The Determinants of the Consumer Demand for Olive Oil

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The olive tree is a typical Mediterranean plant that has always characterized its landscape. Over 85% of the Italian olive production is obtained in Southern Italy regions. In these economic disadvantaged regions, olive-oil production plays a vital role in socio-economic development. Olive oil is also a primary health food in the Mediterranean diet.

The Italian olive cultivation and the Sicilian in particular, despite its fundamentally important role, in recent years has faced increasingly fierce competition; the crisis mainly stems from a boosted competition from olive oil produced in other countries, inside and outside the EU. In our globalization age the issues concerning the safeguard and development of the rural areas also require taking into account market demand. The olive oil market is an important income source for the Italian economy and even more for the Sicilian one; therefore the analysis of the potential and actual consumer demand is of great interest. The consumer survey carried out in the city of Palermo fulfills this purpose. The aim of this study was to examine consumption among Palermo inhabitants to investigate their preferences and purchase places, test their knowledge and understand their reasons for buying oils different than the Sicilian, especially with regard to particular consumption linked to quality certification.

Finally the study allowed singling out the variables on which companies should target their marketing strategies to revitalize production.