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Marketing Strategy and Quality Labels in Traditional Food Industry

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DECLARATION

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Results

Questionnaire results will be presented in three parts. First, the **consumers' behaviour** towards fresh potato as well as their **quality perception** will be illustrated. The second part is focused on identifying consumers segments involved in buying LP, and their further segmentation based on intensity of buying LP. Thus, segmentation of potato consumers as well as segmentation of Lički potato buyers is presented, followed by a description of identified segments. Finally, in the last part **consumers' image of OQL** will be presented.

Consumer buying behavior towards fresh potatoes/consumption pattern

As potato is a staple food in Croatia it was no surprise that almost all participants (99,4%) answered positively on filter question about preparing potato at home. However, according to Croatian Bureau for Statistic (CBS), potato consumption in the last 10 years decreased from 90 kg per capita in 2000 to 60 kg per capita in 2009. Questionnaire results also confirm that a trend of eating potatoes in the last 5-10 years in average is in decrease (mean=2.2¹). This is specially the case in the younger age group (18-28) where almost 50% of respondents indicated that their potato consumption decreased in the last 5-10 years. It might be explained by several studies (e.g. Frenyvist and Ekelund, 2009; Jemison et al. 2008) that argue that potato has lost market shares to other kinds of carbohydrates (e.g. pasta, rice, bread et.), and that often stated explanations for it has been an increase in convenience food and appreciation of diversity of starches (Jemison et al.2008). Furthermore, Jones and Ward (1989) described growth of women in the labour force and away-home food consumption as a negative demand factors on consumption of fresh potato.

Nowadays, people mostly consume potato at home two to three times per week (50.9%). Around 20% of respondents prepare fresh potato once a week; less than 15% prepare them more than three times per week and around 35% less than 2-3 times /week. When responses were classified by age (see Table 2), responses were relatively consistent at two to three times per week. Furthermore it is noticed that younger generations (18-28) prepare potato at home slightly less frequent than elderly populations, which is reasonable because younger people don't tend to cook so much because some of them still live with their parents, or are students

¹ Trend of eating potatoes in the last 5-10 years was measured on three point scale: 1- consumption increased
2- stayed the same 3- decreased

and therefore can benefit from cheap student restaurants. Nevertheless, the fact that most of respondents prepare, and thus consume, potato at home 2-3 times per week indicates importance of potato in Croatian diet.

Table 3

Frequency (%) of potato consumption at home distributed in the age groups

Times a week	18-28	29-40	41-55	55<	Whole sample
6<	3.7	0.0	5.1	2.9	2.3
4-5	3.7	11.1	12.8	20	12.1
2-3	40.7	50.0	56.4	54.3	50.9
1	29.6	20.8	12.8	20	20.2
Less than once a week	22.2	18.1	12.8	2.9	14.5

The most preferred choices for preparing potato at home are mashed potatoes (55%) and baked potatoes (49%), subsequently followed by boiled potatoes and potatoes used in stews, salads, etc. When responses were classified by age, responses were relatively consistent as it is mentioned above.

Table 4 gives an overview of outlets for potato purchasing for a sample as a whole and distributed by the age groups. The most frequent outlets for buying potatoes are supermarket and city market. The next outlet with respected relevance is direct sale. However, its relevance is much lower than the leading two. Other outlets, such as grocery store, green market and others (i.e. produce by themselves), gained significantly less importance. It is interesting to notice that a role of supermarkets as a leading outlet varies between younger (<40) and older age groups (40<). Younger age groups are more in preference of the supermarkets than older age groups, while for older age groups the most used outlet is the city market.

Results from Kolega and Božić (2000) show that in the year 2000. the most important outlet was the city market with 64%, subsequently followed by retailers (supermarkets and grocery stores) and direct sale both equally represented by 16%.

From this point, it could be concluded that supermarket as a potato outlet increase greatly its importance, while the importance of the city market decreased. However, the importance of the city market is still high and moreover it represents a leading output within older age groups. Furthermore, the direct sale remained its medium importance as it was before.

Table 4

Frequency (%) of consumers buying in the outlet (multiple answers possible) distributed in the age groups

Place of purchase/outlet	18-28	29-40	41-55	55<	Whole sample
Supermarket	66.7	73.2	48.6	35.3	59
City market	33	30.9	51.3	50	40.35
Directly from producer	11.1	15.5	20.5	17.6	16.3
Grocery store	0	9.8	7.8	17.6	9.95
Green market	3.7	2.8	5.2	5.1	4.7
Others	0	6.3	5.2	2.6	4.4

A majority of respondents (71.9%) declared that they usually buy till 5 kg (including 5) of potato in one purchase, while the others (21.9%) prefer to buy more than 5 kg of potato in one purchase (see Table 4 for more precise data).

Table 5

Frequency (%) of purchasing amount (in kg) that consumers usually buy in one purchase distributed in the age groups

Amount of purchase (kg)	18-28	29-40	41-55	55<	Whole sample
Till 3	55.6	54.3	41.0	39.4	48.5
>3 to 5	25.9	30.0	28.2	33.3	29.6
>5 to 10	7.4	10.0	12.8	27.3	13.6
>10 to 20	11.1	1.4	5.1	0	9.95
20<	0	4.3	12.8	0	3.6

Identifying important factors/cues (both intrinsic and extrinsic) in the decision making of purchasing fresh potatoes is important because consumers acquire and categorise only limited number of available cues. Results show that the most important factors in decision making for fresh potato purchase are the following²: area/country of origin (4.01), appearance (3.89), price (3.7), official quality labels (3.65), size (3.66) and colour (3.6). On the other side, the importance of packaging, information on packaging, well known brand name, personal contact with the seller and the farmer receive low average grades (below 3 which represents neutral importance).

As it was expected that respondents will attach high importance to the area or country of origin, questions related to region and country where potato of good quality is produced were asked. Almost 50 % of respondents stated that Lika is one of the regions where good quality potato is produced. The following regions where potato of good quality is produced are

² Measured on a five point Likert scale from 1 completely not important to 5 extremely important

Međimurje (12%), Slavonija and Dalmacija (both 8%). Therefore it could be concluded that Lika is recognised as a region where potato of good quality is produced. Moreover, Lika is known about its long tradition of potato growing. It is reconfirmed by the results of a set of questions related to the perception of Lika region, which are all very positive; all three statements (see Table 2.) related to Lika were graded above neutral. Particularly two statements “Lika has an excellent condition for potato growing” and “Lika has a long tradition in potato growing” scored very high; both mean scores were above 4².

It is interesting to note, that often when one of the regions was mentioned where a good quality potato is produced, that it corresponds to respondent region of origin. Thus, it appears that respondents are in favour of locally produced potato. It might be that many people see positive economic, health, and environmental benefits in a local food system (Jones 2002; Blanke and Burdick 2005). Moreover, respondents consider potato originated from Croatia better than imported one (mean=4.05²). Thus, results show that the preference for domestically produced potato is very strong. Perhaps, in line with this, the existence of the promotional campaign of Croatian Chamber of Commerce “Buying Croatian” should be mentioned. This campaign might strengthen further already positive perception of potato produced in Croatia.

Quality perception of fresh potato

Overall, a general perception of potato seems to be slightly positive; question about potato as a staple food received slightly higher scores than neutral (mean = 3.31 while 3 is neutral). Moreover, over 70 % of survey participants responded that potato is a healthy food, while only 6.5% consider potato as not healthy food. Consumers quality perception of fresh potatoes (e.g. healthiness of potatoes) will likely influence future growth and consumption trends (Jemison et al., 2008).

Furthermore, there is a positive perception for the traditionally produced potato. Results indicate that respondents make a difference (mean= 4) between traditionally and conventionally produced potato. Moreover, traditionally produced potato is perceived as a potato of a better quality than that from intensive/conventional production (mean= 4.1). These results certainly are in favour of LP who preserved in some extent the traditional way of production.

Quality Perception of Lički potato

Results of exploring the quality perception of LP show that the most stated advantages (among the others) of Lički potato in comparison with other potatoes, stated in an open-end question, are taste and quality. This is further confirmed by semantic differential results where consumers were asked to evaluate different comparable statements with respect to credence and experienced quality attributes of Lički potato towards other potatoes. Overall all attributes received positive scores³. Nevertheless, scores of two attributes are beyond others, these are taste (mean=6) and overall quality (5.92). The lowest scores received attributes related to nutritional value (5.1), shelf-life (5.2) and healthiness (5.5), and finally, two attributes, convenience for preparation (5.74) and firmness (5.68), received middle scores. *These results confirm H2 that Lički potato is perceived as a high quality product.*

Furthermore, ordinal regression results indicate that favourable image of the Lika region ($p < 0.05$) and traditional way of production ($p < 0.05$) significantly and positive influence perceived quality of LP. It is important for marketing because according to the literature (e.g. Olivier, 1999; Verlegh and Steenkamp, 1999; Van Ittersum, 2007) perceived quality is an important determinant of consumers' willingness to pay and buy for the OFP.

Segmentation of consumers based on their involvement in buying LP

Almost all respondents (93.1%) declared that they know about Lički potato, from whom the majority (73%) are also involved in buying it. In Table 3 precise numbers are presented. *Thus, the results confirm H1 that Lički potato is recognized on the Croatian market.*

The first segmentation was based on consumers' involvement in buying LP. Thus, the basis for cluster segmentation was question about involvement in buying LP. Consequently, we distinguished four consumer segments/clusters graduating from no involvement (cluster 1) to complete involvement (cluster 4). Thus, segments are: "buyers of LP" (cluster 4), "potential buyers": respondents who know about LP and have intention to buy it in the future (cluster 3),

³ Measured on seven point semantic differential from 1 to 7 where 4 is neutral position and 7 the best possible score

“aware non buyers”: respondents who know about LP, but are not buying it (cluster 2), and “unaware not buyers”: respondents who have never heard about LP (cluster 1). First, descriptive overview of the clusters will be presented with respect to consumers’ behavior towards fresh potato and socio-demographics information. Subsequently, by results of the ordinal regression the main determinants of the involvement in buying LP will be elaborated.

Consumer behavior towards fresh potatoes

Preferred choices for preparing potato are relatively consistent among clusters and are in line with the general description of the sample in the Table 2. Thus, the most popular choices for preparing tomatoes are mashed potatoes and baked potatoes, subsequently followed by boiled potatoes and potatoes used in stews, salads, etc.

Among clusters there is no significant difference with respect to the place of purchase (see Table 6). Thus, they are represented relatively consistent among the clusters, with predominance of supermarkets and city markets.

Table 6

Cluster description in relation to buying behaviour, frequency (%) of consumers buying in the outlet (multiple answers possible).

Place of purchase	Unaware non-buyers (n=12)	Aware non-buyers (n=34)	Potential buyers (n=21)	Buyers of Licki potato (n=106)
Supermarket	75.1	43.5	61.9	61.1
City market	33.4	30.2	19.4	46.8
Directly from producer	0	29.2	13.0	17.2
Grocery store	25.0	3.0	13.4	9.6
Green market	0	3.0	4.8	5.8
Others	0	16.3	4.8	3.0

Descriptive statistics furthermore reveal relatively consistent consumers’ preferences among clusters for buying smaller amounts of potato in one purchase. Moreover, results also indicate that cluster 1 definitely prefer to buy small quantities (till 3 kg) of potato in one purchase (see Table 7).

Table 7

Cluster description in relation to buying behaviour, frequency (%) of purchasing amount (in kg) that consumers usually buy in one purchase

Amount of purchase	Unaware non-buyers	Aware non-buyers	Potential buyers	Buyers of Lički potato
Till 3	91.7	54.8	55	40.6
>3 to 5	0	25.8	20.0	35.8
>5 to 10	0	6.5	20.0	16.0
>10 to 20	8.3	6.5	5.0	1.9
20<	0	6.5	0	5.7

Socio-demographics

Distribution of gender is in line with the gender distribution of the whole sample, thus predomination of females in all clusters (see Table 8)

Table 8
Frequency (%) distribution of gender by clusters

Gender/Clusters	Unaware non-buyers	Aware non-buyers	Potential buyers	Buyers of Lički potato	Whole sample
Male	41.7	35.3	33.3	37.3	37
Female	58.3	64.7	66.7	62.7	63

Results in Table 9 show that buyers of Lički potato are mostly respondents above 29 years old (91.5% of LP buyers). In contrast to other clusters where younger generations (till 40 years old) strongly predominate (cluster 1 and 3) or are in balance (cluster 2), cluster 4 characterise slight predominance of older generations (above 40 years old).

Table 9
Frequency (%) distribution of age groups by clusters

Age groups/Clusters	Unaware non-buyers	Aware non-buyers	Potential buyers	Buyers of Lički potato	Whole sample
18-28	50.0	14.7	33.3	8.5	15.6
29-40	50.0	41.2	47.6	39.6	41.6
41-55	0	26.5	0	28.3	22.5
55<	0	17.6	19	23.6	20.2

Results in Table 7 show that education level is relatively consistent distributed among the clusters with predominance of higher educated consumers. However, these results can't be generalised because of non representativeness of the sample.

Table 10

Frequency (%) distribution of education level by clusters

Education/Clusters	Unaware non-buyers	Aware non-buyers	Potential buyers	Buyers of Lički potato	Whole sample
Primary school	0	2.9	0	0	6.6
Secondary school	8.3	20.6	33.3	23.6	23.1
Higher education	66.7	70.6	61.9	75.5	72.3
Student	25	5.9	4.8	0.9	4

Table 11 presents distribution of household size by clusters. The results indicate that buyers of Lički potatoes are mostly household size of 2 and more persons per household (more than 85%).

Table 11.

Frequency (%) distribution of household size by clusters

Household size/Clusters	Unaware non-buyers	Aware non-buyers	Potential buyers	Buyers of Lički potato	Whole sample
1	25.0	5.9	10	14.3	12.9
2	66.7	38.2	40	21	29.8
3	0	29.4	25	25.7	24.6
4	8.3	17.6	10	29.5	23.4
5 and more	0	8.8	15	9.5	9.4
Average	1.91	2.85	2.8	2.99	2.6

Table 12 presents distribution of household income by clusters. The results indicate that buyers of Lički potatoes are mostly households with higher incomes, which is in line with the results from ordinal regression presented later in table 13. However, in contrast with buyers of Lički potato, “potential buyers” (cluster 2) have a slight tendency to be in lower income group.

Table 12. Frequency (%) distribution of household income by clusters

Household income (in kn*)/Clusters	Unaware non-buyers	Aware non-buyers	Potential buyers	Buyers of Lički potato	Whole sample
<5000	20	8	35.3	5.6	10.6
5001-7500	20	12	17.6	12.4	13.5
7501-10 000	30	32	11.8	22.5	23.4
10 001-12 500	20	16	11.8	28.1	23.4
12 500	10	32	23.5	31.5	29.1

* Croatian national currency, 1 euro = 7.2 kn (CNB, 2010)

For the investigation of the determinants of the involvement in buying LP ordinal regression is applied (Table 14). The results show that only four items are influencing involvement in buying LP. These are perception of the Lika region, social value (a personal contact either with a seller or a farmer), household income and consumption trend.

Table 13

Main factors indicating possible involvement in buying by principal component analysis

Influencing factors (mean)	Factor loading	% of variance explained
Factor 1: Labelling		22.06
Quality labels	0.843	
Information on packaging	0.712	
Well known brand	0.684	
Area of origin	0.677	
Factor 2: Perception of the origin		11.32
Lika has a great tradition in potato growing	0.899	
Lika has excellent conditions for potato growing	0.792	
Producers from Lika are expert in potato production	0.751	
Factor 3: Perception of traditional vs. conventional		9.7
Difference exist btw traditional and conventionally potato	0.747	
Traditional potato better than conventional.	0.637	
Factor 4: Social value		8.31
Farmers' contact	0.861	
Sellers' contact	0.809	
Factor 5: General perception of potato		6.05
Potato is staple food	0.783	
Potato is a healthy food	0.763	

Table 14

Determinants of the Lički potato buyers by ordinal regression (link function: Complementary Log-log)

Influencing factors	Unaware non-buyers (n=12)	Aware non-buyers (n=34)	Potential buyers (n=21)	Buyers of Lički potato (n=106)	B-parameter estimates	Wald-statistic
	Mean (Std)	Mean (Std)	Mean (Std)	Mean (Std)		
Labelling	2.98 (0.85)	3.0 (0.96)	3.15 (0.78)	3.41 (0.83)	0.101	0.272
General potato perception	3.37 (1.02)	3.42 (0.88)	3.76 (0.68)	3.6 (0.84)	-0.266	1.803
Traditional vs. conventional	3.96 (0.62)	3.88 (0.85)	4.14 (0.69)	4.12 (0.75)	0.098	0.204
Perception of the region	2.94 (0.53)	3.57 (0.51)	3.77 (0.92)	4.13 (0.62)	0.685	11.704**
Social value	2.2 (1.07)	2.41 (0.92)	2.14 (1.22)	2.73 (1.14)	0.387	6.522*
Consumption frequency	4.00 (0.95)	3.44 (1.0)	3.33 (0.85)	3.21 (0.91)	-0.146	0.435
Consumption trend	2.67 (0.49)	2.32 (0.589)	2.29 (0.78)	2.1 (0.58)	-0.791	4.587*
Age	1.5 (0.5)	2.47 (0.96)	2.04 (1.07)	2.67 (0.99)	0.250	1.761
Household size	1.91 (0.79)	2.85 (1.07)	2.8 (1.23)	2.99 (1.21)	-0.155	0.724
Household income	3.8 (1.3)	4.5 (1.29)	3.7 (1.65)	4.67 (1.2)	0.258	4.037*
					Nagelkerke R2	0.319
					-2 Log-likelihood	242,586
					Chi2 (14)	45,468 (11)**
N					N	173

Notes: measured on a five-point Likert scale except Consumption trend which was coded, related to consumption trend of potatoes, as following: 1-increased, 2-stable, 3-decreased. ; * significant at 0.05, ** significant at 0.01

^a Measurement scale: >5 times a week (1), 5-4 times a week (2), 2-3 times a week (3), once a week (4), less than once a week (5)

^b Measurement scale: increased (1), stable (2), decreased (3)

^c Measurement scale: 18-18 (1), 29-40 (2), 41-55 (3), 55< (4)

^d Measurement scale: <5000 kn (2), 5001-7500 kn (3), 7501-10 000 (4), 10 001-12 500 (5), 12 500< (6)

The influence of consumers' image of the Lika region on the involvement in buying LP is expected. Van der Lans (2001) and Keller (1998) stated that the success of an OFP increases with the strength and favourability of consumers' associations with the region. This is confirmed by the results of ordinal regression which indicate that higher levels of favourable image of the Lika region are leading to higher involvement in buying LP. Moreover, it implies that consumers' attitudes towards the region of origin (Lika) directly (through willingness to buy) influence consumers' attitudes towards LP. These results suggest that the emotional aspects related to OFP (LP) are also parts of consumer attitudes, which is in line with the literature on the country of origin and branding (e.g. Keller, 2003; Van Ittersum, 2007)

Although a social value as a factor in consumer decision process of potato purchase received low scores (2.6), ordinal regression results indicate that the social value has a significant influence on involvement in buying LP. Positive estimate indicates that consumers attaching more importance to social value in potato purchase have higher probability to be more involved in buying LP. Thus, it seems that consumers more involved in buying LP appreciate more personal contact either with seller or farmer, or both.

Regression results further reveal that consumers whose frequency of potato consumption decreased less in the last 5-10 years have higher probabilities to be more involved in buying LP or in other words to be buyers of LP. The reason for it may be that consumers whose potato consumption didn't decline so much value potato more than non-buyers. Moreover, they may be more aware of potato quality characteristics in general, and thus seeking for more quality. Cross-tabulation shows that almost 92% (while non-buyers 35%) of the respondents highly involved in buying LP consider that LP has at least one advantage to other potatoes, and mostly better quality was stated.

Finally, household income has also significant influence to different clusters. Positive estimate shows that higher household income increases probability of being involved in buying LP. It is reasonable because LP has a premium price on the market and consequently households with higher income can more easily afford to pay a premium price than household with lower income.

In conclusion, there is an indication that consumers who are more involved in buying Lički potato belong to higher socio-economic group, have a favourable image about the Lika region and appreciate more personal contact with a seller and/or farmer. Moreover, descriptive statistics reveal slight tendency that LP buyers, in their decision-making, attach more importance to quality labels and brands than non-buyers.

Segmentation of LP buyers

A segmentation of Lički potato buyers is based on their buying intensity/frequency. Consequently, we distinguished 4 clusters graduating from light buyers (cluster 1) to heavy buyers (cluster 4). Segments are the following: Cluster 1: Light buyers (consumers that buy 1-2 times out of 10), Cluster 2: Occasional buyers (consumers that buy 2,5- 4 times out of 10), Cluster 3: Medium buyers (consumers that buy 5-7 times out of 10), Cluster 4: Heavy buyers (consumers that buy 8-10 times out of 10)

Socio demographic characteristics of LP buyers are conducted from series of descriptive statistics (cross tabulation, frequencies etc.) and analysis of variances (one- way ANOVA).

According to descriptive statistics Distribution of gender is in line with the gender distribution of the whole sample, thus predomination of females (61%). However, only in the cluster heavy buyers females are a bit more represented (78%).

Furthermore, buyers of Lički potato are mostly consumers above 28 years old, and distribution is relatively consistent among the clusters (see Table 15).

Table 15. Frequency (%) of LP buyers distributed in the age groups

Age groups/Clusters	Light buyers (n=13)	Occasional buyers (n=30)	Medium buyers(n=34)	Heavy buyers (n=23)	Whole sample (n=100)
18-28	7.7	10.0	5.9	13.0	9.0
29-40	38.5	46.7	41.2	30.4	40.0
41-55	30.8	23.3	35.9	21.7	28.0
55<	23.1	20.0	17.6	34.8	23.0

Education level doesn't differ significantly among the clusters. In average it seems that the more intensive buyers are members of slightly bigger households (see Figure 1). On the other

side, results indicate that higher income household are not so frequent buyers of LP ($p < 0.01$) (see Figure 2).

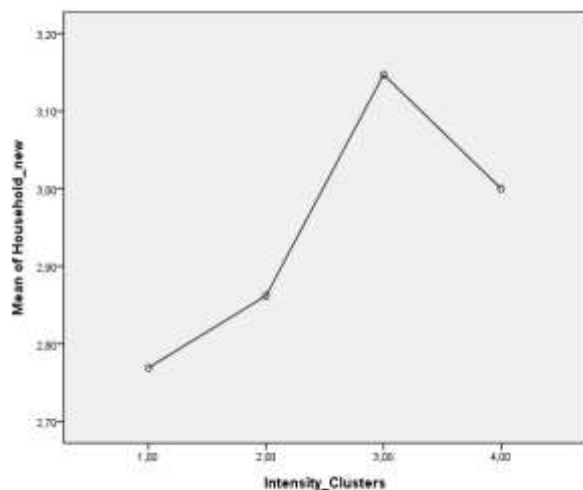


Figure 1 Average means of household size per clusters

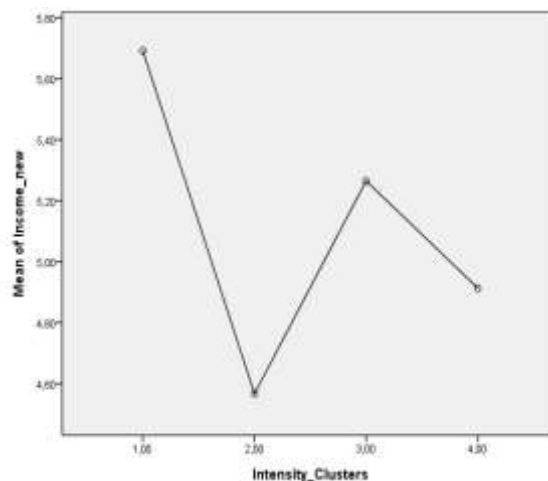


Figure 2 Average means of household income per clusters

According to ANOVA it seems that more frequent buyers of LP perceive traditionally produced potato as of a better quality potato than conventional one ($p = 0.092$). It is expected because LP has a long tradition of production, and it is logical that people who know about it appreciate more LP and thus buy it more frequently.

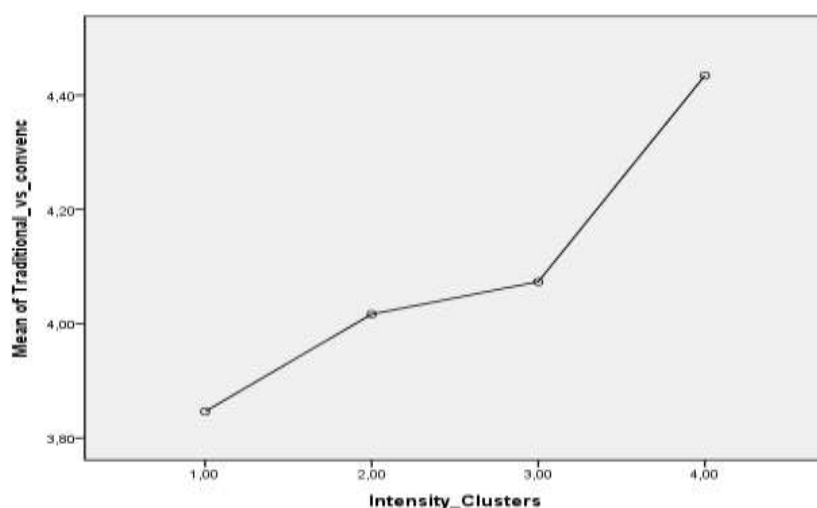


Figure 3 Average means of scores related to traditional vs. conventional potato production

Table 16 present frequency distribution of place of purchase by intensity clusters. It is in line with a general trend presented in the Table 3. Thus, supermarkets and city markets

predominate as a purchasing place for potato. When outlets were distributed by clusters, we see that light and occasional buyers buy fresh potato more in supermarkets than medium and heavy buyers who buy equally frequent in supermarkets and city markets.

Table 16

Cluster description in relation to buying behaviour, frequency (%) of consumers buying in the outlet (multiple answer possible)

Place of purchase/Clusters	Light buyers (n=13)	Occasional buyers (n=30)	Medium buyers(n=34)	Heavy buyers (n=23)	Whole sample (n=100)
Supermarket	66.7	73.4	45.5	43.4	61
City market	38.5	50	45.5	43.4	42
Directly from producer	7.7	16.6	18.2	21.6	13.5
Grocery store	15.4	10	12.1	4.3	9.5
Green market	7.7	0	6	8.6	5
Others	3	0	3	4.3	4

With respect to the purchasing amount in one purchase and the purpose of use there are not significant differences between the intensity clusters.

Willingness to pay

Results indicate that a majority of the respondents (74%) are willing to pay a higher price for LP with PGI label. In average they are willing to pay 1.83 kn/kg more (45%) than the current price of 4 kn/kg. *These results confirm the H3 that OQLs is a viable strategy to increase a market value of LP.*

Results of binary logistic regression indicate that perceived quality has a significant and positive influence on WTP. Positive estimates indicate that higher levels of perceived quality of LP are leading to more probability to pay more for LP with PGI label.

Furthermore, from descriptive statistics it can be observed ($\chi^2=0.073$) that heavy buyers are, in average, ready to pay slightly more for LP with PGI label than the rest of the buyers (see Figure 4). Moreover, it seems that heavy buyers would really appreciate that LP bear the PGI label because 96% of them stated WTP, while in other buyer segments WTP is relatively consistent at around 69%. This is further supported by results of ANOVA ($p=0,068$) which indicate that more frequent buyers attach more importance to quality warranty dimension of OQL. This implies that OQL guarantee quality in a more identifiable way and thus generalise findings from the existing literature (e.g. Van Ittersum, 2007; Van der Lans, 2001).

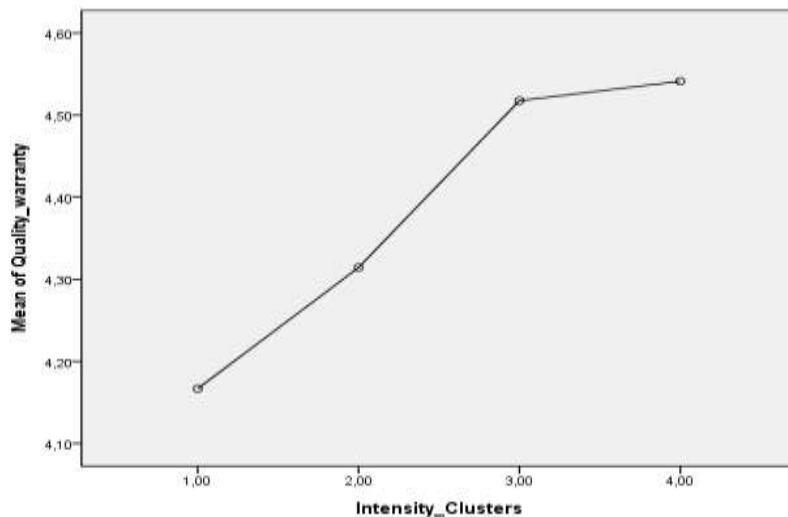


Figure 4. Average means of quality warranty scores per clusters

Beliefs towards OQLs and theirs perception

Overall beliefs towards OQLs are rather positive because average score of all aspects (see Table 2) included in questioning image of OQL are higher than the middle scale score, which correspond to a neutral evaluation. OQLs evidently have strong and positive association related with overall higher and stable quality of the product (has maximum score of all aspects with the mean of 4.4* vs. 3.00) and the authenticity of the product also received high cores (average 4.37). Furthermore, consumers perceive that OQL may lead to a better image of the protected product (4.27), higher product prices of protected product (mean 4.2), higher agricultural income (4.06), sale increase of protected product (4.00) and more jobs opportunities in the production area (3.9). *Therefore, these results confirm H4 that consumers' overall beliefs towards Origin Quality Labels and their perception are positive.*

Van Ittersum (2007) conclude that consumers' image of OQLs can be reliably represented by a two dimensional construct of a quality warranty dimension and an economic support dimension. However, by performing factor analysis and subsequently reliability test we added artisanal dimension in addition to two former mentioned dimensions.

The *quality warranty dimension* represents consumers' beliefs about the guarantees that the OQL provides regarding qualities of the origin labelled product. The *economic support dimension* is related to consumers' beliefs about the degree to which OQL might enhance economic performance of SMEs and the region of origin of the protected product. The *artisanal dimension* is related to the consumers' beliefs about the uniqueness of product with

regard to its artisanal and traditional characteristics. Amongst them, respondents attach the most importance to quality warranty dimension (see Table 17). Thus, results imply the potential of OQLs that through quality warranty dimension enhance perceived quality of the protected product.

Table 17

Average scores per dimensions of OQLs image

Dimension of OQLs' image	Average scores (St. deviation)
Quality warranty	4.33 (0.51)
Economic support	4.06 (0.51)
Artisanal character	3.84 (0.66)

Lack of consumers' awareness of OQL could hinder the use of labelling as a marketing tool. If awareness is low everything stated in the questionnaire is purely theoretical, and thus its validity remains questionable. In contrast with other studies (Cerjak and Mesic, 2005), results of this survey indicate that majority of Croatian consumers have heard about OQL and have some knowledge about it (see Table 6). However, only 25% of respondents answered that they know sufficiently about OQLs. This result is more in line with the study results of Cerjak and Mesic (2005), where 11 % of respondents declared sufficient knowledge about OQLs. In the study Cerjak/Mesic secondary education category predominated, while in this study higher education was predominant category. This might imply that higher educated population is more aware of OQL. Moreover, it is questionable in which extent OQL are mixed with other existing quality labels (e.g. originally Croatian, etc.).

Nevertheless, according to the results of this survey we can't accept/confirm H5 that consumers' awareness of Origin quality labels is limited

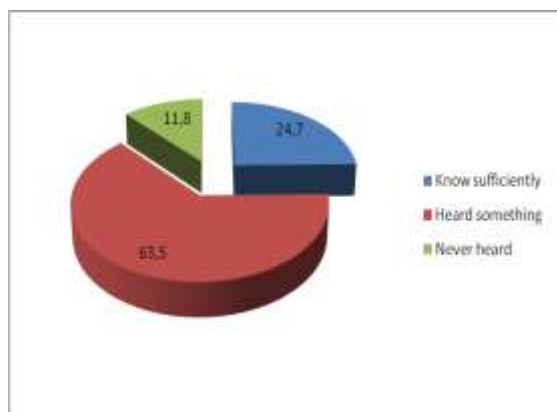


Table 18

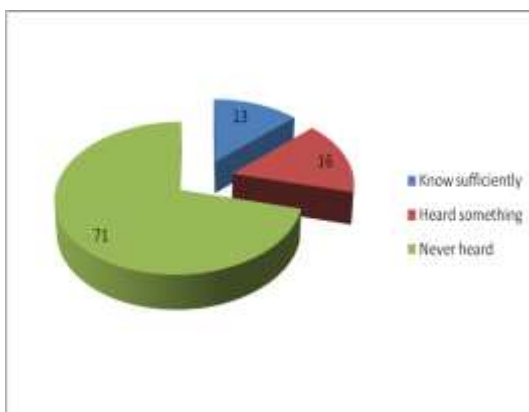


Table 19

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