
PGI AND PDO LOGOS AND PRODUCTS IN THE ROMANIAN MARKET. AN EXPLORATORY STUDY

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Abstract

Romania has 5 Geographical Indications (GI) registered products and has applied for another four. The main purpose was to reveal the notoriety of each of the Romanian GI traditional products registered or applied for. Secondary, we wanted to know the awareness level for PGI and PDO logos and significance. An exploratory study was conducted during March 2019. The results revealed the majority of the respondents didn't know (80.3% for PGI logo and 78.6% for PDO logo) the significance of PGI and PDO logos. Among GI Romanian products, the highest levels of awareness and consumption are for PGI Salam de Sibiu, followed by PGI Magiun de Topoloveni. Carnati de Plescoi and Telemea de Sibiu are well known among respondent although are not products with GI (some are at this moment submitted for registration). Supermarkets are the main places for buying GI products but with different levels of preference from one product to another (71.8% for PGI Salam de Sibiu and 33.3% for PGI Novac afumat din Tara Barsei).

Keywords

PDO, PGI, Designations, Romanian, consumer, Awareness, Traditional product.

JEL Classification

Q10, D10, L66, L83

Introduction

PDO label was created in 1992 replacing former French AOC (appellation d'origine controlée) and Italian and Spanish DO (denominazione di origine /denominacion de origen). Things have evolved during last 27 years and nowadays we have a wider body of Geographical Indications (GI). PGI and PDO are part of EU quality schemes. They are used for food, agricultural products and wine. Other products with GI are spirit drinks and aromatized wines. Beside GI, at the European level we can find other quality schemes like: Traditional speciality guaranteed (TSG), Mountain product, Product of EU's outermost regions.

In 2011, Romania registered its first product with PGI (Protected Geographical Indication), namely plum Magiun from Topoloveni. In 2016 first PDO (Protected Designation of Origin) product was registered in European Commission' DOOR archive. At this moment (March 2019), Romania has 4 PDO and 1 PGI products registered and has applied for PDO designations for other 5 products. The purpose of this paper is to measure awareness of PDO and PGI products and logos among Romanian consumers, and the way they buy already

certified national products. Through a pilot study we will track the notoriety of the products which have obtained the PGI or PDO certification, but also those which are in the process of obtaining it. Customers' perception is very important in order to gain market share and visibility.

Current state of knowledge

Romania has 5 GI products registered and another 4 applied for PGI. First Romanian GI product was PGI Magiun de prune de Topoloveni (2011), followed by PGI Salam de Sibiu and DOP Telemea de Ibanesti (2016), PGI smoked Novac from Tara Barsei (2017) and smoked Scrumbie de Dunare (2018). Another 4 products applied for PGI designation: Carnati de Plescoi (2016), Cascaval de Saveni (2017), Telemea de Sibiu (2018) and Salata cu icre de stiuca de Tulcea (2018). At European Commission register can be found a number of 1448 products with GI of which 638 products with PDO, 749 products with PGI and 61 products recognized as TSG. Another 216 products have the "applied" or "published" status (PDO, PGI or TSG) as first steps to obtain GI. A brief country comparison can be seen in table no. 1.

Table no. 1 Current European number of products with GI designations

Country	Number of GI designations (PDO + PGI)	Number of PGI products	Number of PDO products	Number of products applied for GI designation
Italy	297	130	167	27
France	248	144	104	40
Spain	192	90	102	28
Portugal	138	74	64	5
Greece	107	31	76	7
Germany	91	79	12	5
United Kingdom	68	41	27	12
Poland	31	23	8	6
Romania	5	4	1	4

Source: Own computation based on EC data (2019)

The scientific literature in the field of GI products concentrate mainly on a product or group of products. As origin of the authors it is important to notice that a large majority of them are from Mediterranean region representing the countries with the highest number of registered GI designations.

Most of the research focuses on chemical aspects or components of different GI products like: olives, cheese, olive oil (Berard, 2007; Fernández-García et. al, 2006; Ferreira, Pinho & Sampaio, 2009; de Alda-Garciope, 2012; Monteagudo Galvez et al. 2015), on national or international legislation (Fragata, Tiberio and Teixeira, 2007; Todea et. al, 2009; Giovannucci et. al, 2009), on wines in relation with food (Marchini, 2014; Olivieri and Giraldi, 2015; Bencivenga et. Al, 2016), on value added and economic advantages of GI products (Ribeiro and Santos, 2004; Gatti, 2009; Belletti et. Al, 2007).

In terms of customers' perception, awareness, reputation and shopping habits, scientific literature offers several papers in the field of GI products. Teixeira (2004), and Marreiros (1997), cited in Fregata (2007, p. 10), they show that for olive oil and beef meat there is a weak differentiation between PDO or PGI and non PDO or PGI products from the same region for the majority of the Portuguese consumers. Also for the majority of the Portuguese consumers the concepts of PDO and PDI were unknown. Another Portuguese study (Sottomayor, Souza Monteiro and Teixeira, 2010) found a similar situation where

respondents do not know about specific PDOs although they value information on origin of the product.

Another research (Vechio and Annunziata, 2011) conducted through cluster analysis showed that for customers with an excellent knowledge of EU certification schemes PDO and PGI logos are commonly the main purchasing motivation. Other consumers tend to buy products based on criteria like: price, better appearance and Italian origin. The same study revealed that 37.4% of the respondents had a good or excellent knowledge of the PDO logo meaning. The same percent (37.4%) stated they had no or little knowledge about PDO logo. In term of places for buying typical products the following situation occurred: supermarkets (42%), traditional grocery stores (34%), speciality food stores (17%), local markets (4.7%), fairs and festivals (1.7%), and farm/producer (0.6%).

Distribution plays an important role in bringing GI products as close as possible to the consumer. Several studies show that GI products are marketed differently. Italy presents a diverse situation as it can be seen in table no. 2.

Table no. 2 Retail channel and product category in Italy

	Direct selling (%)	Traditional (%)	Supermarkets (%)	HORECA (%)
PDO	26	25	39	10
Balsamic vinegar	25	59	11	5
Other meat products	5	5	90	0
Processed meat	8	30	53	9
Cheese	24	29	39	8
Olive Oil	45	14	24	17
Fruit, vegetables and cereals	32	18	48	3
Bakery Products	11	11	74	5
Spices	13	59	10	18
PDO	16	18	56	10
Fresh Meat	0	24	71	6
Other meat products	20	19	47	14
Olive Oil	20	5	70	5
Fruit, vegetables and cereals	17	18	55	10
TOTAL	23	23	44	10

Source: Arfini, F., & Capelli, M. G. (2009). *The resilient character of PDO/PGI products in dynamic food markets* (No. 698-2016-47837).

It seems that PDO and PGI logos do not have a large recognition among European consumers and the main places for buying GI products remain the supermarkets. Differences in places for buying products vary among the type of products sold.

Methodology

In order to find out the awareness level for PDO and PGI logos and what they stand for we used a self-administered questionnaire. A short description of what PGO and PGI mean is placed at the beginning of the survey. The main purpose was to reveal the notoriety of each of the Romanian GI products registered or applied for. Secondly we wanted to see if there are differences in awareness between already registered GI products and those that are in the process of registration. Thirdly we wanted to see if there are differences in retail channel for each of the 5 GI Romanian products. Closed questions and Likert scale questions are used. The questionnaire was administered during February 2019, on the platform isondaje.ro. The

total number of answers received was 252. Being a pilot research we used descriptive data analysis to highlight the main results.

From a socio-demographic perspective, 71% of the respondents were women, 44.4% had university or above studies, 67.1% declared their origin from Muntenia, 11.5% from Moldova and 8.7% from Oltenia, 16.7% are state employee, 33% are private employee and 43% are students. The average age was 30.1 years. The sample is not statistically representative for Romania but results can raise the curtain for Romanian GI products.

When answered if the respondent have ever seen a product sold in Romania with the PDO/PGI symbol and before starting the survey did he or she knew what this symbol represents the situation is almost similar. 61.5% (for PDO) and 60.7% (for PGI) haven't seen / didn't know what those two symbols represent. 19.8% and 17.9% have seen / didn't know what those two symbols represent. Only 11.1% and 12.7% have seen / did know what those two symbols represent.

Among GI Romanian products, the highest levels of awareness and consumption are for PGI Salam de Sibiu, followed by PGI Magiun de Topoloveni, as it can be seen in table no. 3. The PGI smoked Novac from Tara Barsei has the lowest levels of awareness and consumption. The other two products with GI designations have similar levels of awareness and consumption.

Table no. 3 Awareness and consumption level for the Romanian certified GI products

	Scrumbie de Dunare afumata	Novac afumat din Tara Barsei	Telemea de Ibanesti	Salam de Sibiu	Magiun de prune Topoloveni
I haven't heard / I didn't consumed	81	148	113	5	56
I heard / I didn't consumed	106	85	94	13	47
I heard / I consumed	65	19	45	234	149

Source: own results

Other four products make efforts to obtain PGI designations. The actual levels of awareness and consumption can be seen in table no. 4. Overall results are similar with well-known products (Cârnați de Pleșcoi and Telemea de Sibiu) and less-known products.

Table no. 4 Awareness and consumption level for the Romanian submitted GI products

	Salata de stiuca de Tulcea	Telemea de Sibiu	Cascaval de Saveni	Carnati de Plescoi
I haven't heard / I didn't consumed	178	67	156	14
I heard / I didn't consumed	52	90	80	45
I heard / I consumed	22	95	16	193

Source: own results

This differences in awareness of certified or submitted GI products probably resides in the origin province of the respondents. Majority are from Muntenia and Oltenia, southern provinces of Romania. Being highly localized, GI products are difficult to market over long distances. Tara Barsei and Saveni are regions in the northern part of Romania, far away from home origin of the respondents.

From buying places perspective, the results show a diverse situation. Considering only respondents who bought GI Romanian products the main places for acquiring those remain supermarkets (71.8% for PGI Salam de Sibiu, 57.9% for PGI Magiun de Topooveni, 39.6% for PDO Telemea de Ibanesti, 36% for PGI smoked Scrumbie de Dunare and 33.3% for PGI smoked Novac from Tara Barsei). Second place for buying GI products is occupied by gastronomic festivals and fairs (28% for PGI Smoked Scrumbie de Dunare, 42% for PGI smoked Novac from Tara Barsei, 32.7% for PDO Telemea de Ibanesti, 10.3% for PGI Salam de Sibiu and 15% for PGI Magiun de Topooveni). Other places for buying GI products are: local market and directly from the producer when visiting the area with different percentages.

On a Likert scale where 1 stands for totally unknown and 5 for renowned, respondents were asked to express their opinion about all 9 products. Results are presented in Figure no. 1.

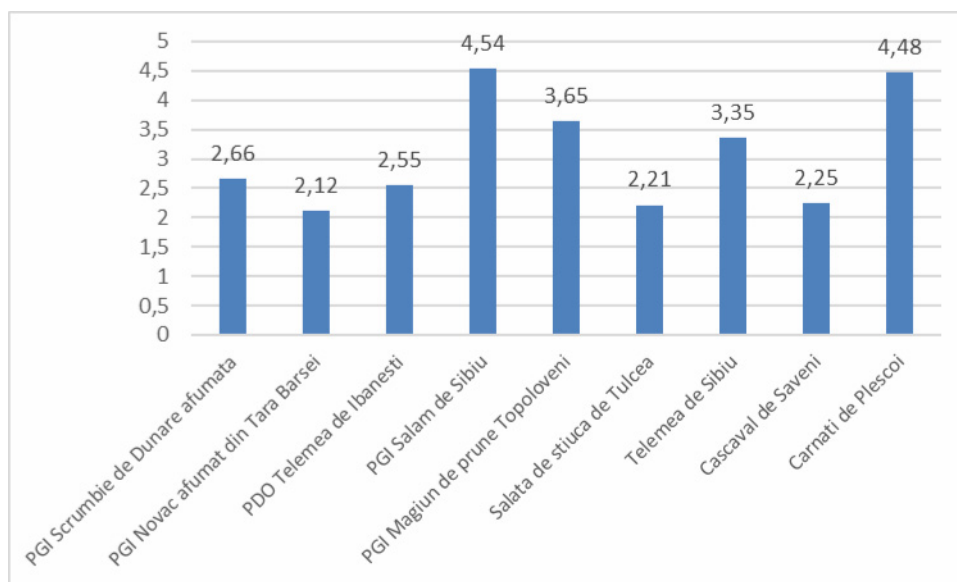


Fig. no. 1 Name notoriety for certified and submitted Romanian GI products

Source: own results

PGI Salam de Sibiu and Carnati de Plescoi have the highest notoriety while PGI smoked Novac from Tara Barsei and Salata de stiuca de Tulcea the lowest. This situation can be explained by origin of the respondents and consumption habits. PGI Salam de Sibiu and Carnati de Plescoi are meat products with production sites in the region of Muntenia or very close while PGI smoked Novac from Tara Barsei and Salata de stiuca de Tulcea are fish products and have less interest for consumers. Tara Barsei and Saveni are hundreds of kilometres away from Muntenia region.

Conclusions

The present study has the limitation of not being statistically representative at Romanian population. It presents a pilot study that can be developed in further research by county, age or by having a sample with representativeness at national level. Additional studies can be developed in order to extend the legitimacy of the findings and to generalize the results to a

specific county or even at Romanian level. This study could be a starting point for producers to valorise the importance of PDO and PGI designations for increasing business by knowing the actual level of awareness. In the scientific literature of Romania this study can open a path for further researches from multiple perspectives: management, marketing, public relations and advertising, logistics.

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