

# Market survey on the fruit industry in Western Balkan countries- expert interviews

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# Metodology



- **Type Of Research:**
  - Qualitative research, in depth interviews, in face to face
- **Countries:**
  - Croatia, Slovenia, Montenegro, fyr Macedonia, Serbia and Bosnia and Herzegovina
- **Participants in each country:**
  - 4 representatives of fruit processing industry
  - 2 representatives of authorities responsible for the fruit processing sector

*All results shown represent opinion and estimates of respondents*

# Content:

- Actual fruit consumption
- Importance of the family fruit orchards and homemade processed fruit
- Personification of consumers
- Importance of domestic and imported processed fruit products
- Analysis of the fruit industry sector in the country
- Trends on consumption of fruit
- Governmental objectives, perception and actions to help the sector
- National health policies

# Experts' opinion about ... Actual fruit consumption



- Increasing consumption of fresh and processed fruit
- Yet, still not on necessary level (some disagree)
- Most consumed fruit in Western Balkan: apple
- Processors mainly satisfied with consumption of their products
- Lower consumption of fruit than in EU countries

# Importance of the family fruit orchards

- No official data
- Family orchards are typical for Western Balkan
- Different estimates for each country  
(for example, Macedonia emphasized significant number of this type of orchards )



- Difference is being made between family grown fruit for private use and those grown for the market

# Importance of home made processed fruit

- Homemade processed fruit is a tradition all over Western Balkan
- No official data therefore no official estimates of the share in overall production
- Two opposite expectations about the future of homemade processed fruit:
  - switching to industrially processed fruit (decrease)
  - growth
- Distinction should be made between home made processed fruit for personal use and those intended for the market.

# Personification of consumers

- Heavy fruit users / high quality products users :
  - women
  - people with higher economical status
  - people with higher education
  - population of urban areas
- Light users/low quality products:
  - people with lower education
  - people with lower income
  - men
  - young people (especially teenagers)
  - pensioners
- In some countries division on heavy / light fruit users can not be made



# Importance of domestic and imported processed fruit products

Domestic fruit products	Imported fruit products
<p><b>Main strengths</b></p> <ul style="list-style-type: none"><li>• Quality of raw materials</li><li>• Optimal price / quality ratio</li><li>• Trust among consumers</li></ul>	<p><b>Main strengths</b></p> <ul style="list-style-type: none"><li>• Well known brands</li><li>• Advertising</li><li>• Packaging and design</li><li>• Stereotype "foreign is good"</li></ul>
<p><b>Main weaknesses</b></p> <ul style="list-style-type: none"><li>• Lack of uniformity of products</li><li>• Packaging and design</li><li>• Advertising budgets</li></ul>	<p><b>Main weaknesses</b></p> <ul style="list-style-type: none"><li>• Expensive</li><li>• Lower proportion of fruit</li><li>• Not always accompanied by quality</li></ul>

# General situation in the fruit processing sector

- **Raw materials**
  - Great conditions for growing fruit
  - Quality control of imported fruit ?
- **Quality of products**
  - Great variety of products quality on the market (not enough control)
- **Innovations**
  - Related to size of company and its financial situation
- **Financial possibilities**
  - Related to size of company and its share on market
- **Supermarkets**
  - Small processors complain about their cooperation with supermarkets
  - Big processors are satisfied
- **Prices as compared with foreign companies' prices**
  - Serbian and Macedonian products are cheaper, Slovenian and B&H more expensive and Croatian and Montenegrin has equal price as imported once.

# Analysis of the fruit industry sector in the country (Authorities)

<b>Main strengths</b> <ul style="list-style-type: none"><li>• Climate conditions</li><li>• Traditional way of growing and processing</li><li>• Prices</li><li>• Membership in CEFTA</li></ul>	<b>Main weaknesses</b> <ul style="list-style-type: none"><li>• Technology</li><li>• Access to commercial credits</li><li>• Monitoring safety of products</li></ul>
<b>Main opportunities</b> <ul style="list-style-type: none"><li>• Growth in exports</li><li>• Increase in primary production</li><li>• EU and government support for production and rural development</li><li>• Creating brands and value added products (organic)</li></ul>	<b>Main threats</b> <ul style="list-style-type: none"><li>• Concentration of retailers</li><li>• Well-organized producers from EU countries</li><li>• Lack of organization in the product chain</li></ul>

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# Trends on consumption of fruit

- Factors with greater influence on consumption of fruit:
  - consumer nutrition knowledge, health dimension of food in general and economic evolution
- Somewhat less influence:
  - public policy and fashion
- Factors with greater influence are perceived also as more important
- Expecting future growth of consumption of quality processed fruit and growing market share of such products.

# Governmental objectives, perception and actions to help the sector

- **Regarding growing fruit:**

- New surface of orchards
- Updating of fruit assortment
- Updating of technology and transportation resources

- **Regarding fruit processing sector, objectives include the following:**

- New equipment and machinery
- Adaptation of present and building new capacities
- Participation in agricultural fairs and other international significant events
- Support for evolutionary, experimental and research activities
- Education and training of farmers-producers
- Introduction of international standards for fruit quality, both in primary production and in fruit processing / Joining international organizations
- To build well known brands in those countries that do not have developed fruit processing industry (Macedonia and Montenegro)

# National health policies

- Level of awareness and education is still not sufficient, although it is rising
- State programs are assessed as unsatisfactory or even non-existing
- Slovenia is the only country where fruit consumption is included in National health Programme and being promoted
- Respondents agree that fruit consumption should be promoted
- Majority of authorities are representatives of Ministries of agriculture so Public Health Program is not under their jurisdiction



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# Conclusion

- Increasing consumption, but not on necessary level
- Family orchards and homemade processed fruit are still tradition
- Heavy consumers: women, people with higher education and incomes, urban population
- Domestic fruit products have better price, made of better materials, but have less developed advertising and package design
- Industry with great raw materials (climate conditions) and tradition but with variety of quality of products (monitoring quality) and some outdated technology. Opportunity to grow and export
- Governments are planning to help this sector
- Expecting future growth of consumption
- Not enough state programmes and promotions of fruit

**Thank you for your attention!**

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