

## ARE CONSUMERS IN SLOVENIA CONCERNED ABOUT THE MOUNTAIN QUALITY FOOD?

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### **Abstract**

Recently, several studies on Mountain quality food products (further referred to as MQFP) emerged EU wide, especially after the EU charter of MQFP was established. In Slovenia, the first studies on MQFP were implemented in the frame of the EU FP6 EuroMarc project, started in 2007. After the project scope, the importance of MQFP is much more extensive than only according to purchase and consumer perceptions, thus the developing of mountain food products is also the developing of mountain areas and therefore part of broader rural development issues. In the paper, the first consumer analyses are presented, with the aim to find out whether consumers are sensitive to such products at all and to find out whether there exist some positive synergies between consumers and area of origin. The consumer analyses were carried out on the basis of questionnaires, and the data is presented with the descriptive statistic. The results show that consumers have in general a very positive perception of MQFP, although they do not know what exactly the characteristics of MQFP should be. As regards the synergies between the area of origin and the purchasing of MQFP, the results differ according to the area the respondents come from (e.g. mountain, non-mountain areas).

### **Keywords**

mountain quality food product, Slovenia, consumers

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## **1. Introduction**

In the paper, some research results of the 6 FP project – Euro-MARC: European Mountain Agrofood products, Retailing and Consumers are presented, with the emphasis on the national (Slovene) level. The main goal of the project is to assess the perception and interest of European consumers in mountain quality food products in order to find ways for adding value to mountain food products as a prerequisite for the survival and the management of rural and cultural mountain diversity (Euro-MARC proposal No. 44279, 2006).

With the aim of a comprehensive evaluation of present conditions and future prospects of MQFP across Europe, a representative overview of the different meanings of MQFP along the food chain is covered within the project, by:

- Assessing the European consumers' interest, perception and expectations regarding quality-food products from mountain areas.
- Identification of retailers' interest and practices regarding mountain quality-food products.
- Analysis of attitudes and strategies of supply chain actors regarding mountain quality-food products.
- Identification of factors for success or failure of local initiatives devoted to the marketing of mountain quality-food products.
- Screening of EU, national and regional policies dealing with mountain area development.

From 2002 to 2004, EUROMONTANA led a project on "Strategic information for the development of agricultural quality products in European Mountain Areas. This project has led among other to the establishment of the European Charter for Mountain Quality Food Products (2005). This charter is a first step towards a coherent European instrument for development, promotion and protection of mountain quality food products. The term «mountain quality food products» (MQFP) is explained in the Charter as follows:

- Manufactured using raw materials produced exclusively in a mountain area, as defined in the framework of Regulation EC 1257/99, with the exception of raw materials which, for natural reasons, cannot technically be produced in a mountain area. Animal production in mountain areas must always demonstrate a link with the mountain territory.
- All stages in the processing have to take place in a mountain area.
- Enterprises and farms which process primary agricultural resources in order to manufacture mountain products have to be adapted to their geographical environment.
- The production and processing structures for mountain food products must encourage in their activity the maintenance of biological, genetic and cultural heritage of mountain areas, the development of the local knowledge-based management of rural areas and landscapes.
- Enterprises and farms which produce and/or process primary agricultural materials for mountain product must be able to ensure traceability to provide transparent provision of all information relative to the product's manufacturing conditions.

## **2. Methodology**

For the market analysis of MQFP, the following levels of the chain were analysed:

- Consumers,
- Producers,
- Processors,
- Retailers, caterers.

Data was gathered face to face and by postal interviews. Semi-structured and in-depth cases were analysed, followed by content analysis and coding with CAQDAS Atlas.ti. Furthermore, for the analysis of availability and positioning of MQFP, shelves surveys of 1,765 products around EU were implemented. Meta analysis of country surveys, statistical analysis and hedonic price regression analysis followed the data gathering by the respective project partners.

### **3. Mountain quality food products in Slovenia: (non) existence, spreadness and importance**

The analysis of Slovenian study cases has led us to assume that MQFP could in the case of (prevailing) small scale producers offer a new way of networking in rural areas. Transactions conducted between small scale producers and their customers should serve as a new path with interactions that go beyond strict economic valuation for both parties involved. As pointed out by Ilberry and Kneafsey (1999, 47), small-scale food producers are imputed with being profit sufficers rather than profit maximizers. The idea of social embeddedness of such food chains in Ireland is developed by Sage (2003, 48), while he correctly emphasises marketness and instrumentalism as necessary qualifiers of embeddedness. The findings by Ilberry et al (2004, 340) suggest that the socio-economic values can be gained by localising, shortening and synergising the food chain (in the lagging rural regions), but there are also important barriers that question the emergence of such an agrarian based rural development dynamic. These include the small number and size of "alter-native" producers in both locales, with most still locked into industrial forms of production; the restrictive influence of bureaucracy; the shortfall of key intermediaries in both regions' food chains; and the poor provision of key physical infrastructures (e.g. roads, railway and telecommunications). When analysing the attitudes and strategies of supply chain actors regarding mountain quality-food products in Slovenia, the negative influence of bureaucracy and lack of key intermediaries were commonly noted among these barriers by the majority of supply chain actors.

Still, quality food might become the basis for a new economic dynamic in areas largely bypassed by the productivist logic of treadmill agriculture and mainstream agribusiness (Ilberry and Kneafsey 1998, 335). It may also offer opportunities for building synergy with new fields of activity such as rural tourism that engage with the gastronomic landscape (Brunori and Rossi 2000, 420) – another issue which was raised by many Slovene interviewees (see also Amilien, Schjøll, Tebby 2009, 8-53).

When describing MQFP in Slovenia, the following major characteristics should be pointed out:

- Small scale production in majority of cases.
- Lack of coordinated management at all levels of supply chain – lack of closer cooperation of actors along the SC.
- Direct selling on the farms.
- Supply often lower than demand.
- Lack of use of European and domestic designation by producers – small scale

farmers are reluctant to increase the promotion as they fear they will not be able to increase volume.

- Mountain image used as a marketing tool for differentiation more often than as a prevalence of true mountain origin.

#### **4. Slovene consumers' perception of mountain quality food and how it is influenced**

To obtain some general idea about consumers' interest, perception and expectations regarding Mountain Quality Food Products, several focus groups were organised in rural as well as urban regions. The results of focus groups also served to a certain extent for the preparation of the questionnaire. Web-based survey included 303 consumers with the demographic characteristics represented in the Tab. 1 and the age structure of the consumer sample represented in the Fig. 1.

Tab. 1: Demographic characteristics of consumers.

Demographic characteristics	Profile	
Mountain area resident or non-resident	50% mountain resident	50% non-mountain resident
Gender	50% female	50% male

Focus groups were divided on:

1 - "Connoisseurs" interested in mountain food products; some of them are professionally engaged in MQFP - high level of awareness and involvement. Their opinion was well defined according to the interviewees' statements:

- "A mountain food product is like home made bread, which smells like the hands of the woman who has made it. It has a strong personal note – a lot of hard work is incorporated in it."
- "As soon as our products become available widely in stores, we will lose authenticity... Intensification of primary production might decrease the quality."
- "Mountain" does not only mean a landscape, tasteful food, kind people, personal relaxation, clean air or intact nature but also a lot of hand work, isolated farms, bad connections, hard conditions for farming, steep meadows and pastures."

2 - "Ordinary consumers" from a mountain area - relatively high level of awareness and average level of involvement. This is reflected in the following statements:

- "Are mountain food products really better than others? They are not necessarily purer..."
- "What is the proper definition of mountain areas?"
- "For sure mountain farming is more demanding than farming in a flat area, but I am not certain that I would specifically look for mountain products on the shelves..."

3 - "Ordinary consumers" from an urban area - relatively low level of awareness and low level of involvement, with presence of scepticism. This is reflected in the following statements:

- "I have never thought of mountain food...Actually I need to think which products I can consider as mountain food. I know that "... (Brand name)" is not produced by mountain farmers."
- "I want to buy food close to my home – that is important. If mountain food was available in the nearest supermarket and presented to me as something "better", I would buy it."

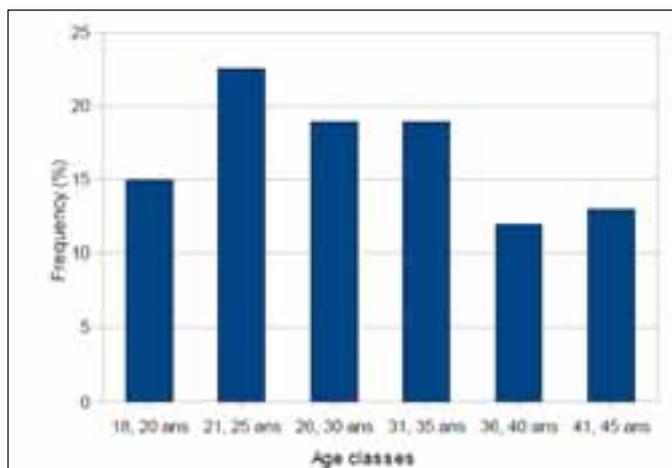


Fig. 1: Age structure of consumers.

Before studying what the respondents think about mountain food, it is interesting to know what they expect from a food product. For that purpose, the priorities when choosing food were examined in the questionnaire. The respondents gave a great importance to the origin of food, to the Slovene origin more than to the local. We could also determine a preference for healthy products with a minimum of additives (average rank of 4 for a small amount of additives as a priority when choosing food). The factors relative to the market and marketing came next. First the price (which is the third most important factor) and then the appearance and the well-know brand in a smaller degree. In addition to that, ethical factors such as environmental friendly production and short distance from producer to consumer and support to small scale production were relatively well ranked. However, short distance from producer to consumer and support to small scale production were considered to be less important than environmental friendly production. Considering all these factors, the respondents seem to prefer Slovene healthy products which are available at an attractive price and are environmental friendly.

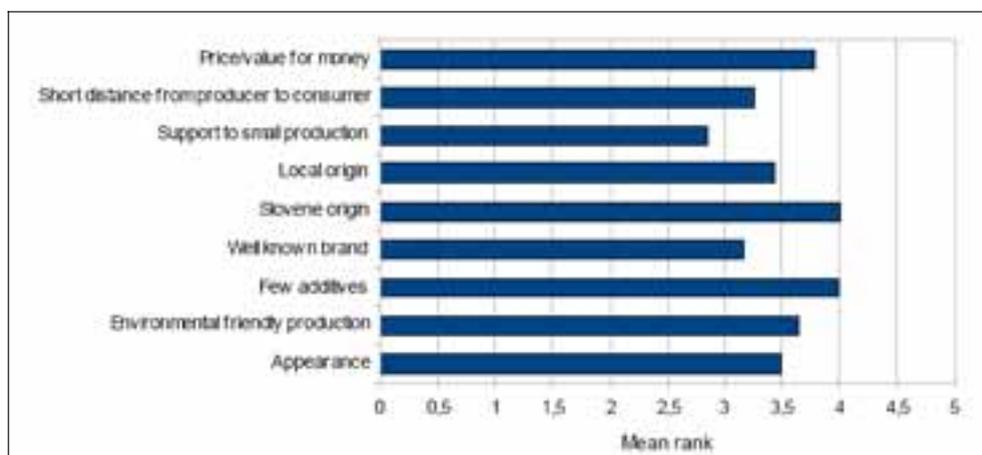


Fig. 2: Average rank of priorities when choosing food (1=not important, 5=very important).

The knowledge of the respondents on mountain quality food products was tested with the series of statements about mountain food quality products and respondents had to rank each of them (from 1 "strongly disagree" to 5 "strongly agree"). With the help of these questions it is possible to have an idea of the respondents' knowledge on mountain quality food characteristics as defined by the charter.

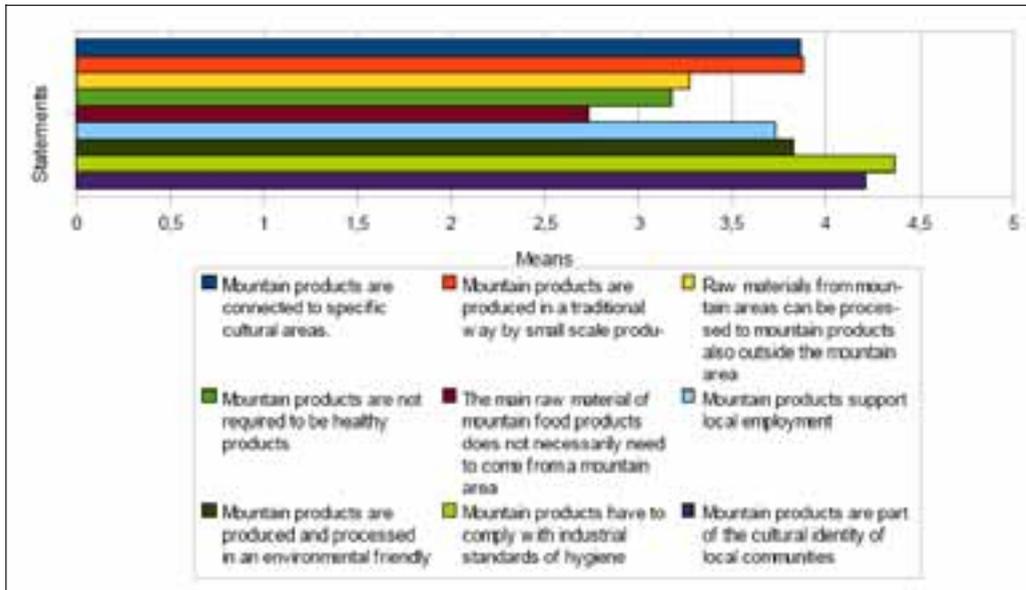


Fig. 3: Degree of respondents' knowledge on the characteristics of mountain quality food products.

One of the aims of the questionnaire was also to find out what consumers associate with the concept of mountain quality food. The question was of an open kind, with max. 3 answers possible.

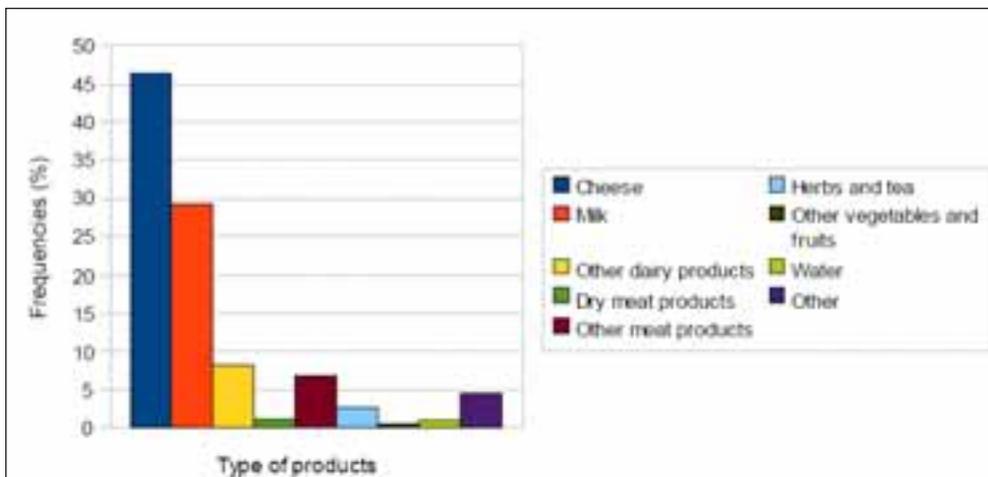


Fig. 4: Repartition of proposed type of a mountain quality food or drink product.

A large majority of the respondents associated cheese and dairy products in general with the idea of MQFP. It is interesting to note that some products, such as Alpsko Mleko (Alpine Milk brand from the Ljubljanske Mlekarne dairy) for example, were often cited by the respondents although they did not have any real connection with mountain as "simple" generic products. The brand name and the picture on the packaging recall a mountain and thus this image is efficiently used as a marketing tool to catch the consumer's attention.

In general, the respondents have a relatively good knowledge on mountain quality food products, they agree with the definition of mountain quality food proposed by the statements in the questionnaire (the average responses are superior to the rank 2.5). The respondents are in general more aware of the traditional level and the link to a specific cultural place (part of the cultural identities, connected to specific cultural areas). It seems that they mainly understand the term quality as complying with industrial standards of hygiene, one of the most usual views of quality (Prigent-Simonin and Herault-Fournier 2005). On the other hand, the rules concerning localization of production and origin of raw materials are the least known by the respondents.

### **5. Use of "mountain" resource in business strategies of various actors along the food supply chain**

Farmers tend to assume that if their products are sold in mountain regions, the mountain origin is self evident. They often benefit from a higher producer price, but have lower sales volumes and higher production costs, especially for transports. Gaining additional land resources for the production increase is one of the problems often emphasised by Slovene producers. Processors often mention tourism as an important target for communication and perceive higher product quality as a benefit, whereas higher transport costs represent their main problem. Retailers see the benefit of using »mountain« resource mainly in the possibilities of product differentiation – key for the survival especially for small volumes, short supply chains (see also Matscher, Schermer, Steinlechner et al. 2009, 18-102).

### **6. Conclusion**

Do mountain products represent a possible tool for maintenance/ increase of viability of (mountain) rural areas? The production and marketing of explicitly designated "mountain products" could strengthen the identity of the areas where the products come from – especially for consumers outside the mountain areas. MQFP usually have a tradition and a (hi)story behind. When passing these to all the levels of the supply chain, with the emphasis on the final consumer, this MQFP background should promote and result with economic and social premium for the producers. As they stay and nourish the (lagging) rural mountain areas, the collaboration of agricultural activities with tourism and mutual development becomes logical.

The targeting of MQFP, the creation of specific supply chains consisting mainly of small scale enterprises, including enterprises which manufacture equipment and materials needed as inputs, become a necessity for satisfying the needs of producers, final consumers and intermediaries.

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## **ARE CONSUMERS IN SLOVENIA CONCERNED ABOUT THE MOUNTAIN QUALITY FOOD?**

### **Summary**

Part of the research results of the 6 FP project Euro-MARC: European Mountain Agrofood products, Retailing and Consumers, are presented in the paper, with the emphasis on the national (Slovene) level. The main goal of the project is to assess the perception and interest of European consumers in mountain quality food products, in order to find ways for adding value to mountain food products as a prerequisite for the survival and the management of rural and cultural mountain diversity (Euro-MARC, proposal, No. 44279, 2006). Several studies on mountain quality food products (further referred to as MQFP) emerged EU wide, especially after the establishment of the EU charter of MQFP. In Slovenia, the first studies on MQFP were implemented in the frame of the EU FP6 EuroMarc project, started in 2007.

For the market analysis of MQFP, the following levels of the chain were analysed: consumers, producers, processors, retailers and caterers. In the paper, an emphasise is put on the results of consumer analysis, with the aim to find out whether the consumers are sensitive to such products at all and to find out whether some positive synergies between consumers and the area of origin exist. To obtain some general idea about the consumers' interest, perception and expectations regarding MQFP, several focus groups were organised in rural as well as urban regions. The results of the focus groups also served us to a certain extent in the preparation of the questionnaire. A web-based survey included 303 consumers.

The analysis of the Slovene study cases of MQFP supply chains has led us to assume that MQFP could in case of (prevailing) small scale producers offer a new way of networking in rural areas. The transactions conducted between small scale producers and their customers should serve as a new path with interactions that go beyond strict economic valuation for both parties involved. The findings by Ilberry et al (2004, 340) suggest that the socio-economic values can be gained by localising, shortening and synergising the food chain (in the lagging rural regions), however, there exist important barriers that question the emergence of such an agrarian based rural development dynamics. These include the small number and size of 'alternative' producers in both locales; most of them still using industrial forms of production; the restrictive influence of bureaucracy; the shortfall of key intermediaries in both regions' food chains; and the poor provision of key physical infrastructures (e.g. roads, railway and telecommunications). Among these barriers, the negative influence of bureaucracy and the lack of key intermediaries were commonly noted by the majority of supply chain actors when analysing the attitudes and strategies of supply chain actors towards mountain quality-food products in Slovenia.

When describing MQFP in Slovenia, the following major characteristics should be pointed out: small scale production in the majority of cases; lack of coordinated management at all the levels of supply chain – lack of closer cooperation of actors along the SC; direct selling on the farms; supply often lower than demand; lack of use of European and domestic designation by producers – small scale farmers are reluctant to increase the promotion, as they fear they will not be able to increase the volume; mountain image used as a marketing tool for differentiation more often than designating a true mountain origin.

Before studying what the respondents think about mountain food, it is interesting to know what they expect from a food product. For that purpose, the priorities when choosing food were examined in the questionnaire. The respondents gave a large importance to the origin, to the Slovene origin more than to the local, when choosing food. We could also perceive a preference for healthy products with a minimum of additives (average rank of 4 for a small amount of additives as a priority when choosing food). Afterwards, factors relative to the market and marketing follow. First the price (which is the third most important factor) and then the appearance and a well know brand to a smaller extent. In addition to that, ethical factors such as environmental friendly production and to a smaller degree a short distance from producer to consumer and support to small scale production are relatively well ranked. However, a short distance from producer to consumer and the support to small scale production are less graded than environmental friendly production. Considering all these factors, the respondents seem to prefer Slovene healthy products which are available at an attractive price and are environmental friendly.

In general, the respondents have a relatively good knowledge on mountain quality food products, they agree with the definition of mountain quality food proposed by the statements in the questionnaire. The respondents are in general more aware of the traditional level and the link to a specific cultural place (part of the cultural identities, connected to specific cultural areas). It seems that they mainly translate the term quality in their high ranking as compliant with industrial standards of hygiene, one of the most usual views of quality (Prigent-Simonin and Hérault-Fournier 2005). On the other hand, the rules concerning localization of production and origin of raw materials are the least known by the respondents. Beside the consumers, also other actors along the supply chain were analysed. Farmers tend to assume that the mountain origin is self evident, especially if their products are sold in mountain regions. They often benefit from a higher producer price, but have lower sales volumes and higher production costs, especially for transports. Gaining additional land resources for the production increase is one of the problems often emphasised by Slovene producers. Processors often mention tourism as an important target for communication and perceive higher product quality as a benefit, whereas higher transport costs represent their main problem. Retailers see the benefit of using »mountain« resource mainly in the possibilities of product differentiation – key for the survival especially for small volumes; short supply chains (see also Matscher, Schermer, Steinlechner et al 2009, 18-102).