

# Literature review WP 4

## Portugal

Mário Sérgio Teixeira

*UTAD - DES  
Vila Real, Portugal*

## Review report

### 1. IDENTIFICATION OF THE MOST RELEVANT RESULTS

1. The concept of the origin-label (DOP or IGP) associated with food products remains unknown to the majority of Portuguese consumers (SANTOS, 1998; SOUZA MONTEIRO, 1999), which could help to explain the low level of differentiation consumers make between OLPs and non OLPs from the same region (MARREIROS; 1997). However, regardless of whether products are origin labelled or not, when making their purchases, a significant section of Portuguese consumers use the region of origin as a key product attribute in choosing what to buy (SILVÉRIO, 2000). This points to geographical origin (in general), and the reputation of the locality (in particular), as something that enhances the value of such food products in consumers' perceptions (TEIXEIRA e MARQUES, 1998), even though consumers are to a large extent unaware that a scheme Community-wide scheme of certification and guarantee of origin exists.
2. The strategy of using *double* Community protection (namely both DOP and biological/organic certification), pursued by some producers of origin-labelled olive oil, seems of debatable relevance to the Portuguese market, given that so few consumers attach any importance to biological/organic production methods, and in some cases regard it as an undesirable product attribute (MARQUES e TEIXEIRA, 1998a; SANTOS, 1998).
3. Among Portuguese purchasers of origin-labelled products (with DOP or IGP designations), there appears to be a strong positive correlation between consumption and key socio-economic variables such as education level, purchasing power, social class and type of occupation/profession (SOUZA MONTEIRO, 1999; MARQUES e TEIXEIRA, 1998a).

### 2. ABSTRACTS OF THE MOST RELEVANT PAPERS

#### **MARQUES, Carlos Peixeira ; TEIXEIRA, Mário Sérgio (1998a)**

This study, conducted in 1996 on the basis of a representative sample of Portuguese consumers, presents the following conclusions of relevance to a specific national origin-labelled product (DOP), namely Trás-os-Montes olive oil.

1. Enhancing the value of Trás-os-Montes D.O.P olive oil in general. DOP olive oils are preferred over conventional oils. Among the DOP oils studied, that of Trás-os-Montes is slightly preferred to that from the Beira Interior region. This preference is more marked among Class A consumers, who constitute 2,5% of all households, than among the population at large who, nonetheless, still show a pronounced preference for DOP oils.
2. Enhancing the value of biologically/organically produced Trás-os-Montes D.O.P olive oil. This is an important complementary issue, since there are DOP olive oils that also benefit from biological/organic certification. For the majority of Portuguese, the perception of the value of organically/biologically produced olive oils is very low or even negative. Indeed, some consumers appear prepared to pay more for a conventional oil than for one produced biologically/organically. Those with at least 11 years of schooling, resident in localities with at least 2000 inhabitants, and daily users of olive oil (constituting approximately one eighth of the population) appear to the category most disposed to consume olive oil certified as biological/organically.

#### **MARREIROS, Cristina (1997)**

This study calls attention to the weak differentiation that, according to the producers of Moura DOP olive oil, consumers make between DOP and non-DOP oils from the same highly reputed production zone.

#### **SANTOS, Amélia (1998)**

This analysis was undertaken in 1998 on the basis of a random sample of 1000 Portuguese. The author concluded that

1. A little more than 60% of those surveyed were ignorant of the concept of DOP or IGP (Product of Specific Geographical Origin).
2. When asked about three products with this type of designation (olive oil, traditional *alheira* sausages, and beef), a correlation was identified between consumer preference for these specific DOP products and previous knowledge of the existence of the DOP or IGP designations.
3. Branded non-DOP virgin olive oil at 3,25 Euro per 0,75 litre bottle was slightly preferred over Trás-os-Montes DOP olive oil priced at 3,75 Euro per 0,75 litre bottle. Very little preference was shown for organically produced olive oil priced at 4,25 Euro for the same quantity.

4. Mirandela *alheira* sausages ETG (for which plans exist to apply the IGP) at 5,25 Euro per kilo are clearly preferred over those sold at 4,25 Euro without this EC protection.
5. Veal and young beef without DOP, sold at 9,75 Euro per kilo was slightly preferred over DOP beef sold at 11,5 Euro per kilo.

#### **SOUZA MONTEIRO, Diogo (1999)**

Consumers in a heavily populated region of Portugal were surveyed regarding cheese preferences. The number that failed to recognise or that had not bought DOP cheeses was only 15-16% of the total. Three types of consumers were distinguished:

1. Those who did not know of the existence of DOP cheeses;
2. Those who were conscious of their existence but did not purchase them; and
3. Those who consumed (i.e. knew of and bought) DOP cheeses.

Regular consumers of DOP cheeses expressed a preference for those from the Serra de Estrela production area, a cheese with a characteristic soft and creamy texture. Purchasers were not overly concerned about price, and largely selected on the basis of the external appearance of the cheese. These consumers came from the more highly educated strata of society, and were more typically males working in the professions or in business, with medium to high incomes.

#### **SILVÉRIO, Marta (2000)**

Drawing on her analysis of a sample of Portuguese wine consumers, the researcher concludes that

1. Considerable consensus existed on the importance of the region of origin (as indicated by the DOC designation) as a primary element in customer choice; and
2. Perceptions of the relative qualities of DOC wines tended to be formed on the basis of product attributes, the number of which increased with the frequency of wine consumption.

### **3. BIBLIOGRAPHICAL REFERENCES: MOST RELEVANT STUDIES**

#### **2000**

Perdiz, L.

**Estudo e avaliação das possibilidades de penetração do Queijo de Évora D.O.P. no mercado da Grande Lisboa.**

Trabalho de fim de curso de Engenharia Zootécnica, Universidade de Évora.

Santos, P.

**O perfil do consumidor de "Borrego de Montemor-o-Novo" no mercado da Grande Lisboa.**

Trabalho de fim de curso de Engenharia Zootécnica, Universidade de Évora.

Silvério, M.

**Análise do mercado de vinho e das zonas vitivinícolas nacionais. Posicionamento, segmentação, preferências e atitudes. Caso particular: As sub-regiões do Alentejo.**

Tese de Doutoramento em Gestão de Empresas, Universidade de Évora.

#### **1999**

Souza Monteiro, D.

**Portuguese PDO cheese consumers' profile in Lisbon and Surroundings.**

Master of Science Thesis, Mediterranean Agronomical Institute of Zaragoza.

#### **1998**

Estrada, A.

**Estudo dos principais factores determinantes do consumo de queijos tradicionais portugueses na área da Grande Lisboa.**

Trabalho de fim de curso de Engenharia Zootécnica, Universidade de Évora

Marques, C.P. ; Teixeira, M.S. (1998a).

**Perspectivas dos Consumidores Portugueses sobre o Azeite Produzido em Trás-os-Montes e Alto Douro - Estudo de Mercado.**

UA/PDRITM II. Vila Real

Marques, C.P. ; Teixeira, M.S. (1998b).

**Atitudes dos consumidores portugueses face ao azeite biológico.**

Jornadas Interprofissionais Agro-Alimentares "Produtos com História", Trallosmontes, Mirandela.

Santos, A.

**Inquérito sobre produtos tradicionais de qualidade.**

Jornadas Interprofissionais Agro-Alimentares "Produtos com História", Trallosmontes, Mirandela.

Teixeira, M.S. ; Marques, C.P.

**Valor percebido pelos consumidores portugueses para o azeite com denominação de origem.**

Jornadas Interprofissionais Agro-Alimentares "Produtos com História", Trallosmontes, Mirandela.

**1997**

Marreiros, C.

**O marketing e as denominações de origem e indicações geográficas.**

Tese de Mestrado em Economia Agrícola, Universidade de Évora, Évora.

**1996**

Almeida C. A F., Martins L. D. F., Sabino F. M.

**Comercialização da salsicharia tradicional alentejana na cidade de Évora.**

CCRA, Évora

**1994**

Instituto Do Vinho Do Porto E Apeme

**Atitudes, hábitos e comportamentos do consumidor de Vinho do Porto.**

IVP, Porto

## Discussion report

### 1. INCREASING DEMAND AND ENHANCING PERCEPTIONS OF OLPS

Often, businesses whose production and sales could benefit from adherence to the Community scheme of origin-based identification and guarantee, deliberately opt to sell their products without DOP or IGP designation, due to the low level of differentiation made by Portuguese consumers between products with and without origin-labelling and, consequently, both the negligible value they attach to such distinctions, and their unwillingness to pay correspondingly higher prices. This is particularly so since products both with and without origin-labelling may well

??come from the same locality that has an established general reputation for such products (as in the case of olive oil);

??be based on the same local breed (as in the case of meat): and

??be made in similar ways, with characteristics (either presentational and/or flavour) comparable to each other (as in the case of cheese).

Given this resistance on the part of consumers, a number of questions need to be addressed:

- 1) Of what, precisely, does the value attributed – or attributable – by consumers to origin-labelled products consist? Is it possible to quantify – for specific products and markets – how much value added does OLP status confer on a given item, as compared with those without this designation? What methods are available to determine this origin-related value-added?
- 2) If this specific value-added does not exist, is there any further advantage to producers in certifying their output with a DOIP or IGP designation? Is such origin-related protection and guarantee sustainable in the long term, without efforts to encourage national, European and global consumers to see such goods as having additional valuable attributes (see the case of certain regional wines)?
- 3) How could consumers be encouraged to accelerate their acceptance of the value inherent in origin-labelled products, and to convert that new perception into a willingness to pay a premium that would be sufficient to induce more producers to embrace certification?
- 4) What type of research (particularly market research) is required in order to devise marketing strategies that best match the profiles of targeted consumers?
- 5) What type of promotional exercises for origin-labelled product would be appropriate? What should their aims be: solely to increase consumer knowledge of OLPS? More specifically to communicate the benefits associated with OLPS? What further objectives might be pursued?

### 2. LOW LEVELS OF PRODUCTION OF SOME OLPS.

Some Portuguese OLPS have extremely low levels of output. Small scale of operation and low production capacity make it difficult for producers of OLP to increase the profile and market share of their products. The problem can only be overcome if output and sales can be increased enough to spread the fixed capital and other costs associated with the certification process and the marketing of OLPS. But if prices are set too high, demand will remain limited, constraining attempts to increase the scale of production. How can this vicious circle be broken?

### 3. DOUBLE CERTIFICATION

Some OLPS are marketed with both DOP or IGP *and* biological/organic certification. What, if any, are the advantages of this practice?

#### **4. TRADITION VERSUS THE MARKET?**

To what extent do OLPs correspond to the needs and priorities of consumers? If they fail to adequately do so, to what extent do their origin-related attributes compensate for aspects perceived of as negative, such as irregular/non-standard size, higher price, etc.

What space for manoeuvre do OLPs have with regard to the future influencing the development of consumer tastes and perceptions? Where does the trade off lie between the conservation of tradition, on the one hand, and the modernisation and adaptation of production in line with consumer demand, on the other?

#### **5. SENSORY DIMENSION OF CONSUMER CHOICE**

How important is consumers' sensory evaluation of OLPs? For example, in the case of wine, it appears that the opinions and comparative classifications provided by wine-tasters and other experts, and published in newspaper/magazine articles and in specialist books (wine guides), are important in this regard. What methodologies are available for analysing various types of OLPs in this way, and what has been the experience of other countries? Or is it the case that the image associated with an OLP more important than its intrinsic characteristics?

#### **6. CONSUMER INFORMATION AND FAMILIARISATION STRATEGIES**

Given the level of ignorance consumers demonstrate with regard to the existence and benefits of OLPs, and the limited adherence by producers to certification/protection schemes (as indicated in a number of national studies), what would be the most appropriate policies to modify the situation?

