

CONSUMER PREFERENCE TOWARDS GEOGRAPHICAL INDICATION (GI) PRODUCTS - A CONJOINT ANALYSIS

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1. Introduction

A GI is a symbol that "identifies a good as coming from the territory of a member, or a regional locality in that territory, where a given quality, reputation, or other characteristics of the good is essentially attributable to its geographical origin" (WTO). Geographical Indicator (GI) tagged products are highly unique and reputational products with immense traditional benefits linked to the place of origin (Rangnekar, 2004). India is the treasure of GI, with 470 products ranging from agricultural handicrafts to natural products. These regional products act as an identifier to indicate goods originating from a specific place of origin and their manufacturing technique passed from generation to generation (Vinayan, 2017). GI are distinctive intellectual property rights and offers community rights for the producers of specific geographically area. The first product to be tagged as GI is "Darjeeling tea" in the year 2003 (Jena & Grote, 2010). The label typically designates well-known locations that have distinct with irreplaceable characteristics because of their origin.

Consumer preference is a critical factor that regulates purchase decision. Within the framework of modern marketing, all the activities are focused on consumers; therefore, it is necessary for the enterprises to manufacture the products according to the psychological needs for their survival and offer products utilities (Voicu, 2013).

Conjoint analysis is an essential technique in marketing developed by Paul.E.Green, to determine the key features of a product and the general preferences of the consumer. The conjoint analysis can effectively evaluate the preference of consumers among the different product attributes (Green & Srinivasan, 1978). Thus, the purpose of the study is to identify preferences of consumers towards various attributes of GI tagged products by the application of conjoint analysis. The research provides crucial recommendations to the producers and policy makers.

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Geographical Tagged products of India

India consists of a larger array of 470 GI tagged products from April 2003 - April 2022. 30% of products are handicrafts, and the next being agricultural. Each product possesses specific unique features due to its regional origin. India is the only country with wide varieties of products from handicrafts, agricultural, manufactured, food and natural products. Karnataka from the southern zone owns the highest number of GI products, followed by Tamilnadu 38, Kerala 30. (Geographical Indications Act , 1999) .About 5 products of foreign countries, mainly from Ireland, France and Thailand (Manufactured products), are registered as GIs of India. GI products have immense potential to contribute to the economy's GDP and result in the development of rural areas. (Niranjana & Vinayan, 2001)

STATEMENT OF THE PROBLEM

Geographical Indicated products are authentic products with immense commercial value. Major studies pinpointed the lack of marketing and other post-sales activities for GI products in India (Vinayan, 2017). GIs are manufactured by rural artisans and producers with linked to interior areas. It is highly important to understand the consumer preference for increasing market access and for commercialisation. A country like India has immense GI products, but the success of regional products is still a big interrogation. The gains of these products are not penetrating into the producers (Matin & Shamim, 2018). It is highly essential for any producer to understand the consumers' preference so that an effective strategy can be formulated to increase the market for these products in the domestic context. With recommendations of this study enables the producers to identify the important attribute of GI products mostly preferred by the consumers, thereby creating a viable marketing opportunity

REVIEW OF LITERATURE FOR SELECTING THE VARIABLES

A study on the "conjoint" analysis to determine consumer preference of cheese has pinpointed that PDO protection is an important attribute for consumer preference followed by price, label and texture of cheese. (Monjardino de Souza Monteiro , 2001) .The conjoint analysis was marked as an important instrument to identify the most important attribute for any product. The region cues and the quality perceptions for extra virgin oil of Italy were studied (Van Der Pol & Ryan, 1996). Data from 165 consumers were collected to study the overall preference for virgin oil. The region of origin cue was an important factor determined using the conjoint analysis quality effect was limited in this case. (Zhou & Xu, 2020) the study aimed to assess the attitude of consumers towards dress and design elements.

Conjoint analysis was administered, and the results indicated that dress length as an important factor and were significantly preferred by consumers. The study also highlighted the importance of conjoint analysis and its effectiveness to study consumer preference.

(Panzone et al., 2016) the study identified the more preference and willingness to pay the products with regional based products. (Slade et al., 2019) labelling acted as an important attribute for GI product. Consumer familiarity with the product is positively correlated with the place of origin. The technique of "conjoint" analysis and has the potential to address the issues and the important attribute of consumer preference. The Conjoint analysis identified the price and quality as crucial attribute for consumer preference for vegetables in the market. (Gil & Sanchez, 1997). The geographical origin price was the crucial attribute among the consumers of wine. Rural consumers choose inexpensive local wine; on the other extreme, the success of the product product relies on the quality.

(Fotopoulos & Krystallis, 2003) carried out studies on the efficacy of PDO labelling using conjoint analysis. Greek willingness of the consumers was explored with an important factor as quality labels. The conjoint analysis results indicated labels as an essential element, and consumer preference for labelling is higher than the product's price among the consumers. The multivariate technique of conjoint analysis indicated the potential methodology representing the structure of consumer preference and the utilities.

(Green & Srinivasan, 1978) Major literature was used to identify the variables to be included in the study and the application of the conjoint analysis to determine the most preferred attribute for Geographical Indicated products among the consumers.

RESEARCH GAP

From the various important literature reviews, it is clearly noticeable that there is a dearth in the area of research in consumer preference for GI tagged products. The use of conjoint analysis study in various areas is numerous, but the application of such analysis on GI tagged products is fewer.

The study's key aim is to employ conjoint analysis to determine the key characteristic among the customers value most on geographically indicated products.

OBJECTIVES

1. To identify the crucial attributes consumers prefer from Geographical Indication Products by the application of conjoint analysis.
2. To provide essential marketing recommendations and strategies to the GI producers.

METHODOLOGY

Conjoint Analysis

Paul. E.Green developed the multivariate technique of analysing consumer preference, and the method holds the strongest position in marketing research. It indicates mathematical psychology (Green & Srinivasan, 1978).

(Raquel Ventura Lucas, 2001) pointed out,

J "Conjoint analysis identifies the combination of the attributes that offer the highest utility to the consumers."

J "To evaluate the crucial attributes attracting the consumer preference."

Conjoint analysis was applied for the study. As the initial step, the attributes were categorised based on the prominent factors. These factors are known as attributes and the levels expressed as attribute levels. The attributes for this study are identified from the literature review. The attributes identified from the literature are the type of the product, Purchase availability, Regional Origin indication, GI labelling, and price

Table 1 - Attributable level/Conjoint Card for conjoint analysis developed for the study

ATTRIBUTE DESCRIPTION	LEVELS		
Product Type	Handicraft	Agriculture	Manufactured
Availability options	Retail store	Government sites	Ecommerce sites
Regional Origin Indication	Yes	No	-
Geographical Indication Labelling	Yes	No	-
Pricing of GI Products	Affordable	Cheap	Premium prices

Experimental Design

An orthogonal factorial design was created and generated using SPSS after finalising the attributes. There were 108 (3*3*2*2*3) combinations of product attributes which are highly complicated and beyond the scope. Therefore to ensure reliability, 18 cards using orthogonal design (Karunanayaka and Tang, 2018) have been generated with a different combination. As per the experimental design, therefore, as per conjoint analysis, 22 combinations of cards with GI product attribute was designed where 18 includes estimation values and 4 for validation.

Sampling Technique

The sampling method namely convenience sample was adapted to record data from 100

consumers belonging to the central part of Kerala. The respondents were only those who used or consumed at least one GI Tagged Products.

The questionnaire included demographic details and personal information. After identifying the consumers of GI products, the questionnaire was mailed to the respondents. The 18 cards were provided, which indicated the combination of the products and instructed to mark from 1 to 7 on a rating scale-the product combination which they preferred to buy and not willing to buy. The total utilities and the most preferred attribute are identified using conjoint analysis.

Data collection

For the survey purpose, the consumers of GI products in the main zone of Kerala - "Palakkad, Idukki, Trissur, and Ernakulam" are considered. A preliminary interview was conducted to identify those respondents who have used or consumed GI products at least once.

A questionnaire was forwarded to 120 available consumers; by eliminating the partial responses, 100 consumers were taken as the sample size.

7.5 Result and Discussion

Table 2- Conjoint Analysis for determining consumer preference on GI Tagged Products

	Attributes	Utility Estimate	Std. Error
Type	Handicrafts	.191	.253
	Agricultural	.126	.253
	Manufactured	-.317	.253
Availability	Retail stores	-1.239	.253
	Government sites and stores	.693	.253
	E-commerce	.546	.253
Regional Origin	Yes	.137	.190
Indication	No	-.137	.190
GI Labelling	Yes	.240	.190
	No	-.240	.190
Price	Affordable price	.404	.253
	Cheap	-.472	.253
	Premium price	.068	.253
	(Constant)	3.988	.200

Source - Survey data, September - October 2022

The above table depicts the total utility with respective standard error for every single factor-the higher the value greater the preference for the respective attribute. Consumer prefers mostly handicrafts products as these are highly human skilled work with unique features and materials. Government sites and stores are highly preferred for GI purchase as it enables the respondents to choose authentic products without duplication along with certification. Consumers are desired to know product information like origin, manufacturing techniques and uniqueness with the help of GI labels. The majority of them are willing to pay medium prices, and some consumers are even ready to purchase GI products with premium pricing

Table 3- The Measure of the importance of factors to overall GI preference

Attributes	Relative importance
Availability	39.047
Labelling	22.646
Regional origin indication	17.832
Price	10.622
Type of the product	9.853

Source - Computed data

The overall relative importance identifies the crucial attributes and the significance of each factor to the overall preference. It is evident from the table; availability holds the first position as India is renowned with huge GI products with different regional origins consumers prefer to have regional products of different states under a single roof and willing to purchase mostly from government stores. Labelling enables consumers to understand the product details, uniqueness and other product information. Irrespective of the type, respondents are highly willing to purchase authentic GI products.

Table 4 - Correlation of Conjoint Analysis

Test Measures	Values	Significance
R - Pearson's	.884	.001
Kendall's	.699	.000
Holdouts - Kendall's tau	.000	.359

Source - Computed data

Kendall's tau is for holdouts are not included in estimating consumer preference. The measurements of estimated and observed preference values indicated are highly significant and depicted in the above analysis.

SUGGESTIONS OF THE STUDY

From the findings, the following crucial recommendations are developed for the government and producers -

1. Government should ensure the availability of various regional GI products and should beautifully showcase them in different government outlets. Consumers prefer to purchase the product from the government/state managed outlets than private retail stores.
2. The Department of Trade and promotion should develop more government-operated E-sites so that producer can sell authentic GI products without middlemen. The sales of Geographical Indications can be ensured.
3. It is highly recommended to create labels that display product information like the uniqueness; the materials used etc. so that the consumers will be aware and purchase more Indian made products. It also reduces biased information from unauthenticated sellers.
4. Consumers prefer to purchase the product when the regional origin is indicated. For example the producers can indicate "Kerala or Trivandrum" in the case of "AranmulaKannadi" .Further, the state of the product and the manufacturing geographical Location can be bolded and highlighted in the product.
5. As consumers are ready to purchase GIs for affordable prices .The government authorities should develop an uniform pricing method or Cost plus Pricing technique .This will ensure profits to the rural artisans.
6. An Transparent prices should be mentioned in the product and further more than half percentage of profit should be allocated to the GI producers which can solve the issue of lesser income and can sustain the product cycle.

CONCLUSION

Geographical Indicated products are highly unique and are produced by rural artisans and farmers. Understanding consumer preference assists the producers to develop effective marketing strategies.

The framed suggestions can act as an optimum strategy to improve the sales of the product. With increased sales and commercialisation can increase the income thereby improving the standard of living. On the other part the study was limited to the consumers

of Kerala and the unique attributes were identified from the literature.

The consumer's willingness to purchase GI products is significantly high. More government support and organised marketing increase the commercial benefit. In a nutshell, GI products with effective marketing can explore the international market and leads to effectively contribute to the GDP of the country.

MANAGERIAL IMPLICATION

It is highly evident from the past literatures; the decline of GI production and the income are less penetrating to the artisans. The strategies developed in the study can be highly imparted to the rural producers. By understanding the consumer needs and marketing the product accordingly creates viable opportunities to improve the sales, attracting more consumers thereby leads to commercial advantage and positive impact on the socio-economic conditions. The suggestions can also make the government to achieve the dream of **"Self-reliance" or "AatmaNirbar Bharat Abhiyan"**

FUTURE IMPLICATION OF THE STUDY

The future researchers can focus on developing a new model based on the factors derived for the study of conjoint analysis. Moreover new sets of variables can be identified for further analysis.

A cross sectional study from the consumers of two different states can be carried out and suggestions can be framed for the producers to attract the purchase of Geographical Indicated Tagged Products.

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