

Consumer willingness to buy products with geographical origin (PGO) and protected designation of origin (PDI): A review

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Abstract

This scientific review explores the factors influencing consumer willingness to purchase products with geographical origin (PGO) and protected designation of origin (PDI) over the past twenty-five years. It examines consumer behavior, perceived value, marketing strategies, and the impacts of ethical and environmental considerations and more specifically how the consumers are willing to consume products from protected designation of origin compared with the other products that exist in markets. The review integrates findings from recent peer-reviewed studies, surveys, and reports, offering a comprehensive analysis of consumer attitudes toward PGO/PDI products. In conclusion, the consumers are willing to buy the PGO and PDI products if there is a better price and marketing presentation.

Keywords: consumers, willingness, products with geographical origin, protected designation of origin.

Disposição do consumidor em comprar produtos de origem geográfica (PGO) e denominação de origem protegida (PDI): Uma revisão

Resumo

Esta revisão científica explora os fatores que influenciam a disposição do consumidor em comprar produtos de origem geográfica (PGO) e denominação de origem protegida (PDI) nos últimos vinte e cinco anos. Examina o comportamento do consumidor, o valor percebido, as estratégias de marketing e os impactos das considerações éticas e ambientais e, mais especificamente, como os consumidores estão dispostos a consumir produtos de denominação de origem protegida em comparação com outros produtos existentes nos mercados. A revisão integra resultados de estudos, pesquisas e relatórios recentes revisados por pares, oferecendo uma análise abrangente das atitudes dos consumidores em relação aos produtos PGO/PDI. Em conclusão, os consumidores estão dispostos a comprar os produtos PGO e PDI se houver um melhor preço e marketing. apresentação.

Palavras-chave: consumidores, vontade, produtos de origem geográfica, denominação de origem protegida.

1. Introduction

This study aims to observe the consumers attitudes towards to PGI and PDO products. Products with geographical indications (PGI) and protected designations of origin (PDO) are increasingly popular due to their perceived authenticity and quality. These products, which include items like Parmigiano Reggiano and Champagne, are valued for their unique qualities attributed to their specific origins. This review investigates the factors driving consumer willingness to buy PGO/PDI products, drawing on research from the last 20 years.

With globalization, an increasing number of small and medium enterprises (SMEs), operate in competitive markets and often they are being forced to develop creative strategies in order to survive (Dawar and Frost, 1999). A marketing strategy based on the local characteristics of a product can offer businesses, especially SMEs (Small and Medium Enterprises), a competitive advantage (Haucap et al., 1997). Successful examples of products that penetrate the market based on their local characteristics, it is Parma prosciutto, olive oil Kalamata,

Florida oranges, Idaho potatoes, etc.

The name of these products includes the name of the region, to remind consumers of local characteristics (Van Ittersum et al., 2007). We define a region, as the area located between one or more states, which constitutes an entity based on local or regional characteristics such as traditions, culture, and landscape.

By using a designation of origin, marketers can take advantage of consumers who are related to the specific area and products through a local representation. Along with the specific and distinct properties that the products have, this local representation can create a unique identity for these products of origin, giving them added value (Steiner, 2004). A local product is defined as "a product whose quality, characteristics, or even reputation, can be attributed to the region of origin of which is marketed under the name of its region of origin (Maina et al., 2019).

Too often, successful local products of designation of origin, attract imitators who often end up competing with the originals, using the same name (Grossman; Shapiro, 1988; Winfree; McCluskey, 2005). This unfair competition discourages producers from marketing products based on their appellation of origin and as a result, the agricultural economy and export trade are affected (Van Ittersum et al., 2007).

Also, unpleasant consumer experiences with the product's imitations reduce the strength and pro-consumer attitude towards and in the authentic product (Keller, 2003). So as a result of counterfeit genuine products, we have consumer willingness to buy- (the share of its consumption is defined of a specific product about the total consumption of its category product), as well as consumer willingness to pay (defined as higher price consumers are willing to pay for the product)-for authentic appellation of origin products, to be reduced (Landon and Smith, 1998).

To reduce the negative effects of this unfair competition, many countries around the world have introduced regulations to protect the products with designation of origin (European Union Regulation 510/2006; US Reg. No. 2,014,628 Parma ham). The study aimed to collect data through a systematic review of consumer willingness to purchase products of geographical origin (PGO) and protected designation of origin (PDI).

2. Methodology

A thorough literature review was conducted, focusing on studies published between 1997 and 2023. Sources were identified through databases like PubMed, Google Scholar, and ScienceDirect. Key themes were extracted and analyzed, including consumer behavior, perceived value, marketing strategies, and ethical/environmental considerations.

3. Perceived value

Three kinds of value can modify the willingness to buy PGO/PDI products:

- a) **Utilitarian Value:** Consumers often associate PGO/PDI products with superior quality and safety. Studies indicate that utilitarian value significantly influences purchasing decisions (Wu & Huang, 2023).
- b) **Hedonic Value:** The enjoyment derived from consuming high-quality, authentic products is another critical factor. Consumers are willing to pay a premium for the sensory experiences provided by these products (Bimbo et al., 2020).
- c) **Social Value:** The prestige associated with purchasing and consuming PGO/PDI products enhances their appeal. Social value is linked to the status and identity consumers gain from these purchases (Van Ittersum et al., 2021).

4. Trust and authenticity

Trust is a crucial determinant of consumer willingness to buy PGO/PDI products. Trust in the product's geographical claims and the certification process strengthens consumer confidence. Transparent communication and consistent quality are essential for building this trust (Wu; Huang, 2023).

In WTO (World Trade Organization) negotiations, important the topic of the agenda was the regulations for the protection of name products origin, evidence that the global importance of these protective arrangements is increasing (Josling, 2006). In the year 2006, the European Union amended its regulations protection of PDO, PGI, and EPIP products, to inform of the new data, but also the simplification of the registration process for products within Member States. At the same time the proposal of the WTO (World Trade Organization), was to

be more open to non-European countries.

Registration guarantees the geographical origin of a product and at the same time, history and culture are directly linked to a traditional European Union technique. Authentic trade policies prioritize knowledge and aim to preserve European gastronomy internationally, safeguarding against industrialization and unauthorized product replication (Schirone et al., 2007). The effectiveness of regulations protecting product names depends significantly on consumer perception. The appreciation and trust they feel towards certification marks, in respect of the designation of origin products that update them, that the product is protected and authentic plays an important role, if not more important in their willingness to consume them (Brouwer, 1991). However, the consumer assessment, regarding the systems certification of designation of origin products has been studied to a small extent in terms of their image, but also in terms of consumer beliefs about them (Bonett and Simioni, 2001; Van der Lans, et al., 2001).

The study by (Van Ittersum et.al., 2007), results in two main conclusions, regarding the previous reflection. The first is that consumer desire for PDO products, it has two dimensions: a) the qualitative and b) the economic. The second is that, according to what the research mentions, consumers value and include in their evaluation the certification labels, which they carry these products. Consumers have a favorable image of label certification, and their willingness to buy and pay for them is significantly affected by specific products (Bouhaddane et al., 2023). Regarding the first conclusion, Van Ittersum et al. (2007), report that the dimension through the certificate of quality, improves the perceived quality of the PDO product, while the economic dimension has as its basis, supporting the consumer in their regional economy. The results show that the overall effect of the consumer image of certification labels is essential. Therefore, they can provide opportunities and increase consumer demand through it appropriate marketing, for this action (Van der Lans et al., 2001; Hassan; Monier-Dihlan, 2002).

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The effect of perceived quality and consumer confidence in the product, as indicated by the certification label, is a decisive and essential factor of consumer willingness about the product (Oliver, 1999; Verlegh; Steenkamp, 1999). The perceived quality of a PDO product is also affected, although in a limited area and from the consumer attitude towards the area origin. The emotional aspects of this attitude are not possible to be excluded (Keller, 2003).

The willingness to buy PDO products seems to be ultimately influenced by many factors, since research (Pinto et al., 2008), which was done on consumers in Portugal for 'Rocha' type pears, including PDO varieties, showed that consumer willingness, but also willingness payment, is directly and largely affected by their security guarantee specific products. However it seems that, the preference in the properties of food and especially the one that was related to the sugar content, was a more important factor in purchase behavior than warranty security.

In other research, Herrera and Blancoin 2011 conducted a study on the role of familiarity among consumers with a PDO product and to what extent it affects purchasing behavior consumer behavior. Since, consumers confuse different brands of food and those of PDOs, considered it important to analyze if the level their experience with PDO products, affects their behavior and in general their decisions about them. They measured the effect of familiarity with analytic risk, trust, satisfaction, loyalty, and willingness to buy one PDO food.

5. Marketing Strategies

5.1 Branding and Labeling

Effective branding and labeling are critical in influencing consumer decisions. Labels that highlight geographical origin and certification enhance perceived authenticity and quality. Storytelling about the product's origin and production methods can also boost consumer interest (Teuber; Dolgoplova, 2018).

5.2 Digital Marketing and E-commerce

Digital marketing, including social media and e-commerce platforms, has become vital for promoting PGO/PDI products. Live-streaming e-commerce, in particular, has shown effectiveness in enhancing consumer engagement by providing real-time interaction and detailed product information (Wu; Huang, 2023).

6. Ethical and Environmental Considerations

6.1 Sustainable Production

Consumers are increasingly concerned about the environmental impact of their purchases. Products produced using sustainable methods are more appealing to modern consumers. The ethical appeal of PGO/PDI products often includes traditional production methods and support for local economies (Bimbo et al., 2020).

6.2 Ethical Consumption

The willingness to pay a premium for PGO/PDI products is also linked to ethical consumption. Consumers prefer products that align with their values, such as fair trade and organic certifications. Ethical marketing that highlights these aspects can effectively increase consumer interest and willingness to buy (Van Ittersum et al., 2021).

6.3 Case Studies

1. European Union

The European Union (EU) has a well-established system for PGO and PDO products. Studies highlight strong consumer preferences for these products, driven by their perceived quality and authenticity. Examples include Parmigiano Reggiano and Champagne, which enjoy high consumer demand due to effective geographical branding (Teuber; Dolgoplova, 2018).

2. China

In China, there is a growing interest in PGO/PDI products, particularly among younger consumers who value authenticity and quality. The Chinese market has seen a significant rise in the consumption of these products, driven by increased awareness and effective marketing strategies (Wu; Huang, 2023).

6.4 Challenges and Opportunities

Counterfeit Products

One significant challenge is the prevalence of counterfeit products, which undermines consumer trust and the perceived value of genuine PGO/PDI products. Strengthening regulatory frameworks and enhancing certification processes are essential to address this issue (Bimbo et al., 2020).

6.5 Market Expansion

There are substantial opportunities for market expansion, particularly in emerging economies where awareness of PGO/PDI products is growing. Tailored marketing strategies that consider local consumer preferences and cultural factors can enhance market penetration (Van Ittersum et al., 2021).

6.6 Future Research Directions

Future research should focus on understanding the long-term impacts of digital marketing strategies on consumer behavior, the role of sustainability certifications in enhancing consumer trust, and the effectiveness of different branding approaches in various cultural contexts. Longitudinal studies could provide deeper insights into changing consumer preferences and the evolving market dynamics for PGO/PDI products.

7. Conclusion

The results showed that there are significant differences between the groups of consumers with high and low levels of familiarity, with effects on trust, satisfaction, and loyalty towards the product. Consumers with greater familiarity and experience with PDO products exhibit higher levels of trust, satisfaction, and loyalty towards the

productThe study states, that the main factor to explain consumer satisfaction and loyalty to a PDO product, is the perception of the quality of its inherent characteristics (color, taste, appearance, etc.) However, when consumers are categorized according to grade knowledge, the main explanatory variables for satisfaction and loyalty among the most experienced consumers are the extrinsic properties of the product. (commercial mark, place of origin, images associated with the product, etc.). Consumer willingness to buy PGO/PDI products is influenced by a combination of perceived value, trust, ethical considerations, and effective marketing strategies. As consumer preferences continue to evolve, producers and marketers must adapt to meet the demands for authenticity, quality, and sustainability. Continued research and innovation in marketing and production practices are essential to sustain and grow the market for PGO/PDI products.

8. Authors' Contributions

Marianna-Foteini Dafni: conceptualization, data curation, formal analysis, methodology, writing, supervision, and project administration. *Zisimos Likudis*: conceptualization, data curation, formal analysis, methodology, writing, supervision, and project administration.

9. Conflicts of Interest

No conflicts of interest.

10. Ethics Approval

Not applicable.

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