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# QUALITY, IMAGERY AND MARKETING: PRODUCER PERSPECTIVES ON QUALITY PRODUCTS AND SERVICES IN THE LAGGING RURAL REGIONS OF THE EUROPEAN UNION

By

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**ABSTRACT.** A range of factors, including consumer concerns about food safety, the growing popularity of rural tourism and policy initiatives to promote endogenous rural development, is converging to promote a relocalization of food production and service provision, especially in those regions marginalized by the globalization of the food supply system. The recent outbreak of foot and mouth disease in the UK has starkly illustrated the fragility of localized systems which depend heavily on consumers travelling to them. Within such a context, the importance of successful marketing strategies has become even more apparent. This paper reports on a questionnaire survey which investigated promotional and marketing strategies among a diverse range of producers and service providers in marginal agricultural areas of the EU. The findings suggest that many producers are situated towards the “formal” end of a marketing continuum, whereby ability to promote quality products and services (QPS) lies with a range of intermediaries. This raises doubts about the future economic benefits of QPS, should current marketing structures persist. The discussion offers critical reflections on interdisciplinary and international research of this nature, and advocates further theoretical and methodological development in order to explore in more depth many of the aspects raised in this exploratory investigation.

**Key words:** marketing continuum; lagging rural regions; imagery; quality products and services.

## **The relocalization of quality products and service provision**

European rural areas are affected in contrasting ways by the continued globalization of the food supply system (Goodman and Watts, 1997). While the more prosperous agricultural areas, termed “hot spots” by Whatmore (1995), are likely to respond positively to increasing market orientation and international competition, peripheral (lagging) rural areas continue to face problems such as unfavourable farm structures, low incomes, an ageing population, out-migration, and relative isolation from major centres of economic activity. Despite high levels of subsidy and broader programmes of rural

development in these areas, agriculture is becoming increasingly marginalized as farmers struggle to come to terms with what has sometimes been conceptualized as the “post-productivist transition” (Shucksmith, 1993; Ilbery and Bowler, 1998). This problem is likely to intensify given the recently agreed reforms of the Common Agricultural Policy (CAP), through Agenda 2000, and the latest round of talks (2000/2001) on trade liberalization under the auspices of the World Trade Organization (WTO).

There is, however, a growing recognition that global processes are mediated by regional and local specificities (Arce and Marsden, 1993) and that certain niche markets present opportunities for producers and service providers to retain some degree of local control over the production, marketing and distribution of their products (Murdoch and Miele, 1999). For example, an alternative food system, based on quality, non-standardized food production and consumption practices, is now reinstating its former importance as consumers demand more variety and greater product differentiation (Barrett *et al.* 1999; Murdoch and Miele, 1999). As noted by Marsden (1998), food markets are becoming more differentiated on the basis of a range of socially constructed quality criteria, or what Allaire and Sylvander (1997) describe as a shift towards a “logic of quality” as opposed to “productivist logic”.

This shift back towards local and dedicated products in recent years presents new opportunities for producers still embedded in traditional production methods or seeking to re-embed themselves in such methods. Similar opportunities are emerging in terms of providing quality tourism experiences and other services in marginal agricultural areas which can offer distinctive cultural and environmental resources to the consumer (Butler, 1998). A number of interrelated factors are contributing towards such a relocalization process. First, food

safety concerns have encouraged the “new consumer” to place greater emphasis on high-quality food products which can be traced to their origins of production. Of special significance is the idea that “quality” may be signified through *association* with particular places or regions (Ilbery and Kneafsey, 1998). Likewise, among the affluent, well-educated population, the consumption of some types of QPS has become a statement of fashion and an indication of the possession of cultural capital, good taste and sophistication (Chaney, 1996; Bell and Valentine, 1997). Retailers and producers are responding to such developments which, for example, in the case of the UK has led to a plethora of farm, food and rural tourism quality assurance schemes (QAS) (Fearne and Kuznezof, 1994; Morris and Young, 2000) and the formation of local and regional food groups based on the idea of a specific territory (Ilbery and Kneafsey, 2000a). The existence of such trends within consumer attitudes has also prompted the EU to implement regulations (2081/92 and 2082/92) to “protect” food and drink products which have either a special character, such as being produced with traditional raw materials and/or a traditional mode of production, or an identifiable geographical origin (e.g. protected designation of origin (PDO) or protected geographical indication (PGI) (see Ilbery and Kneafsey, 2000b).

Second, there is growing and widespread nostalgic interest in the “rural” as a site of leisure and consumption (Cloke, 1993). This relates in part to rapid recent urbanization and reactions to it in the form of a search for the rural idyll and more “authentic” and “wholesome” experiences. The consumption of the countryside is also linked to the purchase of products associated with rural areas such as crafts and cultural resources. Consumers may make ethical purchasing decisions motivated by an interest in supporting local businesses and economies, and signal the possession of cultural capital through the conspicuous display of handmade, quality goods in the home.

Third, there have been real institutional efforts to promote endogenous rural development in the EU, and especially in lagging rural regions. This is most readily seen in the new rural development pillar of the CAP and in such initiatives as the LEADER programmes. In 1996, the EU’s Committee of the Regions (1996 p.1), for example, recognized “local products” as a potential “trump card for the regions” and the “increasing importance of the attested regional origin of a product as a guarantee of quality” (p. 2). In this context, local products were

defined as “natural goods or services produced or provided by different enterprises in rural areas with an established socio-economic identity”.

Relocalization results from the integration of these three phenomena. Successful local food markets, such as farmers’ markets, require the presence of consumers in the locality. Likewise, tourist attractions may be built around local foods (e.g. cheese and wine trails). In this way, tourism can help attract people to an area who then buy local foods and crafts, as well as participating in activities dependent upon the local environment (e.g. pony trekking, fishing). However, too much dependence on consumers coming to the area is unsustainable in environmental and economic terms and it is necessary to develop marketing strategies which allow local areas to export their qualities. Indeed, the growth in rural tourism means increased competition between places, making it more important than ever to establish distinctive regional or place-based brands.

Several commentators have recognized that these combinations of demands and regulations could offer potential for a “cultural relocalization” of production, in which locally produced QPS with designations of authenticity of geographical origin are transferred to regional and national markets (Gilg and Battershill, 1998; Ilbery and Kneafsey, 1999; Murdoch *et al.* 2000). However, little empirical evidence has as yet been presented regarding the producers of QPS in the lagging regions of the EU. The aims of this paper, therefore, are, first, to present some findings from an international EU research project that investigated the use of regional imagery to promote QPS in lagging rural regions (RIPPLE); second, to explore some conceptual ideas surrounding the marketing of QPS and especially the notion of a marketing continuum; and third, to apply these ideas to case study evidence from two RIPPLE countries – Greece and Finland. Although RIPPLE included surveys of producers, consumers and institutions involved in regional QPS (see Ilbery and Kneafsey, 1999), this paper reports on findings from only the producer surveys.

### **QPS in Europe: a mosaic of diversity**

As part of the RIPPLE project, two regions in each of six countries were selected for detailed study (Figure 1). All 12 regions were designated at that time as either Objective 1 or 5b (i.e. lagging) rural regions and thus characterized by the features outlined in the introduction. Researchers from each

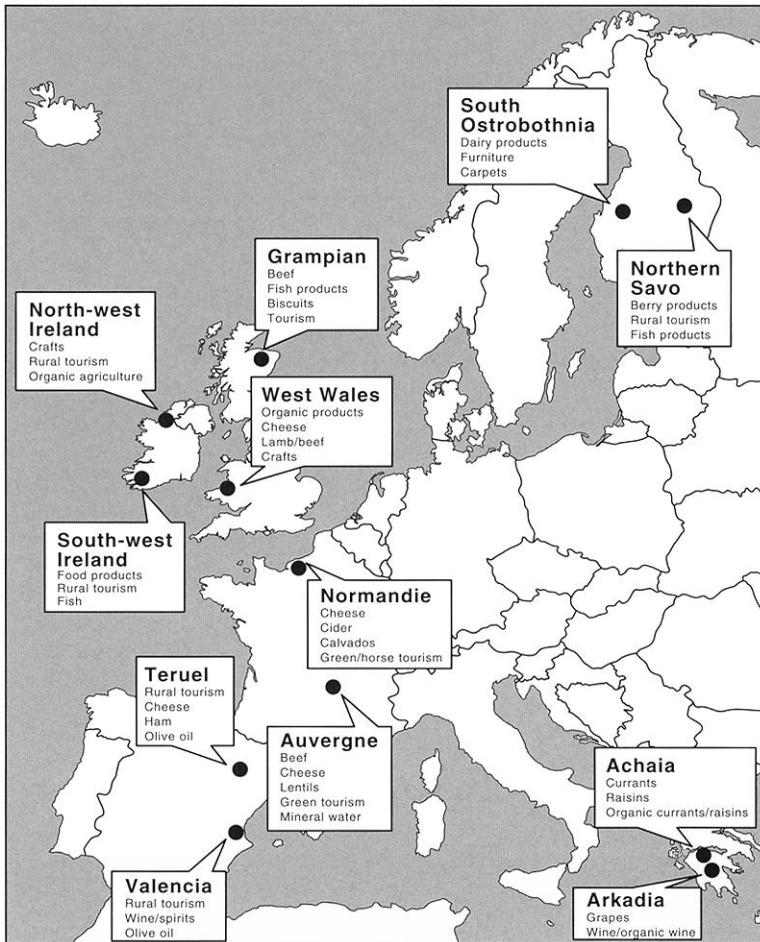


Figure 1. QPS and the RIPPLE study regions.

country selected the QPS to be studied in the two regions, according to their perceived relative importance. The different types of study region thus permitted an examination of a number of QPS, ranging from food and drink products (e.g. cheese, ham, biscuits, and cider) to manufactured goods (e.g. crafts, furniture, and carpets) and rural tourism (Figure 1).

After initial piloting of a detailed, mainly structured questionnaire, information was gathered from personally conducted interviews with producers of QPS. The questionnaire centred around four main themes: business characteristics and product profile; producers' perceptions and ideas of what constitutes "quality"; the marketing chain, marketing strategy, and institutional support for marketing; and the use of regional imagery in the marketing of QPS. Given the lack of systematically com-

puted databases on QPS producers/providers, a purposive sample was developed for each region. All producers had to be SMEs (under 50 full-time employees) and either have an association with the region of production/provision or use local resources. Some had a certified quality mark/symbol. Company directories, sector directories, members of quality assurance schemes, and specially convened 'consultation panels' in each country (comprising key actors in QPS development) were used to help construct lists of QPS producers. An attempt was made to interview all QPS producers, except where there were too many; in such cases a sample was drawn, attempting to select enterprises of variable size and at different stages of development. Over 900 interviews were conducted either with the business owners or managers. Their breakdown according to region and sector is shown in Table 1. It

Table 1. QPS producers by region and sector.

Region	Sector	No. QPS producers	
South	Furniture	30	
Ostrobothnia (Fi)	Carpets	24	
	Cheese	12	
Savo (Fi)	Fish/food sector	12	
	Berries	17	
	Rural tourism	46	
Achaia (Gr)	Currants	98	
Arkadia (Gr)	Grapes/wine	88	
Valencia (Sp)	Wine	30	
	Olive oil	22	
	Rural tourism	45	
Teruel (Sp)	Ham	18	
	Olive oil	13	
	Cheese	5	
	Rural tourism	46	
Southwest	Crafts	22	
Ireland (Ir)	Speciality food	27	
	Rural tourism	29	
Northwest	Crafts	20	
	Ireland (Ir)	Organic	13
		Fish	2
West Wales (UK)	Speciality food	10	
	Rural tourism	28	
	Lamb/beef	21	
	Crafts	20	
	Cheese	16	
Grampian (UK)	Organic	18	
	Beef	21	
	Fish	19	
	Biscuits	14	
Normandy (Fr)	Tourist attractions	16	
	Cider/Calvados	52	
	Cheese	5	
Auvergne (Fr)	Equestrian tourism	9	
	Cantal cheese	20	
	Salers cheese	12	
	Lentils	17	
	Beef	17	

should be emphasized that the empirical surveys were designed to be introductory in nature in order to gain some much-needed baseline information; thus the findings presented in this paper remain exploratory.

Examination of the information gathered on the business characteristics of QPS producers revealed considerable diversity between both the study regions and QPS sectors. There is clearly not a model profile of a QPS producer. Across all study regions, there is generally a high proportion of family ownership among QPS businesses and in many cases the workforce is purely familial. Many sectors are male-dominated, although in rural tourism (Valencia, Southwest and Northwest Ireland), equestrian tourism (Normandy), craft products (Ireland), spe-

Table 2. Indicators of quality among QPS producers.

Method of production
Raw materials
Close involvement of owner
Product differentiation
Certification/quality mark
Traceability
Association with an area/region
Good environmental conditions
Texture, flavour and taste
Freshness/appearance
Presentation/promotion
Consumer perception
Premium prices

ciality foods (Ireland), and cheese (South Ostrobothnia) there is a much better representation of females. Many of these are not farm-based activities. Not surprisingly, certain sectors such as organic food, berries, grapes, olive oil, cider and cheese are dominated by farm-based production, and hence by family-owned businesses often controlled by older males.

In-migrants form a significant proportion of producers (i.e. over 20%) in some of the sectors and regions under study. This is particularly the case in Wales and the two Irish regions. In the former, both organic and craft producers are dominated by people moving mainly from England. Many of these are more concerned with achieving a particular quality of life than with pursuing growing profit margins. Under half of all entrepreneurs interviewed in both Irish regions come from the study area, but there are proportionately more in-migrant owners in the south-west. Fewer craft entrepreneurs and food processors originate from the Irish study regions. This would suggest that, in areas of historically high out-migration, the level of entrepreneurship in the native and residual population is not sufficient to fully exploit the natural resources of these areas, especially through adding value.

In an attempt to provide initial comparisons between the different regions and sectors, producers were asked to select the three most important factors from a list of 13 characteristics that helped to ensure the “quality” of their QPS (Table 2). The RIPPLE project adopted a definition of quality as a positional characteristic, something that is above minimum standards and which gives a product or service (or process, company or region) a cutting edge over its rivals. However, it was recognized that quality is a complex and contested notion, the meaning of which is socially constructed and thus variable according to different socio-economic

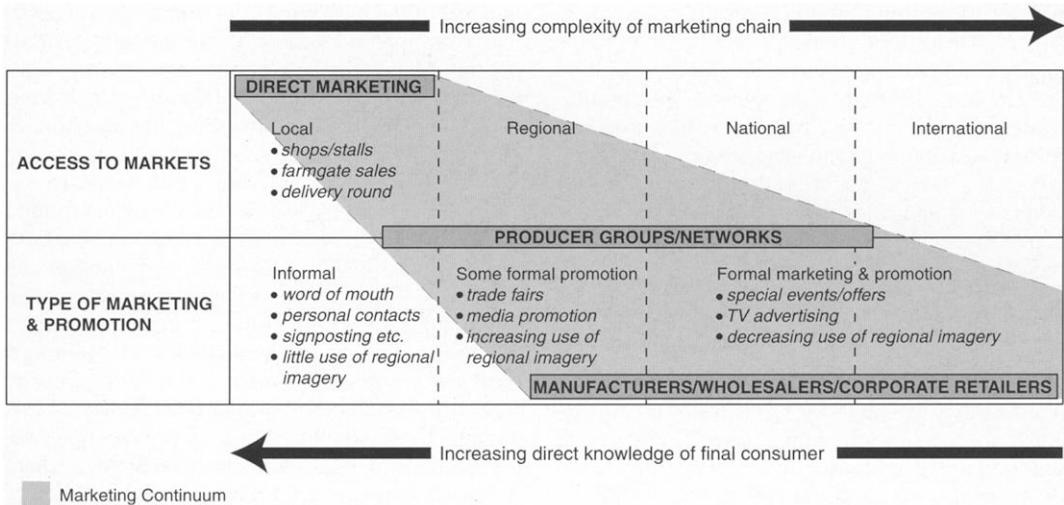


Figure 2. Conceptualizing the marketing continuum.

contexts. Consequently, different actors will hold different perspectives on what quality is and how it may be measured. For example, regulatory agencies may be concerned with so-called “objective indicators” of quality, such as the application of hygiene requirements in the case of food products and quality marks or symbols (*certification*). Similarly, producers of QPS may emphasize methods of production and raw materials (*specification*) from the local area (*association*), while consumers may be interested in more “subjective indicators” of quality such as taste, flavour and appearance (*attraction*) (see Ilbery and Kneafsey (2000a) for more detail on indicators of quality).

Not surprisingly, perceptions of what constitutes quality varied for both different QPS and regions, highlighting the contested notion of the concept and the difficulty of applying criteria to both products and services. Nevertheless, *specification* emerged as the key indicator of quality, especially for food products. This is achieved through particular production methods, use of high-quality raw materials, and the close personal involvement of the entrepreneur throughout the production process. Thus, for example, raw materials and production methods are of paramount importance for a range of products, from currants in Achaia, craft products in Wales and Ireland, and beef and fish in Scotland, to cheese in Wales, Teruel and France, and furniture and carpets in South Ostrobothnia. Very similar findings, using more qualitative meth-

ods, emerged in a concurrent survey of regional speciality food producers in southwest England (Ilbery and Kneafsey, 2000a).

Overall, producers of QPS are much more concerned with *differentiating* their products/services from other, similar standard products in terms of skills and craftsmanship, attention to detail, individuality, and the absence of mass-production techniques, than with the promotion and marketing of QPS. It is quite rational for producers to emphasize production processes as the key indicator of quality because they are generally in control of these. Indeed, quality is a mark of personal pride and judgement, as “natural” ingredients are used and the producer has “hands-on” involvement. These findings add weight to the idea that a number of QPS producers are not necessarily “profit maximizers”.

### QPS and the marketing continuum

Marketing, defined as the process or technique of promoting and selling goods, is becoming increasingly important to the development of QPS in lagging rural regions. In this paper, we introduce the idea of a marketing continuum as a tool for understanding strategies currently used by producers of QPS in the study regions. It is important to note that “quality” and “imagery” are closely linked to marketing. In marketing terms, an “image” refers to the sets of beliefs, ideas and impressions held by a person about an object. An image of product quality

may be created through the use of physical signs and cues (which consumers generally use to judge quality) in advertising, packaging and promotion (see Hopkins, 1998). Quality may also be communicated through marketing elements like premium pricing, distribution channels, services associated with the product (e.g. friendliness, helpfulness, uniqueness) and sales outlets. The marketing objective is to generate a perception of quality and thus create differentiation.

It is possible to place the range of promotion and marketing methods for different QPS on a *marketing continuum* (Figure 2). This continuum considers the range of marketing channels and promotional techniques available for QPS, from direct marketing to corporate retailing, at different spatial scales. Thus one end of the continuum is dominated by *informal* methods of marketing, where QPS are sold directly to the final consumer within a fairly localized area via such channels as stalls, markets and delivery rounds. Here, individual producers promote their QPS through such methods as word-of-mouth, personal contacts, signposting, advertisements in local newspapers, and possibly brochures. In this situation, the marketing chain is both simple and short and so producers are able to bypass the cost of commercial intermediaries and provide quality assurance to the consumer based on trust and experience. Not surprisingly, producers using informal methods have very good knowledge of their consumer base and there is potential to retain value-added in a locality. At the informal end of the marketing continuum, the use of regional imagery is sometimes under-developed, particularly as packaging may be very simple or non-existent. In addition to the costs associated with designing and manufacturing packaging, producers may also tend to assume that local consumers know about the "localness" of their products/services. This knowledge means that there is little need to use regional imagery; in other words, there is a taken-for-granted consumer understanding of the link between product quality and place. However, this is not to say that regional imagery is not used at all, for in some cases, products sold locally and directly do use regional imagery as a means of differentiation. In these cases, the local consumer may feel or assert a sense of pride in the area by purchasing local products, whereas a visiting consumer (e.g. a tourist) may be attracted to a product that displays its local origins through regional imagery on the packaging or at point of sale.

As one progresses towards the other, more *for-*

*mal* end of the marketing continuum, QPS are sold to one or more of a variety of intermediary customers (rather than the final consumer), who are seeking to sell in regional, national and even international markets. Each intermediary in the chain is a customer in its own right, with its own marketing implications. The marketing chain tends to increase in complexity as the marketing continuum broadens (see Figure 2); at the same time, the QPS producer becomes less involved in promotion and marketing. For example, individual producers can move along the continuum and thus extend their reach even up to an international scale by joining a producer group which conducts the promotion and marketing on behalf of individual members. In this situation, individual producers can potentially retain more influence over marketing strategies than in cases where they are dealing with other intermediaries such as wholesalers and retailers. Nevertheless, it is often the intermediary customers, such as wholesalers and retailers, and not the QPS producer, who increase their influence as the marketing chain lengthens and the formal end of the marketing continuum is approached. They have the resources and greater need to participate in different forms of promotion and marketing, especially as there is less direct knowledge of the final consumer. At national and international levels, regional imagery is also likely to be underdeveloped because products are either exported under national designation of origin or marketed under a large retailer's "own brand".

In between the informal and formal ends of the marketing continuum exists a whole range of possible promotion and marketing combinations. Indeed, it is important to recognize that, first, the marketing chains for the same QPS in a particular area may vary as a result of different strategies adopted by different producers; second, any producer may engage in numerous types of promotion and marketing at the same time (from one end of the continuum to the other); and third, a producer's position on the marketing continuum is not fixed and may change over time. In terms of regional imagery, it would appear to be most used at the scale where local overlaps into regional and national. Producer groups are likely to operate at this scale and have tended to develop around products which have a strong regional imagery (e.g. Normandy cider).

### The marketing of QPS

The RIPPLE producer surveys showed that the promotion and marketing of QPS, together with the use of regional imagery, varied considerably between (and often within) the different sectors and/or regions. Some of the QPS producers were supply-driven rather than market-led. This was especially the case for many small-scale producers. It soon became clear that some were involved in QPS as part of a clearly demarcated lifestyle (e.g. many of the craft and organic profit satisficers), while others had turned what originally was their hobby into a business (e.g. furniture, cider production). A further group included people who were diversifying their activities in an attempt to increase income: a good example would be dairy farmers in both West Wales and South Ostrobothnia adding value to their milk by producing high-quality cheese. In nearly all cases, there was little information about the existing market and research had not been conducted into the feasibility and/or marketing of such enterprises. Instead, the business started with a softly-softly approach, trying to develop local support and a reputation for high quality.

For many QPS producers, especially where demand exceeded supply, there was little perceived need for marketing. This was often the case, for example, for the producers of Salers cheese in the Auvergne, organic food in West Wales and organic strawberries in Northern Savo. In such cases, marketing was not seen as the producers' job. However, it was recognized by the vast majority of QPS producers that their approach to promotion and marketing had to evolve with increasing competition within the different sectors. Indeed, many producers had changed their methods over time as the business developed. This leads to some important points about the marketing continuum for QPS, which are best illustrated with reference to specific case studies from selected countries. Greece and Finland were chosen for this purpose because they are two hugely contrasting countries in terms of geographical location, physical environment, histories, cultural characteristics and relationship with the EU. The case studies allow the significance of national regulatory, political and economic contexts and the influence of local cultural milieux to be incorporated into an understanding of the operation of the marketing continuum. Both case studies also demonstrate that the position on the marketing continuum depends on the combination of product sector and place-specific characteristics. It

is impossible to place a region, or even subregion, on the marketing continuum, but it is possible to locate groups of producers within a particular sector on the continuum.

### Greece

The research in Greece investigated moschofilero grapes and the Mantinia wine produced from them in the prefecture of Arkadia, as well as Korinthian currants, both organic and conventional, produced and processed in the prefecture of Achaia. These products were chosen as representative of a stagnant market (Korinthian currants) and a dynamic market (Mantinia wine) in two lagging regions of the country (Dimara *et al.* 1997, 1998). Both products are important within a national context, given the centuries-old viticultural tradition in Greece, as well as the producers' contribution to the agricultural product and the value of agricultural exports (especially currants). Recent changes have occurred due to the shifting socio-political environment (such as the impact of EU regulations, the restructuring of Greek viticulture and the establishment of new agencies such as the Greek Wine Bureau), the introduction of new technologies and changing consumer demands.

In relation to the marketing continuum, producers in Achaia use predominantly formal channels of distribution. Only a small percentage of the currants produced are intended for domestic consumers and these are marketed through wholesalers and/or supermarkets. Only four farmers in the sample sold their products direct to the consumer at markets or door-to-door sales and these were located close to the urban centre of Aegion. The rest are destined for international markets, mainly in the UK, the Netherlands and Germany. Most primary producers sell their products either to a producer co-operative or a private processor, who export the best A quality currants. The area has a tradition of currant production dating back to the eighteenth century, due in large part to the long periods of sunshine and extensive semi-mountainous and mountainous relief. Despite the area's environmental advantages and obvious link with the production of currants, producers do not use this link with the region in their promotional activities and packaging materials. The most significant factor preventing them from using regional imagery appears to be the reluctance of buyers to commit to currants which have a regional mark for fear that it would be difficult to switch supplies in cases of shortages and

high prices. This suggests that linking a product to a particular region, particularly without official certification, is not necessarily advantageous. In addition, internal buyers prefer lower priced, lower quality currants. All organic currants are bought by the co-operative and exported mainly to the UK, as there is currently only a small demand for organic products in the domestic market.

Arkadia presents a contrasting situation in that producers and processors use a wider mix of formal and informal methods, and operate in a dynamic and successful market. Although primary producers of grapes have little contact with final consumers, they do have a wider choice of distribution channels than do their colleagues in Achaia. The moschofilero producers in Mantinia can choose from seven local wine-making firms, 14 externally located firms and many individuals who produce their own wine. Some producers establish reciprocal arrangements whereby wine-makers provide them with technical assistance and guaranteed minimum prices. The two largest wine-makers have well-established marketing channels, while the smaller producers direct their produce to cavas, restaurants and supermarket chains. Unlike currants from Achaia, moschofilero wine is marketed mainly on regional and national, rather than international, scales. There is only one organic wine-maker which is supplied by almost 20 organic producers. A regulated geographical indication for the Mantinia area has helped to transform the wine industry and safeguard incomes. The product is strongly linked with the area and regional imagery is used widely in promotion. In contrast to Achaia, however, the region has a particularly strong image within the domestic context. It is known as a prefecture which produces a range of traditional products, has extensive forests and mountains, respects tradition in social and economic activity, and is in the heart of the old Greek state. According to Greek mythology, the Goddess Artemis (Diana in Latin) used to live and hunt in Arkadia's dense, mountainous forests and this is where the term "Arkadian", as applied to a particular lifestyle, originates from. As such, producers are able to take advantage of the region's distinctive image and use it to promote wine. All producers use the PDO and many use images of the picturesque countryside, family traditions, local flora and so on in the packaging of their goods.

Overall, in both study regions primary producers access their markets mainly through intermediaries (currant packagers and wine-makers). As such,

they have little direct knowledge of the final consumers. Products that belong to local co-operatives face fewer problems in marketing the produce and enjoy guaranteed quantities and prices before the picking period, but do not always receive the highest available prices. There are no examples of collectively developed marketing strategies in the regions.

### *Finland*

The two study regions, South Ostrobothnia and Northern Savo, have different climatic and geographic conditions but share similar socio-economic structures and peripheral locations. While the former has a plain, open landscape and many large rivers, the latter is located in the heart of the lake district and has large areas of forest and rolling fields. Each region has its own distinctive dialogue and identity (Välimäki and Niemelä, 1997; Söderlund, 1998).

South Ostrobothnia is noted for its large number of rural SMEs. It has production clusters which seem to have been driven, in part, by local social relations of inspiration and envy. Typically, when production innovations were made and markets found by someone, this inspired others to try something similar or even copy directly. Ostrobothnians seem to be more wary of co-operation and group marketing than their Savonian counterparts. Observers comment on an "independent" will and desire to make it without external involvement or assistance. A range of products were studied for RIPLE (Figure 1), making it difficult to draw general conclusions.

The furniture industry in South Ostrobothnia has been forced to adapt to changing market situations, particularly during the recession of the early 1990s, when firms were required to come up with new solutions just to survive. Typical features of the sector include small business size, independently minded entrepreneurs and a tendency to market products through independent furniture stores (throughout the country) and national chains. These intermediaries play a major role in promotion and sometimes even branding. In addition, a special feature of the industry is the formation of producer networks in order to reach export markets. Some of these date back to the early 1970s and development activity has increased rapidly since then, with innovations in quality management, export promotion and product development. The sector is facing increased international competition from imports,

particularly from Eastern Europe and the Far East, but new export markets are opening up in Russia and Estonia. For these markets, regional imagery would be quite meaningless as a marketing tool and most products are marketed without any brand or sign of the region. This is not to say that there is no link between the region, the product and quality. The regional imagery related to Ostrobothnian furniture is primarily linked to carpentry skills and craftsmanship. Most furniture produced today does not have a particularly clear linkage to such craftsmanship as the production is industrial and technical in nature. There are, however, a number of products, such as antique and country-style furniture, where this craftsmanship is better presented and where there would be more potential for the use of regional imagery in marketing.

The second sector, that of carpet manufacture, also has strong subregional concentrations but is smaller in terms of productive capacity and size of businesses. It has developed mainly as a form of seasonal and additional income for farmers and marketing structures are not very sophisticated. Carpets reach consumers via a variety of formal and informal methods, ranging from special retail stores and furniture and housing chains, to direct sales at fairs and markets, and through wholesalers; retailers handle the bulk of sales. Many carpet manufacturers are unable to meet the needs of large buyers and their business strategy, conscious or not, is to remain as small producers. As with furniture, regional imagery has not been developed as a marketing tool.

The third sector, cheese-making, has been a common practice among farmers all over the region, although the number of commercial producers remained small until the 1980s. The sector consists of between four and five professional producers, who have 70 to 80% of the market share, plus 40 to 50 family SMEs and some occasional producers. Finland's three largest retailers (Kesko, S-group and Tradeka) absorb about 95% of production and effectively determine the marketing opportunities for most producers. In other words, formal marketing methods dominate. Nevertheless, sales of cheese at local markets remain significant in cultural if not economic terms. There is also some evidence of attempts to develop the use of regional imagery through Leader II campaigns to support local products (not only cheese), but co-operation between SMEs tends to be weak. Farm cheese is one of the few Finnish traditional quality products to have some regional image among con-

sumers, but as yet this image is rarely used in formal marketing strategies.

Northern Savo, with its well-developed ski resorts, has one of the longest established rural tourism sectors in Finland. The marketing activities of this sector have been quite formal and traditional. Accommodation is marketed mainly through centralized national agencies who assume the role of "gatekeepers" and publish annual glossy brochures. During the past decade, measures have been taken to develop entrepreneurial "know-how" and improved products, infrastructure and route networks. New national and subregional organizations in Inner and North-Eastern Savo have been established to organize local co-operation and development schemes. Some innovative entrepreneurs have begun to use the internet to market their services. Not surprisingly, regional imagery is one of the main marketing devices, and two regional brands – LumiSavo (Snow Savo) and LomaSavo (Holiday Savo) – have been created in the last two years.

The second sector in Savo, berry production, is particularly well known for the high quality of its products. The region is home to the largest spatial concentration of berry production in Finland, and the annual Strawberry Festival in Suonenjoki has strengthened public perceptions of the links between the region and berry products. Indeed, the name Suonenjoki has become a kind of strawberry brand in Finland over the past 20 years. Yet the products tend to be marketed on the basis of quality rather than regional imagery. A large processor buys approximately one-third of all the berries produced in the subregion. Berries are also marketed through retailers, wholesalers and directly on the farm. Of all the sectors studied, berry production seems to have the greatest mix of informal and formal marketing methods, but there is still great potential for producers to develop networks of co-operation between themselves and the processors. Given the significance of self-picking and direct sales, good relationships between producers and consumers are particularly important and there is evidence that consumers are becoming more interested in domestic and organic products.

The final sector, fish products, lacks a common development strategy and is generally not highly lucrative. Most of the businesses are struggling with financial problems due the difficulty of gaining access to fishing rights and the fluctuations in annual yields of the principal species, vendace (*Coregonus albula*). At the time of research, about

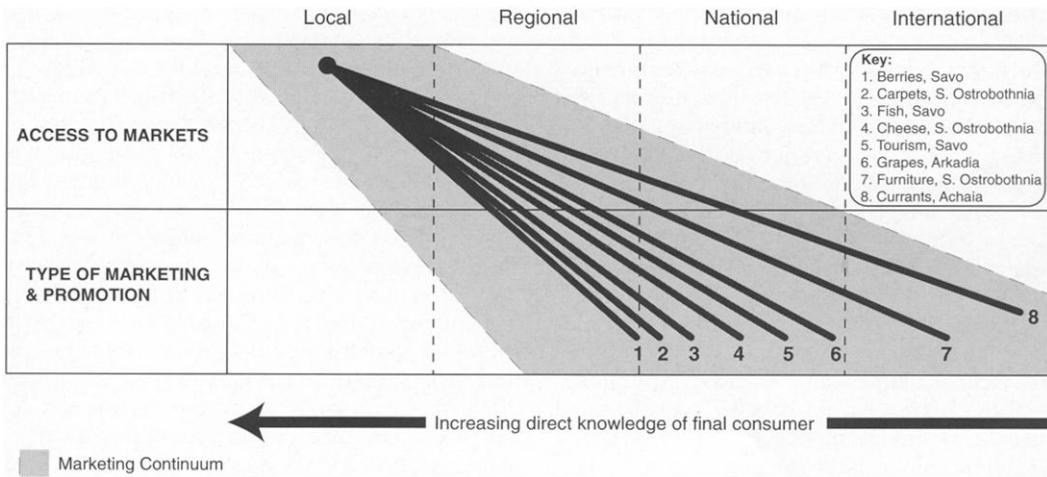


Figure 3. Placing study products on the marketing continuum.

50 individuals could be described as professional fishers and another 40, mainly farmers, fish to supplement their income. Two large wholesalers are located in the area and operate nationally, dealing with retailers; one of these also processes the fish. About ten smaller wholesalers operate regionally and a number of ‘grey fishermen’ operate entirely outside the official systems and sell their catch directly from vans. Processors also market processed goods to restaurants. Vendace is traditionally associated with Savo and there is no real substitute for it. In terms of logistics, export of vendace is almost impossible. Regional imagery is used to some extent in marketing by processors and retailers, largely because the region is already associated with the fish and also with a speciality rye bread and fish product known as Kalakukko. Fishers use informal marketing methods, simply calling wholesalers once they land their catch and selling to the highest bidder.

Overall, the scope of marketing for producers in some sectors, such as furniture, carpets and tourism, has been quite extensive, despite the small size of many businesses. The limited demand potential offered by the local area or region has led such producers and intermediaries to focus on national and international market segments from an early stage. Other sectors, such as berry production and fish products, have very simple and more localized marketing structures. A variety of marketing methods is used, depending on both product and place. As a general feature, the marketing chains are becoming shorter and more vertically integrated. The

growing dominance of retailers is clear, especially in the furniture and food-related industries. However, some ‘horizontal’ co-operation is emerging, most obviously in the furniture, carpet, tourism and strawberry sectors.

In terms of the marketing of QPS, therefore, it can be seen that both case studies demonstrate a variety of strategies from either end of the marketing continuum, but with a clear dominance of “formal” methods. Figure 3 shows how the different product sectors can currently be placed on the marketing continuum. Savonian berries and Ostrobothnian carpets are located towards the more informal end of the continuum, given the significance of local, direct selling in both cases. Yet although they tend not to travel much beyond regional scale markets, these examples represent a departure from the hypothetical model presented in Figure 2, due to the variety of marketing channels used (direct selling, use of retailers, wholesalers, etc.). They demonstrate that complexity of the marketing chain is not necessarily related to scale and that even products sold within local and regional markets may be distributed through an array of marketing networks and strategies. Savonian fish and tourism, Ostrobothnian cheese and Arkadian grapes occupy a position on the continuum which begins at the informal level and moves up to more formal levels for the products which are distributed at national scale. The only two studied products which reach into international markets are Ostrobothnian furniture and Achaian currants. Interestingly, both of these sectors feature producer groups or co-operatives,

which suggests that these are an effective route for SMEs to gain access to distant markets. Figure 3 is obviously rather a crude simplification of the complexity of marketing strategies used by the SMEs which were studied. For instance, it does not represent scale accurately, in terms of geographical scale of the regions, or the volumes of product under consideration. Moreover, as with any diagram, it presents a rather static view of a situation which is complex, dynamic and resistant to generalization. Nevertheless, despite – or perhaps because of – these limitations, Figure 3 does at least prompt a recognition of the diversity of marketing strategies used by SMEs and the importance of considering the role of distinctive regional and subregional production-consumption networks in constituting markets for speciality foods and services.

Overall, the results suggest that a variety of marketing strategies should be used, suited to particular sectors and places. In addition, a number of factors seem to influence the success of marketing strategies. The first is the pre-existing images of regions. For example, the strong territorial identity of Arkadia gives the region a head start. However, this is not to say that a territorial identity cannot be built up around certain products and activities, as demonstrated in the case of the Suonenjoki strawberry festival. Second, embedded social relations, institutional behaviour and marketing activities are all influential. Thus strong consumer knowledge of products can lead to regionally specific consumption, as demonstrated in the case of fish in Savo. Likewise, the tradition of producer groups or marketing co-operatives can provide a competitive advantage, as in the case of Ostrobothnian carpets, just as the existence of institutional structures can protect products, as in Mantinia wine. Third, the cultural context of different regions is highly significant. In the case of Finland, for example, the tendency to take domestic holidays (e.g. the tradition of the lakeside summer residence) creates quite a stable market for rural tourism. In contrast, the lifestyle motives of producers in other regions can create a different dynamic, with less emphasis on profit and expansion. In order to understand factors of success in marketing, it is clear that the territory under investigation has to be looked at in a holistic way. Indeed, further research is needed to understand the ways in which these different factors interact.

Finally, RIPPLE explored the extent to which regional or place imagery was used to promote and market QPS (Ilbery and Kneafsey, 1998, 1999).

This again highlighted considerable variation between the regions, not only according to the different QPS, but also in relation to the national and international context within which the region is situated. Thus in Finland producers are aware of regional imagery, but they recognize that consumer consciousness of their regions among people from outside Finland is minimal. In such a situation, the usefulness of regional imagery to market QPS is doubtful; instead, national branding is more important. In a similar manner, the Grampian regional image, within an international context, is swallowed up by the national image of Scotland; the same would appear to be true for the Irish regions. Furthermore, different regions within a similar national context may use imagery in different ways. In the Spanish region of Valencia, for example, regional imagery is barely used at all in marketing strategies, whereas in Teruel it is quite prominent. Likewise, the Greek region of Achaia has been shown to have a strong regional image, but one that is often not used for promotional purposes by currant producers. In contrast, in the region of Arkadia use of regional imagery by wine producers is extensive. Overall, therefore, regional imagery is not always an appropriate marketing tool; much depends on the end destination of the particular product or service.

### Conclusions and reflections

This paper has explored some characteristic features of QPS development in the lagging regions of the EU, especially in terms of producer constructions of quality and the ways in which QPS are promoted and marketed. The RIPPLE survey of QPS producers confirms that quality is very much a contested social construction, the meaning of which varies regionally depending upon the social interactions, institutional procedures and co-operative activities which operate in different places. Nevertheless, there is clear evidence that, from a producer perspective, the key indicator of quality is *specification* of the production method, using local raw materials, and close personal involvement of the entrepreneur. These features are often important elements of certification schemes, where traceability to the point of production can be crucial. Yet producers do not perceive traceability to be the same as an association with the environmental and/or cultural features of a specific region. Indeed, both association and attraction are perceived as the least significant indicators of quality.

Not surprisingly, given the limited importance attached to such features of attraction as appearance, presentation and price, the promotion and marketing of QPS have effectively been appropriated by a range of intermediary customers. Relatively few producers market a high proportion of their QPS directly to the final consumer and so cannot be placed at the informal end of the marketing continuum. It is the intermediary customers and not the primary producers who dominate the marketing continuum, and thus retain most “added value”. This raises a number of issues concerning endogenous rural development in lagging rural regions. Local value-added is normally associated with local input, local labour and local distributors/intermediaries. The most effective QPS for adding value locally, therefore, are such strongly local products as Teruel ham and Suonenjoki (Northern Savo) strawberries, which build upon strong local production/consumption networks. Yet many outlets are at a distance from the point of production because of the use of supermarket channels (e.g. organic produce from West Wales) or export companies (e.g. Spanish olive oil). With more training in promotion and marketing techniques, QPS producers could develop closer synergies with each other; groups of producers would then be better able to develop their own networks, thus helping to bypass expensive intermediary customers and retain more of the economic benefit in the local community. The return to traditional local/regional marketing channels such as producer markets and high-quality specialist shops, at the expense of large-scale, at-a-distance selling, would certainly help to encourage endogenous rural development.

Regional imagery has considerable potential as an effective marketing tool. However, its use is currently limited and there are problematic issues in trying to relate product quality to specific places. A very important initial finding of the RIPPLE project is that, although restricted in use, regional imagery is a method by which some producers attempt to *differentiate* their QPS from other similar products or services. However, it is rarely used to signify the quality of those QPS. This creates considerable difficulty for schemes such as PDOs and PGIs, where there is an implicit assumption that the linking of products to specific places is an automatic guarantee of quality. Indeed, RIPPLE has demonstrated that the scale of “designation of origin” changes as QPS are promoted further afield from the region of production. Thus “Ostrobothnian furniture” is a good designation within Finland,

whereas “Finnish furniture” is more suitable for the wider European market and “Scandinavian furniture” for beyond Europe.

There is considerable diversity in the characteristics of the marketing structures for QPS, between and within regions and sectors. This is not altogether surprising because lagging regions, by necessity, trade on their differences and peculiarities (i.e. differentiation). Likewise, an understanding of the development of QPS in European lagging regions and the marketing continuum cannot be obtained solely through the views of producers. It is for this reason that RIPPLE also conducted surveys of both actual/potential QPS consumers and institutions involved in rural development and QPS.

By way of conclusion, it is worth noting that this paper is written with a certain amount of frustration. It reflects some of the difficulties in reporting results from large-scale surveys conducted in many regions. While some general conclusions can be drawn, these are only exploratory in nature and must always be tempered through acknowledgement of the importance of local-level differences. It has not been possible to properly convey the complexities and richness of local situations in a general overview. Without doubt, there is a need for more finely grained analysis at a local level and for an approach which “follows the networks”, through which markets for QPS are constructed, rather than trying to separate the actors within these networks into seemingly discrete groups of producers, consumers and institutions. This latter approach does not adequately uncover the untidy and complex relationships between the actors, nor the ways in which these relationships are constructed, maintained, challenged, reformed and so on. Moreover, it does not successfully reveal the linkages and relationships between particular regions, which may in turn be crucial to the success and sustainability of regional QPS.

RIPPLE was developed on the basis of a conceptual framework which used concepts from regulation theory, actor network theory and geographies of consumption (Ilbery and Kneafsey, 1999). This guided the development of questionnaire surveys. Yet, in writing up results from the surveys, the coherence of the conceptual framework was, to a certain extent, lost. Partly, this was because research and writing up were carried out by a diverse, interdisciplinary team, members of which carried different conceptual baggage around with them. Originally, the aim was to incorporate qualitative methods into the research; this proved difficult because

1) not all research teams were adequately trained to conduct such research and analyse qualitative data, and 2) the research teams felt the need to collect so-called “factual” data to facilitate cross-regional comparisons. The latter reflects, to a large degree, a response to Commission requirements to conduct specific numbers of questionnaires in each region. In turn, the final report to the European Commission concentrated on presenting these types of data at the expense of more “messy” qualitative finds (for a more detailed critique of how policy-makers can shape the construction of academic knowledge, see Cloke *et al* (1997)). While such data allow for a presentation of broad trends, generalities and description (see for e.g. the similar reporting of a European Commission project by Fuller (1990)), they do not facilitate the kinds of insight and understanding that are desired. There was little opportunity within RIPPLE to explore in depth the potentially fascinating differences in the ways in which concepts such as ‘quality’ and ‘regional image’ were constructed within different cultural contexts. The foundations for such an exploration have been laid, but a far more intensive approach is required which can tease out comparisons and examine how such concepts are cross-cut with differences relating to place, gender and cultural identity.

Despite these limitations, RIPPLE provided an invaluable learning experience. At one level, it encouraged cross-cultural and cross-disciplinary collaboration and was an exciting opportunity for the researchers involved to exchange ideas and develop their skills. RIPPLE certainly promoted a detailed knowledge of problems, trends and issues facing the producers, consumers and institutions involved in the production, promotion and consumption of QPS in the study regions. Much of this knowledge, however, remains “tacit”, and only a fraction of it will ever be conveyed through the medium of the published word. Nevertheless, it will find practical expression in the activities of researchers who have developed working relationships with the producers and institutions. This is particularly so in the case of the more policy-oriented centres in the RIPPLE network such as Teagasc in Ireland and the Seinäjoki Institute for Rural Research and Training in Finland, which attempt to bridge the gap between research and practice. Indeed, throughout the course of the project, consultation panel meetings were held with local and national experts, practitioners and business people, and many practical initiatives were developed which will be incorporated into future research of a similar nature.

In all, RIPPLE raised as many questions as it answered, which can hopefully contribute to the development of new research agendas relating to the development of QPS in lagging regions. At the broadest level, the project confirms the need to develop better conceptual and methodological tools for dealing with comparisons between places. It also highlights the continuing challenge of conceptualizing both macro- and micro-level processes and the interlinkages between them.

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