

Outlook on the European
and Thai GI systems
&
Overview of EU gatekeepers
perceptions towards GI fruit
and coffee products
proceeding from Thailand



Overview

Chapter 1 Introduction

Chapter 2 Geographical Indications regulatory systems

Chapter 3 PDO and PGI development in the EU

Chapter 4 Outlook on Thai Geographical Indication

Chapter 5 Overview of EU gatekeepers' perceptions towards Thai GIs fruit and coffee products

Introduction

- GIs --> The place of origin may be used as a quality signal
- > The resources of the region may be captured as quality attributes (Anders and Caswell, 2009)

Thailand is interested to use GIs to differentiate typical products ---> to respond to consumers demand & position itself in the lucrative market ---> target = EU



Value-enhancement strategies
Enhance sustainable development



Being recognized?



The Geographical Indication Act
of B.E.2003

EC Reg.N. 510/2006

Main Differences between Thai and EU GIs system

- (1) **products types** (natural and handicraft products may become GIs according to the Thai regulation, while they cannot be in the EU regulation)
- (2) **persons who have rights to submit the application** (in the EU regulation, only producers or processors associations dealing with the product can submit but in Thai regulation, many persons can do)
- (3) **control systems** (EU regulation strongly requires internal and external control while the control system in Thai regulation is not clearly defined)

PDO and PGI development in the EU

- Among > 6000 Geographical Indications currently protected in EU (~ 5200 are wine and spirits)
- In September 2009, there were 847 PDO and PGI records (461 PDO and 386 PGI) registered according to EC Reg. N. 510/2006.
- They were all related to products originating in the EU, except the Café de Colombia. While applications are in line from China, India, Thailand, Vietnam and Switzerland.

Outlook on Thai Geographical Indication

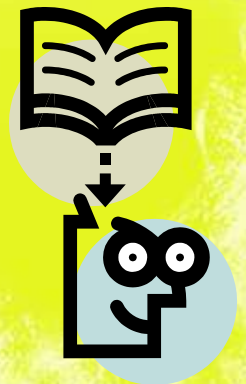
- Until 2009, Thailand has registered 35 GIs, 29 of which are for Thai products, 5 of the EU and 1 from Peru
- Categories : Fruits 8; Rice 7; Alcohol 6 (5 of foreign origin and 1 of Thailand); Coffee 2; Meat product 2 (1 of Thailand and 1 of Italy); and Others 10 registered names
- 10 Thai GI products are under external control (ISO 65):
Tung Kula Rong-Hai Thai Hom Mali Rice, Chiangrai Phulae Pineapple, Phurue Plateau Wine, Doi Chaang Coffee, Doi Tung Coffee, Nakornchaisri Pomelo, Surin Hom Mali Rice, Phuket Pineapple, Phetchabun Sweet Tamarine and "Chainat" khaotangkwa pomelo

Overview of EU gatekeepers' perceptions towards Thai GIs fruit and coffee products

- Thailand is interested to use GIs to differentiate typical products ---> to respond to consumers demand & position itself in the lucrative market ---> target = EU
- Coffee and Fruits are important Thai GIs products
- Before products handing to consumer, they have to be chosen by Gatekeepers first
- It is important to gain deeper understanding of the attitude of gatekeepers and the possibility to use the EU GI labels for Thai fruits and coffee in the EU market

Gatekeepers

- Food channel members who control the flow of information and products to other channel members
- Food channel members who make food buying decisions (with high involvement) on behalf of food importing and distribution companies that supply several thousands up to millions of end consumers (Knight and Gao, 2005)
- Importers, Wholesalers, Retailers, Practitioners from the food service industry



Objectives


- To explore how European gatekeepers perceive GIs Fruit and Coffee products from Thailand
- To explore the potential and barriers for GIs Fruit and Coffee products from Thailand in the European markets
- To explore the key factors that influence purchasing decision of European gatekeepers

Methodology & Data

- Exploratory research (Qualitative approach)
->Personal in-depth interview
- Purposive sampling & snow-ball sampling
Target group: European gatekeepers and experts from the food service industry who already have experiences dealing with Thai or Asiatic products in Europe
- Field work
 - 16 Personal interviews during March – June 2010
 - Austria (5 persons), Italy (10 persons), and Switzerland (1 person)
 - Ranged between 30-60 min
- Data analysis and extrapolation
 - Heuristic content analysis
 - Concept map

Characteristics of the interviewed companies

- 80% = importers & distributors of fruit and food products
20% = researchers and experts on agri-food marketing and European fruit markets;
- Within importers and distributors
50% distributed their products in country level
50% distributed only in local areas;
- Within importers and distributors
~50% = fruit and/or vegetable importers and distributors,
~ 33% = specialty shops,
~ 17% = representatives of large retail companies

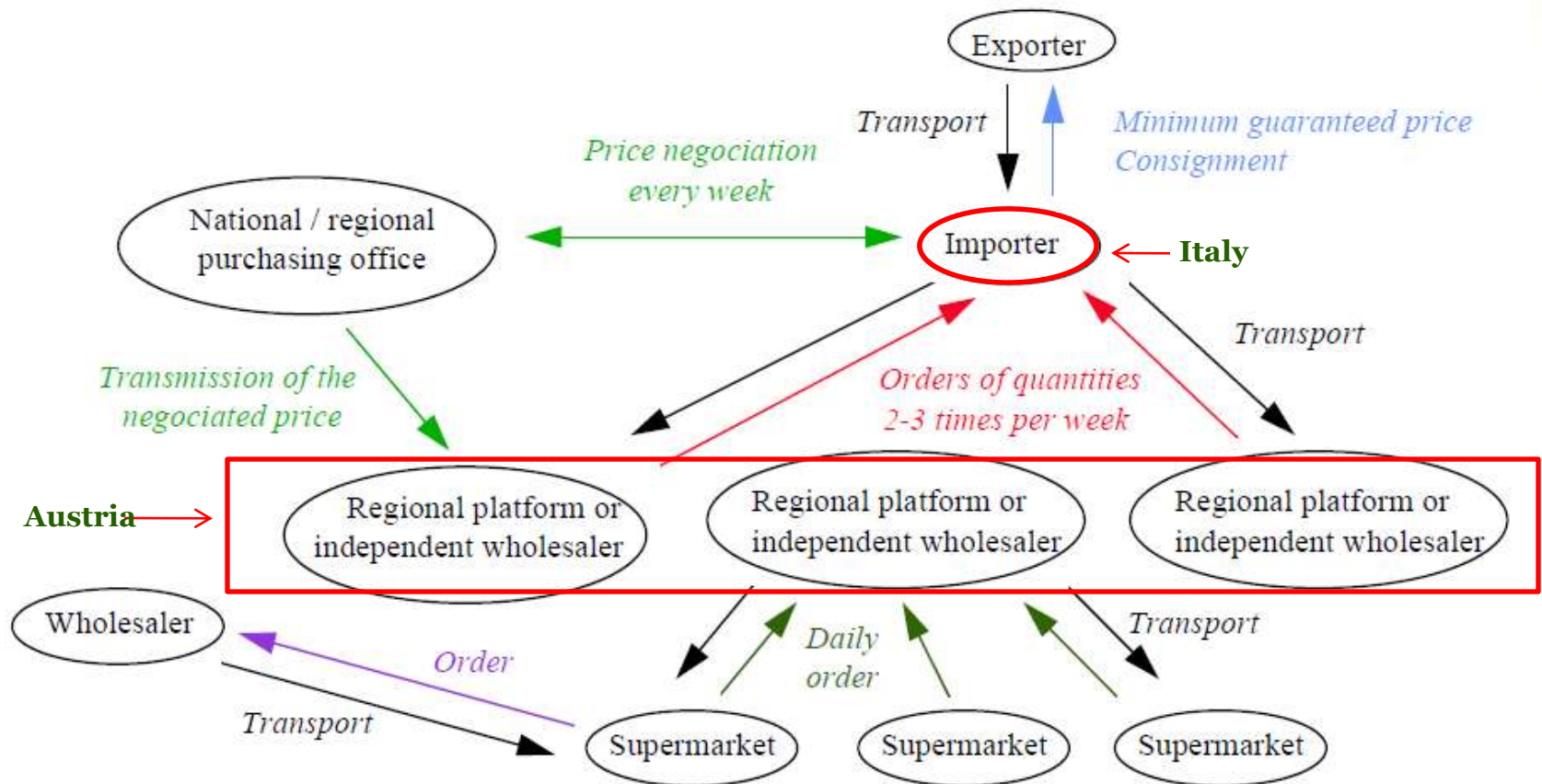


Results

Situations of Thai fruits and coffee in Austria & Italy



Structure of Fruit Supply chain in Italy & Austria



Perception of the EU gatekeepers toward Thai GI products

Pros

- Quality guarantee for Thai typical quality products
- Trust and Assurance mediator (Accountability)
- Recognized by the EU regulation is advantage (Mutual Recognition)

= Niche market!!!

Cons

- Lack of knowledge & information/hard to identify quality
- Confuse GIs with COO
↓
Thai GI labels are not perceived as a quality cue
- Potential competitor of quality private label (retailer brands)

Potential/Barrier of Thai GIs products

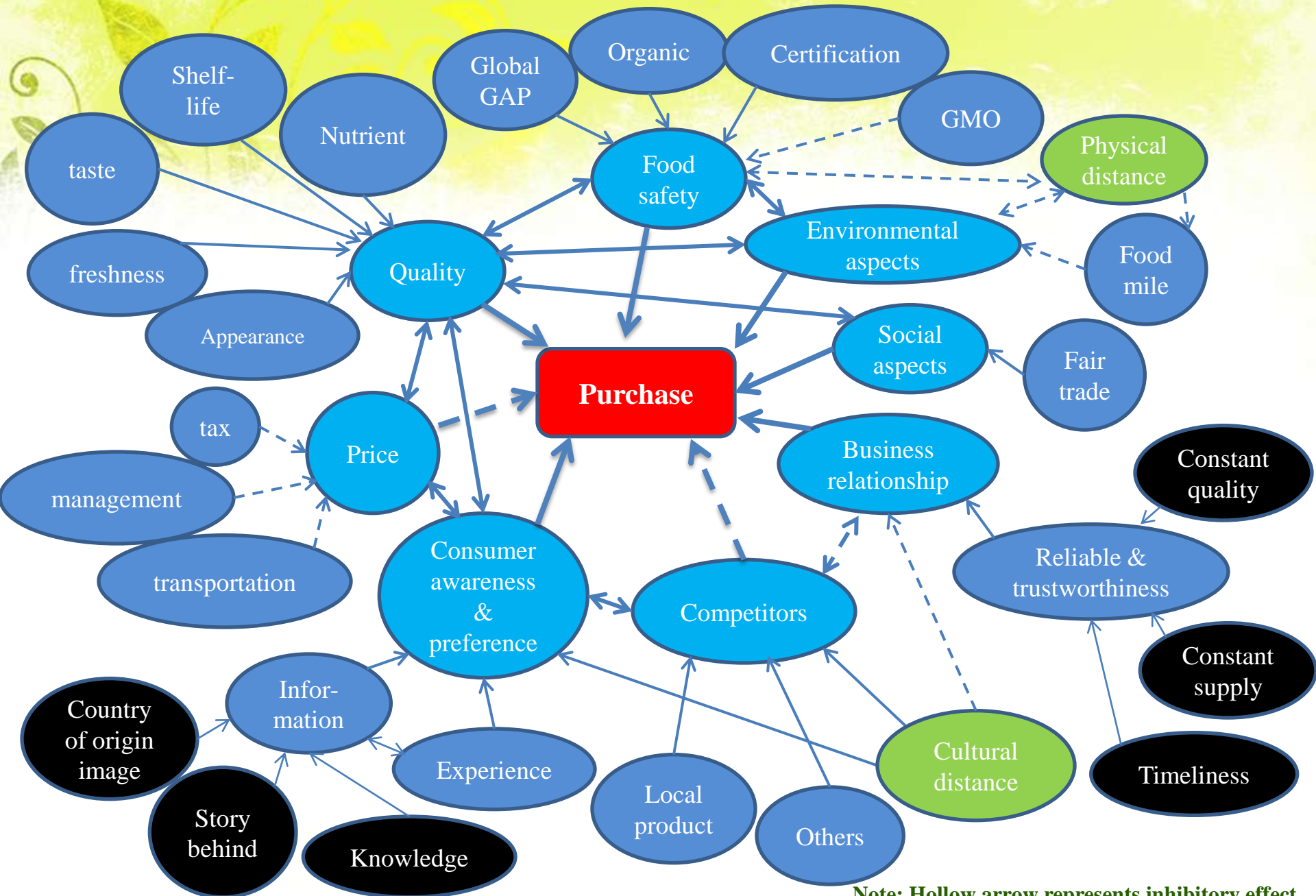
Potential

- A marketing tool for quality typical Thai products
- Combine GIs label with Organic or Fair trade label

Barriers

- Knowledge and information
 - Why are they better than others?
 - Prove the distinguish quality related to territory
 - Story behind
 - Nutrition & Healthiness aspect
- Gatekeeper/Consumers awareness
- Quality control & Traceability
- Traditional consumers

Key factors influencing purchasing decision of EU gatekeepers



Suggestions for Thai GIs products

- Important attributes of Thai GIs products
 - high & outstanding quality
 - correlate with Thai culture and traditional know how
 - information or story behind products: landscape, production area, production and work condition
 - food safety certification
- Public relation & Information –
characteristic/quality/organoleptic characteristic/
how to eat/hygiene and healthiness aspect/story behind

Suggestions for Thai GIs products

- The regularity supply and quality standard
- To establish and strengthen relationship and network among Thai and European partners
- To establish the cooperation among Thai exporters and suppliers to empower and strengthen competitiveness

Suggested Marketing Strategies for Thai GIs products

Thailand
GIs
Branding

- Information, public relations and communication;
- To show the region of the products and tell a story behind products;
- To demonstrate and let consumers try products;

Promotion
period

- To develop export platform for Thai cuisine and fruits;
- To start with pilot products which are typical and high quality, no environmental and social problems;
- To offer promotion to gatekeepers;
- To select the proper distributors to channel Thai GIs products;

General

- To assure products safety and quality guarantee;
- To differentiate Thai GIs products among other products by quality, healthiness aspect, and packaging;
- To learn marketing strategies from some products which is successful/failure to entering to the EU market

Conclusion & Discussion

- GI labels might be useful as **an attribute to foster the perceived quality of Thai GIs products** but **information and communication** are crucial
- GI labels might be useful as **a mediator of trust to guarantee quality** of products from Thailand (increase accountability of Thai products)
- **GI labels recognized by the EU regulation will enhance value of Thai GIs in the EU market.** However, other attributes of products and suppliers required by gatekeepers should be fulfilled

Conclusion & Discussion

- Thai operators and producers should **improve quality control and traceability system** in order to maintain high quality of products which will lead to the differentiation of products and market access later
- **Traditional consumers with a strong link to food tradition** might be an obstacle of Thai GIs products
- Real gatekeeper **in Austria is wholesaler** while **in Italy is importer**, Thai operators should contact with the right persons
- **Three main distribution channels (large retailers, specialty shops and Thai restaurants)** require different marketing strategies

Thank you very much for your
warm attention!

