TRUEFOOD

Traditional United Europe Food

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Instrument: Integrated Project

Thematic Priority: Food Quality and Safety (# 5)

D 5.2.2
National test reports on feasibility of benchmark

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Dissemination Level		
PU	Public	X
PP	Restricted to other programme participants (including the Commission Services)	
RE	Restricted to a group specified by the consortium (including the Commission Services)	
CO	Confidential, only for members of the consortium (including the Commission Services)	

1. Introduction

The European food sector produces numerous traditional food products (TFP). Studies on food types such as 'healthy' food, 'functional' food, GMO-food and organic food already exists. However, few published studies are related to TFP and even less to innovations in those food production systems.

TRUEFOOD – Traditional United Europe Food – is an integrated European project within the Sixth Framework Programme for Research, Technology and Development. The aims of the project are to improve quality and safety of traditional food products, to support the marketing and supply chain development of traditional food products and to introduce innovation into traditional European food production systems, through research, demonstration, dissemination and training activities. The project consists of four scientific (consumer science, food safety, nutritional quality, risk assessment) and four industrial pillars (marketing and supply chain organisation, impacts of innovation, demonstration and training activities).

Work package 5 (WP5) is part of the industrial pillar of the TRUEFOOD-project. Four different institutions of three different European countries participate in this work package: Ghent University/Belgium (WP-Leader), Campden & Chorleywood Food Industry Development Institute Budapest/Hungary, Progetto Europa Regions Rom/Italy and University of Milan/Italy.

The aim of WP5 is to develop strategies to improve marketing and supply chain organisation methods for traditional food products. Specific objective are:

- **(i)** Compare the functioning of different traditional food supply chains (meat, dairy, vegetables, beverages) within and across member states;
- **(ii)** Identify and quantify the determinants of bottlenecks and success factors that small and medium size enterprises (SME) active in the sector of traditional foods are confronted with;
- **(iii)** Compare food producers' perspective on bottlenecks and on success factors with that of consumers;
- **(iv)** Develop a benchmark instrument relative to marketing effectiveness enabling traditional food companies to evaluate their current position;
- **(v)** Evaluate the feasibility and acceptability of possible approaches to improve marketing capabilities;
- **(vi)** Develop indicators to determine the overall chain performance;
- **(vii)** Analyse the potential impact of innovative distribution systems for traditional foods.

To achieve these specific objectives, WP5 is divided into four subtasks:

- **Subtask 5.1** Determinants of bottlenecks and success factors of traditional food producers (i - iii)
- **Subtask 5.2** Benchmark for evaluating marketing management capabilities of traditional food producers (iv - v)
- **Subtask 5.3** Indicators of overall traditional food supply chain performance (vi)
- **Subtask 5.4** Innovative distribution strategies for traditional food products' (vii)

This report is part of subtask 5.2 and deals with the test of the benchmark tool. The benchmark tool is developed in form of a questionnaire and tested in the three participating member states Belgium, Hungary and Italy.

The report is structured as followed. In the next chapters the national reports of test benchmark from Belgium, Hungary and Italy are presented, followed by an annex including the used questionnaire.

2. National report: Belgium

2.1. Introduction

The main objective of TRUEFOOD project is to introduce innovation into Traditional European Food sector through research and dissemination of results. In particular the research is directed to small and medium enterprises (SMEs), which represent the most part of the firms of the food sector, to help them to become more competitive above all through the application of innovation.
The aim of WP 5 is to develop strategies to improve the marketing management and supply chain organisation of traditional food producers. Therefore in WP 5.2, the main objective is to develop a benchmark instrument relative to marketing effectiveness enabling traditional food companies to evaluate their current position; to do this, the marketing management of the firm's sample is analysed to find the company with the best performance and to help the other ones to improve their marketing capabilities. The evaluation tool is a questionnaire.

2.2. Criteria of Sample selection

This chapter provides a brief description of the firms, selected for the benchmark survey.

The firms had to be selected according to following criteria:

- number of employees: 1-250
- turnover: maximum 200 million Euro
- the firms have to belong to the chosen supply chains (dry meat, cheese, beer, paprika)
- the products have to respect our definition of traditional products
- an organisation of marketing should be present, internal or external.

The first two criteria define the enterprise category. The classification of the sample, divided in the two selected traditional food chains in Belgium, is shown in Table 1.

Table 1: Classification of sample regarding the enterprise category

Enterprise category	**Number of employees**	**Turnover**	**Number of companies in the sample**	
			Cheese	Beer
Medium	< 250	≤ € 50 Million	0	0
Small	< 50	≤ € 10 Million	1	2
Micro	< 10	≤ € 2 Million	9	8

<u>Brief description of the cheese dairies</u>

The respondents for the cheese chain are situated in rural areas of Flanders. The respondents are involved in the whole processing of the cheese and are mainly single entrepreneurs or family businesses. The cheese dairies collected for this survey are micro enterprises, except one. However, this small enterprise has less than 15 employees. The micro enterprises have less than 5 employees. The turnover of those who didn't refuse or weren't able to answer this question is between 0.04 - 1.25 M Euro/year. No respondent produces cheese according to PDI or PGO.

Brief description of the breweries

The respondents for the beer chain are more spread over the country. Six respondents are situated in the rural areas of Flanders, two respondents are situated in regional capitals of the provinces West Flanders and Antwerp, and two respondents are situated in the rural areas of Wallonia. The respondents are involved in the whole processing of the beer and are limited or incorporated companies; only one respondent is a single entrepreneur. The eight micro enterprises have less than 5 employees. The two small enterprises have about 50 employees. The turnover of those who didn't refuse or weren't able to answer this question is between 0.25 - 1 M Euro/year for the micro enterprises and more than 5 M Euro/year for the small enterprises.

2.3. Methodology of interview

The respondents were contacted by phone first, to explain the purpose and to motivate their participation. Then the questionnaires were sent by email or fax. The respondents who didn't answer in the given time where called back to remember them of sending the filled-in questionnaire.

The cheese dairies preferred mainly to receive and send back the questionnaires by fax, whereas the breweries preferred the contact by email. Two directors of breweries wished to conduct a phone interview. The phone interviews were carried out by an interviewer and took approximately 40 minutes per phone interview. From the reactions of the respondents it can be concluded that the completion of the questionnaire took longer than 30 minutes. Especially for the breweries was this a hinder to fill the whole questionnaire and a lot of missing values occurred for the section about the general data of the firm.

2.4. Results

In the first section of this chapter an evaluation on the feasibility of the benchmark tool is given. In the second section the results of the benchmark of Belgian beer and cheese producers are presented.

2.4.1. Feasibility of the benchmark tool

In this section following aspects are considered to evaluate the feasibility of the benchmark tool:

- Did the respondents understand the wording of the questions?
- Suggestions for adaptations of the questionnaire?
- What range of scale was used?

Whether and how the respondents understand the questions in general and the wording in particular is described in the tables below per section for each question. These tables provide an evaluation of problems which appeared during the data collection, based on the two phone interviews and on recalls, when producers expressed some difficulties. Furthermore, it is suggested which questions need an adaptation or can be deleted, in order to shorten the questionnaire. Adaptations for the questionnaire in general are following below.

Section 1: General data of the firm

Question		Evaluation
1.1	What is the share of traditional food products of your total turnover (turnover of traditional products on total turnover *100)?	The text in brackets can be easier described with "in percent" or even left out, if the answer is indicated in percent already. (also all following questions)
1.2	Which are your main traditional products (turnover of each traditional product on turnover of traditional food products *100)?	See above
1.3	What is the approximate market share of your main traditional product in the national market of this product (quantity of the main traditional product produced by the firm on total quantity of the same product produced by all the firms in the country *100)?	- See above - This question was difficult to answer especially for single entrepreneurs and family firms. For instance, one respondent claimed that he is selling his products only at his farm shop and therefore he is not able to give any approximation. - This question was answered also by only few breweries.
1.4	Are you certified for the following quality assurance schemes? (ISO 9000:2000, ISO 14001, ISO 22000, BRC-IFS, SQF, Voluntary traceability, EUREP-GAP, QC, Others…)	- The given examples were not sufficient for the dairy sector. Under the category "others" following quality assurance schemes are mentioned: HACCP, EFSIS, DQA[*], BRC4+, CMP+. - This question was answered by only few breweries.
1.5	Indicate the evolution of turnover for all traditional food products (absolute value in Euro) 2001-2005:	- These data were mainly considered as confidential. It would be better to give a range of turnover for the evolution.
1.6	What percent of total turnover is allocated to marketing activities[*] (last year available)?	- No problems.
1.7	Which are the most relevant distribution channels for your traditional products (turnover of traditional products sold in each distribution channel on total turnover *100)?	- See above - Most of the respondents had no problems to answer this question. The option "canteen" was not used by any respondent. Only three respondents would have needed an option "other", this should be included.
1.8	Which are your major markets (turnover of traditional products sold in each market on turnover *100)?	- See above - The options "local" and "regional" caused some confusion although we indicated what we mean with regional (Flanders / Wallonia). However most respondents had no problem to answer this question.

[*] DQA, dairy quality assurance scheme for integrated quality = IKM, Integrale Kwaliteitszorg Melk

1.9	How are your traditional products transported (quantity transported by each means of transport on total quantity of product produced by the firm *100):	- See above - Together with the explanation of the different options the respondents hat no problems to answer the question.
1.10	Under which brand do you sell your traditional products (quantity of traditional product sold under each brand on total turnover *100)	- See above - The option “industrial brand” needed a wider explanation than the given during the phone interviews. A suggestion: “own brand”.
1.11	Which advertising media do you mainly use (percentage of each advertising media on total advertising activities *100)?	- See above - This question was answered by only few breweries.

Section 2: Information

	Question	Evaluation
2.1	My company applies brand analysis of our own products.	The respondents from the phone interviews didn’t understand what “brand analysis” means. After a short explanation, that it is the analysis of how consumers perceive their brand compared to the brands of their competitors brands, they could answer. This question could be adapted to: My company investigates the position of its brand and compares it with the brands of competitors.
2.2	My company investigates the competencies/ skills of our suppliers.	- No problem
2.3	My company investigates the requirements of our retailers.	- No problem
2.4	My company investigates the marketing strategy of our competitors.	- No problem
2.5	My company analyses the impact of the economical and political environment in which we are operating.	- The respondents from the phone interviews needed further explanation for what is meant by this question. They asked if it means whether they follow the news and pay special attention to the topics related to their sector. This question should be further explained. A suggestion: My company analyses the impact of the current economical and political matters on its performance.
2.6	My company analyses the social and cultural environment in which we are operating.	- The respondents from the phone interviews needed further explanation for what is meant by this question. They asked if it means whether they follow trends, waves or hipes and pay special attention to the topics related to their sector. This question should

	be further explained. A suggestion: My company analyses the impact of the current social and cultural matters on its performance.
2.7 My company analyses the technological environment in which we are operating.	- This question caused rather no problem for the respondents from the phone interview. They understood it related to technical innovations. However it could be adapted to: My company analyses the impact of the current technological matters on its performance. To be in line with the two questions before.
2.8 My company finds it very important to analyse the requirements of our consumers.	- No problem

Section 3: Objectives

Question	Evaluation
3.1 Our present marketing strategy (aims, decisions about product management, pricing, sales, distribution and promotion) has clear and defined objectives.	No problem
3.2 My company finds it important to communicate our marketing aims and decisions towards all our collaborators (employees, distributors, suppliers, etc.)	- No problem
3.3 Following the marketing strategy results in higher revenues and profits for my company.	- This question is maybe too suggestive. It should be skipped or adapted. A suggestion: Implementing systematically the marketing strategy results in higher revenues and profits for my company.
3.4 My company tailors its products (price setting, brand etc.) according to the needs of the consumer.	- No problem
3.5 My company aims to make its product different from that of competitors.	- This question is maybe too suggestive. It should be adapted. A suggestion: My company constantly seeks to make its product different from that of competitors.
3.6 It is my company that decides the price of our products.	- No problem
3.7 Investment in dynamic and qualified sales force is very important for my company.	- No problem
3.8 My company chose the type of distribution (supermarket, speciality shop, direct sale, etc.) according to our sales objective.	- No problem
3.9 Investment in promotion is very important for my company.	- The difference between promotion and advertising needs to be clarified, e.g. as 'sale promotion'

3.10	Investment in advertising is very important for my company.	- See before.
3.11	Formal collaboration (long term contracts, collective innovation) with other chain partners (suppliers or customers) hampers the possibility to benefit from business opportunities.	- No problem

<u>Section 4: Organisation</u>

	Question	**Evaluation**
4.1	Planning in advance is important for my company.	This question is maybe to suggestive and should be adapted. A suggestion: Detailed planning well in advance is crucial for my company. Furthermore, it is not clear what kind of planning is meant here. It could be for instance specified to the period they plan in advance.
4.2	We rapidly adapt our promotional activities to changes of the market.	- No problem
4.3	To plan advertising activities is useful.	- This question can eventually be deleted. The major idea of planning is included in question 4.1. Otherwise, question 4.1 can be exchanged with this one.
4.4	Regular meetings between the marketing management and other divisions of the company (R&D, production, finance, sales etc.) are a necessity for internal harmony/satisfaction among our people.	- The part "among our people" could be rewritten with "of the firm" - rather for reasons of translation than under-standing. Furthermore, following suggestion for adaptation: Regular meetings between the marketing management and other company divisions (R&D, production, finance, sales etc.) are essential for internal harmony/satisfaction of the firm.
4.5	The budget for marketing activities (promotion, advertisement, etc.) can be adapted easily if necessary.	- No problem

<u>Section 5: Evaluation</u>

	Question	**Evaluation**
5.1	My company controls whether or not the objectives of the promotional activities were realized.	No problem
5.2	Examining the marketing costs leads to better results of my companies promotional activities.	- This question is maybe too suggestive. A suggestion for adaptation: Examining the marketing costs generates important information about my company's promotional activities.

5.3	My company collects information about the results of the promotional activities of our competitors.	- No Problem

Section 6: Development

Question		Evaluation
6.1	In my firm investment in product development (including packaging) is a key factor for being more successful.	No problem
6.2	The search for new markets (e.g. niche markets) is a top priority of my company.	- No problem

General adaptations

The first section appears to be too long. This was especially stated from the breweries by stressing that they are very busy and only have little time to respond to a questionnaire of 30 minutes. Questions which were answered by most of the breweries are: number of employees, share of traditional products on total turnover (1.1), main traditional products and their share in turnover (1.2), allocation of total turnover to marketing activities (1.6), major distribution channels (1.7), major markets (1.8), major transport means (1.9), and major brand used (1.10). For the questions about market share of traditional product (1.3), quality assurance schemes (1.4), evaluation of turnover (1.5), and major advertising media (1.11) it should be rethought which questions are essential for the benchmark analysis and which are less.
The style of asking the questions in section 2-6 appears to be too different for using the same 5-point Likert-scale for all questions. For the questions starting with “My company…” the respondents expressed difficulties to apply their answers to the given definition of the scale. Therefore a reformulation is suggested so that the 5-point Likert-scale can be used for all questions. For the other questions the used Likert-scale definition is fitting well. Moreover, the definition of the middle of the scale with “neutral” is not clear. It was understood as “I don’t know” and as “I have no meaning about this”. Here, adaptation is very necessary. Besides, there are no counter-questions to test the respondent’s consistency. This needs to be adapted.

Used range of scale

To evaluate what range of scale was used descriptive analysis is applied for every question of sections 2-6 (see Table 2). Furthermore, the values for Kurtosis where calculated, which is a measure of distribution specifying how much a distribution varies from a normal distribution. Kurtosis indicates the peakedness of a distribution. A positive kurtosis distribution indicates that the scale is more used on one single point of the scale, and a negative kurtosis distribution indicates that the scale is rather used on a wider scale.

Table 2: Test on use of a 5-point Likert-scale for each question of sections 2-6 of all respondents

Question		Min.	Max.	Median	Kurt.
2.1	My company applies brand analysis of our own products.	1	5	3	-1.30
2.2	My company investigates the competencies/ skills of our suppliers.	1	5	3	-0.72
2.3	My company investigates the requirements of our retailers.	1	5	3.5	-1.13
2.4	My company investigates the marketing strategy of our competitors.	1	5	3	-1.08
2.5	My company analyses the impact of the economical and political environment in which we are operating.	1	4	2	-1.17

2.6	My company analyses the social and cultural environment in which we are operating.	1	4	3	-1.24
2.7	My company analyses the technological environment in which we are operating.	1	5	4	-0.90
2.8	My company finds it very important to analyse the requirements of our consumers.	1	5	4	1.49
3.1	Our present marketing strategy (aims, decisions about product management, pricing, sales, distribution and promotion) has clear and defined objectives.	1	5	3	-1.05
3.2	My company finds it important to communicate our marketing aims and decisions towards all our collaborators (employees, distributors, suppliers, etc.)	1	5	3	-0.75
3.3	Following the marketing strategy results in higher revenues and profits for my company.	1	5	3	-0.52
3.4	My company tailors its products (price setting, brand etc.) according to the needs of the consumer.	1	5	4	0.36
3.5	My company aims to make its product different from that of competitors.	1	5	4	0.20
3.6	It is my company that decides the price of our products.	1	5	4	0.22
3.7	Investment in dynamic and qualified sales force is very important for my company.	1	5	3	-1.45
3.8	My company chose the type of distribution (supermarket, speciality shop, direct sale, etc.) according to our sales objective.	1	5	4	-0.69
3.9	Investment in promotion is very important for my company.	1	5	3	-1.21
3.10	Investment in advertising is very important for my company.	1	5	3	-1.04
3.11	Formal collaboration (long term contracts, collective innovation) with other chain partners (suppliers or customers) hampers the possibility to benefit from business opportunities.	1	4	3	-0.86
4.1	Planning in advance is important for my company.	2	5	4.5	4.220
4.2	We rapidly adapt our promotional activities to changes of the market.	1	5	3	-0.62
4.3	To plan advertising activities is useful.	1	5	3	-0.84
4.4	Regular meetings between the marketing management and other divisions of the company (R&D, production, finance, sales etc.) are a necessity for internal harmony/satisfaction among our people.	1	5	3.5	-1.43
4.5	The budget for marketing activities (promotion, advertisement, etc.) can be adapted easily if necessary.	1	5	3	-0.20
5.1	My company controls whether or not the objectives of the promotional activities were realized.	1	4	3	-1.35
5.2	Examining the marketing costs leads to better results of my companies promotional activities.	1	5	3	-1.12
5.3	My company collects information about the results of the promotional activities of our competitors.	1	4	2	-0.36
6.1	In my firm investment in product development (including packaging) is a key factor for being more successful.	1	4	3	-1.2
6.2	The search for new markets (e.g. niche markets) is a top priority of my company.	1	5	3.5	-0.70

For most of the questions the whole 5-point Likert-scale was used completely and on a wide range (Kurtosis). The exceptions are due to the weaknesses or strengths the beer and cheese producers have in common.

2.4.2. Results of the benchmark

In this section the results of the benchmark of Belgian beer and cheese producers are presented

2.4.2.1. General data of the firm

These data refer to the section n.1 of the questionnaire. The complete data can be found in the attached excel file. Under this section only a short description of the sample is given.

Cheese dairies

The responding cheese dairies are mainly micro enterprises with less than 5 employees. Their share of traditional food products on their total turnover lies between 50-100%. However, the market share of their products is relatively low, but only half of the respondents were able or willing to answer this question. Traditional Belgian cheese producers apply mainly DQA, HACCP, BRC4 or CMP+ as quality assurance schemes.
Table 3 gives an overview on marketing activity related questions in this section.

Table 3: Overview on marketing related activities of Belgian cheese dairies

Main share of marketing activities in total turnover	• 0 – 2 %
Main distribution channels	• Direct sale • Specialized shops • Wholesalers • Less important: supermarkets, restaurants, agri-tourism
Main transportation	• Own means
Main markets	• Local • National
Main brand type	• Own brand • Retailer brand • Third part brand
Main advertisement media	• Fairs

Breweries

The investigated breweries are mainly micro enterprises with less than 5 employees. Only two breweries have about 50 employees.
For the following questions of this section exist a lot of missing values, since the breweries stated that this part of the questionnaire was too long. Therefore the results presented here should be read with care. The share of traditional food products on the total turnover of the breweries is mainly 100%. The market share of the traditional Belgium beers is relatively low, considering those who where able or willing to answer that question. Producers of traditional Belgian beer apply ISO9000 and Traceability, but also here, only two producers answered that question.
Related to the marketing activity questions in this section an overview is given in Table 4.

Table 4: Overview on marketing related activities of Belgian breweries

Main share of marketing activities on total turnover	• 2 - 20 %
Main distribution channels	• Wholesalers • Direct sale • Bars • Specialized shops • No: restaurants, canteens
Main transportation	• Own means • Small transport firms • Large logistic firms
Main markets	• Local • EU-countries • Extra-EU countries
Main brand type	• Own brand
Main advertisement media	• Specialized magazines • Regional Newspaper

2.4.2.2. Analysis of marketing capabilities

These data refer to the sections n.2 to n.6 of the questionnaire. The complete data can be found in the attached excel file. Under this section only a short description of the firm's evaluation and positioning is presented.

An evaluation-score is calculated for each firm (see Table 5). First, the total score is determined per section. Therefore, the values of answers (from 1 to 5) are added together. Then the firm's score is divided by the maximum score of the section (Number of questions * highest score). For better understanding the achieved value is then multiplied by 10.

Function: firm's score*10/maximum score = evaluation-score
Example: 16.0 * 10 / 40 = 4.0

Table 5: Exemplary calculation of the evaluation-score for firm 1 (cheese dairy)

Section	Firm 1's score per section	Maximum score per section	Evaluation score firm 1 (on tenths)
2. Information	16.0	40	4.0
3. Objectives	8.0	55	1.5
4. Organisation	16.0	25	6.4
5. Evaluation	4.0	15	2.7
6. Development	9.0	10	9.0
Total (for firm 1)	53.0	145	**3.7**

In Table 6 and 7 the firm's evaluation-scores are presented for each section and for the total evaluation-score. By means of the total score the best performing firm is identified.
A short characterization of the best and worse performing firms is following. However, no statistical analysis is applied due to the small sample size, and therefore, these results cannot be considered as indicators for good or bad performance in marketing management.
The best performing cheese plant (box) can be characterized by local selling, direct sale, own transport means and own brand. The best performing brewery can be characterized by selling on EU and extra-EU markets, use of large logistic firms for transport, and own brand.
The worse performing cheese dairy (ring) can be characterized by selling on national level, via supermarkets, using small transport firms, and producing under a retailer brand. The worse performing brewery can be characterized by selling on national and EU level, via direct sale, use of large logistic firms, and selling under own brand.

Table 6: Firm's evaluation-scores for sections 2 till 6 of Belgian cheese dairies

Section \ Firm	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
2. Information	4.0	6.3	7.3	4.5	2.0	4.5	5.3	6.8	6.0	4.3
3. Objectives	1.5	5.8	8.0	4.5	2.0	6.0	5.3	6.4	5.1	4.7
4. Organisation	6.4	6.4	7.2	3.6	6.8	4.8	4.8	7.6	4.4	5.6
5. Evaluation	2.7	4.7	6.0	4.0	2.0	2.0	3.3	6.7	5.3	9.3
6. Development	9.0	8.0	5.0	4.0	2.0	4.0	5.0	6.0	9.0	6.0
Evaluation score	**3.7**	**6.1**	**7.2**	**4.3**	**2.8**	**4.8**	**5.0**	**6.7**	**5.5**	**5.3**

Table 7: Firm's evaluation-scores for sections 2 till 6 of Belgian breweries

Section \ Firm	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**
2. Information	4.5	9.3	7.3	8.8	6.4	5.3	7.3	6.8	5.0	3.0
3. Objectives	6.9	8.9	8.4	8.0	6.2	6.2	8.5	7.1	6.2	3.3
4. Organisation	5.6	6.8	8.0	8.8	7.6	9.2	9.2	6.4	5.2	3.2
5. Evaluation	3.3	8.7	8.7	4.7	6.0	6.7	8.0	7.3	4.0	2.0
6. Development	6.0	9.0	6.0	8.0	7.0	4.0	8.0	7.0	7.0	3.0
Evaluation score	**5.6**	**8.6**	**7.9**	**8.0**	**6.5**	**6.3**	**8.2**	**6.9**	**5.5**	**3.0**

A better overview of the performance of the firms is presented through the positioning of the firms in a graph (Figure 1 and 2). It is clearly shown that the cheese dairies perform generally lower than the breweries. Only two cheese dairies score clearly higher than a medium score of 6. By contrast, only three breweries lay below this medium score.

Figure 1: Firm's positioning related to evaluation score of Belgian cheese dairies

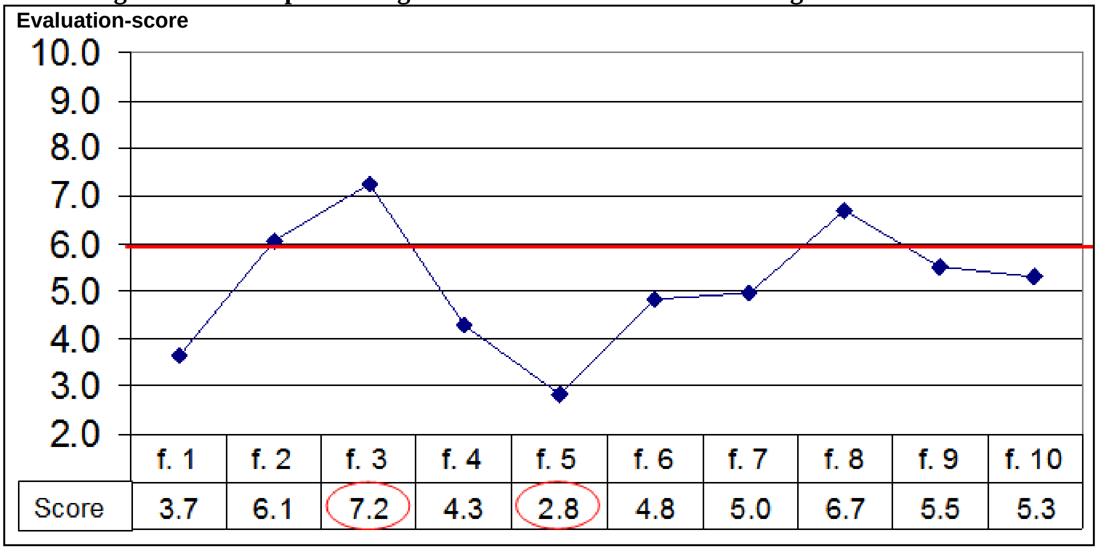
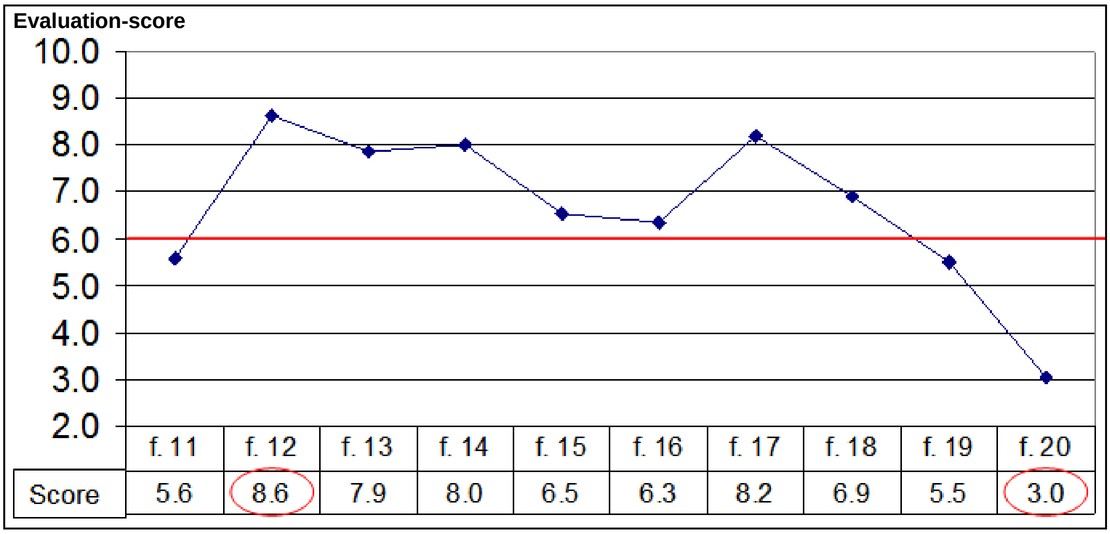


Figure 2: Firm's positioning related to evaluation score of Belgian breweries



2.5. Concluding remarks

The aim was to develop and test a benchmark instrument to identify the best performing firms related to their marketing management capabilities. As benchmark tool a questionnaire was developed and tested.

The evaluation of the feasibility of the benchmark tool shows that the developed questionnaire still needs adaptation. Main problems which appeared during the test phase are the length of the questionnaire, the poor definition of the 5-point Likert-scale, and for several questions an unclear wording. Furthermore, no counter-questions were included to test the respondent's consistency.

Nevertheless, an assessment of the firms' position was possible for 20 firms from the Belgian cheese and beer sector. It turned out that Belgian breweries perform better according to their marketing management capabilities than Belgian cheese dairies do.

3. National report: Hungary

3.1. Introduction

The questionnaire distribution and outcomes are discussed in the following sections. In Hungary the selected traditional food supply chains were, as previously agreed, the **fermented meat** and **white paprika supply chain.**

3.2. Criteria of sample selection

As a first step we analyse the sample selection against the criteria, which were accepted in Rome (see in annex 1.)

The fermented meat supply chain was one of the chosen supply chain. Campden and Chorleywood recruited companies related to the recruitment criteria from a database of Hungarian fermented meat producers. As a result of it only 27 fermented meat sausage manufacturers met with the requirement and were keen to answer to questionnaire.

The white paprika supply chain was one of the chosen supply chain. Campden and Chorleywood Kht. recruited companies related to the recruitment criteria from a database of Hungarian white paprika producers. As a result of it only 16 white paprika manufacturers met with the requirement and were keen to answer to the questionnaire.

The classification of the sample, divided in the two selected traditional food chains in Hungary, is shown in Table 1.

Table 1: Classification of sample regarding the enterprise category /in the bracket, who completed the questionnaire/

Enterprise category	**Number of employees**	**Turnover**	**Number of companies in the sample**	
			Fermented sausage and meat	White paprika
Medium	< 250	≤ € 50 Million	18 (3)	2 (0)
Small	< 50	≤ € 10 Million	4 (2)	2 (2)
Micro	< 10	≤ € 2 Million	5 (5)	12 (9)

Brief description of the fermented sausage and meat manufacturers whose completed the questionnaire:

- **Location**
  -5 of them are situated in the surrounding area of Budapest (county Pest)
  -3 of them are situated in the Eastern Hungary
  -2 of them are situated in the Western Hungary
- **Respondents**

The respondents had an overview about the whole processing. They were top managers or directors of companies.

- **PDO:PGI**
  1 of them produces PGI product (Hortobágyi Biosalami)

Brief description of white paprika manufacturers, whose completed the questionnaire:

- **Location**
  The answers came from two main areas:
  -6 of them are situated in the Southern Hungary
  -5 of them are situated in the Western Hungary
- **Respondents**
  The respondents had an overview about the whole processing. They were top managers or directors of companies.
- **PDO: PGI**
  None of the has produced PDO-PGI products.

3.3. Methodology of interview

Campden & Chorleywood and the recruitment agency contacted the respondents firstly by phone and after we send the questionnaire by email and fax.
Because of the respondent rates were very low we carried out “face to face” interviews with qualified interviewers in both supply chains.
Related to **both supply chains** 50% of the respondents, “face to face” interviews were carried out in mainly the small and micro businesses. The interviews took about 30-35 minutes. In the other 50% of the questionnaires was forwarded to the companies by e-mail and partially by fax and they sent it back in this way. In this case completing the questionnaires took longer time, about 40-50 minutes, because it was very complicated for the companies to find data and to give relevant information.

The data referred to the section n.1 of the questionnaire is reported on an Excel file (TemplateExcelForNatRep-Section1to 6). Please find enclosed in annex 2.

<u>Problems appeared during data collection</u>

Despite the incentive we received only 10 completed questionnaires back form the fermented sausage and meat,- and only 11 completed questionnaires back from white paprika supply

chain. The main rejection of the questionnaire from the medium/large companies was that they did not want to provide such confidential data eg. percentage of turnover, .etc.
The above-mentioned reasons Campden & Chorleywood Mo. Kht. started to fill the questionnaire with the help of the interviewers to get any answers from the selected respondents.
In that case the previously accepted method-e-mail, fax- were not efficient enough, because the medium companies get a lot of advertisement per day generally by e-mail and they considered the questionnaire as spam and cancelled it.

3.4. Results

In this chapter firstly we summarized the evaluation of the feasibility of the benchmark tool, secondly results of the two selected supply chains. Because of the small number of the respondents we could not do any advanced statistical analysis.

3.4.1. Evaluation on the feasibility of the benchmark tool

Generally we could state that the questionnaire was very long for the respondents.

Majority of the respondents found that a lot of data in the questionnaire are confidential.

In order to get any answers from the companies we had to recruit top managers or directors, who had an overview about the whole processing and whole supply chain, which might be very difficult in a larger survey.

We suggest the rephrase the questionnaire and make it simpler. We also had to mention that the wording was difficult for micro and small sized companies, however we asked top managers and directors. That is the reason why the usage of the face to face interview or explanation of terms are highly recommended.

There are significant differences among the respondents, because the medium sized companies had to have more time to evaluate their percentage data, than the smaller ones (small and micro companies). Furthermore the micro businesses didn't have detailed percentage data collected about the company. For this purpose it is recommended to simplify and shorten the first section of the questionnaire to reduce time.

We could rethink the scale in section 2-6, because a wide scale gave more possibilities for the statistical evaluation, but 1-5 point scale is really liked and well-know, because that is how teachers evaluate the pupils.

Concerning the structure and content of the questionnaires we added some comments for those questions, in which the respondents had difficulties:

<u>To section 1.</u>

Q1.1.
It will be easier for the respondents if they could give this figure in percentage. It was very hard to answer this question for the small and micro units.

Q1.2.
-It would have been better to ask the question in another way: what are your most important traditional product groups having the highest turnover /on the turnover of traditional product group/, because the product groups can be compared to each other more easily than the different products eg. dry sausages with cured meat products.

Q.1.3.
-The majority of respondents did not have any information about the national market share of their traditional products (mainly the micro businesses) and some of the small and medium sized companies considered it as confidential data. Because of this reason this question might be deleted.

Q1.4.
- Operating most of these systems are compulsory so it is up to the other countries to keep or leave it, but it did not provide a lot of informative data.

Q1.5.
- These data were confidential in the most case, so it might be better to ask the lowest and the highest turnover in percentage of all traditional products gained in last five years (2000-2005) because the conclusions could be faster deducted and the companies did not to give a lot of percentage data.

Q1.7., Q1.8.
- The sequence of these questions should be transposed. There were no problems with the understanding of these questions.

To section 2.

Information

Q2.5.
-This question was very difficult to understand the respondents. It is not recommended to put two statements in the same sentence because respondents were confused and at the end we didn’t know exactly with which the statements the respondent agreed/disagreed (analyses of the economical and political environment)

Q2.6.
-See below. This question was very difficult to understand the respondents. It is not recommended to put two statements in the same sentence because respondents were confused and at the end we didn’t know exactly with which the statements the respondent agreed/disagreed (analyses of the social and cultural environment)

Q4.3.
-The respondents found this question very similar to Q4.1. Maybe we could delete this one.

3.4.2. Results of the benchmark

3.4.2.1. Analysis of marketing capabilities of the fermented sausage and meat supply chain

We conclude the main finding from the question to question.

Q1.1 Share of traditional food products of total turnover

The most part of respondents stated that the share of traditional products of the total turnovers was between 1%-10,49%. Two bigger companies of 5 bigger and one small micro business indicated that the share of their traditional product is about 10% of total turnover.

Q1.2. Turnover of each traditional product on turnover

The main traditional products were the following:

- “lángolt” dry sausage/ home style sausage,
- thick dry sausage
- and salami.

2 bigger companies answered that they produce “lángolt” dry sausage/ home style sausage, thick dry sausage and salami as well, only one big company produces Bio Salami, a PGI product . The micro businesses declared that they produce only one of three mentioned categories: "lángolt” dry sausage/ home-style sausage.

After the examination of detailed answers we could state, that in the case of the bigger company the turnover of the Salami is between 1-9%, the thick sausage is 0,7%-3,29% compared to the total turnover.
The turnover of the “lángolt”/home-style sausage of the medium sized company is 2,1-10,49% and this value of the micro businesses is 1,25-10% compared to the total turnover.

Q1.3. Approximate market share of the main traditional product

3 of 5 bigger companies could not give estimation on the market share of their traditional products because they did not have information about this or they could not measure it. Although all small producers estimated the market share of their traditional products, but this percentage data could not be totally correct, because they didn’t make marketing analysis in reality.

Q1.4. Quality assurance schemes

None of the smaller companies answered they have any quality management system. 3 medium companies have ISO:9000 quality management system and one of them has implemented and operates BRC system also. 4 of the 5 bigger companies have traceability system.

Q1.5. Evolution of turnover for all traditional food products

Only 3 medium size companies provided us with the turnover of their traditional products gained in last five years. 2 micro businesses had no information about their turnover and 3 of

them declared their turnover gained in last 3 years. Big differences could be observed in the given values.
The turnover of bigger (medium) companies increased with 30-60% in last 3 years.

Q 1.6. Percent of total turnover related to marketing activities

All companies answered that they allocated only the 0-2% of turnover for marketing activities.

Q1.7. Most relevant distribution channels for the traditional products

- Medium sized companies stated that they use supermarkets, wholesalers and specialised shops most frequently as distribution channels.
- 2 out of 5 medium size companies answered, that they use **supermarkets as their main distribution channel**, high percentage (65-95%) of their traditional products are sold in this type of distribution channel.
- Only one medium company, which produces a special PGI product stated, that sells high percentage (60%) of its special product in **specialised shops** and uses the agro-tourism as distribution channel also.
- The **micro companies use only the direct sale** as distribution channel. Some respondents, among the medium companies mentioned, that they use the restaurants and canteens as distribution channel.

Q.1.8. Major markets

Most of the respondents answered they sell their traditional products in local market. 4 companies out of 10 produce traditional products for the regional market.
Only one of the medium company stated that sells 100 % of its traditional product in the national market, and 2 of them answered that have export activity also. Only 2 of the medium size companies answered that its export sale of their traditional products shares between the EU and extra EU countries

Q1.9. Transportation

8 of the respondents, all of the smaller (micros) use own mean for transportation. One bigger company uses only small transport companies for transportation (100%) and 2 of the bigger ones use in 90-100% logistic services.

Q1. 10. Brand

All of the small micro business mentioned that 100% of their products is sold under industrial brand.
3 of the bigger company stated that sell their products under industrial and retailer's brand also. Only one of the medium companies stated that sells 100% of traditional products under retailer's brand.

Q1. 11. Advertising media

None of the companies stated that use TV/Radio for advertising because of its high costs. All of the micro companies declared, that they use only fairs for advertising. Only one of the bigger companies uses all tools of advertising except TV/Radio. The most part of bigger companies advertise their traditional products in specialized magazines and in regional newspapers.

<u>Information</u>

Q2.1.
Big differences can be observed among the companies regarding to the application of brand analysis. More than the half of respondents – mainly the micro businesses- totally disagreed (1) or disagreed (2) with this statement. 2 bigger companies apply brand analysis for their products, they totally agreed with this statement.

Q2.2.
Half of the respondents stated – mainly the micro businesses – that they do not investigate the competence of their suppliers. The medium companies highly agreed or agreed with the importance of investigation of their suppliers.

Q2.3.
All of the medium companies answered that they investigate the requirements of retailers. The micro businesses totally disagreed or agreed with this statement.

Q2.4.
We could conclude that the companies handle the investigation of marketing strategy of the competitors. 2 of the medium companies had neutral standpoint.

Q 2.5.
The investigation of economical and political environment do not play important role in the marketing strategy at most part of micro businesses. Only 2 medium companies and one micro business agreed with this topic/statement.

Q2.6.
Half of the companies, mainly the micro businesses stated , that the investigation of social and cultural environment play important role in the marketing strategy of the food businesses.

Q2.7.
Almost every respondent answered that they are more involved in analysis of the technological environment than in the analysis of economical, political or social issues. They gave higher score to this question. Only 1 medium company disagreed with this statement.

Q2.8.
Almost every respondent stated that the analysis of consumer requirements is a very important tool for investigation of the market. There is only one small company, which totally disagreed with this statement

<u>Objectives</u>

Q3.1.
More than the half of companies agreed or highly agreed, that their marketing strategy had clear objectives. There were 2 micro businesses, which had neutral standpoint with this statement.

Q3.2.
The higher scores and average show, that more than the half of the respondents find more important to communicate their marketing strategy to their collaborators.

Q3.3.
All respondents believed that the marketing strategy results higher profits. There were not any difference between the medium and micro businesses.

Q3.4.
The high scores show that all companies find very important to take the consumers needs into account.

Q3.5.
Micro businesses disagreed that their aim is to make different product than their competitors. On the other hand 2 respondents had neutral standpoint and one small company agreed with this statement.

Q.3.6.
We can conclude that mainly the companies decide the price of the products, as they agreed or totally agreed with this statement.

Q.3.7.
All of the respondents agreed that the investment in dynamic and qualified sales force important/very important for their companies.

Q3.8.
Most of the companies answered that they choose the type of distribution channel according to their sale objectives. Only one medium company had neutral standpoint.

Q3.9.
The companies have different opinion about the importance of investment in promotion. The medium companies stated that promotions are important for their company and the micro businesses disagreed with this statement. A group could be observed according to the size of the companies.

Q3.10.
The micro businesses answered that advertisements are not important for them. The medium companies believe the advertisement important for their companies (they agreed / totally agreed with this statement).

Q3.11.
Medium companies had neutral standpoint with the statement that formal collaboration with other chain partners has negative effect on their business opportunity. On the other hand the micro businesses totally disagreed with this statement.

Organisation

Q4.1.
The respondents agreed that planning in advance is important for their company.

Q4.2.
More than the half of the medium companies agreed or totally agreed that they adapt their promotional activities rapidly to the changes of market. The micro businesses totally disagreed with this statement, they do not adapt marketing activity rapidly to their changes.

Q4.3.
3 of 5 medium companies answered that they find planning marketing activities useful. On contrary, every micro business totally disagreed with this statement. 2 medium companies had neutral standpoint. A group could be observed according to the size of the companies.

Q4.4.
Every micro business answered that regular meeting marketing management or other divisions are not necessary. 3 of 5 medium sized companies found the regular meetings useful.

Q4.5.
Micro businesses totally disagreed with the statement related to the budget of marketing activities. 3 of 5 medium respondents agreed with this statement.

Evaluation

Q5.1.
The companies have very different opinion about the control of realisation of promotion depending their size. The micro businesses stated that they do not control if they promotional activities is realized or not. On the other hand the medium companies agreed or totally agreed with the statement that they control the realisation of their promotional activities.

Q5.2.
4 of 5 medium companies declared that examining marketing cost leads to better results of their promotional activities. On the other hand the micro businesses don't believe that examining help them to improve their marketing activities. They disagreed or totally disagreed with this statement.

Q5.3. Promotional activities
The relatively low individual scores were given mainly by the micro businesses, because they are less involved into collecting information about promotional activities of their competitors. Only 1 medium company agreed, that they collect information about the marketing activities of their competitors, 4 other medium companies had neutral standpoint.

Development

Q6.1. Product development
Most of the companies agreed or totally agreed that investment into product development is a key factor for being more successful. Only 1 micro business had a neutral standpoint on this statement.

Q6.2. Searching for new markets
Most of the companies totally agreed or agreed that searching for new markets is top priority in their company. Only 1 micro business had neutral standpoint on this statement.

3.4.2.2. Analysis of marketing capabilities of the white paprika supply chain

Q1.1 Turnover of the traditional products from the total turnover

The respondents stated that turnover of traditional products from the total turnover in the most cases varied between 29%-45%. Only 2 out of 11 companies indicated that the share of their traditional product was just 10-15% of total turnover. 1 out of 11 companies did not answer for this question.

Q1.2. Turnover of the main traditional products

The respondents mentioned the following main traditional products:

- pickled white pepper,
- pickled white pepper stuffed with cabbages,
- pickled hot white pepper, mixed pickles with white pepper.

Most of companies (8) answered to produce pickled white pepper, but only two of them mentioned that they had the hot (pungent) version as well.
The mixed pickles were also mentioned a lot of times as a traditional product.
Nearly the half of the respondents (5 companies) mentioned that they sold pickled white pepper stuffed with cabbages as a traditional product.

The turnover of the main traditional products varied between 5-25% compared to the total turnover.

- We got lower percentages (5-10%) in those cases when the companies produced more than 2 types of the above-mentioned products.
- One company, who produced only white pepper pickles as a traditional product, answered that its turnover is 40% compared to the total turnover.
- One of the respondents did not give answers on the turnover of each traditional products.

Notes: this result might be different if the size of the respondents will be different.

Q1.3. Market share of the main traditional product

Most of companies could not give estimation on the market share of their traditional products because they did not have information about the total market size, that is why could not answer for this question.

Q1.4. Quality assurance scheme

Companies marked in all cases the HACCP system within the “other” block, which is not surprising; because this is compulsory system in Hungary. Three companies mentioned that they have been operating traceability system. It is worth mentioning that the medium sized company has operated all types of quality system due to client/customer’s requirements.

Q1.5. Evolution of the turnover

Only 5 companies provided the turnover of their traditional products on the year basis.
Big differences were observed in the given values. The small private entrepreneur's turnover varied between 2 300 – 9 200 Euro, than two other companies independently from the size of the company had much higher turnover, varied between 106 000 – 255 000 Euro. The reason of this difference might be that these companies had more employees than the micro business units.
Six companies did not declare about their turnover. They gave the following answers or "objections":

- "it goes after the inflation (app. 5% a year)",
- "we are going to give this value or prices only in euro/kg",
- "the turnover increased with 30-40% in last 5 year",
- "it is impossible to give this figure to effective demand".

Q 1.6. Marketing activities - turnover

7 companies – mainly the small micro business units – answered that they have allocated only 0-2% of turnover for marketing activities. 2 companies have allocated 2-5% and only 1 company, which had higher turnover of traditional products, have allocated 5-10 % for marketing activities.

Q1.7. Distribution channels

- The most commonly mentioned distribution channels were the **direct sale** and **wholesalers**. The micro business units distributed high percentage (70-100%) of their traditional product via direct sale and wholesalers.
- Three respondents, who had more employees, mentioned **supermarkets** as distribution channels. 2 out of 11 respondents said, who were using supermarkets as their main distribution channel, sold more than the 90% of their traditional products in this way.
- Only some respondents from the micro business units sold their products in **specialized shops**.
- The **restaurants and canteens** were not frequently used (3 micro business units mentioned) as a distribution channel. Only one respondent sold high proportion (70%) of their traditional products in restaurants or canteens.
- None of the respondents distributed their products within the **agro-tourism**.

Q.1.8. Major markets

Most of the respondents sold their traditional products in local market. Only 3 companies out of 11 produced the traditional products for the national market.

The micro business units sold 100% of their traditional product on local market, while the slightly bigger companies mainly produced traditional products for the national market.

Q1.9. Transport of the traditional products

All of the respondents used own mean for transportation.

Q1.10. Usage of the brand

The majority of respondents sold their traditional products under industrial brand. Only one private entrepreneur mentioned that 70% of their products is sold under third party brand.

Q1.11. Advertising media

More than half of the companies declared that they did not use any kind of media for advertising.

2 companies used only specialized magazine and one respondent used only regional newspapers for advertising. 2 companies mentioned that they used different media –regional newspapers and fairs -for advertising.

<u>Analysis of marketing capabilities</u>

<u>Information</u>

Q2.1.
Big differences could be observed among the companies regarding to the application of brand analysis. More than the half of respondents – mainly the micro business units- totally disagree (5) or disagree (1) with this statement. The other companies have neutral standpoint (2) or they apply (2) brand analysis for their products.

Q2.2.
More than half of the respondents – mainly the micro business units - do not investigate the competence of their suppliers. Some of companies highly agree or agree with the importance of investigation of their suppliers.

Q2.3.
Most of the companies (8) investigate the requirements of retailers. There were only 3 micro business units, who totally disagree with this statement.

Q2.4
We can conclude that companies do not investigate the marketing strategy of the competitors. 4 of them totally disagreed with this statement and 5 of had neutral standpoint.

Q 2.5
The investigation of economical and political environment do not play important role at all in the marketing strategy of micro business units. The slightly bigger companies have neutral standpoint about this topic/statement.

Q2.6.
We got the similar output like in q.2.5.. The investigation of social and cultural environment do not play important role at all in the marketing strategy of micro business units and the slightly bigger companies have neutral standpoint about this topic/statement.

Q2.7.
The companies are more involved in analysis of the technological environment than in the analysis of economical, political or social issues. Almost every respondent gave slightly

higher score for this question. Only 3 micro business units answered they totally disagree/disagree with this statement.

Q2.8.
The high average and high individual scores showed that the analysis of consumer requirements was very important tool for investigation of the market.

<u>Objectives</u>

Q3.1.
More than the half of the companies agreed or highly agreed, that their marketing strategy had clear objectives. There were 2 micro business units who totally disagreed with this statement.

Q3.2.
The slightly smaller scores and average showed, that the companies find less important to communicate the marketing strategy to their collaborators.

Q3.3.
Big differences could be observed among the companies regarding the results of marketing strategy. Nearly half of the respondents believed that the marketing strategy did not result higher profits. (It is worth mentioning that 2 of these companies answered that they did not have clear marketing objectives.) On contrary 5 companies out of 11 agreed or highly agreed that their marketing strategy lead to higher profit.

Q3.4.
The high scores showed that almost all companies found very important to take the consumers needs into account.

Q 3.5.
More than half of the companies agreed that their aim was to make different products than their competitors. On the other hand 2 respondents had neutral standpoint and 3 companies disagreed with this statement.

Q.3.6.
We concluded that mainly the companies decided the price of the products, as they agreed or totally agreed with this statement.

Q.3.7.
7 out of 11 respondents agreed that the investment in dynamic and qualified sales force important/very important for their companies. On the other hand 3 companies had neutral opinion about it and 1 totally disagreed.

Q3.8.
Most of the companies chose the type of distribution channel according to their sale objectives.

Q 3.9.
The companies had very different opinion about the importance of investment in promotion. 4 of them believed that promotions were not important for their company, and 3 of them have neutral standpoint. On the other hand 4 respondents agreed that the promotions were

important for their company. Groups/patterns could not be observed according to the size of the companies.

Q3.10.
More than half of the respondents – mainly the micro business units - answered that advertisements are not important for them. Only 4 of the respondents believed the advertisement important for their companies (they agreed / totally agreed with this statement).

Q3.11.
Most of the companies had neutral standpoint or disagreed with the statement that formal collaboration with other chain partners has negative effect on their business opportunity.

Organisation

Q4.1.
The respondents agreed that planning in advance is important for their company. Only one company disagreed totally with this statement.

Q4.2.
5 out of 11 companies totally agreed that they adapt their promotional activities rapidly to the changes of market. It is an interesting fact that 4 companies - small micro business units- who highly agree with this statement however 3 of them do not use any types of advertising media listed in Q1.11. The solution might be for this contradiction they know what they have to do but they have no opportunity to adapt changes so quickly.
On the other hand 3 respondents has neutral standpoint and 3 respondents do not adapt marketing activity rapidly to the changes.

Q4.3.
5 companies answered that they find planning marketing activities useful. On contrary, 4 micro business units totally disagreed with this statement and 2 respondents answered that they have neutral standpoint.

Q4.4.
As the majority of respondents - micro business units-, answered that regular meeting between the marketing management and other divisions are not necessary. 3 respondents had neutral standpoint. 3 companies –those with more employees – find the regular meetings useful.

Q4.5.
Most of the companies disagree or totally disagree with the statement regarding to the budget of marketing activities. Only 2 respondents agreed with this statement.

Evaluation

Q5.1
The companies had very different opinion about the control of realisation of promotion.
4 of them –micro business units – do not control whether the objectives of the promotional activities is realized or not. On the other hand there were 3 micro business units and the slightly bigger company, which agreed with the statement.

Q5.2.
5 companies - companies with more employees and micro business units- declared that examining marketing cost leads to better results of their promotional activities. On the other hand 5 respondents – mainly micro business units - believe that examining the help them to improve their marketing activities.

Q5.3
We got low individual scores, which mean that companies less involved into collecting information about promotional activities of their competitors. Only 2 of the respondents agreed, that they have collected information about the marketing activities of their competitors.

<u>Development</u>

Q6.1
Most of the companies agreed or totally agreed that investment into product development was a key factor for being more successful. Only 2 respondents had different opinion, they totally disagreed with this statement.

Q6.2.
6 companies totally agreed or agreed that searching for new markets as top priority in their company. On the other hand 4 micro business units – as the small individual scores showed - did not handle this issue as a top priority at all. One of the respondents has neutral standpoint on this statement.

3.5. Executive summary

The aim of this task was to develop a tool for identifying and measuring the marketing management capabilities of the supply chain and the respondents. In order to draw conclusion for the supply chain we have to increase the number of the respondents.
The aim was tested via questionnaire. The test was very useful to get a clear picture how we have to develop the questionnaire. The main comments for the development are summarized in “4.1. Evaluation of the feasibility of the benchmark tool”.
The conclusions about the two selected supply chains are the followings:

<u>Fermented sausage and meat supply chain</u>

We had 10 completed questionnaires and got answers 30% from the medium sized, 20% from small sized companies and 50% from micro businesses. We received 10 completed questionnaires.
We could state that:

- Main type of traditional sausage product is the “lángolt” fermented /dry/home style sausage.
- The medium companies produce more type of traditional sausage products, than the micro businesses. The share of the traditional fermented meat products does not depend on the size of the company.

- 90% of the companies use local market as one of distribution channel for their traditional sausage products, the micro businesses sell all of their traditional sausage products (100%) on this type of market.
- The medium companies having the largest number of employees sell all of their traditional sausage on the national market.
- 2 of the medium companies sell most part of their traditional sausages in the supermarkets.
- It is interesting to mention that the medium company which produces a special PGI product “Hortobágyi biosalami” don’t use supermarket as distribution channel, high proportion of this product (60%) is sold in specialized shops and in the same proportion: 10-10% in the restaurants and agri-tourism.
- 40% of the medium companies have export activity related to their traditional products but in lower percentage 10% and mainly to the EU countries.
- Only one of medium company has exports to the extra EU countries but it is relatively low (10%).
- The medium size companies sell their traditional product under industrial and retailer’s brand, on contrary the micro businesses sell them only under industrial brand.
- The medium size companies can use different kind of media, on contrary we can observe that, the micro businesses advertise their traditional dry meat products only on fairs.
- Neither the medium nor the micro businesses use TV/Radio to advertise their traditional products because the high costs of advertising.

Weakness of the marketing capabilities related to:

Information:
- The micro businesses don’t apply brand analysis of their products; on contrary more than the half of medium/small sized companies do it. (2.1.)
- The micro businesses in meat supply chain don’t investigate the competence of suppliers (2.2.)

Objectives:
- There is a big difference between the opinion of medium sized companies and small businesses, because the micro businesses don’t consider important the investment in advertising. (3.10.)

Organization:
- It can be observed that only the medium sized companies plan advertising, and the micro businesses adapt slowly their promotional activities to changes (4.3.,4.5.)

Evaluation:
- The companies mainly the micro businesses are less involved into collecting information about promotional activities of their competitors.(5.3.)

Strength of the marketing capabilities related to:

Information:

- The companies consider very important the analysis of consumer requirements it does not depend on the size of the company. (2.8.)
- The medium sized companies and micro businesses investigate the marketing strategy of their competitors; the size of the company does not influence this activity. (2.1.)
- Medium, small and micro companies investigate the marketing strategy of their competitors. (2.4.)

Objectives:

- 80% of the companies all (of medium sized) have marketing strategy with clear and defined objectives. (3.1.)
- 90% of the companies consider important the investment in dynamic and qualified sales force. (3.7.)
- The medium sized companies and micro businesses chose the type of distribution according to their sales objectives. (3.8.)
- The companies in dry meat supply chain thought it is really important to make different products than the competitors. (3.5.)

Development:

- The investment in product development (including packaging) and search for new markets play very important role in the medium sized companies and micro businesses as well.

White paprika supply chain

We had 11 completed questionnaires an could state that:

- Main white pepper based traditional product were pickled white pepper, but not the hot version.
- The turnover of the main traditional products varied between 5-25 %, compared to the total turnover.
- The companies that have higher share of traditional products (app. 40-45%) have spent more money for marketing activities (5-10%). The majority of the respondents have spent only 0-2% for main activity.
- The most commonly mentioned distribution channels were direct and wholesales. Those companies, which had relationship with supermarkets, sold more than 90 % of their traditional products.
- The most respondents sold their traditional products in local markets, while the slightly bigger companies sold the traditional products for the national markets.
- The traditional products are mainly sold under industrial brand.
- More than half of the companies declared that they did not use any kind of media for advertising. Only two respondent mentioned regional newspapers and fairs as media for advertising.

To sum up the analysis of the marketing capabilities were the followings:

Weakness of the marketing capabilities related to

Information:

- The companies in white paprika supply chain don't really use brand analysis. (2.1.)
- The companies in white paprika supply chain don't investigate the competence of suppliers (2.2.)
- The companies in white paprika supply chain don't investigate the marketing strategy of the competitors. (2.4.)
- The companies in white paprika supply chain don't investigate economical, political, cultural environment. (2.5.,2.6).

Objective:

- The companies in white paprika supply chain have less important to communicate to the collaborators (3.2.)

Organization:

- The companies in white paprika supply chain are not important the regular meeting between divisions.(4.4.)
- The companies in white paprika supply chain do not adapt the budget easily for the marketing activities. (4.5.)

Strength of the marketing capabilities related to

Information:

- The companies in white paprika supply chain investigate to know the retailers' requirements. (2.3.)
- The companies in white paprika supply chain companies are more involved in analysis of technological environment. (2.7.)
- The customers' requirements were really important for the companies in white paprika supply chain them. (2.8.)

Objective:

- The objective of the strategy for the companies in white paprika supply chain is important. (3.1.)
- It is important for the companies in white paprika supply chain to take the consumers' needs into account.(3.4.)
- The companies in white paprika supply chain thought it is really important to make different products than the competitors. (3.5.)
- It is important for the companies in white paprika supply chain to invest in dynamic and qualified sales force. (3.7.)
- Most of the companies choose the type of the distribution channels according to their sale objectives. (3.8.)

Organization:

- The companies in white paprika supply chain thought that planning in advance is important. (4.1.)
- The companies in white paprika supply chain thought that planning the marketing activity is important. (4.3.)

Development:

- The companies in white paprika supply chain thought that the investment into the product development would be necessary to become successful.(6.1.)

Notes: The concrete conclusions about the selected supply chains are just related to examined sample.

4. National report: Italy

4.1 Introduction

The questionnaire distribution and outcomes are discussed in the following sections. In Italy the selected traditional food supply chains were, as previously agreed, the **dry ham** and **cheese supply chains.**

Part I – Supply chain: Dry Ham

4.2 Criteria of sample selection

During the three months of the survey, 31 dry ham producers have been contacted. 11 of them have decided to answer to the benchmark questionnaire. Almost all contacted producers respected the criteria chosen in the WP5 workshop in Rome. In particular, they satisfied the following items:

- number of employees: 1-250
- turnover: maximum 200 million Euro
- belonging to the chosen supply chains (dry ham)
- the products respect our definition of traditional products
- an organisation of marketing is present, at firm or (aggregation of firms) level

The exception being two consortia, whose direct employees remain under the threshold, but who represent a number of firms that cumulatively overcome the threshold as well as a big producer as Citterio (with about 1000 employees).

The method for obtaining the addresses and the contact person has introduced some further elements. To elicit firm contact information the following channels have been followed cumulatively:

- the membership in entrepreneurial association (Assica), connected to Federalimentare;
- the participation to SMES-NET European survey;
- the presence in Infocamere database with sufficient contact details (phone, email and contact person)
- the presence in Internet with a web site highlighting traditional production.

Accordingly, each of the respondents has been identified following one of the abovementioned channels.

In terms of the intentional directions of search procedure, two main goals were targeted:

- a fairly high degree of heterogeneity of firms, so that in the benchmark exercise might emerge some excellences to which compare the rest of the group;
- a large share of particularly small entreprises, knowing that this group is particularly weak in marketing capabilities and that it represents a crucial segment for TRUEFOOD project.

Localization followed these premises, by scattering the request to firms in 11 Italian regions, both economically strong and weak, with and without well-established dry ham districts.

The sample include a highly successful brand (Citterio) and two of the most important consortia for PDO quality assurance and marketing promotion (Consorzio Parma, Consorzio San Daniele). Apart from the latter, the other 8 producers are not providers of PDO or PGI products

All respondents are focal companies carrying out manufacturing activities leading to the final product.

The high non-response rate might have favoured the most structured firms and those having a better understanding of the issues at hand (marketing). However, the impressions collected by direct contact (both face-to-face and by phone) is that the most important factor in choosing to answer was "available time", with many non-respondents denouncing the lack of time, due to current and extraordinary business events. To a large extent, this means that non-response is fairly random, without a too strong selection bias from this point of view.

4.3 Methodology of interview

5 interviews were carried out face-to-face at the offices of the producers with the marketing manager or with the entrepreneurs or with a PR manager. The direct time of the interview was on average 30 minutes, but the all trip required more or less half day each. 6 answered questionnaire were compiled on-site and submitted by email, following this procedure:

- a telephone call established a first contact with the firm, identified the marketing manager or the entrepreneur, explained the purpose and the method of the survey,
- the respondent were usually requested one or more times (up to 5) to answer
- the respondent sent by email the questionnaire (in a case it was empty, so it was needed to ask again for compilation, saving the file, and submission).

As earlier indicated, 20 companies did not answer, interrupting this procedure. Fax was not used at any moment.

The time spent for collecting data can be estimated in 3 hours for each successful interview, but many recalls had no effects.

4.4 Results

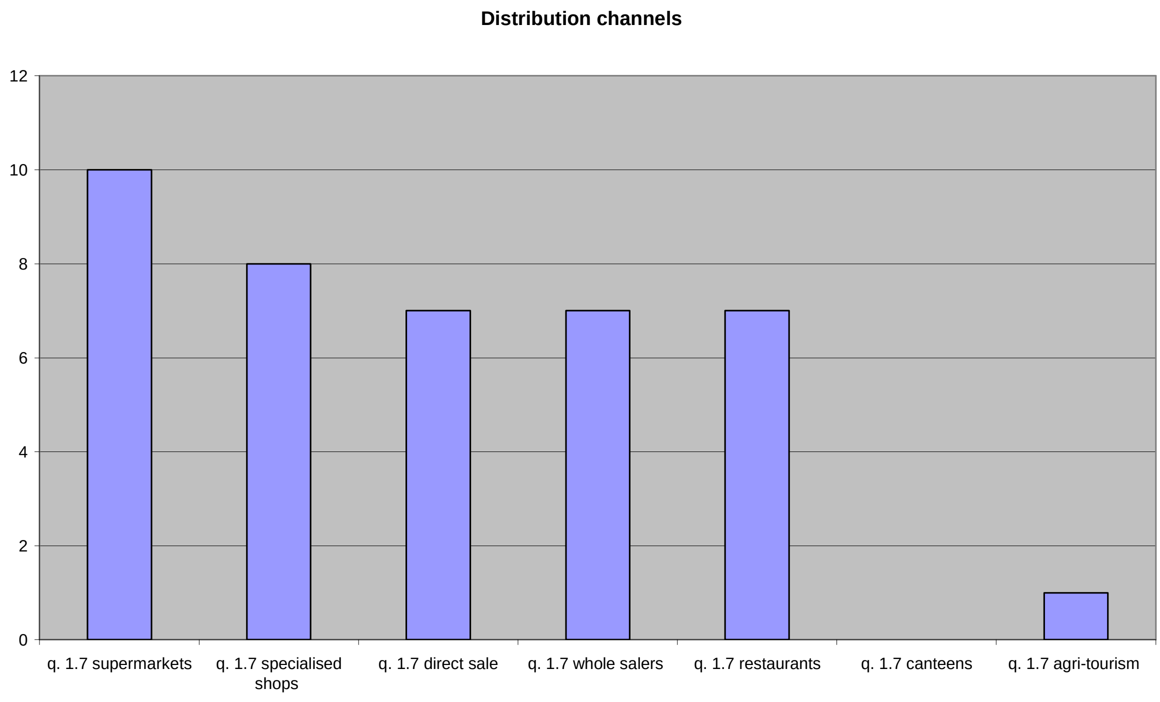
4.4.1 The feasibility of the benchmark tool

The respondent firms have demonstrated interest in the tool, although they have rather considered it as "one of the many questionnaires they receive" more than "something that can be useful for themselves".
A large number of firms have refused to answer or left the deadline pass without reacting to recalls. Some firms have left "blank" some sensitive data in the first part of the questionnaire; many of the answer to the questions about percentages have been computed by respondent in an approximate way. The second part has obtained a full set of answer, with some difficulties in understanding the somewhat complex formulation of question 3.11.
In general, the possibility of making a face-to-face interview increases the understanding of the questions. The largest firm are also more used to interact with researchers and the marketing issues raised in the questionnaire.

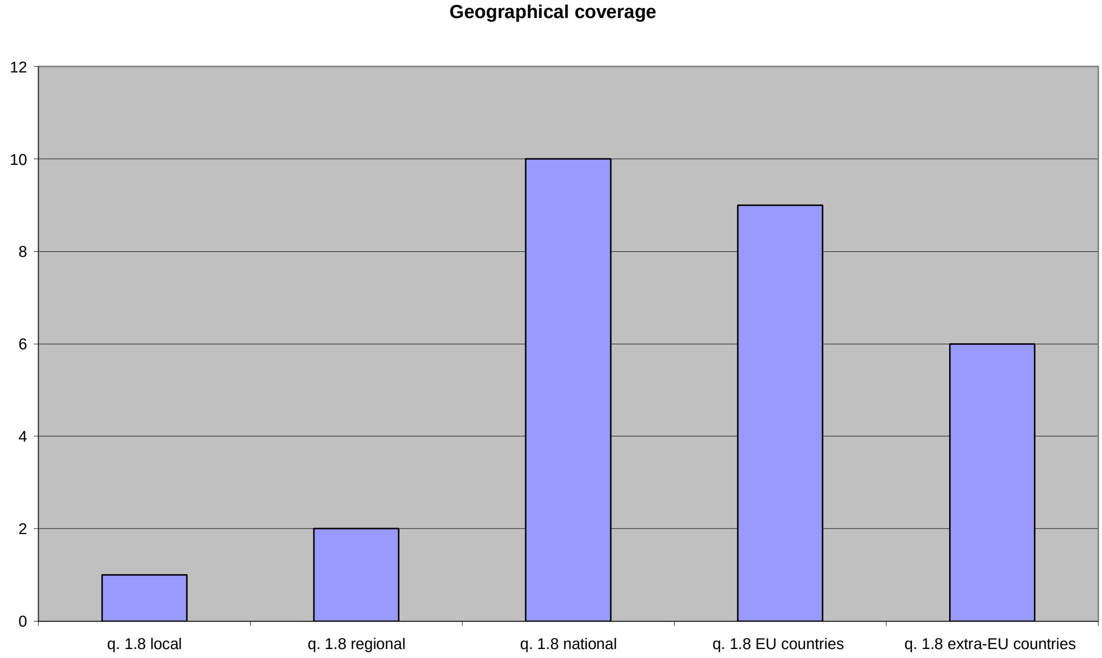
With some minor adaptations, the benchmark tool seems feasible.

4.4.2 General data of the firm

The data referred to the section n.1 of the questionnaire have been reported on the template (Excel format).
An interesting result is related to the channel of distributions: all producers make use of large surfaces (supermarkets), whereas none uses just one channel.



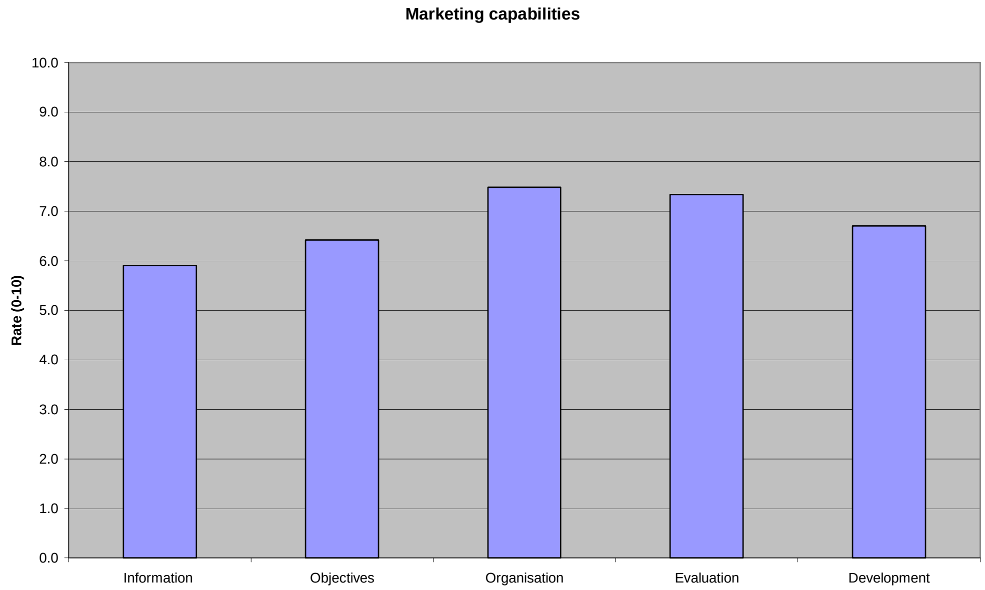
Another result is offered by the geographical coverage of distribution:



The national level is reached by all producers, with several exporting abroad.
All this tends to indicate that the sample is overall fairly well positioned in the upper tier among SMEs of traditional food.

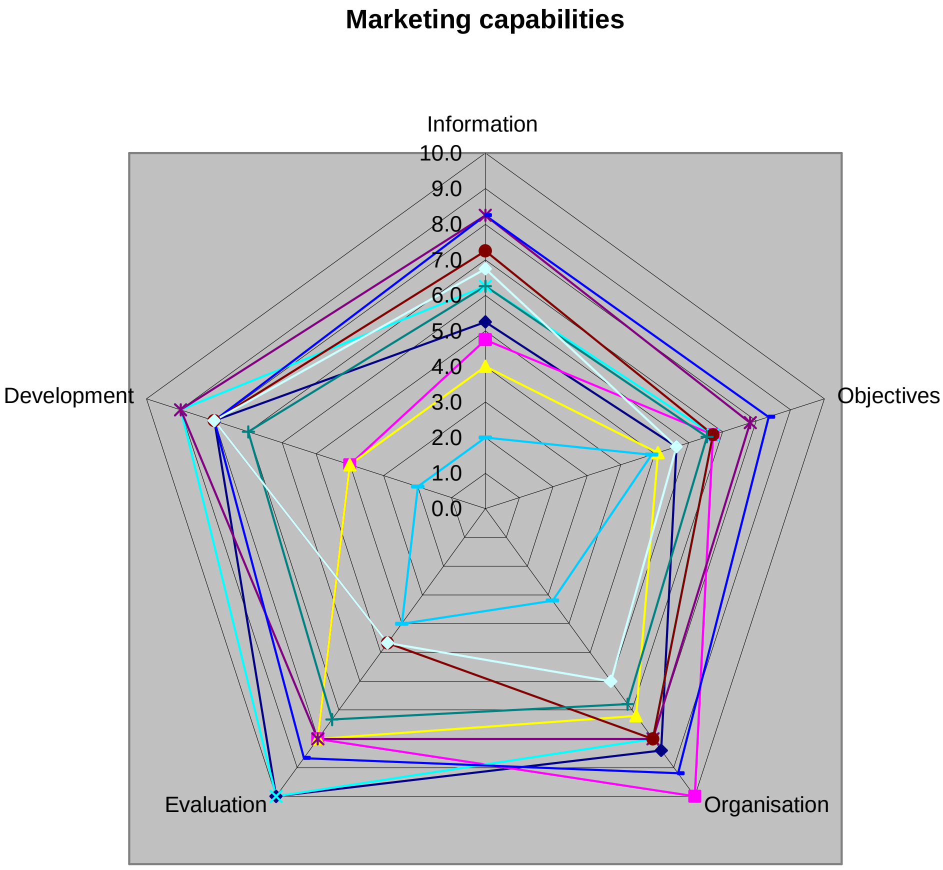
4.4.3 Analysis of marketing capabilities

The data referred to the section from n. 2 to n. 6 of the questionnaire has been reported on the same Excel file.
All respondents have exhaustively answered to all questions in this section, demonstrating ex-post that this way of expressing the questions is acceptable.
In terms of (unweighted) averages rescaled from 0 to 10, the following capabilities have been demonstrated:

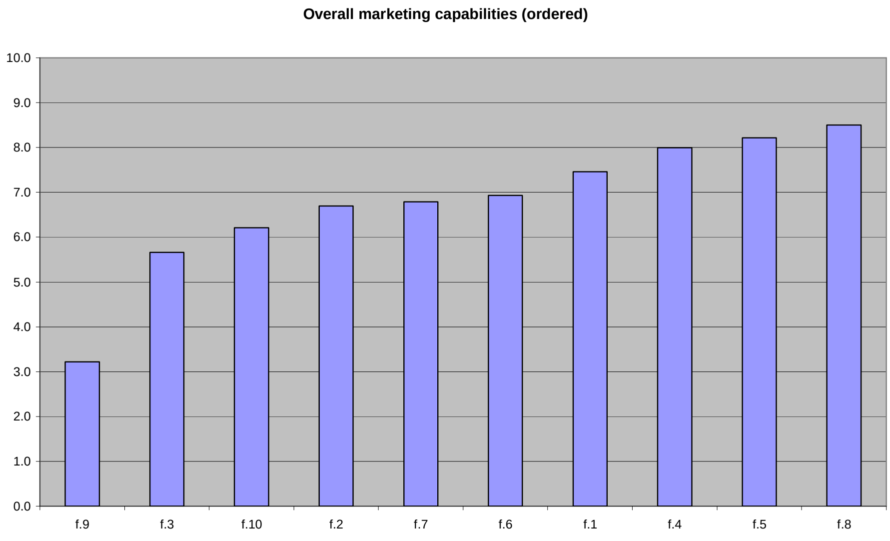


On average, the firms seem to be stronger in the internal organization of marketing more than in searching / selecting information or in evaluation / development phases.

The respondents show their specific profile in this radar graph:



One firm is much weaker than the rest, with several firms having one or more strength points and the leaders having high rates on everything. This picture is simplified in the following diagram:



Part II - Supply chain: Cheese

4.5 Criteria of sample selection

During the three months of the survey, a total of 76 producers have been contacted. The rather high number of contacts in the cheese supply chain seems to reveal a higher recalcitrance of cheese manufacturers to cooperate in the investigation. This can be explained in light of the fact that the cheese chain is, generally speaking, shorter and less organized that the dry ham one. It can be assumed that several firms are relatively untouched by the habit of being contacted by research institution and Universities. In this branch, traditional products manufacturers operate as small and even micro-units. Therefore the witness (the respondent) has been in almost all cases the owner of the firm. This in turn resulted in an additional difficulty, given the exposition of the patron to a large number of engagements; it has been often necessary to adopt an intense recall procedure of the owner, frequently without success. At the end 10 among them have answered to the benchmark questionnaire. All respondent producers respected the criteria chosen in the WP5 workshop in Rome. In particular, they satisfied the following items:

- number of employees: 1-250
- turnover: maximum 200 million Euro
- belonging to the chosen supply chains (cheese)
- the products respect our definition of traditional products
- an organisation of marketing is present

The largest producer has a turnover of 16 mln Euro. This makes overwhelming the presence of particularly small enterprises.

Localization followed these premises, by scattering the request to firms in 14 Italian regions, both economically strong and weak, with and without well-established cheese districts.

All respondents are focal companies carrying out manufacturing activities leading to the final product. Two of them produce PDO products.

The method for obtaining the addresses and the contact person has introduced some further elements. To elicit firm contact information the following channels have been followed cumulatively:

- the membership in entrepreneurial association (Assolatte), connected to Federalimentare;
- the presence in Infocamere database with sufficient contact details (phone, email and contact person);
- the participation to CIBUS Roma - trade fair;
- the presence in Internet with a web site highlighting traditional production;
- the participation to ENEA seminars.

4.6 Methodology of interview

4 interviews were carried out face-to-face with the entrepreneurs at their offices or stands in a trade fair; 3 answered telephonically. The direct time of the interview was on average 25 minutes, but the all trip required more or less half day each. 5 answered questionnaires were compiled and submitted by email, following this procedure:

- a telephone call established a first contact with the firm, identified the marketing manager or the entrepreneur, explained the purpose and the method of the survey;
- the respondent were usually requested one or more times (up to 5) to answer;
- the respondent sent by email the questionnaire.

As earlier indicated, an extremely large number of companies did not answer, interrupting this procedure. Fax was not used at any moment.

4.7 Results

4.7.1 The feasibility of the benchmark tool

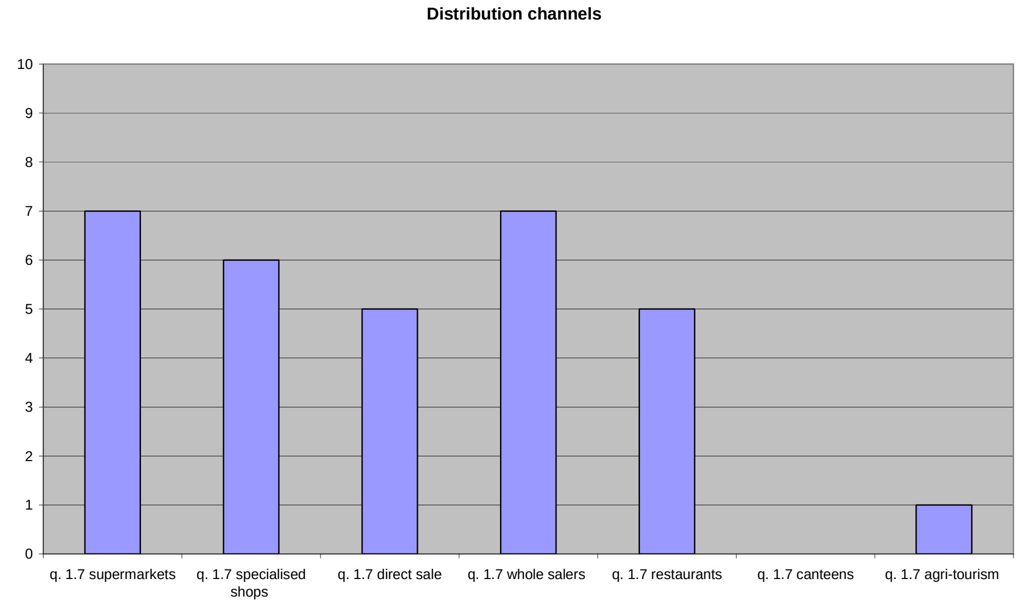
In general the benchmark questionnaire has not raised major problems for the respondents. The interviewer briefed quite easily the respondent. In general no respondent objected to the length of the tool.

Thanks to the collaboration of the firms, the following areas of criticism / improvement of the questionnaire were raised:

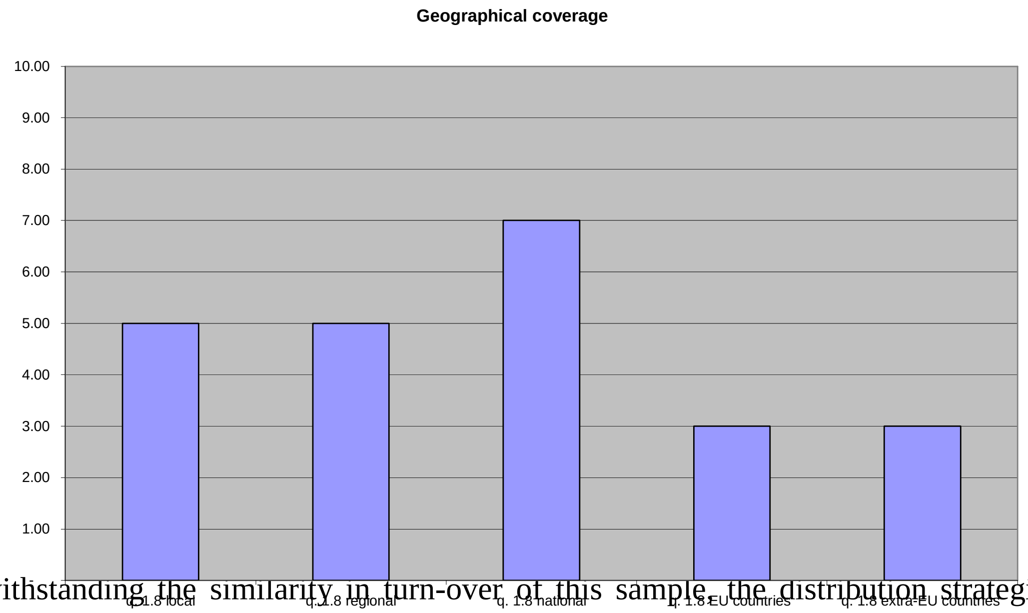
Question	
1.3. National market share	The producers are usually extremely small so that their market share is a very coarse estimation.
1.7 Channel of distribution	The normal trade (small grocery shop) has no explicit category, since it does not necessarily correspond to “specialized shop” (which exist), where only cheeses are sold. Normal trade can be a substantial percentage of sales.
1.8 Geographical coverage	The case of a seller to several (but not all) regions is not covered.
1.11 Advertising	“External advertising” and “Branded transport means” are not mentioned as possibility, whereas they play an important role. Radio is different from television and should be distinguished. Percentages are quite coarse estimation, since they require parametres that are long to obtain; the risk is that the producer simply guess; perhaps absolute values might be easier to elicit.

4.7.2 General data of the firm

The data referred to the section n.1 of the questionnaire have been reported on the template (Excel format).
The distribution channels are more variegated than in dry ham supply chain:



Similarly, in terms of geographical coverage, the situation is the following:



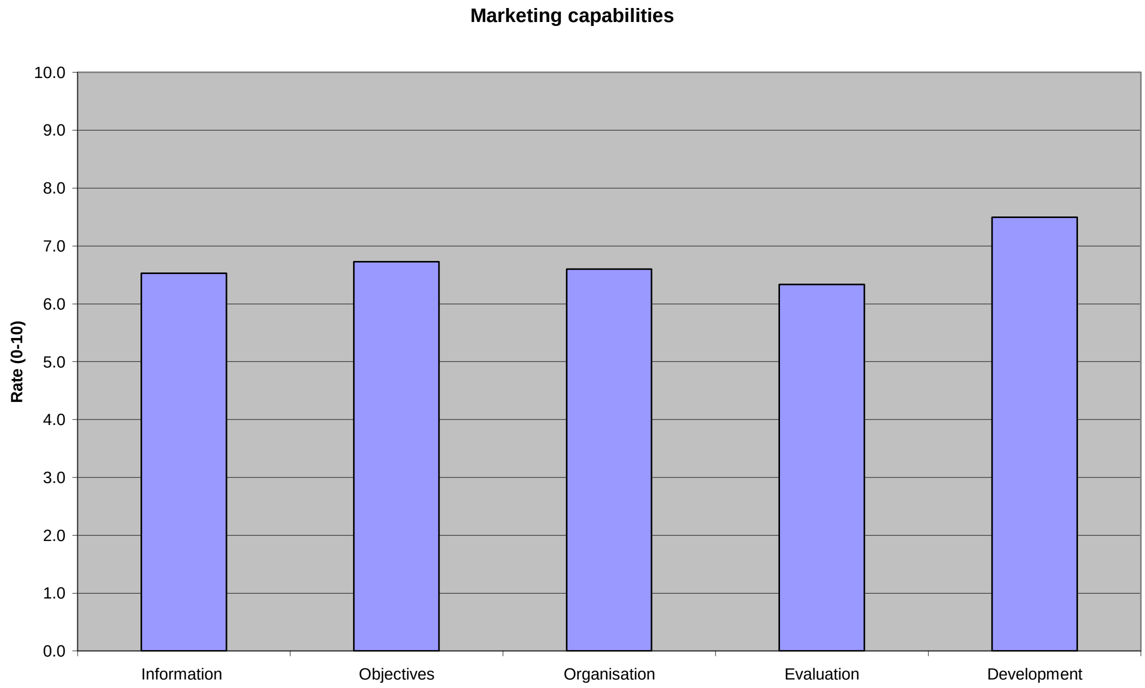
Notwithstanding the similarity in turn-over of this sample, the distribution strategies seem quite different, leaving room for the firm differentiation. For a benchmark tool, this is a positive result.

4.7.3 Analysis of marketing capabilities

The data referred to the section from n. 2 to n. 6 of the questionnaire has been reported on the same Excel file.

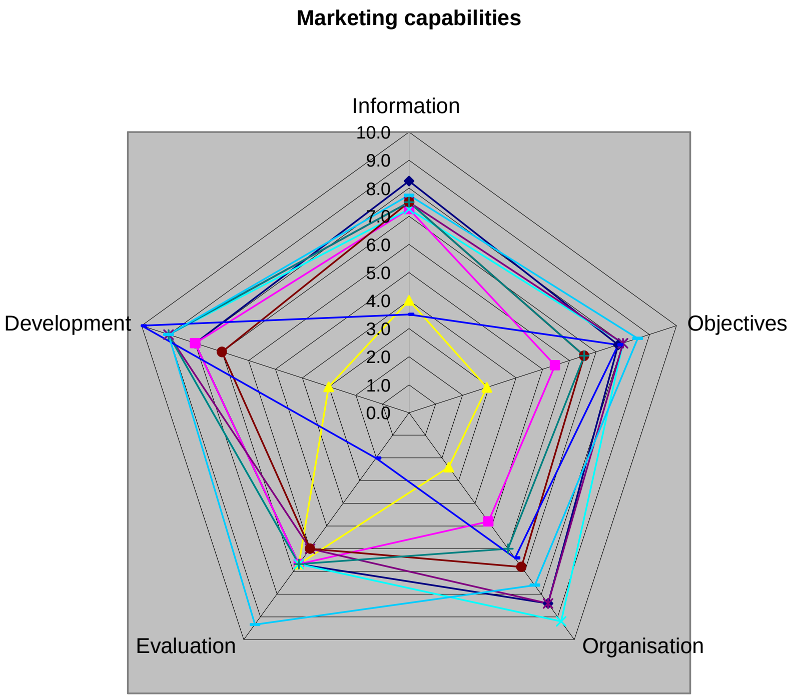
All respondents have exhaustively answered to all questions in this section, demonstrating ex-post that this way of expressing the questions is acceptable.

In terms of (unweighted) averages, the following capabilities have been demonstrated:



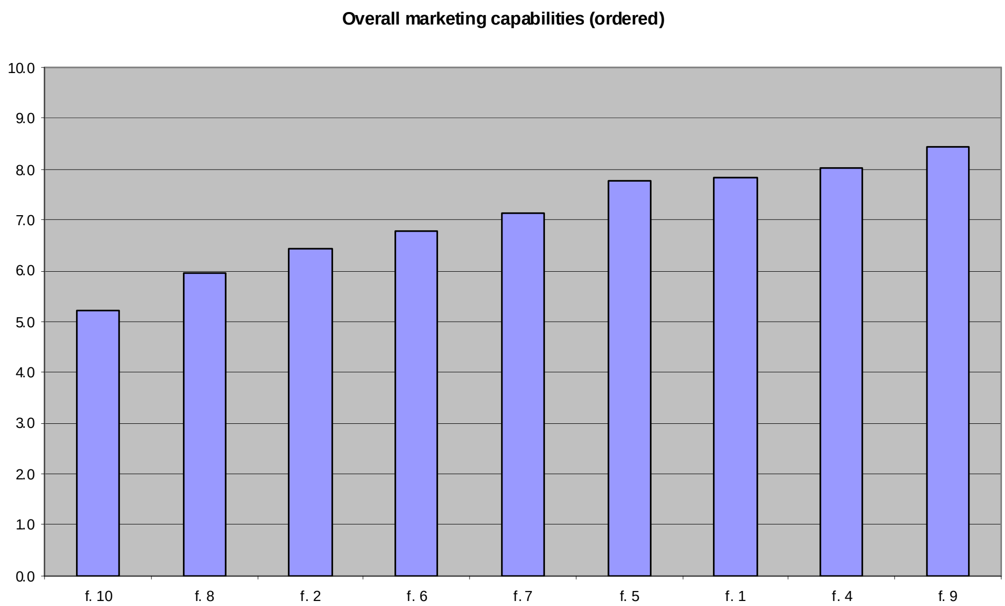
The skyline of the competence distribution is flatter than in the case of dry ham, while showing a different emphasis on development. This - for the broad goals of our test - is positive, because it seems to express that the instrument is not biased towards a particular competence. To conclusively assess this, however, a deeper study - e.g. with the all European sample - because there is some wide difference in the number of questions contained in the five broad areas of competence, which might statistically distort the results.

The respondents show their specific profile in this radar graph, where each respondent correspond to a coloured pentagon:



One can see that "specialised" firms (who exhibit high values in certain competence but much lower one in others) co-exist with "generalist" firms (with a more round profile), offering a promising landscape for evaluating competence and (later on) performances.

The individual overall marketing competence is expressed in this diagram:



Competences steadily rise from 5/10 to 8/10, showing a variety that, although not extreme, allows for statistical treatments of variance.

4.8 Concluding remarks

The samples shows a sufficient level of variability for each indicator and overall. In principle, a differentiated strategy to improve the marketing capabilities would find a favourable environment in a questionnaire like this.

To check if certain questions are statistically useless, because of perfect correlation with others, the correlation coefficients have been computed for all variables pair-wise. The results, referring to both supply chains and gathered in the correlation matrix, are shown in the following page.

The correlation coefficients larger than 0.5 (positive correlation) are shown in blue, whereas those lower than -0.5 (negative correlation) would be shown in red. No negative correlation of this magnitude has, however, been detected.

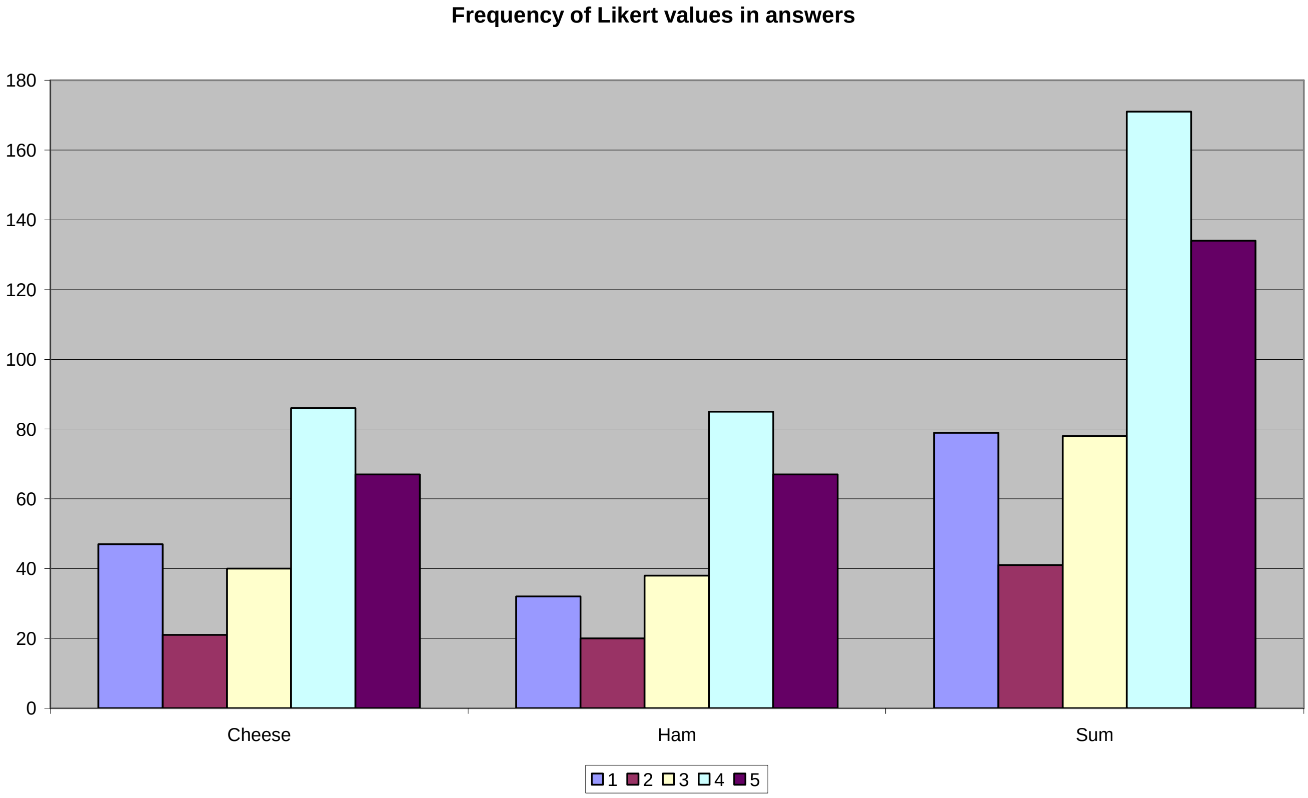
Correlation is never as high as 0.8; which means that, from this specific test, no question is redundant. The questions for the first and the third competence areas are positively correlated among themselves.

This analysis might be repeated at the multi-country level, to see if these results are robust.

Correlation matrix (both chains)

	q. 2.1	q. 2.2	q. 2.3	q. 2.4	q. 2.5	q. 2.6	q. 2.7	q. 2.8		q. 3.1	q. 3.2	q. 3.3	q. 3.4	q. 3.5	q. 3.6	q. 3.7	q. 3.8	q. 3.9	q. 3.10	q. 3.11		q. 4.1	q. 4.2	q. 4.3	q. 4.4	q. 4.5		q. 5.1	q. 5.2	q. 5.3		q. 6.1	q. 6.2
q. 2.1	1.0																																
q. 2.2		1.0																															
q. 2.3		0.5	1.0																														
q. 2.4	0.6	0.3	0.1	1.0																													
q. 2.5	0.2	0.5	0.5	0.1	1.0																												
q. 2.6	0.3	0.6	0.6	0.1	1.0	1.0																											
q. 2.7	0.4	0.4	0.5	0.0	0.5	0.7	1.0																										
q. 2.8	0.4	0.4	0.4	0.4	0.5	0.6	0.4	1.0																									
	------	------	------	------	------	------	------	------	1.0																								
q. 3.1	0.3	-0.2	0.3	0.2	-0.2	-0.2	0.0	0.1	------	1.0																							
q. 3.2	-0.1	-0.1	0.1	0.1	0.1	0.1	-0.1	0.2	------	0.0	1.0																						
q. 3.3	0.0	-0.1	0.2	0.0	-0.1	-0.1	0.0	0.1	------	0.0	-0.1	1.0																					
q. 3.4	0.3	0.3	0.6	0.2	0.3	0.2	0.2	0.4	------	0.3	0.5	0.0	1.0																				
q. 3.5	0.2	0.1	0.3	0.0	0.1	0.0	0.1	0.5	------	0.0	-0.1	0.1	0.4	1.0																			
q. 3.6	0.1	0.1	0.6	-0.1	0.5	0.4	0.2	0.1	------	0.0	0.1	0.1	0.5	0.4	1.0																		
q. 3.7	0.1	0.2	0.6	-0.1	0.3	0.3	0.2	0.1	------	0.2	0.2	-0.1	0.6	0.1	0.6	1.0																	
q. 3.8	0.0	0.3	0.7	-0.3	0.3	0.3	0.3	-0.1	------	0.1	0.2	0.1	0.7	0.2	0.6	0.7	1.0																
q. 3.9	0.6	0.0	0.1	0.4	0.3	0.2	0.0	0.2	------	0.2	-0.2	0.2	0.0	0.2	0.0	-0.2	-0.2	1.0															
q. 3.10	0.6	-0.3	-0.2	0.2	0.1	0.0	0.1	0.2	------	0.2	-0.2	0.2	-0.1	0.2	0.0	-0.2	-0.3	0.8	1.0														
q. 3.11	0.2	0.4	0.5	0.4	0.2	0.3	0.3	0.1	------	0.5	0.0	-0.1	0.3	-0.2	0.1	0.3	0.2	0.2	0.0	1.0													
	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	1.0												
q. 4.1	0.4	0.2	0.4	0.2	0.2	0.1	0.0	0.4	------	0.5	0.4	0.1	0.7	0.5	0.2	0.4	0.5	0.4	0.3	0.3	------	1.0											
q. 4.2	0.4	0.6	0.3	0.5	0.4	0.4	0.2	0.2	------	0.3	0.0	0.1	0.3	-0.3	-0.1	0.2	0.2	0.4	0.3	0.7	------	0.5	1.0										
q. 4.3	0.4	-0.2	0.2	0.1	-0.1	-0.1	-0.1	0.0	------	0.7	0.2	0.2	0.4	0.1	0.1	0.3	0.2	0.5	0.5	0.4	------	0.8	0.5	1.0									
q. 4.4	0.4	-0.1	0.1	0.0	0.2	0.1	-0.1	0.3	------	0.4	0.2	0.0	0.4	0.3	0.0	0.1	0.3	0.5	0.4	0.1	------	0.7	0.4	0.7	1.0								
q. 4.5	0.3	0.5	0.1	0.2	0.5	0.4	0.2	0.4	------	0.0	0.1	-0.5	0.4	0.2	0.0	0.4	0.2	0.2	0.2	0.3	------	0.4	0.5	0.1	0.3	1.0							
	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	1.0						
q. 5.1	0.1	0.5	0.1	0.1	0.2	0.2	0.2	0.2	------	0.1	-0.1	0.0	-0.1	0.1	-0.2	-0.3	-0.1	0.1	0.1	0.5	------	0.2	0.5	0.0	0.0	0.3	------	1.0					
q. 5.2	0.2	0.5	0.1	0.3	0.2	0.1	0.0	0.1	------	0.0	-0.3	-0.1	0.0	0.3	-0.2	-0.1	0.0	0.6	0.4	0.3	------	0.4	0.5	0.3	0.4	0.5	------	0.6	1.0				
q. 5.3	0.5	0.0	-0.1	0.4	-0.1	0.0	0.3	0.2	------	0.4	-0.2	0.1	-0.3	-0.1	-0.3	-0.2	-0.3	0.3	0.5	0.4	------	0.2	0.4	0.3	0.1	0.0	------	0.4	0.2	1.0			
	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	1.0		
q. 6.1	0.3	0.2	0.6	0.3	0.4	0.3	0.4	0.6	------	0.3	0.4	0.0	0.7	0.4	0.5	0.6	0.4	0.1	0.0	0.2	------	0.6	0.1	0.4	0.3	0.3	------	-0.1	0.0	0.1	------	1.0	
q. 6.2	0.3	0.3	0.5	0.2	0.4	0.4	0.2	0.7	------	0.1	0.1	0.4	0.3	0.5	0.4	0.2	0.2	0.4	0.2	0.1	------	0.5	0.1	0.3	0.2	0.1	------	0.1	0.1	0.1	------	0.5	1.0

In terms of the 5-values Likert-scale used presently, the distribution of answers is the following (by chain and in total):



The most frequent case is 4 (high degree of acceptance of the statement), but all values are used, which is positive point. The distribution is bi-modal, far from a normal one. A 7-values scale might have given more nuanced results; however, it might require more thinking from the respondent.

In sum, the questionnaire seems a good tool. However, the test also shows the following critical issues, to be solved before launching a wider survey:

- the self-interest and the motivation of the respondent should be increased;
- the first part (firm' generality) should be simplified in categories unproblematic for privacy, easy to grasp, to the sole purposes of the analysis (certain degrees of precision are useless for analysts and disturbing for the respondent);
- some questions might be reformulated, as indicated in the text.

5 Annexes

5.1 Annex 1: Questionnaire

Perception of marketing management

1. General data of the firm

Company name: ____

Address: ____

ZIP code: _________ City: _______________________________ Province: _____________

Country: ____

Legal status: ____

N° of employees (last year available): ____________________________________

Turnover (last year available - Euro): ____________________________________

1.12 What is the share of traditional food products[1] of your total turnover (turnover of traditional products on total turnover *100)?
………%

1.2 Which are your main traditional products (turnover of each traditional product on turnover of traditional food products *100)?
[Indicate the name of the product and the percentage value between brackets; the products can be less or more than 4, in this last case please add the other ones]

---

[1] Traditional food product must have the following features:

- LOCAL PRODUCTION: national/regional/local. Once firms start to produce in other countries, the food is no longer considered as traditional.
- AUTHENTIC: the product has to fulfill at least one of the following steps:
  - Authentic recipe (mix of ingredients) and/or
  - Authentic origin of raw material and/or
  - Authentic production process
- COMMERCIALLY AVAILABLE: for the public for at least 50 years (= 1950 and before) in stores or restaurants; it may happen that during that period the food product disappeared from the market, but is was on market at least 50 years ago
- GASTRONOMIC HERITAGE: the product must have a story which is -or can be- written down in 2-3 pages
-

- Product 1: ________(.................. %)
- Product 2: ________(.................. %)
- Product 3:________(.................. %)
- Product 4: ________(.................. %)

1.3 What is the approximate market share of your main traditional product in the national market of this product (quantity of the main traditional product produced by the firm on total quantity of the same product produced by all the firms in the country *100)?

………%

1.4 Are you certified for the following quality assurance schemes?
[Please select all you applied]

- ISO 9000:2000
- ISO 14001
- ISO 22000
- BRC-IFS
- SQF
- Voluntary traceability
- EUREP-GAP
- QC
- Others…………….

1.5 Indicate the evolution of turnover for all traditional food products (absolute value in Euro): **[Please report the value of the turnover expressed in Euro for each year]**

2001: ______________
2002: ______________
2003: ______________
2004: ______________
2005: ______________

1.6 What percent of total turnover is allocated to marketing activities* (last year available)?
[Please select one]

- 0% - 2%
- 2% - 5%
- 5% - 10%
- 10% – 20%
- 20% – 40%
- more than 40%

* (decisions about product management, pricing, sales, distribution and promotion)

1.7 Which are the most relevant distribution channels for your traditional products (turnover of traditional products sold in each distribution channel on total turnover *100)?
[Please select all you applied]

- supermarkets ……%
- specialised shops ……%
- direct sale ……%
- wholesalers ……%
- restaurants ……%
- canteens ……%
- agri-tourism……%

1.8 Which are your major markets (turnover of traditional products sold in each market on turnover *100)?
[Please select all you applied]

- local ……%
- regional ……%
- national ……%
- EU countries …….%
- extra-EU countries ……%

1.9 How are your traditional products transported (quantity transported by each means of transport on total quantity of product produced by the firm *100) 2:

[Please select all you applied]

- own means ……%
- small transportation companies ……%
- companies offering logistic services ……%

1.10 Under which brand do you sell your traditional products (quantity of traditional product sold under each brand on total turnover *100) [3]?

[Please select all you applied]

- industrial brand ……%
- retailer's brand (private label) ……%
- third part brand (consortia, associations, etc.) ……%

1.11 Which advertising media do you mainly use (percentage of each advertising media on total advertising activities *100)?

[Please select all you applied]

- specialised magazines ……%
- non specialised magazines ……%
- national newspapers ……%
- regional/local newspapers ……%
- TV or radio ……%
- fairs ……%
- internet ……%

[2] own means = the means of transport are firm's property and the firm uses these to transport the products.
small transportation companies = they are logistic companies, but with small dimension, so they usually have a range of action limited to the national territories at maximum.
companies offering logistic services = big companies which can transport everywhere.

[3] industrial brand = it is the brand of the firm, so the own brand
third part brand (consortia, associations, etc.) = for example it is the brand of Consortia which safeguard the quality and the production process of traditional products (most part of PDO products belongs to a Consortium, as Parma ham, San Daniele ham, Parmigiano Reggiano and so on).
The third part brand can appear beside the industrial or retailer's brand.

In what follows, please answer with a cross on the score corresponding to your firm activity, where:
1= I totally disagree
2= I disagree
3= neutral
4= I agree
5= I totally agree

2. Information

	Totally disagree				Totally agree
2.1 My company applies brand analysis of our own products.	1	2	3	4	5
2.2 My company investigates the competencies/skills of our suppliers.	1	2	3	4	5
2.3 My company investigates the requirements of our retailers.	1	2	3	4	5
2.4 My company investigates the marketing strategy of our competitors.	1	2	3	4	5
2.5 My company analyses the impact of the economical and political environment in which we are operating.	1	2	3	4	5
2.6 My company analyses the social and cultural environment in which we are operating.	1	2	3	4	5
2.7 My company analyses the technological environment in which we are operating.	1	2	3	4	5
2.8 My company finds it very important to analyse the requirements of our consumers.	1	2	3	4	5

3. Objectives

	Totally disagree				Totally agree
3.1 Our present marketing strategy (aims, decisions about product management, pricing, sales, distribution and promotion) has clear and defined objectives.	1	2	3	4	5
3.2 My company finds it important to communicate our marketing aims and decisions towards all our collaborators (employees, distributors, suppliers, etc.)	1	2	3	4	5
3.3 Following the marketing strategy results in higher revenues and profits for my company.	1	2	3	4	5
3.4 My company tailors its products (price setting, brand etc.) according to the needs of the consumer.	1	2	3	4	5
3.5 My company aims to make its product different from that of competitors.	1	2	3	4	5
3.6 It is my company that decides the price of our products.	1	2	3	4	5
3.7 Investment in dynamic and qualified sales force is very important for my company.	1	2	3	4	5

3.8 My company chose the type of distribution (supermarket,

speciality shop, direct sale, etc.) according to our sales objective. 1 2 3 4 5
3.9 Investment in promotion is very important for my company. 1 2 3 4 5
3.10 Investment in advertising is very important for my company. 1 2 3 4 5
3.11 Formal collaboration (long term contracts, collective innovation) with other chain partners (suppliers or customers) hampers the possibility to benefit from business opportunities. 1 2 3 4 5

4. Organisation

Totally disagree Totally agree

4.1 Planning in advance is important for your company.
1 2 3 4 5
4.2 We rapidly adapt our promotional activities to changes of the market. 1 2 3 4 5
4.3 To plan advertising activities is useful. 1 2 3 4 5
4.4 Regular meetings between the marketing management and other divisions of the company (R&D, production, finance, sales etc.) are a necessity for internal harmony/satisfaction among our people. 1 2 3 4 5
4.5 The budget for marketing activities (promotion, advertisement, etc.) can be adapted easily if necessary. 1 2 3 4 5

5. Evaluation

Totally disagree Totally agree

5.1 My company controls whether or not the objectives of the promotional activities were realized. 1 2 3 4 5
5.2 Examining the marketing costs leads to better results of my companies promotional activities. 1 2 3 4 5
5.3 My company collects information about the results of the promotional activities of our competitors. 1 2 3 4 5

6. Development

Totally disagree Totally agree

6.1 In my firm investment in product development (including packaging) is a key factor for being more successful. 1 2 3 4 5
6.2 The search for new markets (e.g. niche markets) is a top priority of my company. 1 2 3 4 5

Thanks for your collaboration!

5.2Annex 2. Raw data

Please find enclosed the attached excel files with raw data for Belgium, Hungary and Italy.