

Chapter 2

Traditional Italian Food Products on the Chinese Market: Best Practices for Italian Small and Medium Enterprises

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ABSTRACT

This work focuses attention on the area of a specific sector consisting of Italian small and medium enterprises that market traditional Italian products. A questionnaire submitted to a group of Chinese consumers provides their definition of a traditional product and, in particular, gives their positive opinion on traditional Italian food products, whose “reliability” and “health” content they acknowledge as fundamental attribute perceptions, together with the importance of an agreeable “taste”. The study stresses the strategic importance for small and medium Italian enterprises offering traditional Italian food products to adopt more appropriate marketing techniques and practices which take into account the indications emerging from the survey for developing the Chinese market.

INTRODUCTION

SMEs play an important role in an economic system because of their impact in numerical terms (share in the total number of firms) and their contribution to the number of employed. Operations in SMEs consist of a combined set of implementation methodologies for the marketing function.

DOI: 10.4018/978-1-5225-1949-2.ch002

Over the past few years, traditional products have acquired an important role in daily consumption, and as highlighted by several authors, the consumers seem to pay more attention to the quality of the product, evaluating its safety and wholesomeness, rather than considering the links existing between the products and specific geographical areas (Gellynck, Kühne, Banterle, Carraresi, & Stranieri, 2012). On the international scene, Italy is one of the nations with the most plentiful and variegated agri-food resources and at European Union (EU) level, it is the country with the greatest number of brands of food products of a particularly traditional nature covered by EU legal protection. As observed by some authors, the Food and Beverage industrial sector in Europe is characterised by the presence of SMEs (Banterle, Cavaliere, & De Marchi, 2016), and in Italy this sector consists almost entirely of SMEs, each characterized by a limited assortment and with scanty economic, managerial and financial resources. Exports currently play a fundamental role in the development of the food sector. China's economic development promotes the improvement of the per capita income, a direct consequence of which is also the increase and expansion of the level of consumption on the market. China represented the third most important export destination market, while Italy holds fourth place among EU countries for both imports and exports with China (Camera di Commercio Italo-Cinese). The Association of Italian Food Industries forecasts that by 2018 China will be the world's largest consumer of imported goods. The bestseller Italian food products in China are wine and *spumante* (Italian *sparkling wine*), pasta, fruit and vegetables, extra virgin olive oil, coffee and cheese (COLDIRETTI, 2015).

Recent studies (Gellynck et al., 2012; Banterle et al., 2016) show that the Italian SMEs operating in the traditional food sector are very limited in size being for the main part micro enterprises. Therefore, in this sector, according to surveys in literature (Gellynck et al., 2012; Banterle et al., 2016), despite the presence of a certain number of enterprises with an adequate marketing orientation which are consequently equipped with marketing capabilities in line with the market demands, the great majority of companies show shortcomings and in some cases, a total lack of marketing orientation. According to these studies (Banterle, Carraresi, & Stranieri, 2010; Gellynck et al., 2012), this marketing insufficiency implies a deficiency in terms of marketing capabilities, which thus entails a poor ability to operate properly on international markets for the majority of these companies, especially the micro enterprises. In the light of these elements, this chapter focuses on a specific sector consisting of Italian SMEs that market traditional Italian products, and addresses identification of more appropriate marketing practices for developing the Chinese market.

In the background section, the chapter clearly formulates its two main objectives: that of making an academic review of the characteristics of SMEs compared to large enterprises and their marketing function; and that of characterising the traditional Italian food products on the Chinese market with highlighting the significance of the country of origin. This study focuses on the marketing activities of Italian SMEs that offer traditional food products, gathering information by means of a questionnaire filled out directly by a sample of Chinese consumers in two separate research phases. An initial phase entailed the collection of preliminary information by means of a convenience sampling survey in July 2015. The second phase tested various elements which emerged during previous data collection in March 2016 by means of online probability sampling of 200 Chinese purchasers. The empirical research conducted on the Chinese market and the practical results obtained regarding the perception of traditional Italian products revealed factors that influence purchasing decisions and communication channels used by consumers to search for and obtain information about traditional Italian products. Based on the survey results, the analysis allowed the authors to identify *optimal* solutions for marketing activities that can be implemented by the Italian SMEs due to accurate and in-depth knowledge of the reference Chinese

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