

Slovene consumers' buying decisions for cheeses and sausages

- Frans Verhees , Marketing and Consumer Behaviour Group, WU
- Marija Klopčič, Biotechnical Faculty, University of Ljubljana
- Abele Kuipers, Wageningen UR / President Cattle Division of European Association for Animal Production

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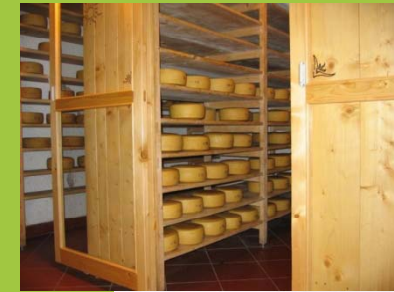


Introduction to study

- SWOT analyses of Slovenian producers of local products in 2005
- Resulted in remarks about:
 - Need for cooperation concerning marketing and advertisement
 - Merit and costs of various certifications

Questionnaire to collect basic data

- Nanos cheese
- Bovec cheese
- Extra virgin olive oil from Slovenian Istria
- Ham from Prekmurje
- Forest honey from Kočevs
- Styrian Prekmurje pumpkin oil
- Karst honey
- Šebrelje stomach
- Prleška Tünka
- Prekmurska gibanica
- Idrijski Žlikrofi
- Kostelska rakija

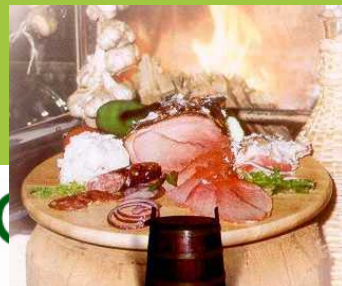


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SEVENTH FRAMEWORK
PROGRAMME

Interviews

- Nanos cheese
- Extra virgin olive oil from Slovenian Istria
- Ham from Prekmurje
- Forest honey from Kočevsko
- Karst honey
- Styrian Prekmurje pumpkin oil
- Šebrelje stomach
- Prleška Tünka
- Prekmurska gibanica
- Idrijski Žlikrofi



Interest of farmers to go into local products:

Study 2006/2007

Farmers with Cika breed (n=111)

Suckler cow farmers (n=121)

Dairy farmers (n=1,111)



Future plans of farmers (in%)

	CIKA farmers	Suckler COW farmers	Dairy farmers
Develop the farm further			
- by increasing number of cows	76%	38%	64%
- by starting/increasing with a new branch:	82	70	54
Horses	16	23	6
Agro-tourism	32	26	5
Local products	15	14	2
Changing to organic farming	44%	43%	6%

Perceptions of consumers: contents of this presentation

Study 2009

- Goals of the research
- Research method: data and analyses.
- Results
- Conclusions and implications for cheese and sausage processors

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Goals of this research

- Understand the position of special local and organic products in the minds of Slovene consumers

Case: Cheeses and sausages – regular, organic, PDO, mountain and farm made

- Identify opportunities to improve the positioning of these products and thus increase market performance

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Methodology

- Representative sample from the Slovene population
 - 1550 questionnaires about cheese were sent and 220 were returned (14.1 % response rate)
 - 800 questionnaires about sausage were sent and 120 were returned (15.0 % response rate)

Methodology I: importance

- Measures for the **importance** of food characteristics:
 - When buying food products how important is the nutritional value for you?
 - When buying food products how important is it for you to improve your health?
 - When buying food products how important is for you food security, guaranteed by certificates?

When buying food products, how important is to you?	Not important						Very important
Nutritious value	1	2	3	4	5	6	7

PCA on food characteristics / attributes

Cluster analysis on groups of consumers with similar food characteristics

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RESULTS I: Expressed relative importance of food product characteristics

Indulgence

Perceived attributes of food	Average importance across the sample
Excellent taste	6.36
Healthy	6.04
Produced in Slovenia	5.97
Enjoyment	5.93
Environmental friendly production	5.92
Improving health	5.88
Animal friendly production of food products	5.85
Fair price for producers	5.69
Convenient shopping	5.47
Certificates as safety guarantees	5.38
Traditionally produced	5.36
Premium quality	5.35
Easy to prepare	5.22
Nutritional Value	4.95
Competitive price	4.61
Produced in a specific region	4.40
Low price	4.30
<i>N</i>	325

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Expressed importance of food product characteristics

Healthy

Perceived attributes of food	Average importance across the sample
Excellent taste	6.36
Healthy	6.04
Produced in Slovenia	5.97
Enjoyment	5.93
Environmental friendly production	5.92
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Low price	4.30
N	325

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Expressed importance of food product characteristics

Sustainable

Perceived attributes of food	Average importance across the sample
Excellent taste	6.36
Healthy	6.04
Produced in Slovenia	5.97
Enjoyment	5.93
Environmental friendly production	5.92
Improving health	5.88
Animal friendly production of food products	5.85
Fair price for producers	5.69
Convenient shopping	5.47
Certificates as safety guarantees	5.38
Traditionally produced	5.36
Premium quality	5.35
Easy to prepare	5.22
Nutritional Value	4.95
Competitive price	4.61
Produced in a specific region	4.40
Low price	4.30
N	325

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Expressed importance of food product characteristics

Traditional

Perceived attributes of food	Average importance across the sample
Excellent taste	6.36
Healthy	6.04
Produced in Slovenia	5.97
Enjoyment	5.93
Environmental friendly production	5.92
Improving health	5.88
Animal friendly production of food products	5.85
Fair price for producers	5.69
Convenient shopping	5.47
Certificates as safety guarantees	5.38
Traditionally produced	5.36
Premium quality	5.35
Easy to prepare	5.22
Nutritional Value	4.95
Competitive price	4.61
Produced in a specific region	4.40
Low price	4.30
N	325

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Expressed importance of food product characteristics

Good price

Perceived attributes of food	Average importance across the sample
Excellent taste	6.36
Healthy	6.04
Produced in Slovenia	5.97
Enjoyment	5.93
Environmental friendly production	5.92
Improving health	5.88
Animal friendly production of food products	5.85
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Easy to prepare	5.22
Nutritional Value	4.95
Competitive price	4.61
Produced in a specific region	4.40
Low price	4.30
N	325

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Expressed importance of food product characteristics

Convenience

Perceived attributes of food	Average importance across the sample
Excellent taste	6.36
Healthy	6.04
Produced in Slovenia	5.97
Enjoyment	5.93
Environmental friendly production	5.92
Improving health	5.88
Animal friendly production of food products	5.85
Fair price for producers	5.69
Convenient shopping	5.47
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Competitive price	4.61
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Methodology II: perception

- Measures for **perception** of Slovene consumers on special local and organic products
 - Do you think that Farm made cheeses:
 - are nutritious?
 - improve your health?
 - have certificates that guarantee the safety of the product?
 -
- Products that were included are: Regular cheese, Organic cheese, PDO cheese, Mountain cheese, Farm made cheese

Do you think that regular cheese	Absolutely Not						Definitely Yes
Is nutritious	1	2	3	4	5	6	7 17

RESULTS II: Perception of Slovene consumers on Cheeses

Red: low compared to other cheeses

Green: high compared to other cheeses

Perceived attributes of Cheese	Regular Cheese	Organic Cheese	PDO Cheese	Mountain Cheese	Farm made
Healthy	4.39	5.53	5.33	5.37	5.06
Nutritious	4.96	5.61	5.62	5.85	5.76
Improving health	3.99	5.25	4.86	5.16	4.88
Healthy	4.37	5.70	5.36	5.63	5.17
Certificates as safety guarantees	4.27	5.60	5.50	4.88	4.47
Good Price	4.46	3.20	3.48	3.71	4.06
Low price	4.24	2.88	3.18	3.49	3.90
Competitive price	4.69	3.53	3.77	3.94	4.21
Sustainable production	3.98	4.88	4.76	5.23	4.87
Fair price for producers	3.83	4.10	4.32	4.44	4.34
Environmental friendly production	4.03	5.30	5.01	5.63	5.14
Animal friendly production	4.12	5.27	4.95	5.63	5.15

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Perception of Slovene consumers on Cheeses

Red: low compared other cheeses

Green: high compared to other cheeses

Perceived attributes of Cheese	Regular Cheese	Organic Cheese	PDO Cheese	Mountain Cheese	Farm made
Traditional production	4.09	4.97	5.84	5.85	5.53
Produced in Slovenia	4.57	5.00	6.05	5.91	5.89
Traditionally produced	3.80	4.94	5.51	5.85	5.61
Produced in a specific region	3.92	4.97	5.95	5.79	5.13
Indulgence	5.03	5.29	5.43	5.44	5.11
Enjoyable meal	5.02	5.27	5.39	5.44	5.06
Excellent taste	5.05	5.31	5.47	5.44	5.16
Convenience	5.53	4.96	5.12	4.74	4.63
Convenient to buy	5.54	4.65	4.86	4.28	4.24
Easy to prepare	5.52	5.28	5.38	5.20	5.01
N	214	211	206	208	108

Perception of Slovene consumers on Sausages

Red: low compared other sausages

Green: high compared to other sausages

Perceived attributes of Cheese	Regular Sausage	Organic Sausage	PDO Sausage	Farm Sausage
Healthy	3.60	4.68	4.13	4.12
Nutritious	4.38	4.92	4.88	5.24
Improving health	2.87	4.25	3.25	3.42
Healthy	3.23	4.58	3.56	3.95
Certificates as safety guarantees	3.92	4.97	4.85	3.88
Good Price	3.71	2.78	3.55	3.71
Low price	3.47	2.41	3.28	3.41
Competitive price	3.95	3.15	3.81	4.01
Sustainable production	3.27	4.22	3.81	4.01
Fair price for producers	3.32	3.68	3.89	4.15
Environmental friendly production	3.31	4.78	3.86	4.15
Animal friendly production	3.17	4.21	3.70	3.74

Kranjska
sausage

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Perceptions of Slovene consumers on Sausages

Red: low compared other sausages

Green: high compared to other sausages

Perceived attributes of sausages	Regular Sausage	Organic Sausage	PDO Sausage	Farm Sausage
Traditional production	3.83	4.60	5.45	5.24
Produced in Slovenia	4.28	4.75	5.91	5.60
Traditionally produced	3.66	4.58	5.18	5.27
Produced in a specific region	3.57	4.46	5.26	4.85
Indulgence	4.37	4.92	5.01	5.33
Enjoyable meal	4.30	4.82	4.85	5.21
Excellent taste	4.44	5.03	5.19	5.45
Convenience	5.15	5.03	5.59	5.28
Convenient to buy	5.14	4.72	5.42	4.95
Easy to prepare	5.16	5.34	5.76	5.62
N	119	118	118	117

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Methodology III: Intention/decision to buy

Measure for **intention** to buy:

When buying cheese, how likely it is that you buy farm made cheese / organic cheese /in coming month?

How likely it is to buy.....?	Very unlikely						Very likely
Farm made cheese	1	2	3	4	5	6	7

Statistical criteria for buying behaviour:

Determinance = regression of perception of product on intention to buy this product



Influence of perceptions on buying intentions for cheeses (= determinance)

product	Behavioural intentions to buy				
	Regular Cheese	Organic Cheese	PDO Cheese	Mountain Cheese	Farm made Cheese
Healthy	0.38	-0.13	0.31	-0.22	-0.31
Good Price	-0.08	0.04	0.17	0.14	0.09
Sustainable production	-0.29	0.01	-0.15	-0.17	-0.04
Traditional production	-0.15	0.11	-0.33	0.08	0.17
Indulgence	0.64	0.65	0.82	0.53	0.60
Convenience	0.28	0.08	0.20	0.54	0.57
Knowledge		0.24	0.28	0.12	0.18
R2	0.16	0.22	0.29	0.20	0.33
N	209	204	202	201	64
F	6.6**	7.9**	11.3**	7.0**	4.1**

Influence of perceptions on buying intentions for sausages (=determinance)

product	Regular Sausages	Organic Sausages	PDO Sausages	Farm made Sausages
Healthy	0.38	-0.13	0.26	0.34
Good Price	0.04	0.25	0.25	0.14
Sustainable production	-0.51	-0.19	0.05	0.09
Traditional production	0.00	-0.19	-0.09	-0.26
Indulgence	0.72	0.79	0.61	0.99
Convenience	0.28	0.20	0.13	-0.34
Knowledge		0.17	0.21	0.59
R2	0.20	0.19	0.23	0.34
N	117	116	116	117
F	11.3**	10.3**	13.4**	15.5

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Conclusions I

- Excellent taste is the most important characteristic of food for consumers (relevancy & decision of buying).
- Organic, PDO, Mountain, and Farm made cheese do **not** perform better on taste than regular cheeses
- Organic, PDO, and Farm made sausages do perform better on taste than regular sausages
- All products can increase their sales if they find ways to improve the perception of taste

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Conslusions II

- Consumers do not say convenience (availability) is important
- However, mountain cheeses and farm made cheeses can increase their sales by improving its availability for consumers

Conslusions III

- Consumers say health, sustainability and tradition (specifically production in Slovenia) are important, but this does not really increase their intention to buy
- Consumers say price is not important to them and indeed: low, competitive prices hardly influence their intention to buy products (remarkable)

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Main conclusion of study

General statements of consumers about food products do not reflect itself consequently in the market place

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