs, and consumer acceptability of traceability. The variety of TFP-related economic issues that are explored leads to different theoretical approaches and methods used in analyses.

The topic of the organised session is in line with an integrated European research project belonging to the 6th European Framework Program, called Traditional United Europe Food (Truefood). This project aims to improve, through innovation, the competitiveness of the traditional food sector, especially with regard to quality and safety attributes. A brief presentation of the Truefood project follows this introduction. The first three contributions were developed in the context of this project. The session participants include not only Institutions that
are part of the Truefood project but also groups from other Universities and Research Centres. Moreover, a contribution is supported by another European research project, called Trace.

The organised session provides the opportunity to exchange ideas, methods and results concerning TFP issues, involving agricultural economists from five Departments of Agricultural Economics of European Universities (Universities of Ghent, Milan, Nice, Clermont, and Reading) and five research centres (IRTA Monells-Spain, Nofima Food-Norway, Gredeg/Cnrs-France, CCH-Hungary, and PEG-Italy). Therefore, this book aims at promoting discussion on TFP economic issues, and takes into consideration the fact that in some cases the results are preliminary. Indeed, discussion can improve contributions and provide ideas for further research.

The book is organised as follows. Chapter 1 regards the consumer-based definition and the general image of traditional foods in Europe, with a contribution by F. Vanhonacker, W. Verbeke, V. Lengard, L. Guerrero, and M. Hersleth. The marketing management capabilities of SMEs are analysed in chapter 2, with a contribution by A. Banterle, L. Carraresi and S. Stranieri. Chapter 3 focuses on the determinants of chain performance in the European traditional food sector, with a contribution by A. Molnár, X. Gellynck, A. Sebők, T. Kuti, and V. Piana. Agro-food's quality signs and free movement of goods, considering the strategies for the European operators, is the subject of chapter 4, with a contribution by C. Charlier and M. Ngo. Finally, chapter 5 analyses how modernity is accepted by consumers with respect to traditional food products, considering the case of traceability, with a contribution by R. Halawany and G. Giraud.

I am grateful for the collaboration of the contributors and wish to thank Prof. Bruce Traill, University of Reading, for accepting the role of discussant in the organised session, and Dr. Daniele Rossi, Federalimentare, for the coordination of the Truefood project.

Milan, July 2008

Alessandro Banterle
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The European research project
Traditional United Europe Food (Truefood)

Truefood – Traditional United Europe Food – is an Integrated Project (IP) financed by the European Commission under the 6\textsuperscript{th} Framework Programme for RTD. The project started 1 May 2006 and will last 4 years.

The overall aim of Truefood is to introduce suitable innovations into traditional food industry to maintain and increase the competitiveness of the industry in an increasingly global European market place.

This will be achieved through close integration of R\&D activities, demonstration, and training and dissemination activities. The project is coordinated by the European Economic Interest Group SPES GEIE comprising 11 European Food and Drink Federations.

The project partners are “centres of excellence” in food related R\&D, with strong experience in the European traditional food sector. Truefood represents a unique and pioneering initiative because it directly involves the SMEs which are a large part of the European food industry, but normally do not have such direct access to the benefits of high quality R\&D.

One of the main challenges in traditional food production is to improve competitiveness by identifying innovations which comply with EU safety policies and regulations and guarantee the safety of traditional food products (TFPs), while at the same time meet general consumer demands and specific consumers expectations and attitudes to innovation in TFPs.

This is not an easy task. Consumer expectations are sometimes contradictory. For instance, traditional food consumers demand products, which are completely safe with respect to microbiological hazards but are also minimally processed, free or low in preservative content and of high nutritional and sensory value.

This is a particularly challenging task for SMEs, which constitute the majority of European traditional food producers and processors.
Research into safety innovations has mainly focused on the needs of large-scale production and processing systems, and SMEs often lack the facilities or capital to establish facilities for microbiological or toxicological safety assurance systems.

In addition, recent studies have indicated that many sectors of the traditional food industries have done little to identify and introduce innovations in primary production or processing that can increase nutritionally desirable compounds (e.g. antioxidants, vitamins) and reduce nutritionally undesirable compounds (e.g. salt, sugar, pesticides, saturated fatty acids), while maintaining or improving their sensory qualities.

A central goal of the EU policy is therefore to increase the competitiveness of the traditional food sector via improvements in food safety and quality characteristics that can be translated into consumer demand. The Truefood project focuses on supporting this European strategy.

Truefood aims to improve quality and safety and introduce innovation into traditional European food production systems through research, demonstration, dissemination and training activities.

Traditional food products intends to include not only protected and patented food, but also all regional and national products in cooking traditions.

The project focuses on increasing value to both consumers and producers and on supporting the development of realistic business plans for all components of the food chain, using a farm to farm approach.

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1. Consumer-based definition and general image of traditional foods in Europe

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Abstract

Traditional food products (TFP) represent a growing segment within the European food market. Nonetheless, empirical evidence about how European consumers define and perceive the concept of traditional food products is largely missing. In response, cross-sectional data with representative consumer samples in six European countries (Belgium, France, Italy, Norway, Poland, Spain) was gathered through a survey in November 2007, yielding a total sample of 4,828 subjects (around 800 per country). The objectives relevant to this paper are twofold. First, we wanted to quantitatively validate a cross-European consumer-driven definition of the concept of TFP. Second, we were interested in the general image of TFP and the product attributes contributing to their image. European consumers defined traditional foods as well-known foods, foods that one can eat often and that were eaten already by our grandparents. Consumers also indicated an overall very favourable appreciation for TFP. Sensory, health and environment-related attribute perceptions contributed positively to the image of TFP, whereas perceived convenience, price, and availability contributed negatively to the TFP image. The findings reveal some country-specific particularities and explain the growing, though internationally diverging market share of traditional foods on the European food market. Cross-country differences depend on cultural heritage and regional specificities and provide valuable input for R&D, product positioning and marketing and communication related to traditional foods in Europe.

Keywords

Traditional food, Consumer, Europe, Definition, Image, Perception, Survey.

JEL
D12, Q13, Q18
1. Introduction

Traditional food has evolved into a specialty food category, whereas it was the main and commonplace food category in the first half of the nineteenth century (de Vlieger et al., 1999). Several evolutions like the invention of food preservation technologies, refrigerators, the industrialisation with the corresponding homogenisation and standardisation (Cayot, 2007), and the consumer demand for mass consumption products in line with changing lifestyles were at the base of the declining importance of traditional foods and traditional dietary choices (Jordana, 2000).

However, in the last decade, a growing demand for traditional food is witnessed with bright perspectives for further growth in the near future, probably due to an opposite consumer reaction to the excessive homogenisation created by consumerism or due to a desire to return to the roots (Jordana, 2000). Next to these promising perspectives, traditional food is also linked to a positive general image with distinct characteristics and a high quality (Guerrero, 2001; Roininen et al., 2006).

In order to anticipate on the potential market success factors and unique selling propositions that traditional food clearly contains, it is important to know how this food category is defined and perceived by consumers (Guerrero et al., 2008). In literature, only a very limited number of attempts has been made to cover the issue of defining traditional foods from the consumers’ perspective (e.g. Bertozzi, 1998; EU, 2006; 2006; EuroFIR, 2007). Seen the strong linkage of traditional food with culture and culinary inheritance, a definition should be constructed covering the concept as perceived from different national and cultural backgrounds.

Besides the relevance of providing an agreed-upon and quantitatively validated consumer definition, it is important to gain insights in which product attributes contribute positively or negatively to the general image of traditional foods among European consumers.

As a consequence, the aim of this paper is twofold and will be met through a quantitative analysis of a large pan-European consumer dataset covering the European countries Belgium, Italy, France, Spain, Poland and Norway. First of all, there will be searched for a consumer-driven definition for the concept of traditional food. This definition is expected
to be multi-dimensional and reflecting to the consumers’ interpretation independent of country, culture or region. In order to do so, we will start from two existing qualitative definitions of TFP. A first one was obtained through qualitative consumer research conducted during 2007 in the same six European countries (i.e. Belgium, Italy, France, Spain, Poland, Norway) (Guerrero et al., 2008):

“A traditional food product is … a product frequently consumed or associated to specific celebrations and/or seasons, normally transmitted from one generation to another, made with care in a specific way according to the gastronomic heritage, with little of no processing/manipulation, that is distinguished and known because of its sensory properties and associated to a certain local area, region or country.”

In parallel with this, a definition from the supply chain’s perspective was developed through a qualitative brainstorm session with traditional food chain stakeholders (Truefood, 2006). This definition involved four dimensions: (1) local production; (2) authenticity of the product; (3) long commercial availability; (4) association with gastronomic heritage.

The second aim of the quantitative study was to assess the image of traditional food, both in general terms and more detailed in terms of product attribute perceptions, together with providing an investigation of the specific product attributes’ perceptions contributing to this general image. Study results will be discussed on country-level, while a cross-country comparison will be provided in the discussion section.

2. Material and Methods

2.1 Research approach and sampling

Quantitative descriptive data were collected through a cross-sectional electronic consumer survey with samples representative for age, gender and region in Norway, Belgium, France, Spain, Italy and Poland. The age range of the population was defined as 20-70 years. Total sample size was 4,828 respondents, i.e. around 800 respondents in each of the six considered European countries. Data collection was performed during the period from October 25 until November 9, 2007 (Vanhonacker et al., 2008).