A critic perspective on the current paradigm of high-quality products marketing strategy

*D. Martin-Collado, C. Díaz, M. Serrano, M. Ramón, R. Zanoli and S. Naspeti

*CITA-Centro de Investigación y Tecnología Agroalimentaria de Aragón
Long tradition of sheep sector in Spain
Long tradition of sheep sector in Spain
Evolution of sheep sector in Spain

- **Meat;** 15 years of negative evolution
  - 2.7kg per capita (2006) to 1.7kg (in 2014)

- **Dairy products;** positive evolution

- Changes drivers: CAP policies, liberalization and globalization, inputs price volatility, and **consumers demand**

- Change in consumers habits:
  - Urban way of life; fast and easy
  - Healthy and environmental concerns
  - Food scandals
  - Media
The paradigm of high-quality labelled products

- Objectives of Origin or Breed labelling:
  - Product differentiation
  - Information about product features
  - Avoid misappropriation of product reputation
  - Competitive alternative for local productive systems

- Many successful examples; Parmesan, Manchego, Angus, Jamón Ibérico
- Numerous studies show consumers are willing to pay

- But debate about:
  - Consumer awareness on labels meaning
  - Its effect on consumer attitudes, preferences and quality perception
**Consumer Focus Groups**

- **Objective.** Explore consumers awareness, attitudes and preferences

- **Urban consumers in Madrid**
  - 4 consumers FGs (2 meat, 2 dairy, 8-12 participants)
    - Balance: Age, work state, gender, consumption level
  - **Initial questionnaire**
    - Number of type, quality label and brands of cheese
  - **FG Guiding questions**
    - What kind of products do you purchase or happened to purchase in the past?
    - What do you like/dislike the most in products?
    - What would you make to increase the share of products that you purchase?
    - ...

---

*SAGE* Innovation for Sustainable Sheep and Goat Production in Europe
Results. Dairy products preferences

- Importance weight of the most preferred dairy products and their characteristics

<table>
<thead>
<tr>
<th>Most preferred product</th>
<th>n</th>
<th>Organoleptic properties</th>
<th>Preparation/cooking features</th>
<th>Health (calories)</th>
<th>Facilitate digestion</th>
<th>Environmental/natural/ biological</th>
<th>Price</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheese</td>
<td>13</td>
<td>3.0</td>
<td>2.2</td>
<td>0.3</td>
<td>0.2</td>
<td>0.2</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>Goat cheese</td>
<td>6</td>
<td>3.3</td>
<td>1.3</td>
<td>0.5</td>
<td>-</td>
<td>0.2</td>
<td>0.5</td>
<td>0.2</td>
</tr>
<tr>
<td>Yoghurt</td>
<td>3</td>
<td>5.0</td>
<td>-</td>
<td>1.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Goat yoghurt</td>
<td>1</td>
<td>1.0</td>
<td>-</td>
<td>2.0</td>
<td>3.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Semi-cured cheese</td>
<td>1</td>
<td>6.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Goat kefir</td>
<td>1</td>
<td>3.0</td>
<td>-</td>
<td>-</td>
<td>0.0</td>
<td>1.0</td>
<td>-</td>
<td>2.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>17</td>
<td>3.4</td>
<td>1.2</td>
<td>0.5</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
</tbody>
</table>

*Characteristics Importance Weight = (3 x number of times the characteristic is ranked 1\textsuperscript{st} + 2 x number of times the characteristic is ranked 2\textsuperscript{nd} + number of times the characteristic is ranked 3\textsuperscript{rd}) / number of participants.
## Results. Lamb preferences

<table>
<thead>
<tr>
<th>Most preferred product</th>
<th>n</th>
<th>Organoleptic properties</th>
<th>Preparation/cooking features</th>
<th>Health (fat)</th>
<th>Freshness</th>
<th>Environmental/natural/biological</th>
<th>Geographic origin</th>
<th>Origin (type of store)</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lamb/kid chops</td>
<td>10</td>
<td>3.9</td>
<td>0.6</td>
<td>0.2</td>
<td>0.3</td>
<td>0.5</td>
<td>-</td>
<td>-</td>
<td>0.4</td>
</tr>
<tr>
<td>Leg of lamb/kid</td>
<td>7</td>
<td>2.3</td>
<td>0.9</td>
<td>1.1</td>
<td>0.7</td>
<td>-</td>
<td>0.4</td>
<td>0.6</td>
<td>-</td>
</tr>
<tr>
<td>Shoulder of lamb</td>
<td>1</td>
<td>4.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>18</td>
<td><strong>3.3</strong></td>
<td><strong>0.7</strong></td>
<td><strong>0.6</strong></td>
<td><strong>0.4</strong></td>
<td><strong>0.3</strong></td>
<td><strong>0.3</strong></td>
<td><strong>0.2</strong></td>
<td><strong>0.2</strong></td>
</tr>
</tbody>
</table>
“What moves me, is trying cheeses, but many times I do not know if it is sheep or cow cheese, I just try a cheese and if I like it I eat it for a while. For example I do not know if feta cheese is from sheep; I think so”

(Male, occasional consumer)
“I go to Lidl, because there is always a cheese on offer and I buy it. Each week they put a different cheese on offer and that is the one I buy”

(Male, regular consumer)
“My mother is from Extremadura region, and there they eat ewe, not lamb, and they make stew, and start cooking for lunch at eight in the morning. They are more used to strong flavours, not like us. They make the most of all cuts”

(female, occasional consumer)
“It is true that is like a mental shortcut, and we think that a product from a traditional store is more natural. It’s like I establish a hierarchy; first street markets and biological stores, then traditional shops, and finally supermarkets.”

(male, occasional consumer)
Results. Farmers-consumers miscomm.

- FG finding in line with industry analysis (Ikerfel 2013a, 2013b, and 2015):
  - Spain has a strong tradition on cheese production and consumption...
    ...but a limited cheese culture
  - Lack of knowledge on lamb production and cooking recipes
  - Current urban cooking habits: fast, easy and healthy...
    ...fit with cheese consumption but hamper lamb consumption
Results. Labels and brands

- DOP, IGP and ETP helped to differentiate products and fill a market niche
- However...
  - ...most consumers do not know what those labels mean
  - ...and mix them up with commercial brands

Labels have become brands...
...its success might be linked to the capacity of managing as commercial brands
Results. Buying criteria and marketing

- Welfare, health and environment... but price is the main criterion
- Consumers think local markets and traditional stores products are fresher and more social and environmentally friendly...
  
  ...most products are sold in super and hypermarkets

Increasing availability at supermarkets and large stores, new cuts and presentation show a remarkable potential

It poses challenges related to farmer organization and industry integration
Large stores had 90% of dairy products market share
(Mercasa, 2014)

The development of niche market is important, especially for product of outstanding quality

The future of sheep and goat sectors will rely on sales on large stores where price is a decisive criterion
A critic perspective on the current paradigm of high-quality products marketing strategy

THANKS FOR YOUR ATTENTION!