Impacts of Integrated Marketing Communication Strategies Applied for Geographical Indications on Purchasing Behavior

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Abstract

The purpose of this study is to raise the awareness for products with geographical indication (GI) which directly influence the development of local and nation-wide economies, marketing of tourism activities and branding of destination and to investigate the integrated marketing communication (IMC) tools applied for realization of selling and the impact of such tools on shopping behavior. In this study, simple linear regression analysis have been used. The data analysis showed that the perceived quality of food products and IMC tools appear to affect purchase behavior in a positive way. But there are only 200 products in Turkey with GI registration despite the high GI potential thereof. This result reveals the fact that despite the rapidly increasing state incentive the GI concept of Turkey is not yet understood fully and its significance is not understood sufficiently. This has revealed the existence of other fundamental problems which are discussed in part of conclusion and recommendation.

Keywords: Geographical indication, integrated marketing communication, local products, perceived quality of GI, high-value food products

Coğrafi İşaretler İçin Uygulanan Pazarlama İletişimi Stratejilerinin Satın Alma Davranışı Üzerine Etkisi

Özet

Bu çalışmanın amacı; yerel ve ülke ekonomilerinin kalkınmasına, turizm pazarlaması ve destinasyon markalamasına doğrudan etki eden coğrafi işaretli ürünlerin farkındalığını arttırarak, satışının gerçekleşmesi için uygulanan IMC (Bütünleşik Pazarlama İletişimi) araçları ve bunların satın alma davranışına etkisi araştırılmıştır. Bu çalışmada Anova testi, Regresyon ve Faktör analizi kullanılmıştır. Araştırma sonuçları IMC araçlarının ve

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yiyecek ürünlerin algılanan kalitesinin satın alma davranışını pozitif olarak etkilediğini göstermiştir. Ancak yüksek coğrafi işaret potansiyeline karşın Türkiye'de 200 ürün için coğrafi işaret tescili sağlanmıştır. Bu sonuç, hızlı artan devlet teşvikine rağmen Türkiye'de coğrafi işaret kavramının henüz tam olarak bilinmediğini ve öneminin yeterince anlaşılmadığını göstermektedir. Sonuç ve öneriler kısmında temel problemler tartışılmaktadır.

Anahtar Kelimeler: Coğrafi işaretler, bütünleşik pazarlama iletişimi, yerel ürünler, coğrafi işaretlerin algılanan kalitesi, yüksek değerli gıda ürünleri

I. Introduction

To grow by becoming distinct and surviving in the entered market in international competition conditions increasing each and every day is the first target. Geographical indications (GI), which are one of the strongest values that can be utilized for becoming distinct in international platforms, have a significant potential with the advantages they provide in terms of increased competition and regional development. GIs are considered also as rural development means encouraging local movements towards globalization.

Geographical indications (GIs), identifying goods where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin, are remarkably different from other instruments of intellectual property rights (Delphine 2008).

A geographical indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. In order to function as a GI, a sign must identify a product as originating in a given place. In addition, the qualities, characteristics or reputation of the product should be essentially due to the place of origin. Since the qualities depend on the geographical place of production, there is a clear link between the product and its original place of production. (http://www.wipo.int/geo_indications/en/)

The concept of "geographical indications" comes from the concept of "country of origin" or a regional or subregional geographic origin. Over time, some locations, regions, or countries become synonymous with producing high-quality products. Producers from those locations can benefit from the "geographic origin" image, which is a set of generalized beliefs about specific products from that geographic origin on a set of attributes (Bilkey and Nes 1982).

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Indications of geographical origin (IGOs) have been historically recognised and used as an instrument for securing the link between quality and other aspects of a good and its region of geographical origin. The connection between good and region, especially when the former is distinct with respect to similar goods, allows producers of such goods to adopt strategies of niche marketing and product differentiation. Marks indicating the geographical origin of goods are the earliest types of trademarks and were established to differentiate goods that possessed some unique quality either because of environmental factors, processing methods or manufacturing skills (Blakeney 2001).

As GIs deal with local issues, their protection generates an original scheme of governance. Contrary to other intellectual property laws, GIs are less homogenized in the international legal framework. GIs are related to two sets of policies: (1) policies related to consumer protection through repression of frauds and unfair competition; and (2) policies related to rural development and revival of traditional knowledge and traditional genetic resources. Different legal approaches on GIs reflect the relationship within each country with their own traditions and heritage and correspond to different periods of implementation of their legal framework. GIs were first protected in France as an appellation of origin in the beginning of the twentieth century. They were later harmonized in the European Union (EU) and then included in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) of the World Trade Organization (WTO) (Delphine 2008).

Geographical Indications (GIs) are a specific strategy to promote and protect the quality of a food product and its link with territory. On the one hand, the use of GI enables producers to obtain market recognition and often a premium price. On the other hand, GI impacts on social, cultural and environmental development (Barjolle et al. 2009; Cerdan et al. 2009). GIs can be instrumental in conserving tradition and transferring know-how and since their definition in the TRIPS agreement in the mid 1990s have become an important issue for developing countries.

1.1.GIs in Turkey

The concept of geographical indication has significance for Turkey where rural areas are wide, and cultural and local richness are ample. Almost every city and region within Turkey is identified with the products grown according to geographical and climatic characteristics of that city and region (Akın, 2006). Geographical indications contribute to the promotion of a

region by protecting its local values the traditional heritage and supporting the local agricultural activities (Şentürk, 2011).

Geographical indications, which have significant impact on development of a country and region, are evaluated within Intellectual and Industrial Property Law. However it is different than other rights such as trademark, patent and industrial design which are also evaluated within Intellectual and Industrial Property Law. The difference is that although the use of the specified rights is specific to the person applying in line the relevant legislation, the geographical indication has an anonymous nature. This means not only the registrants but also the other producers who make production in line with the specifications mentioned in the registry have the right to use the geographical mark (Babcock and Clemens, 2004). As such, producers and consumers making production according to the specifications of that region are also protected by geographical indication (Addor and Grazioli 2002).

Geographical indications in Turkey are protected by making registration under the Decree Law on the Protection of Geographical indications dated 1995 number 555. It is possible to protect all kinds of products with geographical indications (such as natural products, agriculture, mining and handicrafts products and industrial products) in line with the definitions and conditions contained in the Decree. Turkish Patent Institute is the competent authority for registration of geographical indications. All applicants to be made at home or abroad have be made to the Turkish Patent Institute or its officer authorized thereby (http://www.turkpatent.gov.tr).

In this regard, the first registered products in Turkey are the 25 carpets produced by the Sümer Halı Regional Offices in 1996 (Gökovalı 2007). Currently, only 200 of the 2,500 local products which have to have a geographical indication registration are registered. There are 289 products which are undergoing the registration process. The Turkish Patent Institute (TPE) has taken the necessary steps to facilitate the registration process. The geographical indications registered in Turkey are only valid within Turkey. When geographical indication registration and application numbers are examined according to years there have been 48 applications with 12 registered applications in 2008 while the number of applications have become double in 2011 and 18 applications have been registered subsequent to 87 applications. In 2012, 12 items were registered although there were 140 applications. Although the number of applications has increased between the years of 2008 and 2012, the number of registrations has not increased (Oraman 2015). Although there were no registered products in 2013 and

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2014, there has been a rapid increase in the number of registered products since 2015. Food products (traditional-regional foods, fruit-vegetables, bakery products-sweets and confectionery products, animal-based food products, olive and olive oils, alcoholic and non-alcoholic beverages) constitute 69% of the registered product while non-food products (traditional handicrafts) make up 31% when we observe the registered product groups in Turkey according to the 2016 TPE report.

II. Materials and Method

2.1. Hypothesis development

Consumer purchase behavior will mainly be questioned concerning perceived quality and characteristics of 130 GI labeled foods along with integrated marketing communication tools. We examine this supposed relationship depicted in Figure 1 as a research model.

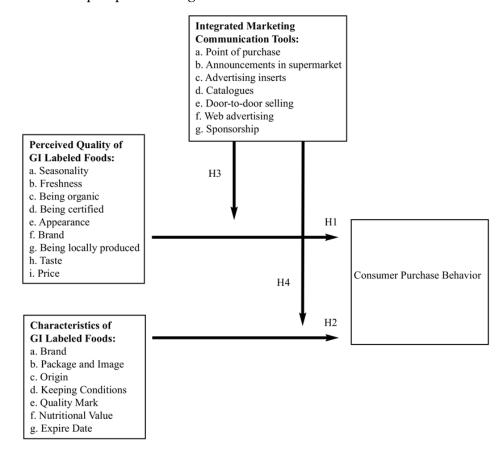


Figure 1: Research Model and hypothe elationsh elationsh

The model in Figure 1 serves as a 1 tion for testing the fo specific hypothesis simultaneously:

H1: Perceived quality of GI labeled foods positively impacts consumer purchase behavior.

H2: Characteristics of GI labeled foods positively impact consumer purchase behavior.

H3: Integrated marketing communication tools positively impact the relationship between perceived quality of GI labeled foods and consumer purchase behavior.

H4: Integrated marketing communication tools positively impact the relationship between characteristics of GI labeled foods and consumer purchase behavior.

2.2. Respondents

The sample, consisting of 520 statistical units, represents individuals who have access to the Internet. A convenience sample was used by inviting volunteers to participate in this study. We posted a URL of the online questionnaire to a number of virtual platforms and social media. The sample was then stratified by gender, age, occupation, educational level and marital status. Our sample consisting of 58,8% male and 41,2% female, %38,5 are 18-24 years old, 41,9% are student, 56,0% are undergraduate and 70,4% are single (Table 1).

Table 1: Socio-demographic characteristics of participants (n=520)

	1 1
Characteristics	%
Gender	
Female	4 41,2
Male	6 58,8
Age	
Under 18 ye	4,8
18-24 years	0 38,5
25-34 years	9 34,4
35-44 years	13,1
45-54 years	7,9
55-64 years	1,2
Older than 6	0,2
Under 18 ye 18-24 years 25-34 years 35-44 years 45-54 years 55-64 years	0 38 9 34 13 7,

Table 1 (Continued)

Characteristics	N	%
Occupation		
Not working	24	4,6
Student	218	41,9
Working in private sector	173	33,3
Working in public sector	93	17,9
Retired	12	2,3
Education level		
Primary school	1	0,2
Secondary school	3	0,6
High school	53	10,2
Undergraduate	291	56,0
Graduate	172	33,1
Marital status		
Single	366	70,4
Married	154	29,6

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2.3. Structure of the questionnaire

The questions selected for the survey are based on existing literature. The survey tool mainly consists of questions formulated on 1-10 Likert scale and, 1-5 Likert scale according to the study they were adapted from.

In order to investigate the perceived quality of GI labeled foods, respondents were presented with a list of nine features characterizing a food product. The 1-10 Likert scale was taken from an Italian study belonging to G. Mascarello et al (2015), and it also utilized from two studies in particular (Arzenton et al., 2005; Battaglini, 2007). The value of the KMO test at 0.832 indicates a good test level.

We adopted the characteristics of GI labeled foods and purchase behavior 1-5 Likert scales from Albayram, Mattas and Tsakiridou (2014). The KMO Test is measured as the value of 0.698 which gives an average view of the analysis.

The integrated marketing communication tools scale was developed by referring to Kotler and Armstrong (2016) and the KMO Test findings were found to have a value of 0.790 which makes the analysis highly valid.

2.4. Data and results

We examined data via measures of central tendency and dispersion, for skewness and kurtosis. Since the dispersion is normal, we continued with

factor analysis to explore whether the dimensionality of the data occurred as supposed. The four factors accounted for %62.2 of the total variance, with the first factor accounting for %36.1 of the variance.

Factor analysis was conducted for all 31 items were loaded into four factors, these factors were named as: Perceived quality of GI labeled foods, characteristics of GI labeled foods, integrated marketing communication tools and purchase behavior.

The scales were chosen to measure the relationship between GI labeled foods and consumer purchase behavior, along with the possible effects of perceived GI labeled food quality and characteristics of GI labeled foods (Table 2).

Items representing seasonality, freshness and being organic are heavily loaded on the first factor (loadings ranged from 0.718 to 0.660); while brand, package and image and origin are heavily loaded on the second factor (loadings ranged from 0.701 to 0.575). Scale items representing point of purchase, announcement in supermarket and advertising inserts loaded heavily on the third factor (loadings ranged from 0.602 to 0.518), while cheapness, quality and tastiness become prominent for the fourth factor (loadings from 0.728 to 0.701). Items with poor factor loading (<0.50) removed from the further analysis.

Table 2: Factor analysis

Items	Factors			
	1	2	3	4
It should be in season	0,718			
It should be fresh	0,666			
It should be organic	0,660			
It should be certified	0,656			
It should look good	0,638			
It should be branded	0,620			
It should be produced locally	0,489			
It should appeal to my taste	0,457			
It should cost more than others	0,301			

Table 2 (Contiuned)

Items		Factors		
	1	2	3	4
While buying food, brand is important		0,701		
While buying food, quality of package and		0,685		
image are important				
While buying food, origin is important		0,575		
While buying food, keeping conditions are		0,553		
important				
While buying food, quality mark is important		0,530		
While buying food, nutritional value is important		0,506		
While buying food, expire date is important		0,353		
I come across GI labeled foods on the point of purchase.		·	0,602	
I hear the announcement of GI labeled foods in			0,561	
the supermarket.			0.510	
I come across GI labeled food on advertising inserts.			0,518	
I see GI labeled food ads in the catalogues.			0,460	
I know some people who come to my door to sell GI labeled products.			0,436	
I come across GI labeled food ads on the web.			0,396	
I know a sponsorship of GI labeled product brand.			0,291	
I buy GI labeled foods because they are cheap.				0,728
I buy GI labeled foods because they are quality.				0,725
I buy GI labeled foods because they are tasty.				0,701
I buy GI labeled foods because they are easily				0,639
found.				
I buy GI labeled foods because they are healthy.				0,554
I buy GI labeled foods because they look good.				0,510
I buy GI labeled foods because they are				0,396
contributing to the economy of country.				
I buy GI labeled foods because I am not satisfied with alternative foods.				0,315

As presented in Table 3, the data indicate that the model fits the data well. The independent constructs explain a significant proportion of variance (R^2 = 0,89) on consumer purchase behavior. An examination of the parameter

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estimates in Table 3 indicates that perceived quality of GI labeled foods has a significant positive influence on consumer purchase behavior (β =0,24, t=5.6). Hence, H1 is supported for the current data.

The effect of characteristics of GI labeled foods on consumer purchase behavior is positive and significant (β =0,20, t=4.9), as well. This result provides support for H2.

It can be concluded that perceived quality of GI labeled foods (β =0,24, p=0,000) is better for predicting consumer purchase behavior than characteristics of GI labeled foods (β =0,20, p=0,000).

Table 3: Test of research model and hypothesis I

	n=520		
Estimated Relationships	Parameter	t-	
	Estimate	values	
Perceived quality of GI labeled			
foods:			
H1: Perceived quality of GI			
labeled foods positively impacts	0,24	5.6	
consumer purchase behavior.			
Characteristics of GI labeled			
foods:			
H2: Characteristics of GI	0,20	4.9	
labeled foods positively impact	0,20	4.7	
consumer purchase behavior.			
Consumer purchase behavior	C),89	

As Table 4 shows, the independent constructs explain a significant proportion of variance (R^2 = 0,75) on consumer purchase behavior. The effect of integrated marketing communication tools on the relationship between perceived quality of GI labeled foods and consumer purchase behavior is positive and significant (β =0,45, t=8.4) which provides support for H3.

In contrast, integrated marketing communication did not show a significant impact on the relationship between characteristics of GI labeled foods and consumer purchase behavior (β =-0,27, t=-2.3). Therefore, H4 is not supported for the current data.

These results lead to a conclusion that it is possible to predict the relationship between perceived quality of GI labeled foods and consumer purchase behavior with integrated marketing communication tools (β =0,45,

p=0,000) while it is impossible for the relationship between characteristics of GI labeled foods and consumer purchase behavior (β =-0,27, p=0,000).

Table 4: Test of research model and hypothesis II

	n:	=520	
Estimated Relationships	Parameter	t-	
	Estimate	values	
Integrated marketing			
communication tools:			
H3: Integrated marketing communication tools positively impact the relationship between perceived quality of GI labeled foods and consumer purchase behavior.	0,45	8.4	
H4: Integrated marketing communication tools positively impact the relationship between characteristics of GI labeled foods and consumer purchase behavior.	-0.27	-2.3	
Consumer purchase behavior	(),75	

III Conclusion and recommendation

In an age of strong marketing competition, it becomes crucial for countries to have the ability of adding value to the products. This paper has highlighted the competitive potential of Turkey which is underestimated through years, but has been drawn attention lately in parallel with the advancements in marketing concepts. One of the ways of ensuring this advantage is gained through the concept of GI. By labeling the products with GI indication, Turkey tries to occupy a unique and advantageous position in such a highly competitive environment. An understanding of perceived quality of GI labeled foods together with proper IMC tools help us to gain a better perspective for an onward movement. The results of the research give us a hint of how to achieve our goals by showing the effects of IMC tools on purchase decision. In order to be affective, communication tools must consider different target audiences, point of purchase and internet related tools appear to be the most effective ways of drawing attention. Communication plays a fundamentally important role in this progress and

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it should be considered together with perceived quality as a supporting element.

Almost each and every part of the world is affected through international trade's rapid development process as well as the increasing competition conditions in our day. The protection of traditional/local products and their ways of production against both products and technological production methods becoming similar during globalization process and in terms of a fair world trade is becoming increasingly significant.

The geographical indication (GI) phenomenon is one of the most effective ways of safeguarding such products against unfair competition in trade as well as supporting cultural and economic wealth. GI, which can be considered as the copyright of geographical circles with certain features, has a significant role in development of rural areas, transfer of traditional and local production values to next generations in addition to preserving the names of products as well as the quality and standards.

The long patent process and local entrepreneurs' fearing from competition with major manufacturers and brands prevents the increase in number of GI products despite the high potential of geographically marked products in Turkey and government policies supporting the production of local products.

Furthermore, there is no institution in Turkey particularly established for identification of products carrying the GI potential and for coordination of applicants to this end. As such, the determining factor for acquiring GI in geographical indication applications is predominantly based on local governments' and producers' having information as to the issue and the possibility of obtaining a commercial benefit.

It is important increasing awareness as to GI marked products as well as increasing the number of existing and potential customers under these circumstances. At this point, the significance of integrated marketing communication tools comes to the fore.

The effect of IMC means applied for the sale of GI marked products on purchasing behavior has been investigated in this study. POP activities, particularly, have been observed to affect consumers in the light of the received data. This is not a surprising result; because according to the POPAI survey 76 percent of purchasing decisions are made at the point of sale. The announcements within the store, inserts and catalogs next to the cashier's desk (catalogs are still the most common method of traditional direct marketing in our day despite the increasing internet usage rate in Turkey)

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are the activities affecting consumers the most. In addition to this, field sales specialists have a significant role in creating and selling awareness of GI products. TV advertisements are less frequently utilized in promoting geographically marked products despite the fact that TV is the most widely used means among advertising channels. This is due to the high advertising costs. When businesses having GI are introduced to selling effect of advertisement they will benefit from the advantage of having this.

Festivals, which are among the most significant items of public relations, are often organized in Turkey under the name of geographically marked products. However in spite of this, the effect of the festivals remains local. The promotion of festival organizations should be expanded nationally and internationally while government support should be furnished if necessary. Besides, sales of geographically indicated products should be accelerated in e-commerce sites which are new but rapidly gaining momentum in Turkey. These web sites and the products thereof should be promoted by social media channels and consumers should be directed to existing web sites.

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