

Literature review WP 2

Germany

Michael Besch, Helmut Hausladen,
Burkhard Schaer, Frank Thiedig

*Technische Universität München
Professur für Marktlehre
Freising, Deutschland*

Review report

1. IDENTIFICATION OF THE MOST RELEVANT RESULTS

In this context, we will report results of three research projects about origin linked traditional specialities and conceptions of regional food marketing in Germany. These projects are:

- (1) Inventory of origin linked traditional specialities in Germany (THIEDIG, F., 1996)
- (2) Marketing potential of origin linked traditional Bavarian specialities (THIEDIG, F., 2001)
- (3) Competitive advantages of regional/local food marketing in Germany (HAUSLADEN, H., 2001)

1.1. Inventory of origin linked traditional specialities in Germany (THIEDIG, F., 1996)

In Germany, there are many traditional and regionally typical specialities of varying importance. Their total number is estimated to amount to some 1000 different products. A first inventory, done by F. THIEDIG in 1996, describes 301 of these origin-linked typical/traditional specialities. This research was part of the European Inventory (*Inventaire des Produits Alimentaires Traditionnels des Regions de l'Union Européenne*) by EUROTERROIRS (1996) that was partly financed by the European Union.

More than half of the 301 recorded products are counted among the two product families "bread and pastries" (85 products) and "meat and meat products" (71). The remaining part is divided into the product groups of beverages, fruits and vegetables, fish and seafood, dairy products and confectionary. Almost half of all products were found in Bavaria (84) and Baden-Wuerttemberg (53), but this might partly be attributed to the fact, that the project was carried out by an institution in the south of Germany.

1.2. Marketing potential of origin linked traditional Bavarian specialities (THIEDIG, F., 2001)

During two years of work (from may 1999 to may 2000), the legal framework of OLP was examined, case studies were done on traditional Bavarian specialities and guidelines for the realisation of these products' potentials were developed.

This report for WP 2 (link between OLP and production-marketing systems) is referring only the case studies and the derived measures.

1.2.1. Case studies

In Germany it was accepted opinion that the European protection of denominations of origin is of marginal importance for German food and agriculture products. As a matter of fact, until now (march 2001), only some 60 German products (of which 31 were mineral waters) obtained the European protection as PDO (Protected Designation of Origin) or PGI (Protected Geographical Indication) products.

Out of the 84 Bavarian products that had been described in 1996, 12 products of different economic significance were chosen for case studies that were generated according to the following scheme:

- Description of the product
- Resources
- Development of the whole market
- Development of the products' partial market
- Demand
- Competition
- Trading
- Acquisitory potential
- Legal situation
- SWOT-Analysis: Strengths, Weakness, Opportunities und Threats.

Roughly it can be estimated that the turnover of the 12 specialities covered amounts to some 3,1 Billion Euro, 13 % of the total turnover of Bavaria's food industry. The main turnover share of 9,4 % is the one of "Bavarian beer", but "Bavarian Beef", "Bavarian Pretzels" the "Nuremberg frying sausage", the "Nuremberg Lebkuchen" (sort of gingerbread) and the "Munich white sausages" still do generate turnovers between 450 and 25 million Euro each.

Two of the 12 specialities have obtained legal protection by EU regulation Nr. 2078/92: "Allgäuer Bergkäse" (cheese from Allgaeu) and "Nuremberg Lebkuchen", two other specialities, "Bavarian Beer" and "Nuremberg frying sausage" have applied for protection

1.2.2. Marketing-Potential of Bavarian specialities

The research shows, that most of the Bavarian specialities have a high acquisitory potential, but only limited legal protection. Thus the necessity arises, for Bavarian as for German specialities, to apply for legal protection as PDO or PGI.

The following advantages might emerge:

- The link between origin and product is protected, and thus misuse and appropriation by producers of other regions is inhibited
- By fixing the raw materials and recipes a homogenous product quality can be achieved, and the OLP can become a collective brand
- Precondition is an effective collaboration between the partners, that can lead to a group marketing

1.3. Competitive advantages of regional/local food marketing in Germany (HAUSLADEN, H. 2001)

The empirical basis of this research was an inventory of 167 regional marketing projects in Germany. The managers of these projects were queried by means of questionnaires in written form, additionally oral expert interviewing and standardized oral / telephone interviewing. Furthermore, eight case studies were done. The results were used to deduce the competitive advantages of regional / local marketing and to develop marketing conceptions, based on these advantages.

1.3.1. Regional / local competitive advantages

Based on PORTER's theory of national competitive advantages, in local food marketing four regional potential fields could be derived:

- The consumers' potential (resulting in an origin-effect)
- The co-operative potential (resulting in a synergy-effect)
- The factor-potential (resulting in a location-effect)
- The image-potential (resulting in an identity-effect)

In summing up these four effects the regional / local competitive advantages arise, rendering the region unique and representing its "unique local selling proposition".

1.3.2. Regional / local marketing conceptions

The regional / local marketing conception is derived from the unique local selling proposition. For this, the goals, the strategies and the instruments for regional and local marketing and the implementation of marketing-tools have to be defined.

The regional marketing projects that we have covered by our studies showed, on the three levels of marketing conceptions, the following elements:

Among the **marketing-goals** social and ecological objectives as well as the wakening of public awareness had top priority, economic objectives (revenues, turnover, added value) were derived off these main goals.

Strategy-mixes in regional marketing include in most cases the sale of regional products via existing markets by means of preference strategy.

The **implementation of tools (marketing-mix)** is, as well, determined by the adaptation on regional needs. The **product policy's** most important issue is the raw materials' quality, by creating additional benefits through the relation to regional origin. **Price policy** is concentrating on the high prices segment. **Distribution policy** is using direct and indirect channels. In addition to direct farm sales and the selling via local food trade and gastronomy, conventional supermarkets gain importance by using new store elements: regional sales counters and indoor mini-markets, for example. **Communication policy** is centred on regional consumers. The use of local and regional media is common, sales promotion and public relations are playing important roles.

2. SELECTION OF SCIENTIFIC AND RECENT (SINCE 1980) PAPERS, PUBLICATIONS, MEMORIES AND STUDIES IN THE COUNTRY (INCLUDING INTERNATIONAL AND NATIONAL MEETINGS HELD IN ENGLISH)

2001

Hausladen, H.

Regionales Marketing. Ein Marketing-Management-Ansatz für kleinräumige Kooperationsprojekte zur Erzielung regionaler Wettbewerbsvorteile.

Ph. D.-Thesis, Wissenschafts-zentrum Weihenstephan (Center of Food and Life Sciences) Technische Universität München.

Thiedig, F.

Entwicklung des Marketing-Potentials traditioneller bayerischer Spezialitäten.

Ab-schlußbericht des Forschungsvorhabens, TU München, Wissenschaftszentrum Weihenstephan.

2000

Balling, R.

Entwicklung und Bedeutung der Direktvermarktung im Kontext der Regionalen Vermarktung von Lebensmitteln.
"Agrarwirtschaft", Vol. 49, Nr. 12, December (2000) p. 458-462.

Becker, T. ; Benner, E.

Zur Problematik der Herkunftsangaben im regionalen Marketing.
(Hohenheimer Agrarökonomische Arbeitsberichte, Nr. 1).

Besch, M., Hausladen, H., Thiedig, F.

Regionale Marketing-Konzeption im Agribusiness: Theoretischer Ansatz und empirische Überlegungen.
In: Dachverband Agrarforschung (Hrsg.), Regionale Vermarktungssysteme in der Land-, Ernährungs- und Forstwirtschaft – Chancen, Probleme und Bewertung. (Schriftenreihe agrarspectrum, Bd. 30) Frankfurt/Main.

Grienberger, R.

Die Herkunftsangabe als Marketinginstrument.
Mainz.

Hausladen, H.

Konturen lokaler Wettbewerbsvorteile im Lebensmittelmarketing.
Agrarwirtschaft, Vol. 49, Nr. 12, December (2000), p. 444-451.

Hensche, H.-K. ; Ullrich, H.

Status-Analyse Regional-Vermarktung in Nordrhein-Westfalen.
In: Dachverband Agrarforschung (Hrsg.), Regionale Vermarktungssysteme in der Land-, Ernährungs- und Forstwirtschaft – Chancen, Probleme und Bewertung. (Schriftenreihe Agrarspectrum, Bd. 30) Frankfurt, S. 55-66.

Schade, G. ; Liedtke, D.

Probleme der Regionalvermarktung im Berliner Umland.
In: Dachverband Agrarforschung (Hrsg.) Regionale Vermarktungssysteme in der Land-, Ernährungs- und Forstwirtschaft – Chancen, Probleme und Bewertung. (Schriftenreihe Agrarspectrum, Bd. 30) Frankfurt, S. 94-104.

Thiedig, F. ; Sylvander, B.

Welcom to The Club? An Economical Approach to Geographical Indications in the European Union.
Agrarwirtschaft, Vol. 49, Nr. 12, December (2000), p. 428-437.

1999

Besch, M. ; Hausladen, H.

Regionales Marketing im Agribusiness. Erfolgspotentiale und Problemfelder dargestellt an lokalen Kooperationsprojekten des regionalen Agrarmarketings.
In: Landwirtschaftliche Rentenbank (Hrsg.) Innovative Konzepte für das Marketing von Agrarprodukten und Nahrungsmitteln. (Schriftenreihe Bd. 13) Frankfurt/Main, p. 7-50.

Besch, M. ; Hausladen, H.

Bestandsaufnahme mit Projektbeschreibungen zur regionalen Vermarktung in Bayern. Ergebnisse eines Forschungsauftrags des Bayerischen Staatsministeriums für Ernährung Landwirtschaft und Forsten. Dokumentation. München, Juli 1999.

Wirthgen, B. ; Schmidt, E. ; Gewert, J.

Möglichkeiten und Grenzen regionaler Vermarktungskonzepte am Beispiel Minimarkthallen in loser Kooperation mit Verbrauchermärkten und Einkaufszentren.
In: Landwirtschaftliche Rentenbank, (Hrsg.) Innovative Konzepte für das Marketing von Agrarprodukten und Nahrungsmitteln. (Schriftenreihe Bd. 13) Frankfurt/Main, p. 135-178.

1998

Thiedig, F.

Deutschlands kulinarisches Erbe.
Ars vivendi Verlag, Cadolzburg 1998.

1997

Besch, M. ; Prummer, S.

Regionale Marketingkonzepte auf einzelbetrieblicher und kooperativer Basis.

In: Bauer, S., Herrmann, R, Kuhlmann, F. (Hrsg.) Märkte der Agrar- und Ernährungs-wirtschaft. (Schriften der Gewisola, Bd. 33), p. 327-338.

Wolfram, R.

Entwicklung des ländlichen Raumes – Konzepte zum Aufbau regionaler Vermarktungsstrukturen in Nordrhein-Westfalen.

Agra-Europe, Vol. 38, Nr. 12, (24. March 1997) Sonder-beilage p. 1-18.

1996

Euroterroirs

Inventaire des Produits Alimentaires Traditionnels des Régions de l'Union Européenne.

Paris, Vol. 1.

Prummer, S.

Die regionale Vermarktung – eine zukunftssträchtige Form des Agrarmarketing.

In: Regionalvermarktung, vom Landwirt zu Verbraucher. Hrsg. V. KTBL, Arbeitspapier 224, Darmstadt, p. 7-12.

Thiedig, F.

Regionaltypische traditionelle Lebensmittel und Agrarerzeugnisse: Kulturelle und ökonomische Betrachtungen zu einer ersten Bestandsaufnahme deutscher Spezialitäten.

Arbeitsbericht der Professur für Marktlehre Nr. 21, TU München-Weihenstephan.

1995

Balling, R.

Der Herkunftsaspekt als Erfolgsfaktor für das Lebensmittelmarketing.

"Berichte über Landwirtschaft", Vol. 73, p. 83-106.

1993

Alvensleben, R. V., Gertken, D. (1993)

Regionale Gütezeichen als Marketinginstrument bei Nahrungsmitteln.

"Agrarwirtschaft", Vol. 42, Nr. 6, July (1993) p. 247-251.

Discussion report

The three researches described above suggest the derivation of the following three main results:

- (1) There is a considerable potential of traditional and regional specialities in Germany, that, until now, has been widely neglected and still is neither used nor protected.
- (2) A growing interest, to obtain PDO- or PGI-recognition for some regional specialities, could first be observed two years ago. The motivation is primarily a desire for protection against usurpation of regional denominations by producers of other regions.
- (3) The recognition as OLP does not automatically implicate market success. The origin of the product might be protected, but OLPs do still compete with each other and with all the non-OLP-products of the same category. Market success can only be achieved by a specific marketing-programme that is using the regional competitive advantages to build a Unique Local Selling Proposition.

Future research tasks:

- (1) Doing a new set of case studies on potential OLPs, covering other German regions.
- (2) Accompanying analysis of the developing marketing conceptions for OLPs, including the development of controlling-programmes.
- (3) Accompanying analysis of the integration of speciality marketing in German co-operative marketing, following the example of Romanic countries.

