Sailing in an Olive Oil Ocean: Italian Producers Facing New Challenges from the Mediterranean Area

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During last years, demand for olive oils is profoundly changed both in terms of quality and quantity: new consumers’ segments are claiming high quality extra-virgin olive oils and consequently many firms adopted new strategies to capture consumers’ attention and preferences (De Gennaro et al., 2009). An increased competition among olive oil producers, due also to a progressive liberalization of International trade, has modified the equilibrium among traditional producing and consuming countries.

This paper examines the quality perception of Mediterranean extra-virgin olive oil countries through experimental sessions carried with 43 participants (commercial agents, grocery retailers and food journalists) during a three days workshop organized with the support of a famous Italian Olive Oil Company in May, 2009. We describe what is the influence of extrinsic cues on preference for olive oil and discuss implication for market competition starting from the results of ad hoc experimental sessions.

The workshop was organized as following:

a) Presentation of the sessions,
b) Training,
c) Experimental session.

During the last day of the workshop, the experimental sessions results were illustrated, an anonymous questionnaire about knowledge improvement was submitted and a final discussion based on the results was performed.

The experimental sessions were based on the classification provided by Schifferstein (2001). According to the author, three alternative methods to elicit sensory preferences can be identified depending on the information set available to individuals: blind taste, expectation (provision of non sensory information only) and labelled tests (provision of non sensory information such as a label and tasted samples). In the three cases preferences can be measured through hedonic scores. Blind, expectation and labelled tests provide consumers with a mix of information about sensory characteristics, geographical origin/product’s brand or a combination of the two (Stefani et al., 2006). Hedonic scores were elicited asking participants to tick on a 10 cm linear scale anchored at the right end with “I like it very much” and at the left end with “I don’t like it at all”. In the case of expectation tests, these anchorings were replaced by “I would like it very much” and “I wouldn’t like it at all”.

The treatments of experimental design were category of Oils from Italy and the Mediterranean countries and information conditions (blind test, expectation test and labelled test). Within each session, subjects first participated in a blind test indicating their evaluation of the servings of oil from the different brands or areas. Afterwards, participants were provided with labels of oils and expectations were elicited. Finally, a labelled test took place and concluded the experiment. In figure 1 the results of the Country of Origin session are presented. The final discussion is a sort of forum where the results are commented by managers and agents. For instance, when the score for a blind taste about a certain product is disconfirmed by labeled taste (i.e. Turkey, Tunisia, Jordan, Spain Piqual), many considerations can be done about the potential success of such a product if well advertised and promoted.

It clearly emerges the issue of "country of origin", widely treated in literature: country of origin can be considered as the picture or reputation that emerges in consumers’ mind created by those variables that consumers connect to products of a specific country such as history, tradition, and landscape. More specifically the sentiment of ethnocentrism is relevant: there is evidence of a huge shift in the evaluation of Italian olive oil between expected and labeled taste.

Thus, a potential issue at the practitioners’ level can consider the detection and/or selection of market segments that react more or less favorably to a certain origin and the way to properly communicate it.

![Figure 1 – Mean Hedonic Score for “Country of Origin” Session](image)

Thus, we have found out that a participated approach that is based mainly on a direct experience fulfils the expectation and achieves remarkable results, giving to entrepreneurs and managers prompt and realistic answers to their questions about business strategy. Particularly, it seems important to consider the value of intrinsic characteristics of olive oil in order to detect market opportunities and promotion strategies. Oil from Jordan, Greece, Israel, Tunisia and Turkey seem to present good potentialities to compete with Italian olive oil if taste will be properly promoted.

By joining sensory analysis techniques to qualitative marketing research tools in different sessions of participated research approach, we have facilitated communication flows, and moved out most sources of possible misunderstanding based on a subjective idea of quality. We have encouraged a “learning through experience” process and under this perspective the hazard of self prejudice is reduced. Moreover, the depicted case shows how companies can approach to the problem of international trade, that is often perceived too far to be considered when planning their strategies.