Feedback on the FOCUS-BALKANS project results

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PODRAVKA d.d.

Split, Croatia, 3-5 February 2010

Podravka: Historical development, Nowadays, Markets, Brands, Vision & Mission

Results of two studies relating attitudes to healthy eating and nutrition claims, among representative sample of Croatian adults (2008, 2009)

Organic food project: decision-making process in industry

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Podravka food industry – Historical development

**1934** Brothers Marijan and Matija Wolf, entrepreneurs from Koprivnica, open a fruit processing plant, the predecessor of Podravka.

**1947** The Wolf brothers' business becomes state ownership, and Podravka gets the name it maintains to this day.

**1949-1957** Production of preserves (fine marmalade), candy fruit, desserts, fruit syrups, mustard, ketchup, fruit wines, dried vegetables, sterilised beans and peas, tinned meat, soups

**1959** Vegeta, all-purpose food seasoning, sold today in more than 40 countries on all continents, has been launched on the market.

**1967** First cooperative arrangements with foreign partners. Vegeta sets out into the world - first exports to Hungary and Russia.

**1970** Production of Čokolino begins, followed later by baby food in other flavours, all with a little bear called Lino as their trademark.

**1973** Podravka’s meat factory - today called Danica Meat industry d.o.o. - is built as part of the industrial zone in Danica.

Source: www.podravka.com

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Podravka food industry – Historical development

**1981** Belupo, a pharmaceuticals and cosmetics factory, is built as part of the Danica industrial zone in Koprivnica.

**1993** Podravka is privatised and registered as a joint-stock company.

**1997** A strong wave of modernisation and investment, worth 130 million EUR, including the construction of three new factories and the introduction of a new, integrated commercial IT system.

**1998** Podravka d.d. shares start trading in the 1st quotation of the Zagreb Stock Exchange.

**2000** A new Vegeta plant opens in Koprivnica and another for Vegeta, soups and powder products in Poland.


**2002** A contract has been signed between Podravka and Nestlé World Trade Corporation for sales, logistics and distribution of some Nestlé Group products. Podravka takes over a Czech company Lagris.
Podravka food industry – Historical development

2003 [www.coolinarika.com](http://www.coolinarika.com) culinary web site (recipes, cooking, health)
2004 Vegeta in Poland receives an award "Superbrand Polska".
2005 Vegeta Superbrand 2005 in Russia
2006 Eva brand was purchased (tinned fish)
2007 Podravka purchases Polish brands Warzywko and Perfekta, and Croatian Lero.

Podravka is a company with a heart!

Podravka food industry – Nowadays

**Head-quarters:** Koprivnica, Croatia
**Business:** Food & beverages, pharmaceuticals
**Employees (2008):** 6706
**Total sales (2008):** 3,660.0 mil. HRK

**Food processing plants in Croatia:**
Koprivnica (6), Umag (1), Lipik (1), Varaždin

**Food processing plants outside Croatia:**
Poland (1), Czech Republic (1)

**Podravka's subsidiaries:** 18

Source: [www.podravka.com](http://www.podravka.com)
## Podravka food industry – Nowadays

### Podravka’s subsidiaries :18

1. Slovenia (Ljubljana)
2. Serbia (Beograd)
3. Bosnia & Herzegovina (Sarajevo)
4. Macedonia (Skopje)
5. Montenegro (Podgorica)
6. Kosovo (Priština)
7. Russia (Moskva)
8. Ukraine (Kiev)
9. Poland (Warsaw)
10. Slovakia (Bratislava)
11. Hungary (Budapest)
12. Latvia (Riga)
13. Czech Republic (Prague)
14. Turkey (İstanbul)
15. Germany (München)
16. Romania & Bulgaria (Bucharest)
17. USA, Canada, south America (New York)
18. Australia (Sydney)

## Podravka food industry – Markets

- Slovenia
- Bosnia and Herzegovina
- Serbia
- Macedonia
- Montenegro
- Kosovo
- European markets; Turkey
- Russia
- Ukraine
- Australia
- USA
- South America
- Africa and Middle East
Podravka food industry – Brands

Synonym for top quality, convenient and safe products.

Vegeta is the best known genuine Croatian product; universal food seasoning.

Talianetta pasta is an excellent and quick independent meal or side dish.

Instant soups! Simple and quick to prepare in any occasion.

Special seasoning mix.

Podravka food industry – Brands

Baby food products.

Cereals make a perfect meal for children.

Puddings, whipped cream foams, whipped cream, cake mixtures, supplements for cakes, ready-made desserts and liquid vegetable cream.

Snacks (gritz, salty sticks, pretzels, fish, flips and crackers).

Bottled natural, spring water.
Podravka food industry – Brands

Bottled natural mineral water.

Juices are natural fruit juices.

Canned fish (tuna, sardines, mackerel, hake and salmon).

Universal seasonings.

Podravka's culinary web site

Podravka food industry – Vision & Mission

Podravka’s Vision
To be the leading food company in knowledge, consumer relations and revenues among companies placed in the region of Southeast, Central and Eastern Europe, as well as a pharmaceutical company which achieves more through a distinctive partnership approach.

Podravka’s Mission
To create high-quality brand products that gain the trust of clients and consumers.
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Interpretation of healthy eating among Croatian adults (2008)

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Starting stimulus for the research:

Definitions of ‘healthy’ eating: A pan-EU survey of consumer attitudes to food, nutrition and health (1997):
- Majority of all respondents described healthy eating as: less fat, fatty foods, more fruit and vegetables, balance and variety
- Older and less educated subjects were less likely to mention any aspects of healthy eating

- Good level of information what type of nutrition is healthy or not; however, problems in the excessive energy intake and large number of meals
- Low level of physical activity
- High prevalence of overweight and obesity

Croatian Nutrition Policy (1999)
- A Strategy for improving Food Quality and Diet – lack of evaluations of established aims

Understanding food consumer behaviour in Croatia, after 1990’s
A larger survey on attitudes to food, nutrition and health among the Croatian population was conducted

The objectives of the study:
- to examine the interpretation of a "healthy eating" among a representative sample of Croatian adults related to the socio-demographic characteristics
- to compare with interpretations of “healthy eating” among EU countries
**Methodology:**

**Participants**

- A representative sample of 1,006 Croats age 15 years and over, randomly selected through double-stage stratification and weighted according to 2001 National census (by age, gender and education).
- Interviewing was done through the Computer Assisted Telephone Interviewing (CATI) system and conducted by the market research agency.
- All interviews were completed between March and April 2006.
- For the comparison was used data base from a pan-EU survey among 15 EU countries (Margetts et al., 1997).

**Questionnaire**

- Respondents were asked to freely describe healthy eating (open-ended question); interpretations were clustered into the main categories as it was described in Margetts et al., survey (1997); at the end were asked questions related socio-demographic status.

**Variables:**

- Socio-demographic variables (8): sex, age, education level, household size, children up to 18 years old, monthly income per household, employment status, marital status,
- Perceived health status variables (3): smoking, physical activity, body mass index [BMI]* and special diet (due to various health and weight problems)

**Statistical analysis:**

- Descriptive statistics, Pearson chi-squares statistics (statistical significance was accepted at P<0.05)
- SPSS statistical software

*BMI (BMI= weight (kg) / height (m²)) was calculated on the basis of self-reported weight and height and based on WHO criteria (WHO, 1998).
**Interpretation of healthy eating: A comparison between Croatia and EU average**

Croatia: n=1,006 (Ranilović et al., 2008)
EU: n=14,331 (weighted for population size) 15 EU countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, England (Margetts et al., 1997)

**Healthy eating = Fresh, Natural Foods (50%)**

- No additives
- No pesticides
- No fertilisers
- No GMO
- Unpacked
- Seasonal food
- Domestic
- Dalmatian, Croatian, Mediterranean origin
- Safe for the health
- Own production
- Organic production

- Men
- 25 years and over
- The lowest household income
- Unemployed
- Married

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Interpretation of healthy eating among Croatian adults (2008)

Healthy eating

= More fruits and vegetables (40%)

- Women
- Young (18-24 years)
- Singles
- Physical active
- Normal weight
  (18,50-24,99 kg/m²)

More prevalent:

- Older males, excessive weight, lower social level and minimal education level

Less prevalent:

- Young (15-24 years), educated people

More fruits & vegetables, less fat, balance & variety:
socio-demographic profile of Croatian adults
Interpretation of healthy eating among Croatian adults (2008)

Conclusions:

- This is a first study focusing on an interpretation of a ‘healthy eating’ on a representative sample of Croatian adults.

- Croatian participants were more focused toward external quality attributes of food, rather than on many dietary guidelines.

- Young population (15-24 years) had higher prevalence to the wide accepted dietary guidelines.

- The lowest educated, older, males with excessive weight and from the lower social classes, were less likely to mention any aspect of healthy eating.

- Although, notable differences about interpretation of healthy eating exist between EU countries and Croatia, certain similarities noted regarding specific groups of population who need special nutritional focus (older, less educated).

Consumer perceptions on nutrition claims (2009)


Objective of this study was:
- To investigate importance of nutrition claims according to socio-demographic variables in representative sample of Croatian adults in age 15 years and over, using Computer Assisted Telephone Interviewing (CATI)

Statistics:
- The importance of nutrition claims were measured on five-point Likert scale and differences of scores between sociodemographic groups were examined using one-way analysis (ANOVA) and Scheffe’s multiple comparison test (α=0.05).
Consumer perceptions on nutrition claims (2009)

Results:

- Participants with lower monthly income, females and older strongly agree that use nutrition claims when choosing among different products in categories,

- Female and subjects responsible for food purchasing decision strongly agree that use nutrition claims for quality check.

- Price could be barriers for buying products with nutrition claims more often among subjects with lowest education level and monthly income.

- Overall, 66% participants express partly confidence in nutrition claims.

Interpretation of healthy eating among Croatian adults (2008)

Findings suggest:

- Focused promotion of a national nutrition strategy is needed, taking into account the specific cultural, economic and social aspects of the Croatian population.

- Nutrition education should be vital part of communication.

- Further research is necessitated to examine healthy eating perceptions with actual dietary behaviour.
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Corporate decision

Competitiveness

Well-being

Shop channels: Supermarkets, specialised shops, e-commerce

Healthier Environment

Consumer's trend for health
Legislation in Croatia is compatible with EU legislation

- Producer, Production units
- Transitive period
- Plant protection resources
- Animal farming
- Inspection
- Certificate
- Labeling, packaging, warehouse and trade

Law about ecological production of agriculture and food products law (Official Journal of Republic Croatia No. 12/2001 with amendments)

List of individuals registered as producer in ecological production of agricultural and food products in Croatia (2003-2009)

Source: List of individuals registered as producer in ecological production of agricultural and food products (Official Journal No. 63/2004, with amendments)
Key players

- Education
- Impulse
- Advise

- Networking
- Certificate

State  Suppliers

Market  Industry

- Placing in the shop
- Advertising

- Inspection
- Marketing
- Categories

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Consumer's the highest barriers: High price

Source: Datamonitor's Organic Industry Opinion Survey
Instead of conclusion: Some perceived barriers

<table>
<thead>
<tr>
<th>Legislation demands</th>
<th>Time-consuming process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Design</td>
<td>Longer than usual (in relation with legislation and consumer demands)</td>
</tr>
<tr>
<td>Supply of raw material</td>
<td>Risk (environment, climatic changes)</td>
</tr>
<tr>
<td>Processing, handling, warehousing, transporting</td>
<td>Separate from conventional food processing</td>
</tr>
<tr>
<td>Inspection’s cost of supply chain</td>
<td>Higher costs (quality, food safety, authenticity ‘from farm to fork’)</td>
</tr>
<tr>
<td>Safety concerns (‘Food you can trust’)</td>
<td>Consumer education; Communication</td>
</tr>
<tr>
<td>Price (approx. 30% higher price than conventional food)</td>
<td>Risk for consumer’s sub-groups (e.g., lower social and educational level)</td>
</tr>
</tbody>
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Some observations...

- Participation was excellent personal experience – many thanks to prof. Renko Nataša for invitation, also Ružica and Ante.

- Selection of respondents for the survey were problematic for the most country teams (time-consuming, personal contact mostly, lack of motive among industries experts) → the results are potentially biased.

- Fresh fruits vs. Processed fruits – according respondent's believing from all countries, that increasing trend of consumption of processed fruit is a result of raised awareness of healthy diet, should worry experts (nutrition) and health promoters in terms of promotion healthy dietary guidelines → processed (canned) fruits have different nutritional profile in comparison with fresh fruits (increasing level of sugars, higher calories) → consumer education is needed in promotion of eating fresh fruits (change the image of fruit consumer 😊).

Some observations...

- Misunderstandings of some terms (traditional products= traditional meals) or meaning (available vs. convenient), try to clarify before the survey (relating the aims of the projects).

- Results are good starting point for the survey with more representative sample regarding socio-demographic characteristic and monitoring real dietary habits on a Country specific base → although similarities among WBC exist each country represents social, economical and geographical unique area of Europe.

- Strongly encourage publishing the articles relating to the results of Project.

- The main objectives of meeting in Split are achieved!
THANK YOU FOR YOUR ATTENTION!