



The product

The product:

- Substantial differentiation
- Symbolic differentiation

- Product (physical entity and/or service)
- Product + services

- Product = everything is able to satisfy needs and wants of the consumer
 - benefits / symbols
 - Products = bundles of benefits



The product

The product portfolio (product-mix):

- Product line: a group of product strictly connected to each other
 - Technical similarities
 - Satisfy the same needs
 - Complementary usage
 - The same consumer segment
 - The same distribution channel
 - The same price range
- Line depth = number of products in the same line
- Broadness of the range = number of product lines

The product portfolio

ABC COMPANY

PRODUCT LINE 1:
FRUIT-BASED DRINKS

MANGO SMOOTHIE

STRAWBERRY SHAKE

PRODUCT LINE 2:
ENERGY DRINKS

SPORTS SHAKE

PRE-WORKOUT SHAKE

PRODUCT LINE DEPTH

The product portfolio

Linee HO.RE.CA.



SPUMANTI

FREEWINE



Linee G.D.O.

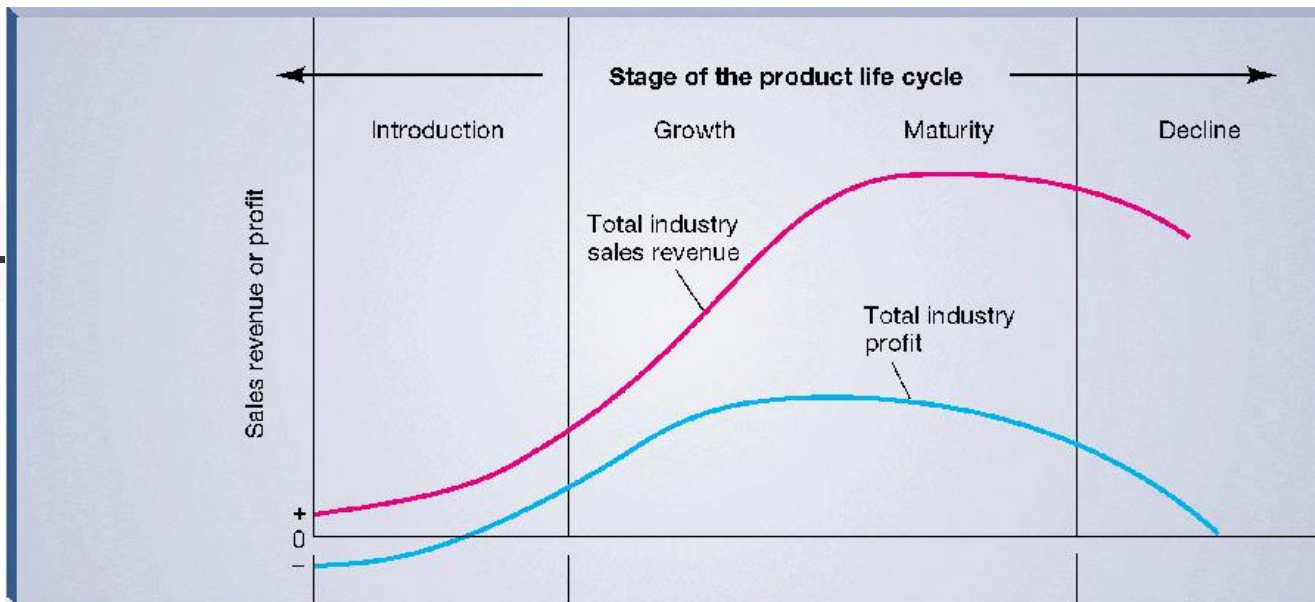




The product life cycle (PLC)

Products move through a series of stages from their introduction to their final withdrawal from the market:

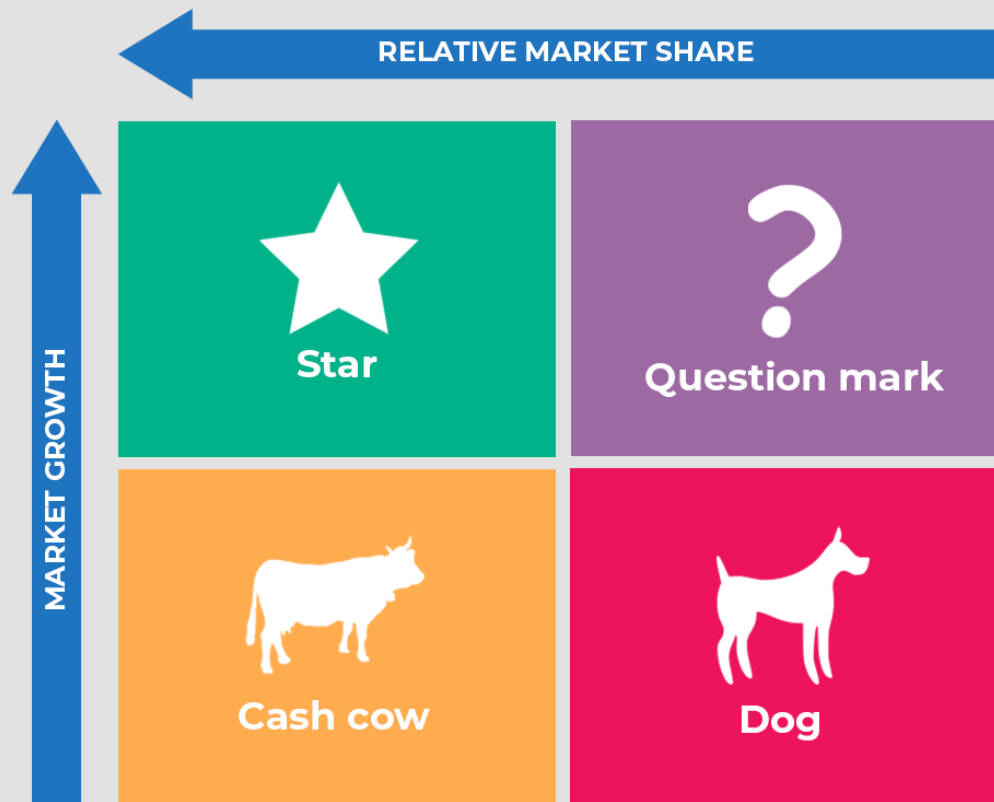
- The life cycle stages:
 - Introduction
 - Growth
 - Maturity
 - (Saturation)
 - Decline
 - Withdrawal
- Planned obsolescence
 - Technological or Functional
 - In the style (the fashion cycle)



MARKETING OBJECTIVE	GAIN AWARENESS	STRESS DIFFERENTIATION	MAINTAIN BRAND LOYALTY	HARVESTING, DELETION
Competition	Few	More	Many	Reduced
Product	One	More versions	Full product line	Best sellers
Price	Skimming or penetration	Gain market share, deal	Defend market share, profit	Stay profitable
Promotion	Inform, educate	Stress competitive differences	Reminder oriented	Minimal promotion
Place (distribution)	Limited	More outlets	Maximum outlets	Fewer outlets

Managing product portfolios

BOSTON CONSULTING GROUP MATRIX





The brand

The brand name:

- The brand name is a term, symbol or design that distinguishes one seller's product from its competitors
- Brand names can be protected by registration: trademarks (*Marca/ Marchio*)
- Brand policies
 - The same brand for all the products
 - Different brands for each product
 - Different brands for each class of products
 - Combining the brand and the product name
- Branding strategies
 - Line extension (line depth): new market segment
 - Category extension: different products
 - Umbrella brand
 - Double brand: the value of the two brands

The brand



Examples of Category extension

GRUPPO ITALIANO VINI



M
MEZZACORONA

CASILLI
FIRMITAN

ROTARI
TRENTO DOC

Feudo
Arancio

STEMMARI

TOLLOY

Kellogg's
CORN
FLAKES

Kellogg's
Special **K**

Kellogg's
All-
Bran

KID
KRAVE

Kellogg's
COCO
POPS

Kellogg's
FROSTIES

Kellogg's
miel
POPS

Kellogg's
RICE
KRISPIES

Kellogg's
NUTRI-GRAIN

Nice
Morning

Multiple brands / Family brand



M. Gregori
Il Marketing del Vino
EdiSES

The brand

The Brand equity =
the value of the brand





Food quality

Product quality

- The quality of a product depends on different characteristics
 - Vertical differentiation (a good is better than another for all its characteristics)
 - Horizontal differentiation (consumers do not sort the characteristics of two products in the same way)



Food quality

Product quality

- Information asymmetry between producer and consumers
 - «research» goods
 - «experience» goods
 - «trust» goods
- Also applicable to different characteristics of the same food product



Food quality

Food quality

- Intrinsic quality attributes
 - Composition
 - Function (packaging, dimension, style, convenience, ease of preparation, shelf-life)
 - Process (product origin, tracing, production tecnics, environmental impact, safety of workers)
- Extrinsic quality attributes
 - Quality indicators
 - Quality signs



Food quality

Food quality

- Extrinsic quality attributes
 - Quality indicators (quality management systems, product certification, labels, minimum quality standards)
 - Quality signs (price, brand, retailer's brand, packaging, advertising, warranties, reputation, past purchase experiences, country of origin, assortment)
 - Can be object of "research"
 - Quality indicators can transform intrinsic attributes of "trust" in extrinsic attributes of "research"
 - Can facilitate the process of quality verification

Intrinsic quality attributes:

Composition

Alcohol degree

Characteristics of water

Hop variety

Variety of barley

Prevention of hearth diseases / health attributes

Function

Dimension of the packaging

Kind of packaging

Shelf-life

Conservation

Easy of use (opening, closing, shelf-life after the opening)

Interface functionality (safety and correct use, product disposal)

Process

Yeast use

Temperature / Time

Maturation

Environmental impact (water consumption / carbon footprint)

Organic raw materials

By-products managemet

Origin of the product

Pastorized - Filtered

Food quality: beer

Quality indicators:

Label

Organic label

Geographical Indication

Awards

Carbon / Water footprint

Social responsibility

Level of colour

Level of bitterness

Filtered / Not filtered

Quality signs:

Label (style)

Consumption information

History of the brewing company

Price

Locally produced

Point of sale

Occasion of production (St. Patrick...)



Food quality

A definition of quality

- “the totality of characteristics of an entity that bear upon its ability to satisfy stated and implied needs.”
- The term quality is defined in ISO 9001 as the degree to which a set of inherent characteristics of an object fulfils requirements.



Food quality

The quality of a food product

- A higher or a lower degree of quality can be identified in a higher or lower number of attributes that satisfy needs or tastes of the consumer
- If consumers are not able to recognize the quality:
 - They will not pay a higher price for a good of higher quality
 - The quality good disappears from the market



Food quality

Quality perception

- The perceived quality: the perceived capacity of a product of satisfying consumer needs over the other available alternatives.
- There is an information gap between producer and consumer
- The consumer try to perceive the product quality trough quality indicators and quality signs (expected quality)
- The certification allows the “visibility” of quality indicators:
 - It provides a correct information able to protect the consumer
 - It is for the companies a useful instrument of competition.



Quality certification

Quality certification:

- A quality judgement provided by an authoritative agency on the basis of quality criteria, known by who is judged and by the final user
- Verification of compliance of a product or service, of a productive process or company's management system to established technical standards
- Product certification
- Process certification
- Company's system of quality management



Quality certification

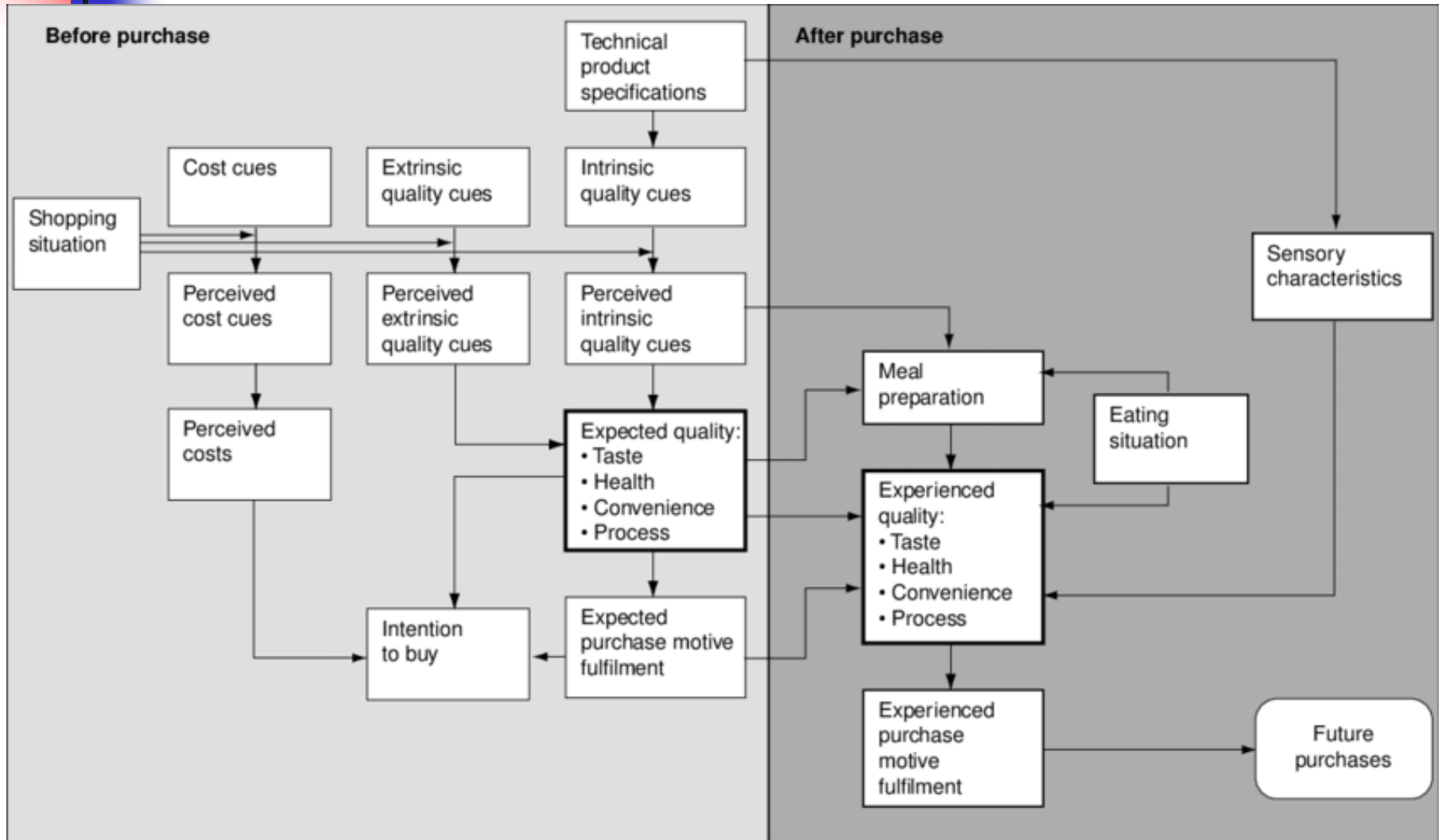
CERTIFICATION



QUALITY BRAND

- Because a quality brand should exist it is needed:
 - A set of rules or criteria
 - A subject (independent) that expresses a judgment on the basis of criteria and verification of compliance with the standards (CERTIFICATION BODY)
 - Criteria: public / operate as discriminatory standards / all those entitled can be able to join
 - QUALITY BRAND is different than BRAND NAME
 - ACCREDIA (National Accreditation Body)

The Total Food Quality model



Source: Brunsø, Fjord, Grunert (2002), Consumers' food choice and quality perception

Organic label

European Union :

Reg. (EU) 848/2018
on organic
production and
labelling of organic
products and
repealing Council
Regulation (EC) No
834/2007

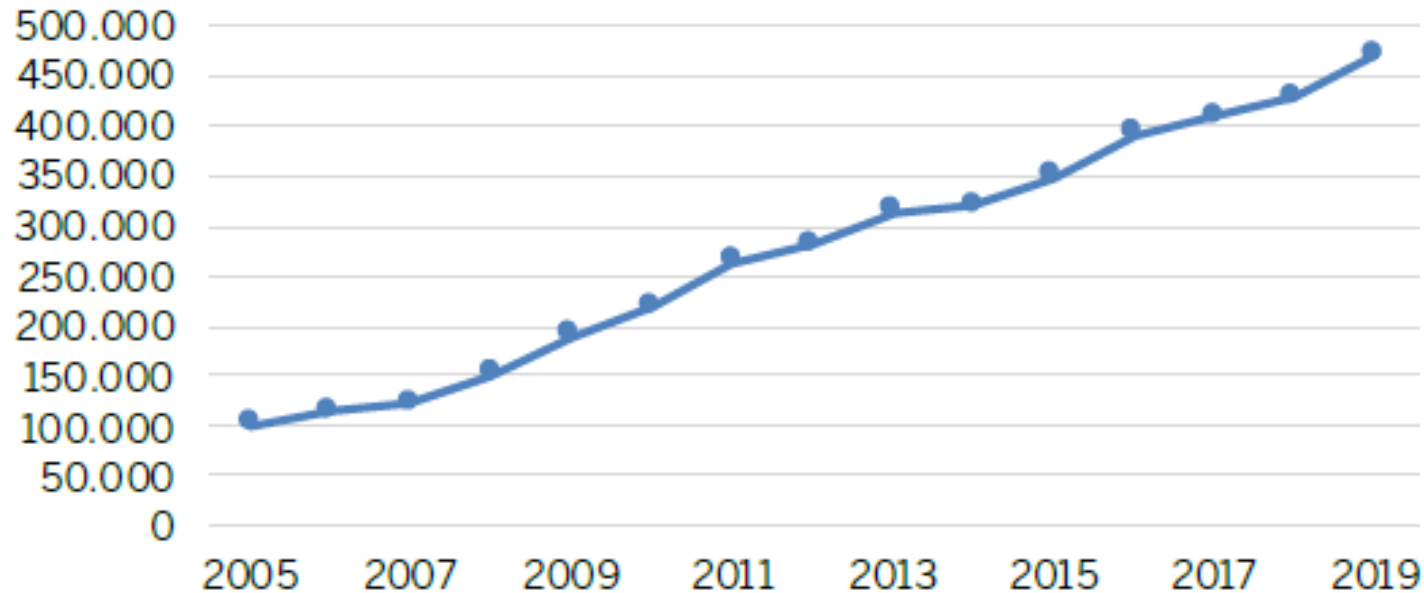
Reg. (EC) 203/2012
Organic wine

Marchi vino biologico

UE	USA	Sud Africa	Australia
			
Nuova Zelanda	Biodinamico	Vegano	
			

Organic production (wine)

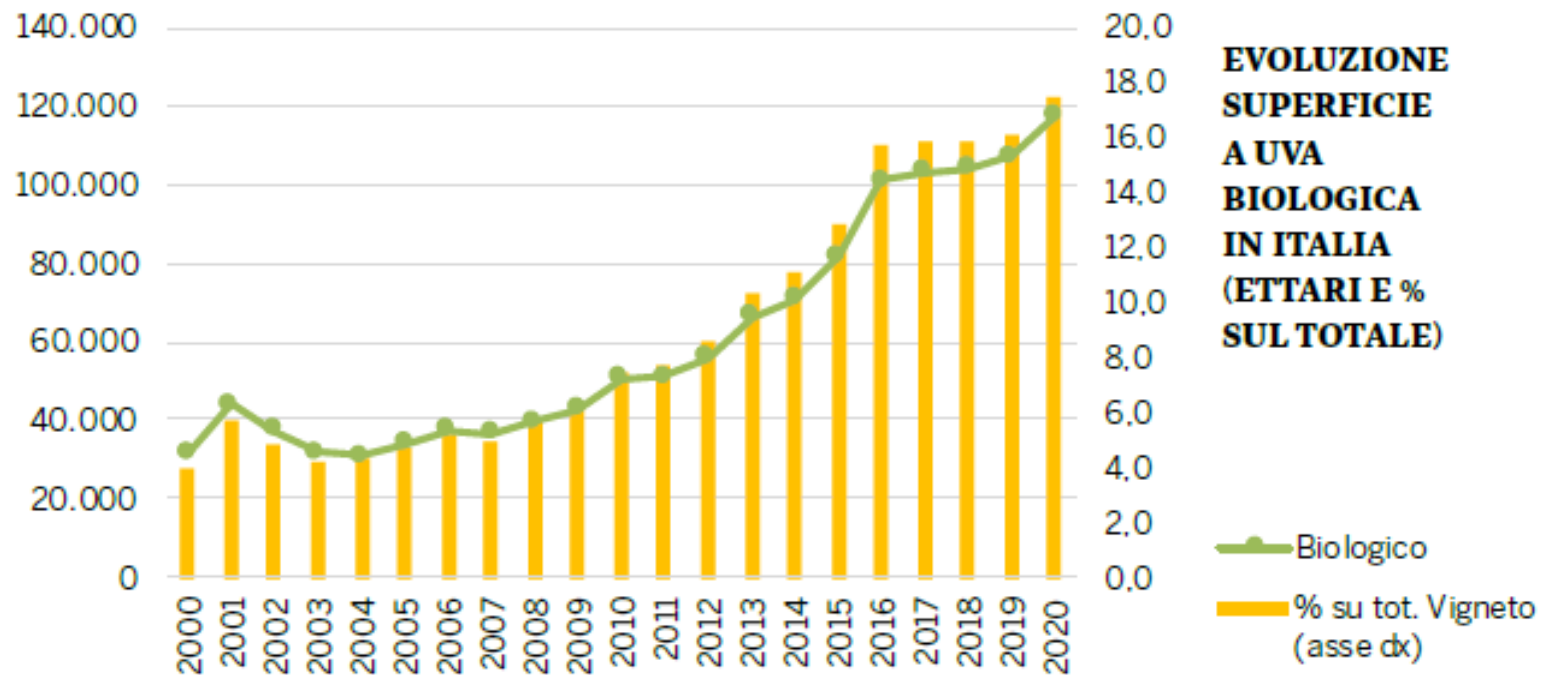
**SUPERFICIE A UVA BIOLOGICA NEL MONDO
(UVE DA TAVOLA COMPRESSE) (ETTARI)**



ORGANIC GRAPE SURFACE IN THE WORLD (Ha)

Source: *Corriere Vinicolo* (2022). *Vino in Cifre* (12° edizione). Anno 95, n. 1

Organic production (wine)



ORGANIC GRAPE SURFACE IN ITALY (Ha and % on the total)

Source: Corriere Vinicolo (2022). *Vino in Cifre* (12° edizione). Anno 95, n. 1 (elaborazioni su dati Sinab e Agea)

Quality certification labels

ISO	SA 8000	Biodiversity friend	Impronta carbonica
			
FSC packaging	BRC, standard globale sicurezza alimenti	Commercio equo e solidale	Vino kosher
			

VIVA Sustainable Wine



- Ministero dell'Ambiente
- Disciplinary for measuring sustainability performances of the vine-wine chain.
- 4 technical documents for the analysis of 4 indicators – AIR, WATER, TERRITORY AND VINEYARD
- Accredited certification bodies
- 44 certified companies

<http://www.viticulturasostenibile.org>

Carbon Footprint



- greenhouse gas emissions (GHG) generated for the production of a product unit
- Kg di CO₂ equivalent
- It is based on LCA methodology: product Life Cycle Assessment
- ISO standards
 - (ISO 14064 - Carbon Footprint)
 - (UNI EN ISO 14040 e 14044 - LCA)



Sustainability strategies in the wine sector

<https://www.donnafugata.it/it/sostenibilita/>

<https://firriato.it/firriato-tra-le-prime-cantine-al-mondo-carbon-neutral/>

<https://www.salcheto.it>

<https://www.google.it/amp/s/cantinadelmorellino.it/sostenibilita/carbon-footprint-del-morellino-di-scansano-docg/amp/>

<http://www.sanmarcofrascati.it>

<https://www.mezzacorona.it/it/sostenibilita>

<http://www.lecarline.com/certificazioni/>

<https://www.lacantinapizzolato.com/en/certifications/>

<https://www.lacasadibricciano.it>

<https://www.giolitalia.com/it/>

Environmental certification labels

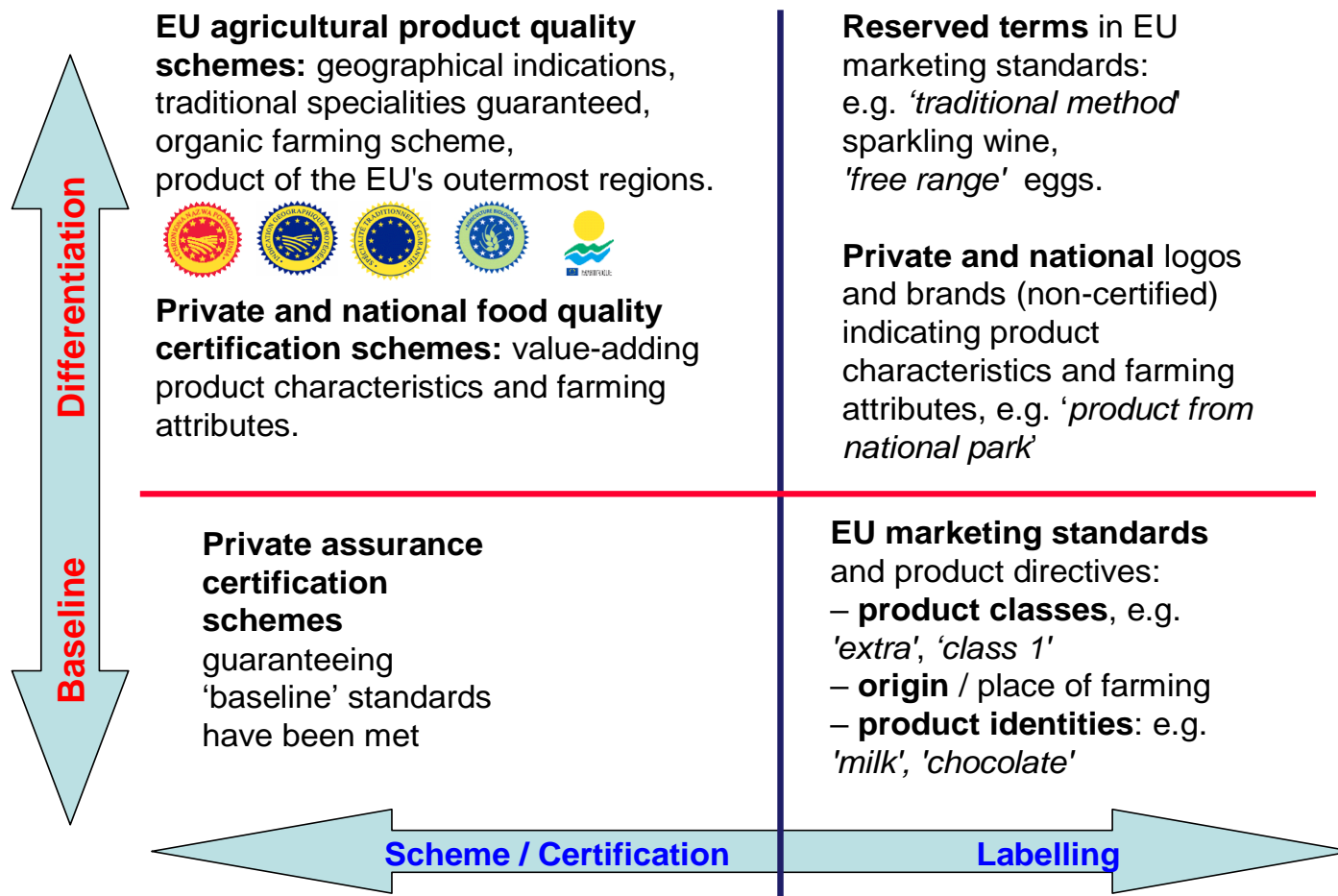


SISTEMA DI QUALITÀ NAZIONALE
PRODUZIONE INTEGRATA

Carbon Footprint



EU Quality and assurance certification schemes and marketing standards





EU Quality and assurance certification schemes and marketing standards

- Marketing standards and product directives
 - Minimum standards (hygiene and product safety, product identity and composition, environmental protection, animal welfare)
 - Marketing standards (labelling) – Reserved terms

1. RESERVED TERMS:	Examples: 'free range' eggs; 'barn' eggs, 'first cold pressed' extra virgin and virgin olive oil, 'traditional method' sparkling wine
2. PRODUCT CLASSIFICATION:	Examples: fruit: extra, class 1, class 2 eggs: large, medium, small
3. PRODUCT IDENTITY:	Examples: definitions of butter, fruit juice, chocolate, wine, extra virgin olive oil
4. ORIGIN or PLACE OF FARMING LABELLING:	Examples: fruit and vegetables: place of harvest olive oil: place of harvest and of pressing; beef; honey



EU Quality and assurance certification schemes and marketing standards

- EU agricultural products quality schemes (Reg. 1151/2012)
 - Geographical indications (PDO and PGI)
 - Traditional speciality guaranteed (TSG)
 - Optional reserved terms:
 - Mountain product
 - Product of island farming
 - Organic agriculture (Reg. EU 848/2018 and EU 203/2012)

- Voluntary certification schemes
 - EU best practice guidelines for voluntary certification schemes for agricultural products and foodstuffs (Comunicazione della Commissione 2010/C 341/04)

https://ec.europa.eu/info/food-farming-fisheries/food-safety-and-quality/certification/quality-labels/quality-schemes-explained_en

Voluntary private certification schemes

Private standards: quality standards usually imposed by large distribution to its suppliers:

- Minimum Quality Standards (standards common to various groups of the modern distribution)
- Promotional use towards consumers
- Competitive use towards suppliers
- Substitution of public with private standards



GlobalGAP,
BRC,
IFS,
Ifis (IFSA Feed
Ingredient Standard)



International standard system

ISO: International Organization for Standardization (<https://www.iso.org/standards-catalogue/browse-by-ics.html>)

UNI: Ente Italiano di Normazione (<https://www.uni.com/index.php>)

ACCREDIA: Ente Italiano di Accreditamento (<https://www.accredia.it/>)

Examples of Private standards:

IFS: International Featured Standards
(<https://www.ifs-certification.com/index.php/it/>)

IFIS: IFSA Feed Ingredients Standard (<https://www.fefac.eu/our-publications/good-practices/263/>)

GLOBALG.A.P.: Good Agricultural Practices https://www.globalgap.org/uk_en/

BRC: British Retail Consortium (<https://www.brcgs.com/>)



Marks

- Trademarks

- Can not contain geographical names, individual property, can be sold or transferred, expire if not used
- Instruments of private law

- Geographical indications

- Collective ownership (can be used by all the producers of an area, can not be sold or transferred, don't have limits of validity)
- Intellectual property right for the protected geographical indication

- Certification marks

- Are not used by the owners; can be used by all the subjects which comply with the standard

Marks: examples



Producer's trademark

Product brand

Geographical Indication:
Colli Pesaresi Rosso DOC
(PDO wine)

Certification mark:
Organic wine (Reg. EU
203/2012)



Geographical indications

- Indication of origin
 - Guarantees only the origin (*made in Italy, in EU*)

- Geographical indications:
 - Indication that protects the name of a product originating in a country, region or locality where the product's particular quality, reputation or other characteristic are essentially attributable to its geographical origin.
 - They guarantee also the product quality

- Protection of competition policies
 - Protection of investments in reputation

- Consumer protection policies
 - Guarantee of a correct information

Indications of origin



Geographical indications

J. CHRISTOPHER ——— Producer name

WILLAMETTE VALLEY ——— Region (AVA)

2010 ——— Vintage

PINOT NOIR ——— Grape Variety

UNFILTERED

PRODUCED & BOTTLED BY LOOSEN CHRISTOPHER WINES
NEWBERG, OREGON USA * ALC. 13.0% BY VOL. * 750 ML ——— Bottle volume
Alcohol content

wine-searcher.com™

(AVA = American Viticultural Area)

Geographical indications

wine-searcher.com™

LAYER CAKE

Wine name



One Hundred Percent Pure

SHIRAZ

Grape Variety

VINTAGE 2008

Vintage

South Australia

Region (GI)



Producer

ALC. 14.9% BY VOL.

750ML

Alcohol content
Volume

BRAND NAME

Brand names should not mislead as to the origin, age or identity of the wine.

Beyond Boundaries



VOLUME

Mandatory. Must be 3.3mm in height. May be presented on the front or back label.

DESIGNATION

Mandatory. Must convey the true nature of the food, for example the word 'wine' or the variety.

COUNTRY OF ORIGIN

Mandatory. Wording is not defined, for example, 'Wine of Australia' or 'Product of Australia'.

ALCOHOL CONTENT

Mandatory. Wording is not defined. Tolerances vary between products.

ALLERGENS

Mandatory. Sulphites in concentrations above 10ppm and processing aids including milk and egg must be declared.

2008

VINTAGE

The harvest year. Vintage claims are optional but must be 85% if claimed.

McLaren Vale
Cabernet Sauvignon

REGION (GI)

GI claims are optional but must be 85% if claimed. Multiple GI claims are acceptable but must be 95% and listed in descending order.

750mL

WINE OF AUSTRALIA

13.5% ALC/VOL

CONTAINS SULPHITES

PRODUCED WITH MILK PRODUCTS

PRODUCED BY BEYOND WINES,
23 THE ROAD, ADELAIDE, SA

L2005



VARIETY

Variety claims are optional but must be 85% if claimed. Multiple variety claims are acceptable but varieties must be listed in descending order.

NAME AND ADDRESS

Mandatory. The name and street address of responsible entity - must not be postal address only.

LOT NUMBER

Mandatory.

STANDARD DRINKS

Mandatory. Labels must declare the number of standard drinks it contains. 'Contains approx X.X standard drinks' or logo acceptable.



Geographical indications

- 4 European Regulations:

- Reg. (EU) No 1151/2012 PDO – Protected Designation of Origin and PGI – Protected Geographical Indication (food)
- Reg. (EU) No 1308/2013 PDO – Protected Designation of Origin and PGI – Protected Geographical Indication (wine)
- Reg. (EC) No 110/2008 GI – Geographical Indication (spirit drinks)
- Reg. (EU) No 251/2014 GI – Geographical Indication (aromatised wines)

Geographical indications (food products)

PDO (Protected Designation of Origin)

'Designation of origin' is a name which identifies a product:

- (a) originating in a specific place, region or, in exceptional cases, a country;
- (b) whose quality or characteristics are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors; and
- (c) the production steps of which all take place in the defined geographical area.



Reg. 1151/2012 (510/2006; 2081/92)

Geographical indications (food products)

PGI (Protected Geographical Indication)

'Geographical indication' is a name which identifies a product:

- (a) originating in a specific place, region or country;
- (b) whose given quality, reputation or other characteristic is essentially attributable to its geographical origin; and
- (c) at least one of the production steps of which take place in the defined geographical area.

Reg. 1151/2012 (510/2006; 2081/92)





Wines designation of origin (Art. 93 Reg. 1308/2013)

- "a designation of origin" means the name of a region, a specific place or, in exceptional and duly justifiable cases, a country used to describe a product referred to in Article 92(1) fulfilling the following requirements:
 - (i) the quality and characteristics of the product are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors;
 - (ii) the grapes from which the product is produced come exclusively from that geographical area;
 - (iii) the production takes place in that geographical area; and
 - (iv) the product is obtained from vine varieties belonging to *Vitis vinifera*;



Wines geographical indication (Art. 93 Reg. 1308/2013)

- "a geographical indication" means an indication referring to a region, a specific place or, in exceptional and duly justifiable cases, a country, used to describe a product referred to in Article 92(1) fulfilling the following requirements:
 - (i) it possesses a specific quality, reputation or other characteristics attributable to that geographical origin;
 - (ii) at least 85 % of the grapes used for its production come exclusively from that geographical area;
 - (iii) its production takes place in that geographical area; and
 - (iv) it is obtained from vine varieties belonging to *Vitis vinifera* or a cross between the *Vitis vinifera* species and other species of the genus *Vitis*.



Geographical indications (food products)

Product specification (art. 7 Reg. 1151/2012)

- (a) the name to be protected as a designation of origin or geographical indication, as it is used, whether in trade or in common language, and only in the languages which are or were historically used to describe the specific product in the defined geographical area;
- (b) a description of the product, including the raw materials, if appropriate, as well as the principal physical, chemical, microbiological or organoleptic characteristics of the product;
- (c) the definition of the geographical area delimited
- (d) evidence that the product originates in the defined geographical area;



Geographical indications (food products)

Product specification (art. 7 Reg. 1151/2012)

- e) a description of the method of obtaining the product and, where appropriate, the authentic and unvarying local methods as well as information concerning packaging, if the applicant group so determines and gives sufficient product-specific justification as to why the packaging must take place in the defined geographical area to safeguard quality, to ensure the origin or to ensure control, taking into account Union law, in particular that on the free movement of goods and the free provision of services;
- (f) details establishing the following:
 - (i) the link between the quality or characteristics of the product and the geographical environment referred to in Article 5(1); or
 - (ii) where appropriate, the link between a given quality, the reputation or other characteristic of the product and the geographical origin referred to in Article 5(2);
- (g) the name and address of the authorities or, if available, the name and address of bodies verifying compliance with the provisions of the product specification;
- (h) any specific labelling rule for the product in question.



Geographical indications (food products)

Content of application for registration (art. 8 Reg. 1151/2012)

- (a) the name and address of the applicant group and of the authorities or, if available, bodies verifying compliance with the provisions of the product specification;
- (b) the product specification provided for in Article 7;
- (c) a single document setting out the following:
 - (i) the main points of the product specification: the name, a description of the product, including, where appropriate, specific rules concerning packaging and labelling, and a concise definition of the geographical area;
 - (ii) a description of the link between the product and the geographical environment or geographical origin referred to in Article 5(1) or (2), as the case may be, including, where appropriate, the specific elements of the product description or production method justifying the link.



Geographical indications (food products)

Registration procedure

- Presence of an applicant group ('group' means any association, irrespective of its legal form, mainly composed of producers or processors working with the same product);
- Product specification
- Member State procedure
- Presentation to the European Commission
- Grounds for opposition
- Registration in the: Register of protected designations of origin and protected geographical indications



Protection of DOs e GIs

- Registered names shall be protected against:
 - (a) any direct or indirect commercial use of a registered name in respect of products not covered by the registration
 - where those products are comparable to the products registered under that name or
 - where using the name exploits the reputation of the protected name, including when those products are used as an ingredient;
 - (b) any misuse, imitation or evocation, even if the true origin of the products or services is indicated or if the protected name is
 - translated or
 - accompanied by an expression such as 'style', 'type', 'method', 'as produced in', 'imitation' or similar, including when those products are used as an ingredient;
 - (c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product that is used on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin;
 - (d) any other practice liable to mislead the consumer as to the true origin of the product.



Protection of DOs e GIs

- Protected designations of origin and protected geographical indications shall not become generic.
- Can be protected designations of origin and geographical indications of third countries that meet the corresponding criteria and that are protected in their country of origin.
- Can be used by any operator in compliance with the product specification

Traditional speciality guaranteed (TSG)

A name shall be eligible for registration as a traditional speciality guaranteed where it describes a specific product or foodstuff that:

- (a) results from a mode of production, processing or composition corresponding to traditional practice for that product or foodstuff; or
 - (b) is produced from raw materials or ingredients that are those traditionally used.
- For a name to be registered as a traditional speciality guaranteed, it shall:
 - (a) have been traditionally used to refer to the specific product; or
 - (b) identify the traditional character or specific character of the product.



Reg. 1151/2012 (*509/2006; 2082/92*)

Traditional speciality guaranteed (TSG)

Product specification

- (a) the name proposed for registration, in the appropriate language versions;
- (b) a description of the product including its main physical, chemical, microbiological or organoleptic characteristics, showing the product's specific character;
- (c) a description of the production method that the producers must follow, including, where appropriate, the nature and characteristics of the raw materials or ingredients used, and the method by which the product is prepared; and
- (d) the key elements establishing the product's traditional character. Salvaguardare metodi di produzione e ricette tradizionali



Producers can be located in any location of the European Union



The geographical indications system

- Geographical indications as COLLECTIVE BRANDS
- Brand equity:
 - Continuous production of products characterised by coherence between intrinsic quality and quality signs and a unique and well defined style
 - Product knowledge (by consumers)
- Credibility: the perceived quality is in line with the reputation
- Coherence between designation and level of product quality
- Identity of the products (in sensory style and recognition)



Collective brands (geographical)

- Guarantee the nature, the quality or the origin of a product / service
- Ownership: companies' association / public bodies
- Are apt to distinguish the products / services of the associated from those of other companies
- Requirements:
 - Registration of the brand (national or European level)
 - Presence of a Regulation defining the rules of use, the controls system, the sanctions
 - Open associative structure
 - Sectorial / multi-sectorial brand => territory (geographical level)