



REPUBLIC OF SLOVENIA

MINISTRY OF AGRICULTURE, FORESTRY AND FOOD

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# CONSUMER-RELATED ASPECTS OF TRADITIONAL PRODUCTS

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# SLOVENIA



**Official name:** Republic of Slovenia

**Area:** 20,273 km<sup>2</sup>

**Population:** 2,055,958

**Capital:** Ljubljana with 276,000 inhabitants

**Political system:** parliamentary democracy

**Currency:** EURO

**Urban population:** 52 %

**Population density:** 96.9 inhab. /km<sup>2</sup>

**Neighbouring states and border length:**

Austria (330 km), Italy (232 km),

Hungary (102 km), Croatia (670 km)

**Official language:** Slovene (in nationally mixed areas also Italian and Hungarian)



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# Legislation

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- **Council Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs**
- **Council Regulation (EC) No 509/2006 on agricultural products and foodstuffs as traditional specialities guaranteed**
- **Agriculture Act (Official Journal of RS, No 54/2008)**
- **Rules on procedures for registration and protection of agricultural products and foodstuffs (OJ RS, No 15/2008)**



# What is quality?



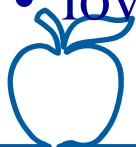
- Properties and characteristics of foodstuffs;
- External quality or appearance (size, weight, shape, colour, flavour, aroma, freshness, absence of external defects);
- Internal, i.e. physiological and nutritional, quality (carbohydrates, proteins, fats, vitamins and minerals, relations between ingredients and digestibility), and
- Value in use (suitability for trade and food industry, transport and storage option, colour stability, components recovery,...).



# What else is quality?



- **ECOLOGICAL VALUE** with particular focus on:
  - environmental management (use of pesticides, nitrates, GMO)
  - primary energy consumption: use of fossil fuels for long transports of food.
- **ECONOMIC VALUE**
  - trade links and distribution processes between industrialized and developing countries.
- **SOCIAL VALUE**
  - ecological and economic aspect
- **PSYCHOLOGICAL VALUE**
  - love of food.



## Why protection of special agricultural products or foodstuffs?



- Because of strong competition from foreign industry since EU accession,
- Because of conservation of specifics and diversity of Slovene culinary art,
- Because of effective protection against misuse, imitation and misleading,
- Because of greater consumer trust in protected agricultural products and foodstuffs
- Because of additional control, originality and permanent quality,
- Because of more reliable information, easier choice and distinction on the market regarding origin, renown and quality of products.



# Information about products

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- All producers agree that they need good, recognizable and wide-spread advertising:
  - common for all protected products
  - on national level and on EU level
  - with financial and professional support of MAFF.
- They realize that their products are not enough recognized on the market.



# Sale of regional and local products



- Home sale (*direct contact with buyers*)
- Sale in market place, at different events (**market stall**)
- Boutique sale: special shops for all protected regional products (*in bigger cities and tourist centres*)
- Offer of local protected products as souvenir and/or healthy product (honey, oil, rakija...)
- Sale within the framework of tourism, hotel and catering services: hotels, restaurants, health resorts, catering, confectionery shops, ...
- Supermarkets reserve **special space (shelves)** for special regional protected products – **identification of products (no direct contact)** – **logistics problems**





# Story



- The products need a good and convincing **story**.
- Direct contact between buyer/customer and seller/producers
- Public information materials in different languages
- Newspaper articles in and public appearance in media
- Emphasis on tradition, quality, appetizing and specialities of products – part of story
- Internal and external system of control is part of this story.



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NO

Brdo, 21-22

# Volume of production

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- The production volume of protected local products is **limited**.
- Supply of most products is smaller than demand;
- They wish to sell their products on foreign markets (**higher price!?!)**
- **Too high profit margin** in supermarkets



# Advantages of protection - Producers

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- Standardisation of the recipe and consequently of the quality provided by all producers;
- Greater possibility of competitiveness in quality for producers and processors that allows their economic presence in the market;
- Satisfying consumer demands to obtain products that are authentic and of greater quality;
- Higher living standard in areas of production;
- Increasing (maintaining) employment in vulnerable agricultural areas.



# Advantages of protection - Consumers

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- Established mechanisms for control of quality, performed by a certification body, provide assured and stable quality for customers;
- Customer can pick special agricultural products or foodstuffs of high quality out of various agricultural products or foodstuffs based on labelling;
- Increased customer trust in these products and allow greater choice of agricultural products or foodstuffs.



# Deficiencies



- Low production – costly certification;
- Poor organisation of producer groups;
- Fragmented production and related control;
- Standardisation of the recipe;
- Knowledge of product mainly the local (Slovenian) level.

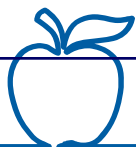


ETIJSTVO, GOZDARSTVO IN PREHRANO

# Slovene consumer buying behaviour



- **Very poor familiarity with Slovenian traditional / protected products;**
- **Buying behaviour is accompanied by uncertainty, even distrust, assurance of quality and traceability are very important.**
- **Consumers need personal approach, communication, advice, justification of quality, reliable information.**
- **They are aware of alienation from nature and its products.**
- **They trust the tradition and food of Slovenian origin.**
- **Many have »their farms« in the countryside, but the supply is time-consuming and unreliable.**
- **They are looking for treats of their youth, supported by “novelty”.**
- **They want good, verified products in one place and at affordable price.**
- **Consumers want small delicatessen shops where Slovenian specialties are served.**



# How to make the scheme more visible and interesting?



- Information to consumers and promotion of food quality schemes;
- Mandatory use of logos;
- Simplified process of registration;



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MINISTRSTVO ZA KMETIJSTVO, GOZDARSTVO IN PREHRANO

# How to promote (1)

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- Producers and chain partners involved in special products require more resources for generic marketing of these products.
- They need assistance in developing a marketing concept and the process behind it: guaranteed, controlled and approved quality.
- Protection by law is only worthwhile if producers themselves realise the market value of certification.



## How to promote (2)

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- Parties involved need to cooperate: not only cooperation between producers but also between the ministry, tourist boards, rural development agencies and market parties.
- Producers are advised to take initiatives with regard to this cooperation together with the entrepreneurs in hotels and restaurants.

## How to promote (3)

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- Producers and entrepreneurs are also advised to take joint initiative with regard to the introduction of a marketing plan and see how the plan evolves.
- To be successful they need help from market agencies, research institutes and public authorities in:
  - Introduction strategy
  - Concept development
  - Positioning in different markets
  - Characteristics of region and products to be mentioned.



# MARKETING OF PROTECTED FOODSTAFS AND ORGANIC PRODUCTS

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- There is no marketable surplus, good products are sold in local area;
- Complex and expensive supply with real products and real producers;
- Family farms do not always have collaborators and successors.
- High fixed operating and location costs.
- Communication with target groups is costly and difficult.
- Required quality, professional and multilingual information materials.
- Sale support is entirely different from conventional stores.





# CONCLUSIONS



➤ Consumers have to be informed about:

- Product characteristics
- Ingredients
- Storage
- Use
- Information on all aspects of Food Safety must be public



➤ **TRUST IS BASED ON INFORMATION**





20.7.2010

**Thank you!**

1-22 June 2010

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