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"The Food Market: An Overview of related Regulations and an Analysis of the main actors involved into the Non-Market Strategies "

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INTRODUCTION

The Food Market is very wide and peculiar. Each country presents its own culture and habits, reflecting those aspects also in food. From famous and admirable receipts, to typical foods coming from each single city all over the world. The “Country of Origin” effect assumes a real added value in terms for each domestic country from the perspective of foreigners. And from the food side, this is true especially for Italy. Made in Italy has the value of a proper brand, and not just because the product it refers to is simply manufactured in Italy, but mainly because it owns those specific characteristics that only are country can offer.

My research is based in giving an overview of the overall food market. In the first place, food, apart from the pure nutritional function, is able to trigger a series of emotions, transform our current mood and give us a sense of sharing with each other that goes far beyond the mere act of eating. But eating habits are difficult to control.

In fact, in the first Chapter I focused mainly on how an unconscious consumption of food can bring to deleterious behaviors which fall into eating disorders and obesity disease. Obesity and malnutrition have never gained much of attention until recent years. Many institutions and organization, as explained in the chapter, have focused in raising sensitivity to such topics. So, the new concern is how to conduct a healthy lifestyle which mainly depends on our eating habits. Before treating the initiatives taken by institutions, I also took into account how the new era of digitalization has contributed to the trend of Healthiness. Thanks to technology and social networks, the trend started expanding and spreading awareness. In fact, apart from the initiatives provided by public institution, as regulations, norms, principles and guidelines or other organizations, are needed more direct channels which make the concern a proper media case, having the power to involv each type of listener. From sharing helpful suggestion, the right instructions to follow and making healthy food appealing, each actor, participating into this huge network, motivates others, or “followers” along the journey of eating a behaving consciously.

Of course, it is fundamental to analyse then which are the actual actions implemented in order to make all this possible, and this is treated in Chapter 2. This one is based on the regulated standards and guidelines regarding the productive process of foods. With the introduction of quality marks, the importance given to the country of origin increased even more, as for Made in Italy which, having that kind of value, needed to be protected, and consumers informed. This need felt by consumers in being properly informed about the product characteristics was matched with an attempt by institutions introduce specific labels, depending on the country where the food is produced. These are the traffic light labels and in Chapter 2 are analysed the main features and characteristics some types utilized by European countries. Italy did not accept them the use of those, as defined to be not scientific, presenting misleading graphic indicators of red or black which would cause the discouragement of several high-quality Italian products known all over the world, such as extra-virgin olive oil and many others. What in Italy managed to gain a lot of popularity is the new wave of organic products and so the divulgation of BIO labels. BIO starts immediately to be associated to a healthy lifestyle thanks to its connotations and promotions.

In Chapter 3 emerges clearly the reason why I decided to undertake this research. I wanted to expand my knowledge and try to interpret a reality which is peculiar and yet ambiguous, that is reflected on link between the food market regulations and business, represented by strategic mediators defined as lobbying firms. These are nowadays a wide range of practices still unknown and defined to be not clear to the eyes of average consumers. Lobbying activities are thought as not transparent way of doing business, in the attempt to shape and influence public policies merely in the interest of a single reality at the expense of common interests. At this purpose, I got the chance to interview a Lobby firm's representatives as ES – Relazioni Internazionali e Comunicazione, which works mainly in the Food sector. As I said, lobbying practices are still hiding in the shadow of their clients and public institutions which they daily collaborate with and play a fundamental role in the achievement of deals and arrangements among these two realities. Through the implementations of efficient nonmarket strategies, well integrated into the core business of a company, the latter can gain a substantial competitive advantage, and most of those strategies are implemented by lobbies. In the end, this is a reality which seems to be far away from ordinary people, apart from those involved in the activities, directly and indirectly. In addition to the this contractual and bargaining aspect typical of lobbies, another fundamental factor is a full commitment and dedication to deep market researches, in the attempt to properly inform business clients about emerging trends and new market movements, so that the formers are able to anticipate customers' needs and immediately satisfy them.

So, the objective of my research, is to understand what are the consumer's perceptions and behaviors toward purchase decisions, with a focus on established trends, as it can be the case of BIO production and all its reality. In fact, in in the last chapter is found my empirical marketing analysis realized with 367 respondents, answering to questions related to their perception and behaviors toward the topic. This section will be followed by the analysis of results obtained, showing in the end how BIO is perceived by consumers, which are their concenrs toward purchasing behaviors and if there is a substantial difference among various individuals.

Chapter 1

THE FOOD MARKET: AN OVERVIEW

Food has always been central for each person and this is not true only for Italians, which are famous for being real food lovers. Nowadays, food is focal for everybody across the globe, with each country having different habits and cultures, but still giving a lot of importance to food. Eating is something we have always done, which deeply influence the quality of our lives, our physical and mental healthiness, from when we were born, till we reach the old age. As it is a natural and spontaneous activity, repeated more than three times day after day, it may become something we do automatically, without even realizing it nor paying attention. Most of the times we have our meals while watching the Tv, talking to someone, thinking about what to do later, doing all this not caring about what we are eating, how we are eating and most importantly how does it make us feel what we are eating.

1.1 Eating, Nourishing and Feeding

So, it is possible to realize how much the act of eating can be a complex act, "seasoned" with different meanings. We can start, for example, by asking ourselves: 'Am I feeding, nourishing myself, or Am I eating? And what is the difference between those, apparently similar, verbs?' With the term 'nutrition' we refer to pure biological and fundamental function through which our organism transforms and absorb the nutritional substances contained in the food, which enable the evolution and life of our organism. On the other hand, the verb of 'feeding', is defined as the simple act of placing the food in our body. Finally, 'eating' regards something more complex, through which, in addition to placing food in our body, we have inside ourselves, as affections, values, traditions and customs, which are a fundamental part of our personal history.
Each person has a particular relationship with food, shaping our nutritional habits and this is the result of this complex interaction between personal, psychological factors (as taste and affective experiences linked to food) and sociocultural factors (knowledge given by the family context and other contexts of belonging). In the end, it is possible to state that our feeding

behavior is provided by both the nutritional regime of the individual, as what and how much we eat, all together with the personal experiences linked with food.

Food: Rituals and myths

Food does not only feed the body, but also relationships. In fact, without food, any event or relaxing moments would be missing an important part, as it splits a celebrating ritual. What could it be a sporting event without pizza? Or a movie without popcorns. Can you imagine how to celebrate a birthday party without the cake? In this sense, eating becomes a way of tasting life, being together and having a good time. All the moments you spend with your family, your friends or your colleagues around a table, sharing food, become a fundamental occasion of intimacy and conviviality. Social rituals linked the act of eating are spread universally in different ways in each group of humans. Eating and drinking together is a form of exchange and sharing, used to create and maintain connections and relationships. Food, in addition to its principal function, plays also a fundamental role in the society[1], as it teaches and conveys values. It is possible to find many food metaphors in aphorisms and common sayings: *"meglio un uovo oggi che una gallina domani";* "; *"nella botte piccola c'è il vino buono"; "avere sale in zucca".* Also, since we were kids, in a lot of tales there are scenes where characters have their meals or food is simply mentioned; as in *Snow White*, where an apple represent the a symbol of envy; in *Le Petit Poucet*, the bread stands for human intelligence and capability; one last example is the basket of food given to Red Riding Hood by her grandmother as a symbol of care and kindness. There are so many other references attributed to food, in different contexts and situations, and this makes clear that in addition to nutritional substances, food carrys affections and emotions which are at the basis of our behaviors and our choices, and the nutritional ones included.

Emotions in your plate

What is the relationship between food and emotions? Why do we eat what we eat?

Our relationship with food is based on emotions, is created with emotions and expresses emotions. Just by seeing, tasting or smelling the perfume of a particular food can bring to the arousal of a series of pleasant feelings because that food opens the road to a happy memory

1 Website: https://www.fondazioneserono.org/oncologia/consigli-alimentazione-malati-tumore/il-cibo-e-parte-di-noi/

which convey wellbeing. On the other side, as you taste or smell a food which leads to your repulsion and feelings of aversion, may be associated with an unhappy or unpleasant memory. This happens because, on the basis of pleasure and satisfaction triggered by the experiences we are living, is activated an area of our brain, called amigdala, where are deposited and conserved our emotional memories. Those memories are the most ancient, linked to experiences.

Emotions, pleasant or not, are part of our lives and our daily experiences and they are mixed with food to the point where, all together, they influence our nutrinal behaviors. When we were kids, food was an extension of our mother, associated with warmness, safety, touch and so, with love. Moreover, it is very common to reward a child with a food he really likes and it is in this way that the emotional quality of the experiences we live characterize the taste that a food has for each one of us, making it appreciated or not.

Do we eat just because we are hungry? Of course, we eat to satisfy a physiological need, but sometimes we eat because we are angry, alone or bored, unsatisfied, to calm down a moment of anxiety, and even when we are happy. It this sense, we are referring to "emotional hunger", where we use food to express our feelings, and not only to feed our body. When our body doesn't need any food, we use it to fil the gaps in our lives and to change our mood, trying to feel better. It also helps to distract from negative thoughts or emotions. As this meaning is attributed to food, it is possible to consider it as a sort of an anti-depressant remedy because it generates an immediate wellbeing, even if it may not be long lasting.

This process, which sometimes takes place unconsciously, is harmful, as it risks to take us away from our real emotions and to generate nutritionals habits which may be malfunctional. This is why, it is important to be always conscious about what is pushing us to eat, whether it is real hunger or just a need to calm down uncomfortable emotions or feelings.

Moreover, the assumption of certain types of food, compared to others, has an influence on both how we feel physically and mentally. Beyond habits and personal tastes, as an individual eats, all the elements introduced in the body becomes part of the person, influencing, as I said before, thoughts, humor and behavior, and this true for everybody[2]. So, it is possible to state that between emotions and nutritional habits exists a circular relationship: certain feelings, emotions and personal lifestyles can trigger the desire of assuming specific types of food and vice versa, different types of food can influence, partially, specific feelings and behaviors.

[2] Website: https://www.fondazioneserono.org/oncologia/consigli-alimentazione-malati-tumore/il-cibo-e-parte-di-noi/

An example is the assumption of carbohydrate (bread, pasta, etc..) which is able to give a sense of serenity and wellness, as it contributes to higher the level of serotonin present in the blood. This is the level of “molecule of happiness”, a chemical messenger that sends to the brain optimistic messages of good humor and pleasant satisfaction.

On the contrary, some substances, as sucrose and caffeine can induct tiredness, bad humor and stress, in particular if assumed in higher quantities. Meals containing high percentages of fats, bring a lot of blood from the brain to the stomach and to the intestine, causing the slowdown of the brain activity, causing again apathy and somnolence.

Coming to the end of this discussion, it is clear that our emotions, as social shared values, affect directly our motives to eat. So, being conscious about these processes, contributes to have a lifestyle based on the constant research pf psychophysical and relational wellbeing, that can be reflected by a healthy relationship with food.

1.2 Food and Obesity

Food contributes in shaping our lifestyle, it influences our mood, our interpersonal relations and our physical healthiness. If people make a wise use of it, our life is better and healthier. But, as we take it in its negative sense, abusing “damaging” types of food everything changes. How did we arrive to the trend of obesity, which causes many people to die or live a limited life full of issues linked to physical and mental illness?

When was the last time we were not obese?

For centuries, the human race fought the food scarcity, disease and an adverse environment. With the introduction of the industrial revolution, the Great Powers realized that increasing the dimension of the body was something regarding the concerns of both politics and society[3]. Men had to be strong and powerful, and the same was for their body, which had to be big, especially for the young generations where were selected soldiers and workers. Moving the allocation of the population body mass index (BMI) from the underweight level, to the standard one, had a significant effect on survival and productivity, and this was fundamental for the economic development of industrialized societies. Historical data regarding underdeveloped countries

3 *The Global Epidemic of Obesity*: *Benjamin Caballero from the Center for Human Nutrition, Bloomberg School of Public Health, The Johns Hopkins University, Baltimore, MD.*

show that height and weight grew progressively, especially during the XIX century. In the XX century, instead, when developed countries populations were approaching to the growth of their genetical potential, weight started gaining more importance, and men started in increasing proportionally more weight rather that height. In 2000, human race reached a remarkable landmark, as for the first time in the evolution of the human the quantity of overweight adults was higher than the ones in underweight. The excess of body weight is considered, nowadays, between the principal threats to healthiness and a relevant risk for diabetes, cardiovascular disease and hypertension[4]. Untill the last decades of the XIX century developed countries were still dealing with poor conditions causing malnutrition and transmittable disease. Difficulties regarding healthiness were recognized as a major cause of low industrial productivity and in the first decades of the XX century were implemented many researches on children living under poor conditions, which showed that the energetic integration meliorated the economic growth, helping in the reduction of malnutrition and in the improvement of the industrial productivity.

Even though, obesity has not gained much of attention from mass media until last decades, its dominance in industrialized countries has started to progressively increase during the beginning of the last century. In the 30's, life insurance companies were using body weight data in order to determine premiums, as they identified a direct link between body overweight and premature death link. Evidences about the worrying obesity rates were given by regular surveys, nationally representatives, conducted from the 60's. These data showed the constant increase of obesity conditions in the last thirty years. By 2000, the 65% of the adult population had a Body Mass Index (BMI) above 25 and the 30% had a BMI which was above 30.

Defining obesity

Obesity is defined as an excess of adiposity inside the human body. For practical reasons, body weight has been used as an adiposity surrogate, which is not so easy to measure with standard tests. Until the 70's, obesity was associated with the ideal body weight, obtained by actuarial tables drafted by life insurance industry and a body weight found in ideal gap led to less risks of premature death. In the 80's, the approach to this ideal weight for the human body was substituted by the BMI and have been adopted other threshold values commonly used for overweight (BMI equal to 25-30) and for obesity (BMI from 30), both for men and women, in order to identify, between adults, the obesity rate. Also, there are many limitations for the IBM

4 *The Global Epidemic of Obesity*: *Benjamin Caballero from the Center for Human Nutrition, Bloomberg School of Public Health, The Johns Hopkins University, Baltimore, MD.*

as an instrument to value obesity risks and the interest about the individuation of alternative or complementary indexes, linking body adiposity with risks for disease, is constantly increasing. As an example, some investigations suggest that "*the abdominal circumference is better correlated than BMI with risk of type 2 diabetes. Although it is well established that visceral adiposity plays a central role in the metabolic disorders associated with obesity, the lack of a practical method to assess visceral fat in routine examinations precludes its use as a screening tool for the general population. Developing simple and reliable methods to assess body fat compartments should be an important priority of obesity research"*[5].

Even though in the last decades there has been a wide range of researches, the process through which people gain more weight than how it is supposed to be and body adiposity are still lacking accurate deepening. On the basis of thermodynamic laws, the only way to accumulate an excessive weight is by having a positive energy balance[6]. Nowadays, there are still some methodologic limitations regarding our ability to precisely measure the intake and expenditure of energy of living individuals. So, estimates about energy balance are based on self-reported dietary intake and physical activity and based on data of food production and food disappearance. More accurate procedures in order to measure energy production as gas exchange calorimetry and extra labeled water, can be applied only to small samples, analyzed in controlled conditions. Both approaches are useful: the first one to understand homeostatic mechanisms and regulator factors, the other to evaluate the impact that those factors have on body weight and on the risks for disease on the population. Dietary intake data on US, which has one of the highest obesity rates in the world, show a clear tendency to a greater amount of energy intake. Surveys focusing on dietary habits are coherent in indicating an increase in calories intake of 200 kcal per day in the last 20 years.[7] Most of this increase is linked to an increase in the consumption of sugar beverages, which represent the 25% of daily calories in young adults[8]. These "plain" calories have substituted healthier ones; more specifically, from fresh fruit and vegetables, whose use is still below recommended levels. Other factors, defined

5 Quote: The Global Epidemic of Obesity: Benjamin Caballero from the Center for Human Nutrition, Bloomberg School of Public Health, The Johns Hopkins University, Baltimore, MD.

6 "Obesity and overweight", by the WHO website

7 Popkin BM, Nielsen SJ, Siega-Riz AM. Trends in energy intake in U.S. between 1977 and 1996: similar shifts seen across age groups.

8 Rajeshwari R, Yang SJ, Nicklas TA, et al. Secular trends in children's sweetened-beverage consumption: the Bogalusa Heart Study. J Am Diet Assoc 2005; And Striegel-Moore RH, Thompson D, Affenito SG, et al. Correlates of beverage intake in adolescent girls: the National Heart, Lung, and Blood Institute Growth and Health Study. J Pediatr

as providers of dietary intake, comprise the low cost of highly energy-dense food[9], the intensification of consumption for what regards pre-cooked meals and many chances to eat during the day. As a whole, these data show that a rise in calories intake on a daily basis is something which significantly contributes to obesity epidemy, in US where the study was conducted. Moreover, even a higher disposal of low cost food containing a high level of energy contributes to obesity rates increases showed in urban areas in developing countries.

Physical activity

Until now, the attention has been focused on food as the main driver of disease as obesity. As we abuse it or misuse it, food can be detrimental to our healthiness. Having wrong nutrition habits, and so eating disorders, can lead people into a vicious circle where lives conducted are faraway from healthy. But food is not the only one to blame. What about Physical activity? In order to live helathy, is not enough to eat healthy. Activity plays also a fundamental role to keep faith to the motto *"mens sana in corpore sano",* which means that as the body is healthy, also our mind can be healthy. A sedentary lifestyle of the American population has always been a concern in the 50's, when the president of that time, Dwight D. Eisenhower, established the Council on Fitness and Health with the aim of encouraging people in the engagement of physical activities. Data to analyze eating habits were limited before. In 2000 the Centers for Disease Control and Prevention estimated that less than 30% of people has an appropriate standard of physical activity, the physical activities practiced by another 30% is not enough, but still active, while the rest conduct a sedentary life[10]. A longitudinal research, conducted on a sample of girls between 9 and 18 years, showed a significant decrease of physical activities during adolescence, in particular between black girls. Physical activity may be limited also by the environment as inside the schools, because of budget constraints or the pressure experienced to meet academic goals, and outside the school. Centers of control and disease prevention reported a dramatic decline of the percentage of children walk or ride the bicycle to go to school, from a 42% in 1969 to a 19% in 2001[11]. Inside his house, a typical American teenager spends more than 30 hours a week watching TV. This kind of activity is sedentary and is associated with a lower consumption of fresh fruit or vegetabels, probably correlated with a higher consumption of snacks while watching the TV. This may be influenced by food advertisements,

9 Drewnowski A, Specter SE. Poverty and obesity: the role of energy density and energy costs. Am J Clin Nutr 200

10 Prevalence of physical activity, including lifestyle activities among adults—United States, 2000–2001

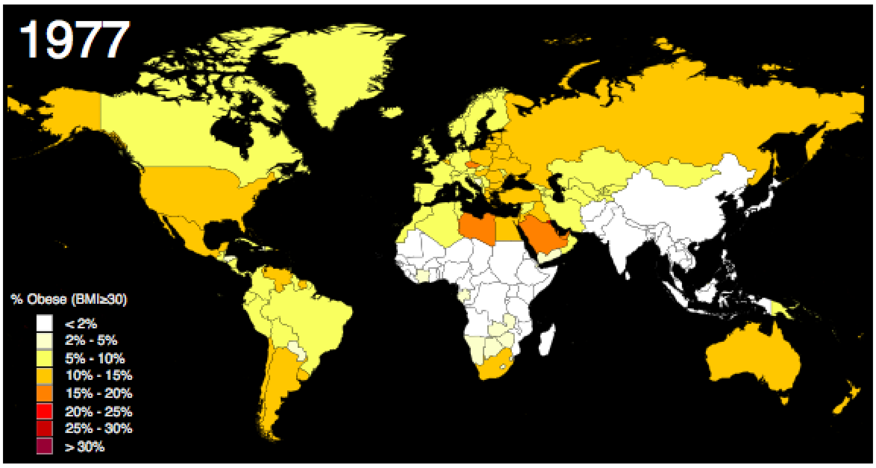
11 Centers for Disease Control and Prevention. Kids Walk-to- School program (http://www.cdc.gov/nccdphp/dnpa/kidswalk)

the majority of which shows a little amount of healthy food and prefers to focus on something that catches more the attention as tasty and unhealthy food.

How did the world become obese?

After many researches and studies, it is still difficult to understand how obesity has spread around the globe. For this purpose, was created a comprehensive portrait of the globe showing this obesity spread. The study was conducted by a significant number of health scientists around the world and it covered 186 countries with 19.2 million of participants analyzing a 40 years period, from 1974 to 2014[12], which was then published in *Lancet medical journal*.
In the figures below, there are represented some frames of this visual portrait, showing

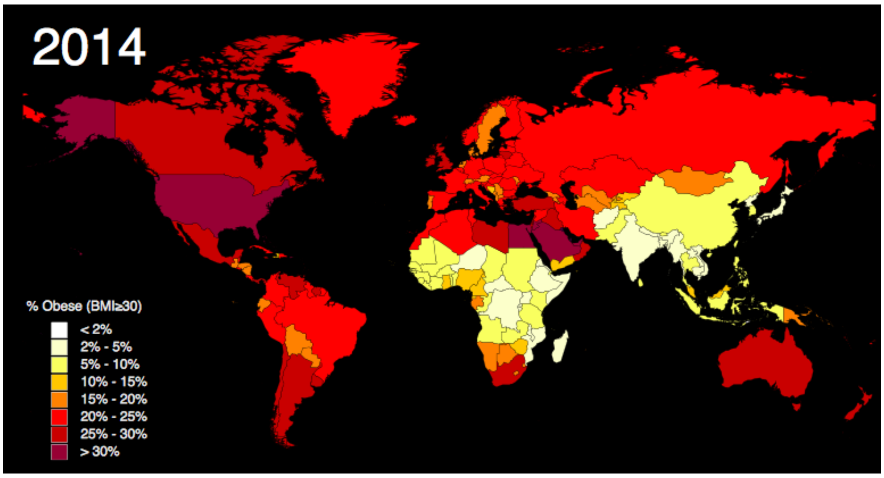
Figure 1 - Obesity across countreis, 1977



Source: "How the world got fat: a visualization of global obesity over 40 years" by Max Galka from The Guardian journal

12 Lancet Medical Journal, "How the world become obese"

Figure 1.2 - Obesity across countries, 2014



Source: "How the world got fat: a visualization of global obesity over 40 years" by Max Galka from The Guardian journal

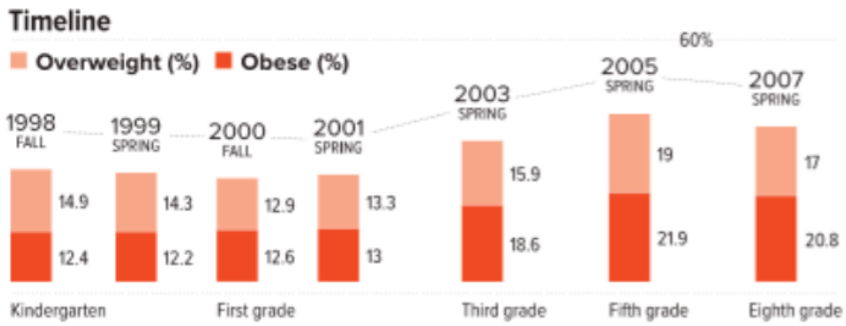
At the left corner of both images, is shown the color legend, representing for each country the obesity rates related to each year. In the visualization of the obesity spread, is highlighted the fact that since the mid-70's obesity rates started to increase in each country around the globe, including USA, UK and so on, where malnutrition plays a fundamental role along obesity-spreading path. In USA obesity started spreading more rapidly involving percentages pf people from 1975 equal to 12.5% to 1994 which were already 25% after only ten years, arriving to 2014 were it was reached 34.2% of population being obese[13]. The Country which showed to be less affected by this trend is China, were the phenomenon took longer and were slower; in fact, in 1975 only 0.5% among adults suffered from obesity and in 2014 accounting for just an 8% of obese people. What is concerning is that today, on a global level, the likelihood to be obese is tripled compared to the average in the 70's.

Obesity in children

Losing weight is very hard to do. In fact, according to the Early Childhood Longitudinal Study, which followed a sample of 7,738 children from kindergarten to eighth grade from 1998 to 2007. The study showed that these young children, taken as the sample, carried excess weight and as they get older, they tend to gain even more weight.

13 "How the world got fat: a visualization of global obesity over 40 years" by Max Galka from The Guardian journal.

Graph 1 - Obesity and overweight in children



Source: "Obesity, can we stop the epidemic?" from https://www.hsph.harvard.edu/magazine/magazine_article/obesity/

It is very hard that a child was born obese, but, as we can see from the table, once children become overweight, usually they are "destined" not only to still be overweight teenagers or adults but have higher chances to become obese. In Accordance to the study conducted in 2016 in the *New England Journal of Medicine*, almost 90% of obese children[14], will become obese adults with a Body Mass Indexes (BMI) value equal to 35, or even higher. Another important consideration to be made, is that obesity can jump across generations; in fact, as a child has an obese mother, father, or any close family member, there are strong predictions in favor of much higher chances of seeing the child growing with obesity disease.

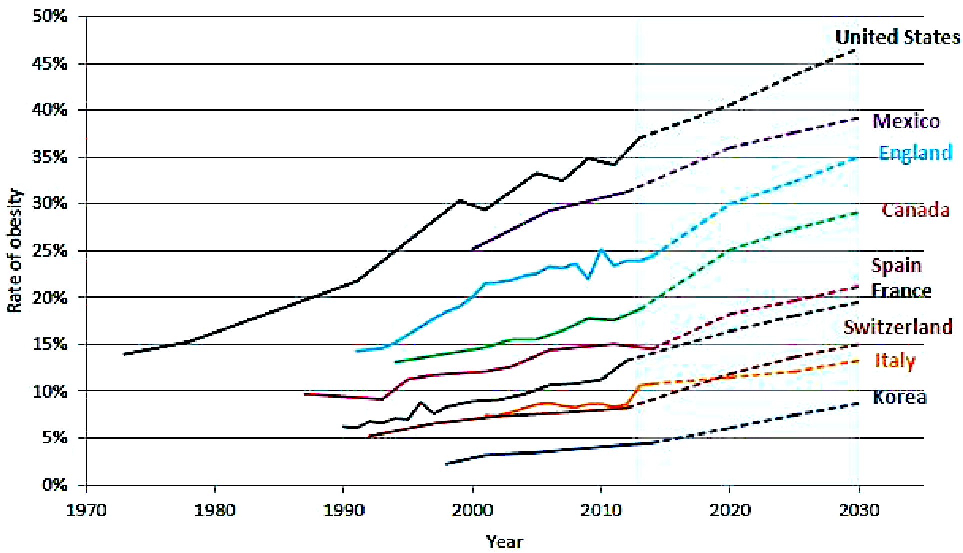
For all these reasons, it is crucial to prevent child obesity, in order to stop the obesity epidemic across the globe. As you arrive to the adult age being overweight or obese, usually it is too late. On the other hand, it is of course easier to prevent obesity in children rather than adults. This is mainly thanks to their ability in absorbing minimal quantities of excess calories which can be then adjusted by few modifications in their eating habits as not giving them juices containing sugars and substituting them with water.

However, the obesity issue is still rooted in middle-aged and adults and it is a concern involving all the globe. People are gaining weight everywhere in the world. No matter how many initiatives and campaigns are devoted to the sensitization of the topic of nutrition and obesity, the phenomenon seems to still increase. Accordin to WHO, global obesity, which is even preventable, has triple from the 70's, as said before. A report by the US Centers for Disease Control and Prevention recently

[14] *"Obesity, can we stop the epidemic?" from* https://www.hsph.harvard.edu/magazine/magazine_article/obesity/

published, underlines that Americans are continuously gaining weight with very high percentages (above the 30%). Also, some scenarios data (from 2016) are not reassuring about the healthiness of the population. In fact 1,9 billion of people are adults in overweight and 650 million among them are obese; 380 million of children and teenagers are overweight or obese; the tendency seems, of course, to be negative. The OECD, Organization for Economic Cooperation and Development projections shows a constant increase in obesity rates until 2030.

Graph 1.1 - National Health

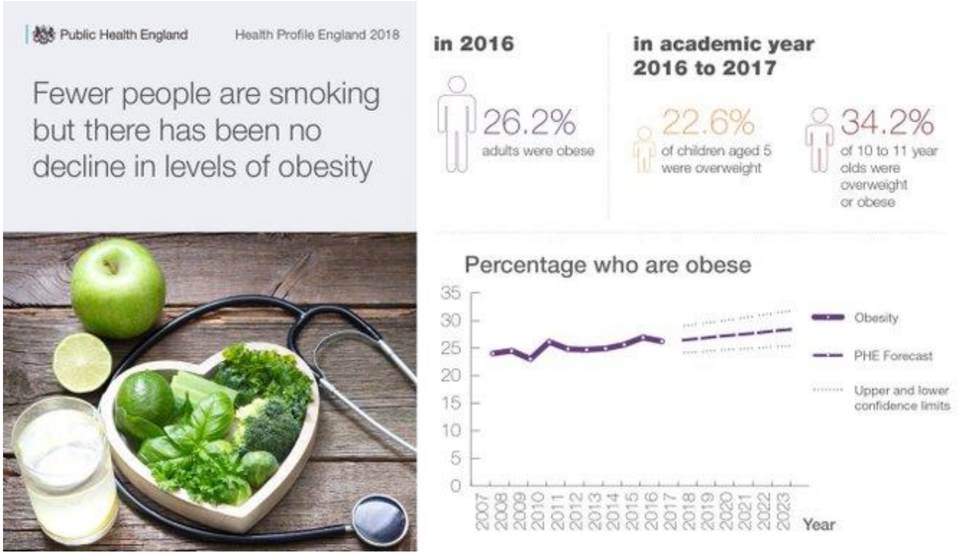


Source: OECD analysis of national health survey data

From the chart, it is possible to observe the in USA, Mexico and UK respectively can live under this condition the 47%, 39% and 35% of the population by the 2030. This estimation may concern not only for the healthiness of people but also for the subsequent costs that might incur the health care system. As the Public Health England posted on twitter: “Obesity continues to place a significant burden on the health system. The NHS spends £6.1 billion each year on treating overweight and diabetes related ill health. In England, just over a quarter of adults (26.2%) were obese in 2016[15].

15 *Public Health England, research 2018*

Figure 1.3 – Public Health England twitter account



Source: Public Health England twitter account

An invisible epidemy.

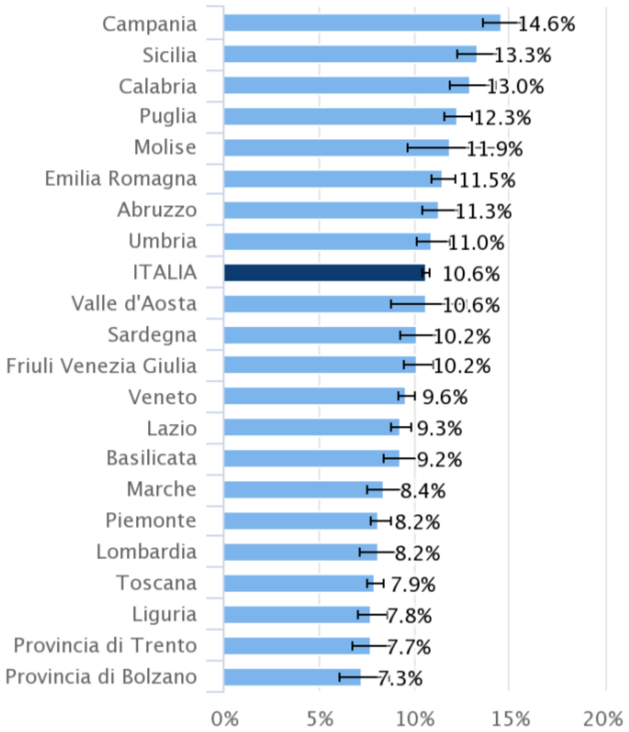
These data may be warming; obesity, in fact, is linked to NCD, non-communicable disease as cardiologic pathologies, ictus, cancer, chronic respiratory disease and diabetes, defined by the WHO as the principal cause of death, even though the 80% of these premature diseases can be prevented[16]. Moreover, WHO declared that these non-communicable diseases (which apart from obesity include factors of risk as smoke, alcohol abuse and insufficient physical activity) can have a substantial effect on poverty, hindering the economic development of many countries and the Organization also appointed the global action, integrated at a national level, as the most effective instrument able to fight their diffusion.

Obesity in Italy

Italy cannot escape this phenomenon. Even in the country were food plays a major role in terms of products qualities we must confront eating disorders problems. In Italy obese population can reach a number close to 8 million. These predictions are far from surrealism as nowadays we account for a 13% in population suffering from obesity in three southern regions. Campania, Sicily and Calabria. Moreover, one Italian out of three is currently overweight.

16 *"Obesità, per l'Italia un costo sanitario il costo sanitario", Website: valori.it*

Graph 1.2 Obesity rates per Italian region



Source: valori.it – "Obesità, per l'Italia un costo sanitario il costo sanitario"

One Italian out of two is overweight. A problem spread more in the south and between not graduated.

In occasion of the first Italian Summit regarding obesity drafted by the Italian Barometer Diabetes Observatory Foundation, in collaboration with Istat Italia: "the second avoidable cause of death after smoke". The rate doubles between people who didn't attend university and in the majority of south regions, more than one third of young people does not practice neither sports nor physical activities. Even the FAO is committed to the cause saying that this is true for 1 person by 4 in the world.

Twenty-five million of Italians suffer by eating disorders and is overweight. Between those twenty-five million, the 46% is represented by adults and the 24% by the under 18 years old. Statistically, women have a lower rate of obesity (9.4%) compared to men (11.8%). The problem is more spread in the south, where one baby out of three and one teenager out of four are overweight. Those are the results showed by the report presented in Rome in occasion of the first Italian Summit about obesity drafted by the Italian Barometer Diabetes Observatory

Foundation, in collaboration with Istat. In the document, is highlighted the fact that "*obesity and overweight are the second avoidable cause of cancers after smoke*"[17]. Renato Lauro, the president of Ibdo Foundation, declared: "A more specific attention by political actors is becoming necessary at this point, so that they can consider and understand the gravity of this phenomenon".

Higher obesity rate for ungraduated

Overweight rate, in Italy, depends also by the education level. In particular, it is very much higher, almost the double, for young people who does not attend university: in 2017, obesity involved only the 6.6% of graduates, while it was significantly rising, up to 14%, for those who obtained middle school diploma. The differences depend also by parents' level of education: "The prevailing excess in weight goes from 18.5% of children and teenagers having parents with a degree to 29.5% of children and teenagers having parents with no degree or a low level of study", explains Roberta Crialesi, secretary of the Integrated Service System of Health, Assistance, Providence and Justice of Istat[18].

One young individual out of three in the South has difficulties with his weight

The differences cited before are not bounded to university life or, more in general, to the study level, but expand also to the geographic area of belonging. Excluding Sardinia, in most of southern regions more than one young adult out of three does not practice neither any sport nor any physical activity: higher percentages are found in the regions of Sicily with 42%, Campania with 41% and Calabria with the 40%. Subsequently, the weight excess concerns more or less one young out of three in the South and in the islands, while the 22% of children and teenagers are found in the Center and in North-East of Italy. In the North-West there is a better situation: one young adult out of five has weight problems. Between the adults, territorial inequalities are less obvious: the rates move from a 11.8% of overweight inhabitants in the South and in the islands to a rate of 8.8% in the Center. Also, there is a remarkable disparity between rural areas and urban centers. As an example, the highest rate regarding obese people equal to 12% is found in small centers accounting less than two-thousands citizens, while in metropolitan centers the rate is equal to 9%.

17 "The head of FAO warns about the Globalization of obesity, calls on the G20 to ensure health nutrition", FAO
18 Website:https://www.ilfattoquotidiano.it/2019/04/09/obesita-quasi-un-italiano-adulto-su-due-e-in-sovrappeso-problema-piu-diffuso-al-sud-e-tra-i-non-laureati/5097375/

One obese person out of four in the world

Obesity is not only an Italian concern. The ONU launched an alarm against a "*globalization*" of the phenomenon, placing obesity matter at the same level of hunger. In fact, FAO general manager, Josè Graziano Silva, has underlined how it is not possible anymore to focus only in the fights against hunger, which still remains the number two purpose after the abolition of poverty in 2030 agenda of sustainable development: "Overweight and obesity rates keep on increasing in the world and, while hunger is concentrated in enclosed areas, obesity issues are found everywhere". In fact, of the 20 countries where obesity has increased more rapidly, eight are African. In the world, still highlighted the FAO, is consumed more and more industrial food containing low levels of nutrients and a greater amount of fats, sugars and additive chemicals. The last data gained regards 821 million of people suffering from hunger (11% of the world population), while they show an amount equal to 2 billions (more or less one out of four) of people in overweight. But the most worrying finding is another one: 3.4 million of people die each year because of problems linked to obesity[19]. So, according to FAO, "obesity must be taken very seriously, as a social problem and not as a problem concerning the individual and it will be a matter of several meetings and initiatives in the following months"[20].

Having said that nowadays we cannot refer to obesity as an individual problem but as an issue involving the collective, how does the environment we live in influence our eating disorders? Can we provide better conditions to fight this disease which is increasingly spreading all over the world?

Historically, obesity was commonly linked to simple gluttony and to an incapacity by the individual to control himself while eating. So, as it was previously stated, therapeutic methods of prevention were mostly focused on a person as an individual. But, in the last years, obesity epidemy has increased noticeably, largely in the USA. The environment provided by the workplace and other places built collectively by the society is a fundamental factor for the chances and limitations regarding the consumption of food and the physical activity. As an example, with the always increasing mechanization and automation of the workplace, the

19 Website:https://www.ilfattoquotidiano.it/2019/04/09/obesita-quasi-un-italiano-adulto-su-due-e-in-sovrappeso-problema-piu-diffuso-al-sud-e-tra-i-non-laureati/5097375/

20 "The head of FAO warns about the Globalization of obesity, calls on the G20 to ensure health nutrition", FAO. http://www.fao.org/news/story/en/item/1193594/icode/

energy needed by our body has significantly decreased. There are emerging attempts to find the principal elements involved in the built environment linked to the increase in weight. Those factors having a relevant effect on the IBM are:

- the urban planning which stimulate the usage of automobiles, needs long travels and limit the chances for walking[21];
- the constrained and/or treacherous public spaces for entertaining and physical activities and that for children to walk to school;
- the omnipresence of grocery stores and the higher chances to eat usually fast and highly energy-dense food
- the higher addiction of prepared food, commonly eaten away from home

1.3 Looking for a healthy life

Food is one of the most important things in our lives. As it is consumed consciously and properly it can lead to a healthy lifestyle and help us in preventing diseases in the long term, but as we abuse it or misuse it, food can have significantly negative implications. At the beginning I mentioned food connotations linked to emotions and feelings aroused by the act eating, in particular the positive ones. Then, the discussion continued with an analysis of the negative implications caused by having bad eating habits. But the real problem is understanding how we arrived to the point where disposable food is so wide and diverse that we can abuse it and consume it in the wrong way. Historically, we fought to collect as much provisions as possible, just enough to stay alive.

Progress is fundamental to move on, to let people nowadays look at the past with a different perspective and realize how much things have changed and how much, thanks to that progress, we can live in better conditions in so many fields. But why, as we reach goals desired and so many satisfactions, we arrive to the point where we exaggerate by using all that we have in the wrong way leading ourselves to make our life in danger? The possible diseases caused by an abuse and misuse of food are not even classifiable and this is not the purpose of my discussion. What is in my interest, is now talk about all the channels available to let people lead a healthy life, and in this specific case, in the view of food.

21 Frank LD, Andresen MA, Schmid TL. Obesity relationships with community design, physical activity and time spent in cars. School of Community and Regional Planning, University of British Columbia, Vancouver, British Columbia, Canada.

Social Media - How they influence our nutritional habits

Thanks to this new world, all focused on the internet and mostly on social media to constantly be updated and connected to each other, it is possible to catch up with everything, even the things we are not informed about. Social media are giving people the chance to interact with the (virtual) world that is around them. Very used platforms as Instagram, Sanpchat, Pinterest and Facebook are constantly present in people lives. But how are these media really influencing consumers when we talk about nutrition and how can the business gain advantage from that? *2017 Innova Market Insights* is a consumer study which argues that innovation and diversifications are two main factors which highly influence purchase intentions and behaviors for one Europe citizen out of ten, and this is true also for North Americans (US and Canada). "*One in ten consumers from Mexico, US, Canada, Spain, Netherlands and Australia are influenced by social media in their food and beverage purchases. In China and India, that number rises to one in five*[22]*"*

As it was mentioned before, social medias are gaining a lot of field and importance into our daily life, and food, as one of the most common subjects of posts, stories and other social instruments of various nature, is playing a fundamental role because it is considered and defined very "instagrammable"[23]. Millennials represent the most social generation and they seem to be very attracted by the trend of virtual food, as *Lu Ann Williams, Director of Innovation at Innova Market Insights suggests. And she notes: "People do fantastic Pinterest pages, for example, all color-coded or highlighting really interesting things like this." And when we are dealing with food and beverages, the display of these subjects goes beyond the simple act of sharing appealing pics of a nice meal.* Trends come alive thanks to influential people who take advantage of their popularity on Social media and spread their advices and habits in order to stimulate those who follow and listen to them in building a healthy and vigorous lifestyle. They encourage their supporter in eating well by showing a lot of varieties of healthy meals for breakfast, lunch, snacks and dinner, they suggest restaurants, and they make them join in many health and fitness challenges. In this way, as you start in being devoted to one account, dedicated to those topics, you can start in building your healthy nutritional regime and match it

[22] Website:(https://www.nutritioninsight.com/news/nutrition-trending-how-social-media-is-pushing-the-nutrition-agenda.html by Lucy Gunn)

[23] "Mobile apps for pediatric obesity prevention and treatment, healthy eating, and physical activity promotion: just fun and games?" Danielle E. Schoffman, BA, Gabrielle Turner-McGrievy, PhD, Sonya J. Jones, PhD, Sara Wilcox, PhD. *Translational Behavioral Medicine*, Volume 3, Issue 3, September 2013, Pages 320-325, https://doi.org/10.1007/s13142-013-0206-3 Published: 17 April 201

with physical activities. More than ever, diet trends are reaching an attractiveness further than before. Thanks to the constant communication of this type of advices, you don't just see pictures or videos, you have also the opportunity to have the access to references and information about nutritional trends not only by influencers and experts, but also by the rest of people, who are just like you. In this way people can confront with each other, promote their own diet choices and plans and then share their success or failure stories, giving once again a wider bundle of suggestions through social channels.

Benefits gained by Food and Beverages industries thanks to Social Media

Having talked about the benefits from consumers' perspective, what are the benefits for the brands, gained from this constantly increasing trend? As brands in the industry take advantage of this new healthy and sustainable way of living, they can use popular platform such as Instagram in order to reach the supporter of this health-consciousness, especially if they are capable to highlight ingredients and products' special characteristics, appealing to them. The most popular hashtags related to diet and food on Instagram are:

Picture 1 - Healthy food on instragram

Source: Website: nutrition insights website

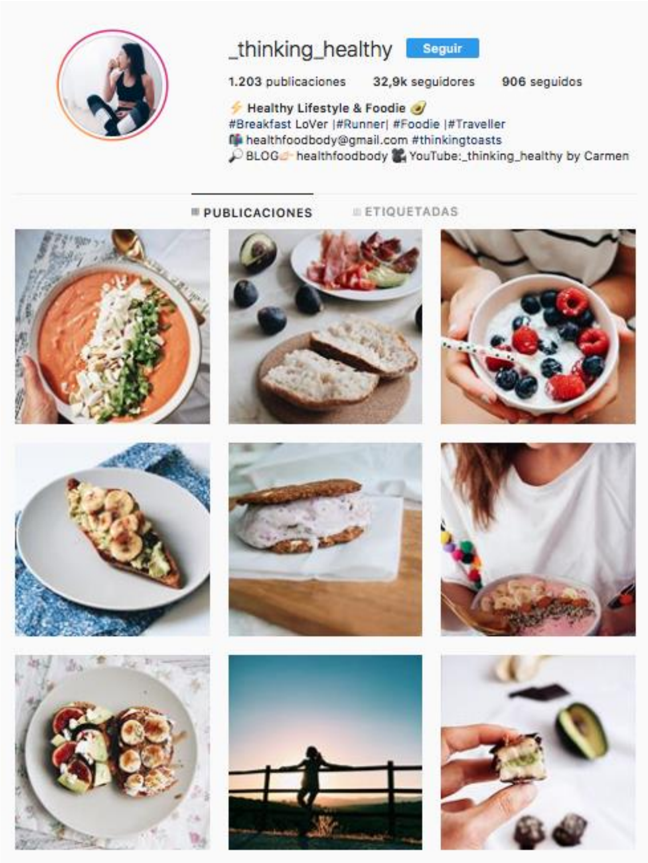
- *# Whole30 (>4 million)*
- *# Paleo (>11.9 million)*
- *#Vegan (>55 million)*
- *#Protein (>23 million)*

All of these common hashtags have a significant meaning and usage and they have to kept in mind by brands while posting contents as they are relevant to consumers. For example, the Whole30 is a type of diet which in recent months became very popular as it does not put the attention just on loosing weight, but it consists on the identification and elimination of those "triggering" food causing the inflammatory activity.

"But using the right hashtags isn't enough alone, you also need strong content (visually appealing, informative, etc.." (quote by the author).

The role of Influencers

Picture 1.2 - Influencers' inspiring accounts



Source: Website: coobis.com, influencers-vida-saludable

In order to gain followers and people interested in their business through Socials, Brands should not only focus on relevant contents and on the aesthetic of their posts; they should also take into account the importance of influencers. Partnering with influential people, especially in this sector, such as athletes, bloggers or models, would help them in creating on-trend contents. An example of a brand which gained a lot of popularity thanks to a significant investment on its Instagram account is Halo Top Creamery, US. Within five years since its entrance in the market, offering a low calories ice-cream, the company neglected advertising expenses to leave a greater space to social media investments, attracting almost 1Million of followers. Another important aspect is that thanks to social media, brands can be in direct contact with consumers by answering their questions, responding to various feedbacks, which can be positive and negative. As expressing any king of opinion on social media is becoming so easy, it is possible to receive many critics which have their relevance and have a voice as well. So, a brand should be prepared to take them in the right way, as an opportunity to improve what is most criticized and to grow even further. At this point is clear the way in which social media have the power to turn into a double-edged weapon as they can as quickly as possible spread the word of mouth, negative or positive, about the characteristics of a product, an ingredient, the service, etc.., and they can also be used by the brands to directly communicate with consumers. In this way, they have the chance to create relationships that build and invigorate brand loyalty.

Uncertainties and disadvantages

Having briefly mentioned the positive implications of Social Medias from the point of view of the business, what is interesting to understand is if this large amount of choices between health-focused accounts, posts, suggestions by influencers and so on, are effectively useful to consumers as they start following a page. Do they really follow the constructive guidelines as the health/nutrition advices they read online in order to improve their lifestyle? As they decide to choose an account, are they driven by the helpfulness of the contents, or just because is aesthetically appealing or because it is a trend? Nutrition habits, as stated before, have a significant impact on our life and food as a resource must be consumed in the proper way. *But how are healthy food attributes communicated to the public? What is that can be defined as healthy? Who are the main protagonists that decide what will be recognized by consumers and more widely by everybody as healthy?*

1.4 Products origins and protection marks

As we understood how much it is fundamental to follow an equilibrate and healthy diet not only for our physical but also for our mental healthiness, consumers should be able to make choices as consciously as possible. Those choices, which should be driven not merely by personal preferences or just because people are following a trend. More importantly, they should be made also with the contribution of a wide range of available information which are necessary to be delivered in a simple way. Even though there is a significant number of people, whose motivation in gathering this kind of information is intrinsic, many others need external stimuli in order to inquire and make conscious choices. How can this information related to the main features of products and their treatment process be given to the public? And more importantly, how can they be aware of what is defined to be "good"? Knowing where each type of food comes from and how does it work and in which geographical area is located their production process is a fundamental step in the customer decision journey, and the main players involved in production and delivery of food should put every effort they can to effectively communicate their characteristics.

Quality marks: DOP, IGP, STG, DOC and IGT

As it was stated before, nowadays the variety on types of food is enormous, and also eating habits must be conscious and devoted to healthiness. This is why it is very important to know where what we buy and consume comes from. Italy, especially southern areas such as Campania, has some of the most important trademarks in the world, from pasta to oil or mozzarella. Exports of course represent a fundamental element for the economy, but firstly locals must be educated on the values of European marks. Why are they important?
"The task of feeding the world's cities adequately constitutes an increasingly pressing challenge, requiring the coordinated interaction of food producers, transporters, market operators and a myriad of retail sellers. It also requires constant improvements in the quality of transport and distribution systems. Not least, it involves a shared understanding among city officials and national and international development agencies of the common problems and the potential solutions faced when seeking to feed cities on a sustainable basis." Quote by: *Jacques Diouf Director-General of FAO*[24]

The choices about products in the market of food is very important. It may seem an ordinary or banal concept, but it must be not underestimated. Sometimes economic need or other extraordinary circumstances do not allow the supply of products which are not on top of their name, while in other events it happens that the choice comes from the firm itself to select non-prime products. The importance of the denomination or indication of origin in the food market acquires nowadays an added value related to corporate strategies. In the light of an international competition in the sector, which is without any scrupulous, local products gain an incredible

24 Jacques Diouf Director-General of FAO - The State of Food and Agriculture 1998 – "Food Supply and Distribution to Cities a component of FAO Special Program for Food Security - Urban Food Security and Food Marketing, A Challenge to City and Local Authorities

relevance. The usage of products having quality trademarks certifies the seriousness of a specific brand or manufacturer and guarantee to the consumer certain characteristics about raw materials. In fact, it is the European Union which created those designations in order to protect and preserve the gastronomic heritage of their territories[25]. DOP, IGP, DOC, IGT and STG represent a legitimate warranty for consumers, which in this way are perfectly conscious in their pre-purchase decision-making process. They are able to know that they are buying food produced in compliance with precise disciplines, and to protect the producers themselves against potential imitations or unfair competition.

A brief description of Quality Marks

Quality marks, on the base of specific characteristics, distinguish DOP, IGP, DOC, STG and IGT products. The EU agreed that the geographical origin influence the quality and peculiarity of a food product or a wine, along with traditional production techniques. In order to recognize and protected these characteristics the European Union created some designations linked to territorial origin, production area and production processes[26]. How can we distinguish them when we shop or when we want to purchase a typical product?

DOP

It indicates the Protected Designation of Origin (DOP, Denominazione di origine protetta). It is permitted to agricultural product whose quality characteristics depend totally or just in part by the geographical area where they are produced[27]. The environment links natural factor, as the climate or resources, to human labor, as manufacturing and transformation processes, distinctive of a delimited area[28]. For this reason, each productive phase of foods having DOP mark must take place in that specific area.

Figure 1.4 - DOP mark

Source: www.agrodolce.it, DOP

25 Rete Rurale Nazionale 2007-2013, Testi consolidati del Reg. (CE) n. 1698/2005 e della Dec. 2006/144/CE, Documento dell'Unione Europea

26 Website: www.agrodolce.it, 2016/05/05/, IGP, IGT, DOC, DOP.

27 Filippo Arfini, Andrea Belletti, Giovanni Marescotti, Prodotti tipici e denominazioni geografiche. Strumenti di tutela e valorizzazione, Edizioni Tellus, Roma, luglio 2010.

28 https://www.greenme.it/mangiare/altri-alimenti/marchi-di-qualita-differenze-doc-dop-igt/

IGP

IGP specify the Protected Geographical Indication (IGP, Indicazione Geografica Protetta). This mark is attributed to agricultural food product whose qualities or characteristic are determined again by the geographical area. In this case, at least one step of the manufacturing process must take place in a delimited area but is not necessary that these happens for all the productive phases, as for what regards DOP products[29].

Figure 1.5 - IGP mark

Source: www.agrodolce.it, IGP

(Within DOP and IGP Italian products we can find fruit, vegetables, cereals,
vinegar, spices, bakery products, meat, cheese, etc...)

STG

This mark indicates the Traditional Speciality Guaranteed, sometimes also known as Certification of Specificity (STG, Specialità Tradizionale Garantita or Attestazione di Spacificità). These markes si reserved to those types of food obtained through raw materials or ingredients used traditionally or with a certain method of traditional production present in Italy since at least 30 years. Are not included products whose nature is linked to geographical origin; this aspect distinguishes STG from DOP and
IGP. Italian examples having STG mark can be Neapolitan pizza or mozzarella.

Figure 1.6 - STG mark

Source: www.agrodolce.it, STG

DOC

DOC stands for Controlled Designation of Origin (DOC, Denominazione di Origine Controllata)[30]. It is used in enology in order to certificate the original and delimited area of the grape harvest used for the production of wine. The products' characteristics are linked to the natural environment e to human labor. They meet the terms of a specific discipline of production approved by ministerial decree. Since 2010, the DOC classification have been

[29] https://www.greenme.it/mangiare/altri-alimenti/marchi-di-qualita-differenze-doc-dop-igt/
[30] Reg. CEE 823/87, Law n. 164/92, D.P.R. n. 348/94

included in the category community of DOP, with the label, DOCG, Denominazione di Origine Controllata e Garantita (CGOD, Controlled and Guaranteed Designation of Origin). For DOC wines, this mark represents a "Quality Recognition attributed to wines produced in small or medium limited area. Usually, the vine name follows the DOC one and the regulations related to the production process are strict. These kinds of wines are allowed to the consumption only after accurate chemical and sensorial analysis. The production process of DOC wines is stricter than those of IGT and they are regulated by Reg. CEE 823/87, Law n. 164/92, D.P.R. n. 348/94 and the other related regulations about the production processes.

IGT

Typical Geograhical Identification (IGT, Identificazione Geografica Tipica). It is about a quality certificate attributed to table wines characterized by production areas generally large and by productive processes which are not too much restricted. This indication can be matched with other mentions, for example as vines. IGT wines are homologous to French wines defined as "Vin de Pays" and German ones known as "Landwei". In fact, the acronym is useful for consumers to understand the production area of the wine as they include all those wines made with specific grapes coming from a well-defined territory.

Figure 1.7 - DOC, DOCG & IGT marks

Source: Website: www.agrodolce.it, DOC, DOCG, IGT.

At this point of the discussion it is clear that making clear the provenience and the practices of production of each product, especially in Italy, is fundamental. Italy has always enjoyed an outrageous popularity in terms of food, thanks to its heritage and tradition. They come from all over the world to eat an Italian restaurant or to buy Italian products[31]. And it is for this reasons that products of high quality, thanks to their production and geographical origin, must be protected and consumers must be able to easily recognize them, without any misguidance[32].

1.5 Food Industry – Made in Italy

When we talk about Made in Italy, it is hard to give a unique and rigorous definition. In fact, to each definition referred to the term correspond a quantification which can be diversified. The common element between all the meanings is a qualitative idea of the product linked to its Italian origin, referred to the area where the production took place and its transformation in respect to the raw materials used and its "exportability". Made in Italy represents a key element of the italian production and exports in terms of labor specialization and technology in within the composition of baskets of goods exports which can be considered, for our country, overall mature and traditional. In the case of Made in Italy in the Food Industry, are involved Mediterranean diet goods which directly recall some food productions which are typically Italian or that at least are recognized by foreign countries as product of the Italian food system[33]. Apart from the geographical area of origin, Made in Italy is referred also to the implicit concept of "know-how", meaning the transformation of the product through a technological process in which Italy shows an evident specialization and a high level of skills linked to its traditions and labor specialization[34]. *(Carbone e Henke, 2012).* For what concerns agricultural products, this idea corresponds to those industry goods of transformation which use as raw materials products of national agriculture that becomes in this sense a precious block of the Made in Italy supply chain. However, does exist also a component of fresh products that are linked to the characteristics of Made in Italy, not only for the stability of their positive trade balances, but also for their recognizability as typical Italian products. So, the simplest and most intuitive way to define Made in Italy in the food industry is the direct recall to the "Italianism" of products. In this sense, Made in Italy involves all those products able to evoke the idea of this Italianism, regardless of whether they are or not net exports for our country. To this definition can be

31 Reg. CEE 823/87, Law n. 164/92, D.P.R. n. 348/94, Guide to Local Products of The Brindisi Area, Published on Sep 18, 2008.

32 https://www.greenme.it/mangiare/altri-alimenti/marchi-di-qualita-differenze-doc-dop-igt/

33 *Ismea, 2012a; Inea, 2009; Antimiani e Henke, 2005 e 2007*

34 "L'agroalimentare Italiano nel Commercio Mondiale" Specializzazione, Competitività E Dinamiche By Fabrizio De Filippis

attributed positive trade balance products or products which have a negative trade balance but still evoke the Italian typicality (as olive oil or cheese).

Moreover, these products can be distinguished on the base of their level of transformation:

- "tal quale" (fresh products, as fruit or vegetables"
- primi trasformati, products whose level of transformation is relatively low or whose transformation process take place in the agricultural phase (ex. wine).
- secondi trasformati, products with a higher level of transformation and that use "primi trasformati" as inputs for a second transformation process (ex pasta using as input semolina).

A clear advantage of this classification is that not only is immediate but also, not taking into account single items trade balance, it includes in Made in Italy also products that, even though have a trade balance in deficit, show a recognizability abroad as Italian products. Of course, the main limit is that are added together items with a positive and negative commercial value. But from this definition, it is possible to reduce even more the field of Made in Italy in the food industry. As an example, crossing information related to the sign of trade balance with the element of products recognizability, we arrive to a narrower Made in Italy, regardless the level of transformation. In fact, if we add this element, taking into account recognizable items, transformed and with a positive sign, the field is even more restricted.

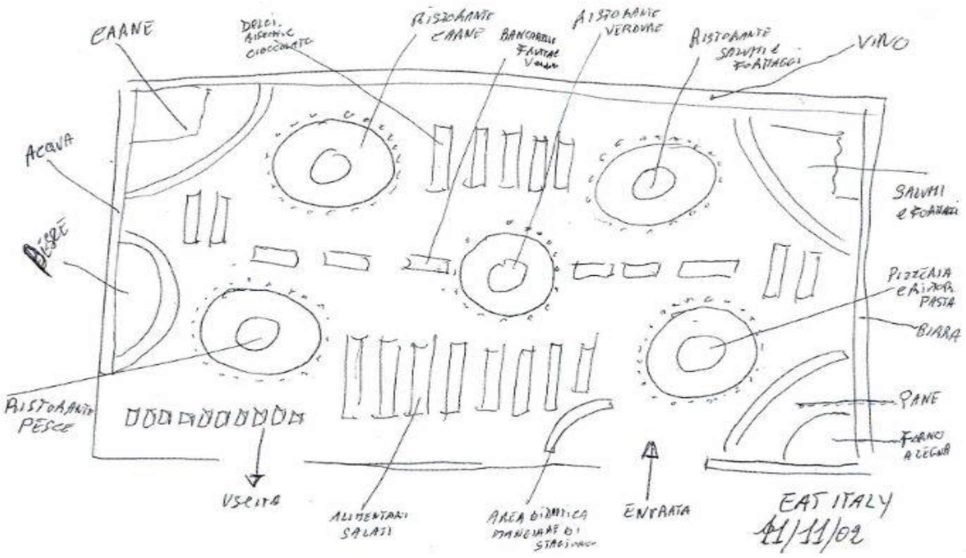
A "theoretical" definition of food industry Made in Italy can consider the protected designation of origin and geographical indication (DOP and IGP) mentioned before. In this way the territory and the geographical area would be fairly enhanced and would prevail against competition, highly bounding agricultural Made in Italy definition but also combining it with a normative parameter.

Made in Italy – Eataly Case

Food Made in Italy historically constitutes one of our worldwide strengths: it is enough to think about the excellence of the Italian Industry in terms of quality and security, innovation related to the supply chain and the research and development in the in the food sector and biodiversity. Not mention the main Italian players in the industry, as Barilla, Ferrero, Garofalo and also among distributers enjoying an extraordinary fame, as Eataly, thanks to the sale of Italian products. Eataly, is a food distribution chain of great excellence, built by Oscar Farinetti. In

2002 he drew the first draft for Eataly shops. The retail company started an accurate scouting work, supported by Slow Food, searching for brands and companies having in common some key values: a careful attention to quality, environmental and economic sustainability, responsibility and sharing. In the beginning they bump into several realities, not so popular but still with an inestimable value, that let them increase their passion for the Eataly project[35]. Those realities, thanks to their support, became symbols of the Italian excellence across the globe.

Figure 1.8 - Eataly, first shop draft



Source: Eataly website homepage

With the motto "*Life is to short not to drink and eat well*", in 2007 Eataly opened its first store in Turin called "Eataly Torino Lingotto". Since that day starte the company mission in Italy and in the whole world: create harmonic environments letting people spend time while tasting the same high quality products which can be purchased and known also through didactic activities. In 2008 it opened in Bologna. There, was born the first library where it was possible to eat high quality food. In that year they opened even their first shop abroad, in Tokyo Daikanyama, followed by Pinerolo (2009) and Monticello d'Alba (2010) and also by the first store in USA, New York, celebrated giving an apple for free to each customer: it was collocated in the 5th Avenue, which is nowadays one of the most visited attraction by tourists of the Big Apple. The Eataly expansion continued with other retailers in other Italian cities as Genova, another one in Turin and then in Rome. The latter, opened in 2012, was the largest one, with an

[35] Eataly website, history of the business

area accounting for 16thousands squared meters inside the old station in Ostiense, proposing a unique offer concerning products' high quality, restaurants and didactic classes.
This is just some history, which in turn demonstrates how a brand in such a little time, devoted to the promotion of Italian excellent quality and protection of designated products, gained a lot of power in terms of competition and popularity. This not only shows the ability of the teams behind the retail company in running a business effectively, but also highlights how people are still devoted to origins and quality, along their journey in purchasing goods. Thanks to the heritage of the Italian food, the careful attention to quality, the culture of the "good eating" (il "mangier bene") and the use of that immediate language characterized the communication of Eataly since its birth. With their passion for food, they put every effort in letting people know in an easy what is the philosophy driving their business. On the opening's eve of the superstore in Chicago, the 21st Eataly store and the second in the USA, the British journal, the Economist, dedicated to the planet of Eataly, a wide article. "the quintessence of the Italian taste, nowadays, is not represented by Prada or Maserati, but by a food phenomenon called Eataly", the Economist explicate.

Another example of an excellent ambassador of food Made in Italy, is Ferrero. In an interview to the Wall Street Journal, Giovanni Ferrero showed to be peremptory. In fact, he said that his aim is to double the size of his grandfather Pietro, which, according to several estimates, accounts for a value equal to 30 billions of dollars, and to expand outside European boundaries, where he realize the 80% of its sales, going in Asia and USA.

Made in Italy – Ferrero Case

The reason why I decided to spend few words about Ferrero is that the brand represents the symbol and paradigm of the Italian family capitalism, a mixture of creativity and handcraft skills, and capabilities to grow and enhance the product. The founder was a pastry chef with the gift of experimentation. In fact, during the second world war, he was able to replace the chocolate, which became too much expensive and hard to find, with Langhe hazelnuts.

Roots in the territory

He created a cocoa powder, coconut oil and hazelnuts that he sold in the form of tablets with the name of Giandujot, which in 1946 became a Gianduja Pasta, a cream made from hazelnuts that could be easily spread on bread. Initially the Gianduja, packaged in aluminum foil, was produced in small quantities and sold by small shopkeepers in Alba. Since the cost of the cream was low and the children appreciated the taste, the cream was extremely successful. The product, which could be spread on bread, became very popular in short time. Demand increased, orders were multiplying. So, He intensified production. Together with his brother Giovanni he founded a processing industry and thus, the Ferrero brand was born, hiring new employees in order to allow a much greater production volume. Ferrero was a family business and the company avoided entrusting the distribution to third parties, creating a direct network that immediately connected the factory with the retailer. Pietro Ferrero died in March of 1949, and he was the first Italian industrialist who, after the war, had the courage to open factories and operational offices in the confectionery sector, making the company a national example. In 1952, the bar became a spreadable mixture sold in a jar with the name of Supercrema which in 1964 became Nutella, with a new formula and a new name, creating a brand destined to establish itself as the chocolate cream par excellence.

Picture 1.3 - Ferrero, Nutella timeline

Source: Nutella website

Michele, the founder's son, had the company make significant leaps forward: he invented new production lines (the Mon Chéri in 1956, the Tic Tacs in 1969, the Kinder line in the 1974, the Ferrero Rocher in 1982), conquers foreign markets (first Germany, then France, Ireland, the United Kingdom, until the landing in the United States and from there in all the main countries outside Europe). It multiplies turnover by maintaining certain rules: not getting into debt, growing without embarking on risky operations, maintaining a solid relationship with the territory of origin. In fact, the heart of production remains in Alba, although the headquarters moves to Luxembourg, a country known for its more flexible fiscal policies.

Today Nutella is probably the most widespread and well-known spreadable cream in the world. The product has become a custom phenomenon appreciated by adults and children. According to the latest OECD, the Organization for Economic Co-operation and Development, report, over 350,000 tons are produced each year[36]. It is always the body that defines Nutella as an example of the globalization economy. The cream, used to accompany bread, biscuits, fruit and numerous desserts, has made the Ferrero family the richest in Italy. According to Forbes magazine, in 2000 the company's turnover reached 4 billion euros and in 2006 it reached over 5.6 billion.

Nutella: Palm oil and sugars

Wirth the motto "Each generation must explore new frontiers and possibly move beyond the columns of Hercules", Giovanni, Michele successor and son, starts starts a policy of big acquisitions: in 2015 he takes over the British confectionery group Thorntons for 112 million pounds (157 million euros), a few months later he buys Nestlé USA's candy business for 2.8 billion dollars (2, 3 billion euros), then the biscuit business of the Kellogg company for 1.3 billion dollars. It acquires more than a hundred million euros, a chronicle of a few weeks ago, the majority of Ice Cream Factory Comaker, a Spanish ice cream manufacturer. While many Made in Italy brands are sold to foreign interests, Ferrero takes the opposite path: it challenges large groups of conglomerates on their own ground, that one of global competition. The multinational of Alba today is the third confectionery group in the world and aims to grow again. Turning the page with respect to the past, the new president has given an acceleration destined to substantially change the structure of the company. At Ferrero, there is no shortage of money to try even some apparently risky operations: looking at the acquisitions, the company is launching itself in sectors that are theoretically not very attractive, and from which others are coming out, such as those of sugary foods. But, Ferrero has on its side the success of Nutella and dozens of other products that have survived both the attacks from competition and the spread of more careful and critical consumption over the years.

When, in the immediate post-war period, Pietro had the idea of using Langhe hazelnuts as a chocolate substitute in his Supercrema, he probably did not imagine that he would create a *cult* product "never trend but always trend, inter-class and inter-generational", as the journalist Gigi Padovani writes in his book "Nutella. An Italian myth" (Rizzoli 2004).

36 https://www.internazionale.it/reportage/stefano-liberti/2019/06/21/nutella-gusto-amaro-nocciole-ferrero

Palm oil: The Nutella-conflict

The Nutella-conflict started when emerged a public resentment linked to the damages over not only the environment, but also over consumers' health provoked by the presence of palm oil in Nutella Cream. One country which has been immediately against palm oil is France. A case that has made a lot of discussion was the bill called "Nutella tax"[37], dating back to November 2012: it defined a tax of 300% on palm oil, since the consumption of foods that contained it involved a higher health expenditure32. The name "Nutella tax" refers to the fact that the famous Ferrero spreadable cream is indicated as the symbolic product among those containing palm oil. In France in 2017, the Minister of the environment, Nicolas Hulot, said that France will reduce the use of palm oil in the production of biofuels to reduce deforestation in Malaysia and Indonesia. In Switzerland, on the other hand, in 2016 the Department of Education, Culture and Sport has established that from the beginning of the following year, inside the vending machines in schools of all levels, it would no longer be possible to sell snacks and other foods containing palm oil36. Many other countries have adopted actions against the use of palm oil. In chapter 3, dealing with the nonmarket strategies the case is deepened**.**

1.6 Fake Made in Italy – Counterfeits and Italian Sounding

In Italy it is, by now, well noted how its productive tradition in the food industry, together with Italian cousin and with the innate links between agricultural production, food, culture and environment, represents a strong and essential identity element, in particular in this productive and economic field. With a specific reference to Italy, indeed, no one can ignore the deep and positive relationship between food industry, food service (as restaurants) and tourism. Of course, the ones that won't ignore this are most of consumers and clients, actual and potential, not only for what concerns our agricultural products, but also for services in terms of tourism and restaurant. In this interplay of multidimensional realities, the quality of the Italian agricultural production represents a major part of its reputation, a real intangible and economic asset, particularly important for its economic implications. Product exports linked to Made in Italy, in fact, are a fundamental component of the trade balance of the country as a whole; just think about exports of DOP cheese, DOP and IGP cured meats, DOC wines and much more as, olive oil, pasta, and so on.

37 "Brand Iconicity vs. Anti-Consumption Well-Being Concerns: The Nutella Palm Oil Conflict", by Bernard Cova And Simona D'antone, The Journal Of Consumer Affairs

However, this economic value of the profound relation between Italy and its high-quality products gives birth to the development of many imitation phenomena, as the competition tries to gain advantage in an improper way from an identity and a reputation. Moreover, this competition didn't contribute in the creation of this identity and heritage, but still, in the attempt to unduly exploit it, most of the time, it has a negative impact on the national economy, in particular in the agricultural sector, not to mention the negative implications related to the environment, public finance, economic growth, legality and criminality. As an example, the missing remuneration of high-quality products obtained in specific areas, as a consequence of fakes and imitations whose price is much lower, impede most of the times the survival of many industries in those territories; the lack of income can bring to the abandonment, to the consequent environmental degrade, in addition to many economic and social damages. In respect to the topic of imitations (which can be not only for agricultural products), usually we can find allusions to a different terminology, sometimes not perfectly defined or potentially ambiguous. For this reason, is useful to propose an working hypothesis which is make possible the distinction of different imitation typologies: first of all distinguishing between real fakes (or counterfeits) and the *Italian sounding*[38], which is the usage of many instruments and methods which make the consumer recall, through different intensity and modality, an origin or a link between the product and our country.

The Fake Made in Italy: Italian Sounding and Counterfieting

In the case of counterfeiting, or fake items, there are illegal imitations concerning the marks, designs, models or receipts, effectively registered by a business; it is possible to have fakes even when there are DOP and IGP products imitated which must follow specific rules and regulations well-defined within the community level. Another form of counterfeiting, which is possible to encounter even in the food industry, is when a product identified as original from Italy or from one of its regions, even though it was obtained in other countries. Examples of this phenomenon are fresh fruit and vegetables for which there is the duty of specifying the country of origin. It is common to make confusions between these real cases of counterfeiting and different cases which, instead, following a procedure by now widespread, can be indicated as imitation included in *the Italian sounding*.

38 "L'agroalimentare Italiano nel Commercio Mondiale" Specializzazione, Competitività E Dinamiche By Fabrizio De Filippis

Identifying the different typologies and modalities of falsification/imitation of Italian agricultural products represent a helpful step for a subsequent valuation not only of the economic and quantitative dimension of the phenomenon, but also of the effects on the economic and agricultural system and of the setting of competitive strategies by our country and its businesses. It is necessary, in fact, to remember that, while actual counterfeiting can be prosecuted, generally efficiently, with accurate juridical instruments, in the case of Italian sounding, this possibility is usually precluded. However, for what concerns fakes or counterfeiting, it is essential for Italy to extend the DOP and IGP protection even outside the European context and bilateral agreements with whom UE subscribed norms within mutual recognition of origin designation (as an example, with China and Switzerland). In fact, in US and Canada, two between the main countries of national production destination, it is not possible to legally persecute abuses related to the improper usage of marks pointing at European DOP and IGP (and Italian) since those countries do not recognize the international value of the trademarks. As soon as it won't be reached a clear and wide agreement within WTO (World Trade Organization), it will be hard to guarantee protection even for those products whose designation is registered in Europe. This represent of course a damage not only for European producers (in particular Italians), but also for consumers from countries which are the exports destinations. It is inhibited to them the possibility to be properly informed about the main characteristics of the products they buy.

Italian Sounding

The phenomenon of Italian Sounding is based on the ability to promote to consumers products which, independently by their quality, taste and geographical area of origin, are associated to an element "typically" Italian[39]. It can be related to a name which is similar to the "original" product, as Parmesan, to a brand name, strictly invented but still linked to an Italian linguistic matrix, as Da vinci or Gattuso sauces, or to the usage, in the labels or packages, of code colors which recall the Italian style, as tricolor or Naples golf landscape.

39 "L'agroalimentare Italiano nel Commercio Mondiale" Specializzazione, Competitività E Dinamiche By Fabrizio De Filippis

Picture 1.4 - – Italian Sounding products

Source: tuttogree.it

Considering that total income in the Italian sector of food in 2012 was certificated to accounted for more or less than 127 billion of euros, Italian Sounding is very relevant. In European countries this data accounts for almost the double for original products (26 billions of euros, compared to 16), while in North America the phenomenon assumes a much greater size (24 billion compared to 4). Data from *Federalimentare* shows that in USA and Canada the imitations accounts for the 97% for what concerns sauces, the 94% of preserves and 76% of tomatoes in boxes[40]. Many people think that imitations subtract market share which are relevant for Made in Italy, underrating growth potentials of Italian products, with the subsequent conquer of market share by those "copies", considering that the main damages for Made in Italy are represented not counterfeiting strictly speaking (commercial frauds), but by those products which are purchased as they are erroneously thought to be Italian. Data shows that the formers account for 6 billion of euros compared with 54 billions of euros of Italian Sounding: a large market segment which business of Italian food exports can overcome with the use implementation of political information and consumer education. Drawing a general line, we can say that falsification over manufactured products attach to a good a different identity from its own, coincident to the one owned by products with a higher quality[41]. This identity switch can happen during the production or promotion process with the aim to gain supplementary

40 Website: http://www.ifontanaritorremaggioresi.com/files/italian-sounding-e-contraffazione-magagnoli.pdf

41 "Agri-Food Firms' Competitiveness: Made in Italy in the World". International Review of Management and Business Research, Rosa Caiazza Parthenope University of Naples, Italy; Tiziana Volpe, National Research Council (CNR) Institute for Service Industry Research of Naples (IRAT), Italy.

incomes and to create new markets opportunities for products which are otherwise unable to catch the attention and purchase intention by consumers. The product identity usurpation usually take place in two ways: with the usage of raw materials or procedures which are different from the predetermined ones or with the falsification of some external elements, as marks, package, design, exc. In both events the goal is to give to the product a false identity in order to mislead and deviate consumers. These actions are ancient practices, facilitated by technological progresses and represent a constant factor within the markets. But what do they have in common with Italian sounding? In which way are classifiable as "fakes" those products which "steal" from originals not in major part marks, but mainly that reputational halo evoked by recalls of Made in Italy? The ussie might be slippery, as the communication of "sounding products" is ambiguous on purpose, built around the Italian heritage and reputation of food and wine. But it is possible to protect "Made in Italy" by Italian sounding only through norms, regulations and sanctions, taking into account that not even regulations are able to affect the ability in appreciating the taste of a product? The progressive reabsorption of market share gained by Italian sounding seems to be possible only by marketing policies able to develop inside consumers the ability to recognize an Italian product from existent imitations.

Innovation and "self-counterfeiting": typical products

Nowadays, typical and original food represent much more than a purchased good to satisfy personal tastes. In the long lasting development of the concept of "typical", the purchase and consumption of food linked to the "typical characteristics" of specific territory are configured as behaviors that strengthen prestige and diversification. Two elements, originally associated to the consumption of aristocratic luxury, which, even within the evolution of society and production and distribution systems, keep on having a determinant role among consumption behaviors.

Picture 1.5 - examples of Italian sounding products

Source: authentico-ita.org

Over time, typical products become the real social *makers* which confer "distinction", consumed for their intrinsic tasteful qualities, that, on the other hand, are usually the result of purchasing intentions devoid of "rational" motives on which symbolic factors have an impact. In some circumstances, are evoked by a specific cultural identity; in others, they symbolized an element of *food fashion*[42] which allows the differentiation through the "ostentation" of a product embodying what trend-setters promote as an expression of social distinction; in the end, there are even other cases in which they represent the instrument through which lower social class imitates consumption behaviors adopted by upper-middle class. In fact, it is the latter typology that characterize the link among "real typicity" and "perceived typicity": industrial products, available in limited quantities, having production costs which allow them to position themselves in markets of niches and to be accessible to a large segment of consumers[43]. The main feature of industrial typical products, which are defined as "self-counterfeiting" or original products Avatars, as Dr. Stefano Magagnoli explicates in his paper, is that they create a split amont "qualitative typicity" and "represented typicity". Moreover, although the product is the outcome of the industrial system, it is "narrated" and promoted as the result of the masterly handcrafted tradition, whose origin comes from the territory *savoir faire*. So, the communication of the industrial product is built around the symbols of a disappeared tradition,

42 L'agroalimentare Italiano nel Commercio Mondiale" Specializzazione, Competitività E Dinamiche By Fabrizio De Filippis

43 Website: http://www.ifontanaritorremaggioresi.com/files/italian-sounding-e-contraffazione-magagnoli.pdf

which is most of the times "reinvented" by the food industry. The use of Avatars by the productive system is a need determined by the criteria of the protected designation norms.

The introduction of territorial "**labelling"** determines the circumstances where typical products, associated with the usage of strictly local raw materials and production processes, can be manufactured only in limited quantities, tied to the respect of specific norms and scarce productive capabilities of a restricted territory. Here arises a clear contradiction: on one side, there is the market size extension and the subsequent increase in potential demand.
On the other side, it is circumscribed the productive ability with the introductions of strict regulations, whose lack of respect to brings to the following impossibility by producers to use the advantages granted by the collective mark[44]. Then, in order to overcome this *impasse*, it is needed to introduce products able to escape those designation boundaries, but, at the same time, able to possess those symbols which constitute the typical product identity[45]. In this way, the "typical industrial product" can move easily along markets which are always more segmented and complex, in order to overcome the demand increase and to create higher profit margi

[44] "Agri-Food Firms' Competitiveness: Made in Italy in the World". International Review of Management and Business Research, Rosa Caiazza Parthenope University of Naples, Italy; Tiziana Volpe, National Research Council (CNR) Institute for Service Industry Research of Naples (IRAT), Italy
[45] Website: http://www.ifontanaritorremaggioresi.com/files/italian-sounding-e-contraffazione-magagnoli.pdf

Chapter 2

FRONT OF PACK LABELLING SYSTEMS

At the end of chapter 1 was introduced the relevance of Front of Pack Labels (FOPL) in allowing not only authentic brands to communicate and protect the high-quality features characterizing their products, but also consumers to clearly find and understand this information, in order to make conscious purchasing decisions. The legal protection of the quality of agricultural production is, at European level, a complement to the policy of rural development and to the supporting policies of the markets and of the economic incomes of the common agricultural policy and it represents, in particular for Italy, one of the main objectives of the agricultural policy. Ours country boasts the largest number of registered trademark products in Europe and is subject to numerous and sophisticated attempts at counterfeiting. The regulation of product labeling and the consequent information to consumers represents an aspect of the protection of product quality. Italy has therefore implemented the European legislation, with internal rules aimed at protecting the quality of food production, such as those that require mandatory indication of the origin of the raw material on the label for certain agricultural products.

So, having understood the importance of legal protection and regulations about the productive process of food product and the relative divulgation of information related to the main features granted by each of them, what are the initiatives and contributions implemented by the institutions? Regarding the food information available to consumers, named FOPL ("Front of Pack Labels"), the European Parliament and the Council of 25 October 2011, implemented the Regulation (EU) no 1169/2011[46], as it decided to set a unique nutrition labeling system.

Some of the principal innovations cited in the Regulation valid since 2011 can be the following:

- In order to improve the legibility of information provided by nutritional labels, a minimum font size is established for mandatory indications, set at 1.2 m.

[46] *Source: Official Journal of the European Union, "Regulation (EU) no 1169/2011 of the European Parliament and of the Council of 25th October 2011"*

- Nutritional labels become mandatory from December 13th 2016 as regards the declarations of the energy contents, fats, saturated fats, carbohydrates with specific references to sugars and salt, expressed as a quantity per 100g or 100ml or per portion.
- Ingredients or coadjutants which cause allergies, must be present in the list of ingredients with a clear reference to the denomination of the substance that can be defined as allergen. Moreover, the latter must be highlighted through a type of font clearly distinct from the others, in terms of dimension, style or color.
- The list of nanomaterials used, must be included among ingredients
- Also for non-prepacked food products sold by retailers and in restaurants, indications about allergenic ingredients must be reported.
- Protected designation of origin for different types of fresh meats, becomes mandatory from April 2015.
- In the case of online sales, or far away from the production of the food product, is mandatory to include most of information on labels provided pre-purchase.
- The kind of oil or fats used, must be specified among ingredients and it won't be enough to specify general indications as "vegetal oils" or "vegetal fats".
- Is identified the responsible subject for the presence and rightness of food information, meaning that is identified the operator whose name or company name is specified in the product advertisement, or, if this operator is not a established within the Union, the importer in the Union market[47].

Further prescriptions are related to thawed products, combined meat or fish cuts and substitute ingredients. Prior to 2011, the labelling was governed by the legislative decree 109/1992, whose only few provisions still remain operative.

These are just some examples of the norms included in the Regulation (EU) no 1169/2011 and as we introduced some binding norms with the aim of protecting the safety and consciousness of consumers it might be important to consider that the initiatives implemented by European Institutions are several, as the concern is gaining always more popularity.

FOP nutrition labels serve as an information tool present on the products 'packages and are designed to support customers in making conscious choices and in stimulating a healthier

47 *Source: Official Journal of the European Union, "Regulation (EU) no 1169/2011 of the European Parliament and of the Council of 25th October 2011"*

products reformulation. The WHO (World Healthiness Organization) encourage the implementation of FOP nutritional labels as a policy tool, aimed to overcome many healthy global issues as obesity and diet related noncommunicable disease[48]. At a European level, many companies as both producers and distributers are using several FOP labels, on the base to each country requirements and regulations as they are specifically structured according to a country culture and regulation system. So, across Europe, each country presents its own FOP labelling scheme. Of course, as these schemes present various dissimilarities, there is an enduring dispute regarding which one might be the most effective in terms of information public communication. Still nowadays, there is not yet a common consent about the issue. Though, several guiding principles regarding the provision of nutrition information to the public have been provided by the Codex Alimentarius Commission.

2.1 Codex Alimentarius

Codex Alimentarius comes from Latin and stands for "Food Code" ("Codice Alimentare") and is a food standard program implemented by the Codex Alimentarius Commission. It comprehends several securities standards, with a general and specific character, which were created in order to protect consumers healthiness and to guarantee fairness in the food market. Food products distributed in the market and addressed to exports and local consumption must be regulated, safe and must respect required quality standards. Moreover, they must not contain organisms disease-carrying which might damage animals or plants present in the countries importing them. Codex Alimentarius[49] has been created in the 60's thanks to the cooperation between to United Nation Organizations: "Food and Agricultural Organization" (FAO) and "World Organization of Health" (WHO), with the aim of guiding and promoting the development and application of food products designations and requirements, encouraging its harmonization and, by doing so, favoring international products trade.

Most of the world population lives within the 170 member countries of Codex Alimentarius and adopt the quality standard definitions and usually implement them at a national and regional level. Even though these standards are not legally binding, they are considerably important and widely recognized, as they enjoy a solid and documented scientific foundation. Where needed, the World Trade Organization refers to the Codex standards over the resolution of trade

[48] Source: *"Differences and Similarities between Front-of-Pack Nutrition Labels in Europe: A Comparison of Functional and Visual Aspects" by Daphne L. M. van der Bend and Lauren Lissner*
[49] http://www.fao.org/fao-who-codexalimentarius/thematic-areas/nutrition-labelling/pt/

controversial and conflicts involving food products. These kinds of standards are always considered to be a starting point for national and regional nutritional laws and norms. The influence of Codex Alimentarius expand to all continents and its support to the protection of the public healthiness and of the food trade fairness is very significant.

Within the Codex, there are thousands of norms and standards, from general ones, applicable to each type of food product, to more specific ones, devoted to a particular type of food. General norms involve hygiene, front of pack labels (FOPL)[50], residues of pesticides and veterinary drugs, inspection of imports, exports and certification systems, methods of analysis and sampling, food additives, contaminants, nutrition and foods for special dietary uses. On the other hand, specific norms can involve all type of food concerning fruit, fresh, frozen and processed vegetables, fruit juices, cereals and pulses, fats and oils, fish, meat, sugar, cocoa and chocolate, milk and dairy products.

But, how are these standards set? Codex Alimentarius is managed by the Codex Alimentarius Commission, an intergovernmental body whose members can exert voting powers. Several specialist committees are in charge of drafting the standards, which then, must be approved by the Codex Commission. The settlement process of a norm begins as the national government or a group committee of the Codex Commission propose the development of a standard concerning a particular issue or type of product[51]. As the Commission (or its executive committee) decides whether or not is necessary to set the standard, the Commission Secretary draw up the draft which is then sent to governments and will follow a procedure involving subsequent steps, through which the final draft becomes a new Codex standard. This procedure may last for years and is structured in the way that the largest consensus possible by the State Members can be reached.

Having explained how norms and drafts becomes real standards included in the Codex Alimentarius with the aim of guarantying international food standards, consumer health protection and removal of trade barriers, it is important to understand that the Codex Alimentarius has approved ongoing work for international guidance on FOP (“Front of Pack”) nutrition labelling.

50 https://www.eufic.org/it/food-safety/article/what-is-codex-alimentarius
51 http://www.fao.org/fao-who-codexalimentarius/en

2.2 – Front of Pack Labels: Funnel Model

There is a wide range of studies and researches about the way the design of products' FOPL supports customers in understanding and interpreting in the easiest way information about their purchases. So, it is important also to mention some criteria and methods used in the labelling systems. The functional and visual aspects concerning FOPL are fundamental to satisfy all the needs mentioned before as they represent how information is provided. For this purpose, has been created in 2014 by van der Bend a "Funnel Model", as it was felt the need to implement an overall overview including the main FOP label features used in Europe. The model sums up and identify the different characteristics related to FOP labelling schemes[52]. The table below (2.1) shows some key elements concerning the Funnel model as it is a recap of all indicators used, describing FOP labels[53]. As we can see are listed 10 types of indicators as components, reference unit, the measurement method used, coverage, the chosen methodological approach, the purpose of FOP labels, the driver, directivity of the labels, the tone of voice and at last the utilization. Then all these indicators are accurately explained in order to have a complete picture about each funnel model element usefulness.

In table 2.1 are shown all indicators that have been mentioned and described, and then we arrive to the description of the Funnel model design. The model has been developed for many types of labels as: Keyhole label and International Choices, which are positive labels; the Vim co jim (Czech Choices label); the Finnish Heart Symbol; the Croatian Healthy Living (HL) mark; the Slovenian Protective Food (PF) symbol; then for two mixed labels which are the Multiple Traffic Light (MTL)[54] and Nutriscore; and in the end, for a negative type of label as the Israele Warning label.

52 Source: "Differences and Similarities between Front-of-Pack Nutrition Labels in Europe: A Comparison of Functional and Visual Aspects" by Daphne L. M. van der Bend and Lauren Lissner.

53 The science on front-of-package food labels" by Kristy L Hawley1, Christina A Roberto, Marie A Bragg, Peggy J Liu, Marlene B Schwartz and Kelly D Brownell; The George Washington University School of Medicine and Health Sciences, 2300 I Street NW, Washington, DC 20037, USA: 2Department of Psychology, Yale University, Rudd Center for Food Policy and Obesity; Public Health Nutrition, 16(3), 430-439.

54 New Haven, CT, USA, Submitted 30 July 2011: Final revision received 23 December 2011: Accepted 7 February 2012: First published online 22 March 2012 Traffic-Light Labels and Choice Architecture Promoting Healthy Food Choices. Anne N. Thorndike; MD, MPH, Jason Riis, PHD, Lillian M. Sonnenberg, DSc, RD, Douglas E. Levy, PHD

Table 2.1 – Front of Pack Indicators

Indicator	Explanation
Components	Product criteria of FOP labels may take into account qualifying components, i.e., components in a food product beneficial for health, and/or disqualifying components, i.e., components in a food product with a negative impact on health.
Reference unit	Product criteria of FOP labels may be expressed per 100 g/100 mL, per 100 kcal/KJ, in Energy% and/or per serving, amongst others.
Measurement method	Compliance of foods with the FOP label's product criteria may be determined on the basis of calculated scores and/or threshold values.
Coverage	Product criteria of FOP labels are either developed for a selection of food categories, or they cover all food categories at once. 'All food categories' includes at least all pre-packaged foods, but does not include specific products, such as infant formula, alcoholic beverages and food supplements.
Methodological approach	When FOP labelling systems make use of the same set of criteria for all or most food categories, they use an across-the-board approach. When different criteria have been developed for different food categories, a food-category-specific approach is used. We do not consider liquid versus solid foods to be food-category specific, as the composition of food categories within these groups can still be very variable.
Purpose	The primary aim of FOP labels may be, for example, to inform consumers about the nutritional contribution a food product makes to the diet, help consumers identify healthy foods and/or to stimulate product reformulation by the food industry. FOP labels may have several purposes.
Driver	This refers to the driving force behind a FOP label (at the time of the writing of this article); a driver may be governmental, commercial or be part of a non-governmental organisation (NGO).
Directivity	This specifies to what degree the FOP label leaves interpretation of 'healthiness' of a product to the consumer. Non-directive FOP labels only present factual nutrient information, semi-directive FOP labels combine factual information with easy-to-interpret visuals (e.g., color coding), and directive FOP labels merely summarise the 'healthiness' of a product without displaying any nutritional information.
Tone of voice	A FOP label may convey a positive ('healthy'), mixed (mixture of 'healthy' or 'unhealthy') or negative ('unhealthy') health message.
Utilization	In case of voluntary use, food firms may choose whether or not to use the FOP label on-pack. When a FOP label is mandatory, often determined by national regulations or legislation, food firms are forced to use the label.

Source: "Differences and Similarities between Front-of-Pack Nutrition Labels in Europe: A Comparison of Functional and Visual Aspects" by Daphne L. M. van der Bend and Lauren Lissner.

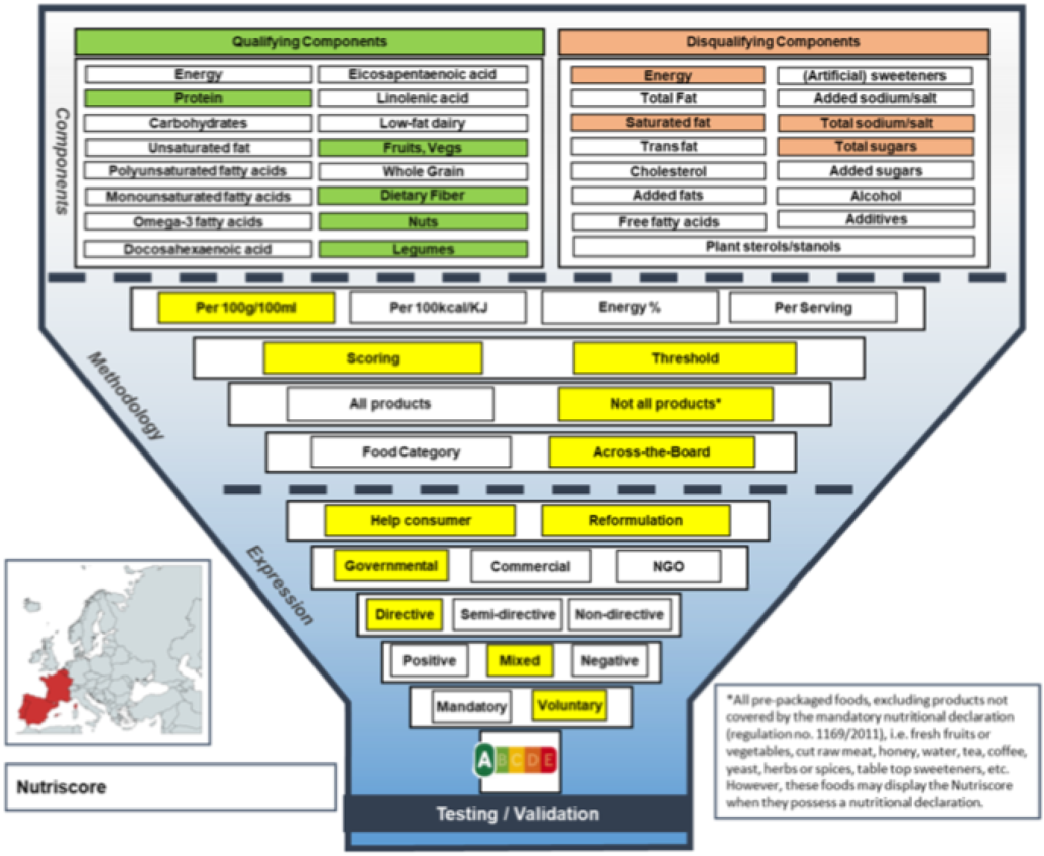
Nutriscore Funnel Model

An example of how is designed a Funnel Model, is shown in Figure (2.1), representing the Nutriscore Funnel. In France, in 2017, was created this scheme and then it was accepted in other EU countries as Spain, Belgium and Portugal. Its goal is to not only facilitating customer in making conscious and healthier choices, but also to encourage a reformulation of food products toward healthier compositions. Nutriscore, through the display of five boxes colored from dark green o dark red and assigned with letters from A (best nutritional quality) to E (least good quality nutrition), provides a process of continuum from healthy to unhealthy indications and it is considered a mixed FOP label, as it is not positive nor negative. The scheme covers both disqualifying and qualifying elements communicated per 100g or 100ml. Then, it is calculated a total score between -15 to +40 which comprises two measurements: 0-10 points (positive) is given to the disqualifying elements, like SFA or sodium, and then 0-5 points (negative) to qualifying elements, like fibers or proteins.

Nutriscore is built around a set of standards for pre-packed food products with a compulsory statement according to the Regulation (EU) No. 1169/2011, mentioned before. Though, even if it is structured in compliance with the Regulation, have been developed with the model some modifications devoted to fats, non-alcoholic beverages and cheeses. The reason is that the scores obtained by these types of products would happen to be not in line with dietary recommendations.

The model is shown below.

Figure 2.1 – Nutriscore Funnel Model



Source: "Differences and Similarities between Front-of-Pack Nutrition Labels in Europe: A Comparison of Functional and Visual Aspects" by Daphne L. M. van der Bend and Lauren Lissner.

This is an example of how it looks the Funnel Model concerning the mixed label of Nutriscore, but as a said before, there are many others adopted across Europe and with different purposes which accounts for a total of nine FOP labels, one negative, six positive and two mixed ones, as Nutriscore. All of them are voluntary, except for the negative one, Israeli Warning Label. Though, outside Europe there is a common dissent form industries to set mandatory labelling policies. Also, there are some elements, such as moral and economic stimuli, wich are fundamental to take into account when it comes to firms' decisions in reformulating products to obtain FOP labels. Moreover, there are some studies affirming that if there are packages which are not labelled, when they are to put into comparison with labelled one by consumers, there could be some biases concerning their perspetions toward the healthiness of products, which may be the same, but as labels influence them, they could be misguided along the decision-making process. For this reason, and to avoid ambiguity, as a product is not labelled, it should be evident to the customer whether it was not accepted to be labelled, or if it chose not to participate in the FOP labelling scheme.

The table below summarizes the main characteristics in comparison among positive, negative and mixed FOP nutritional labels.

Table 2.2 – Comparison among characteristics of FOP labels

	Positive FOP Labels	Multiple Traffic Light	Nutriscore	Israeli Warning Label
Components	Qualifying, disqualifying	Disqualifying	Qualifying, disqualifying	Disqualifying
Reference unit	100 g/100 mL, 100 kcal/KJ, per serving, energy%	100 g/100 mL, per serving	100 g/100 mL	100 g/100 mL
Measurement method	Threshold	Threshold	Threshold, scoring	Threshold
Purpose	Help consumer, reformulation	Help consumer	Help consumer, reformulation	Help consumer, reformulation
Methodological approach	Category specific	Across-the-board	Across-the-board	Across-the-board
Coverage	Differs per label	All products	Not all products	Not all products
Driver	Governmental, NGO	Governmental	Governmental	Governmental
Directivity	Directive	Semi-directive	Directive	Directive
Tone of voice	Positive	Mixed	Mixed	Negative
Utilization	Voluntary	Voluntary	Voluntary	Mandatory

Source: "Differences and Similarities between Front-of-Pack Nutrition Labels in Europe: A Comparison of Functional and Visual Aspects" by Daphne L. M. van der Bend and Lauren Lissner.

2.3 Traffic Light Labels not applied in the Italian Food system

What is the role of our country regarding the issue of FOPL system? It seems that there is an ongoing Italian war on Nutri-Score and all traffic light labels. A few days ago, our country heavily criticized a document drawn up by the World Health Organization, "Guiding principles and manual framework for front-pack labeling for the promotion of healthy diets". The dossier is at the center of the discussion on the Codex Food Lab Committee (FAO and WHO joint program that sets food standards), which began in Ottawa on May 13th. As I mentioned before, the guidelines aim to help interested countries introduce nutritional logos or other forms of interpretative labeling on food products, providing basic principles to follow.

Figure 2. 2 - Italy against Traffic Light Labels

Source: own elaboration

Even if the document does not contain any prescriptive measure, a campaign against this position has started from Italy. In a letter signed by Gian Lorenzo Cornedo, the Permanent Representative of our country in the WHO, Italy criticizes the nutritional profiles, necessary for the functioning of the interpretative labeling, because "*there is absolutely nothing scientific*" in them, and also criticized the traffic light labels, which, in the countries where they were introduced, would not have given "*the slightest improvement in terms of public health or impact on obesity*[55]. And the usual alarm for Made in Italy is not missing: "*the purchase of several high-quality Italian products known all over the world, such as extra-virgin olive oil, is discouraged by the adoption of misleading graphic indicators of red or black* *", as a 2015 Nomisma study in the United Kingdom would have shown after the introduction of traffic light labels, recalls Cornedo.

55 Giovanni Cornedo, letter agaist the "Guiding principles and manual framework for front-pack labeling for the promotion of healthy diet" by FAO and WHO

Figure 2.3 - Nutriscore label for olive oil

Source: Il fatto alimentare website

It seems that Italy is trying to undermine the WHO report on front-pack labeling for specific reasons: *"Italian products do not come out well"*[56]. It is the response to the Italian attacks by Serge Hercberg, head of the group that developed the Nutri-Score in France, and of some researchers and public health experts involved in the field of interpretative labeling, who published a short article, summarizing everything the one on which Italy errs - perhaps deliberately - when it talks about traffic light labels. First of all, contrary to what the Italian ambassador writes, there is a significant amount of scientific data underlying nutritional profiles and their use within public health policies (such as traffic light labels), and how these tools can ensure both the nutritional quality of the individual food and the entire diet. The nutritional profiles are based on decades of studies on the association between foods, nutrients and health, and on diets, food choices and health. Moreover, the most recent research carried out to support Nutri-Score in France correlates the use of nutritional profiles with health effects. Secondly, when our institutions and Coldiretti talk about the "quality" of Italian products penalized by traffic lights, such as olive oil, Parma ham or Parmigiano Reggiano, they claim to do not refer to nutritional content, but to others aspects, such as the excellent quality of the ingredients, the excellent organoleptic characteristics and the long tradition, which are not taken into consideration by traffic light labels and nutritional profiles. These tools, in fact, only evaluate

56 Fabien Szabo de Edelenyi, Manon Egnell, Pilar Galan, Nathalie Druesne-Pecollo, Serge Hercberg, Chantal Julia. (2019). 'Ability of the Nutri-Score front-of-pack nutrition label to discriminate the nutritional quality of foods in the German food market and consistency with nutritional recommendations'. Archives of Public Health

the nutritional characteristics of these foods, because this is the main aspect of interest in the development of health policies. And as people look at the nutritional characteristics of the cornerstones of Made in Italy, many products are not doing well. Like Parma ham and Parmigiano Reggiano, which are rich in saturated fat, sodium and calories, and therefore should be consumed in moderation within a healthy diet. The same however applies to traditional products from other countries that have chosen to adopt a traffic light label, such as France, which developed the Nutri-Score, and Belgium and Spain who have chosen to adopt it. Italy, on the other hand, does not seem to want consumers to know the nutritional characteristics of traditional foods with too much salt or saturated fat. It is claimed that informing correctly, in fact, does not mean banning them from a country's diet or food culture. With traffic light labels, people are helped to reconsider how often they consume excellent products such as buffalo mozzarella from Campania and how much extra virgin olive oil they season salad. Consumers often do not know the guidelines for a healthy diet, or they may be unable to apply this information in daily food choices and to correctly interpret the nutritional declarations of the products. And it is precisely here that traffic lights come into play[57].

For the moment it seems to be clear the fact that our country is not going to consider the adoption of traffic light labelling systems to be applied for our products. But this does not mean that the concept of labels is not accepted as a whole. In fact, what has been approved and is becoming a huge trend is the adoption of Bio Labels. Products defined to be Bio, are becoming more and more popular not only worldwide, but mainly in the country where food represents a real symbol of our culture.

2.4 “BIO” TREND

2019 Food Trends has one common thread: more attention to healthiness and care. Nowadays, an average consumer prefers to behave and buy based on a healthy lifestyle, not wanting anymore to fill the shopping cart and the stomach. The attention is focusing now on quality rather than quantity. Food trends in 2019 show an always more overwhelming research and exploration of bold flavors which also recall traditions. Along a careful analyzation conducted about the new trends in food, are identified four main fixed points of 2019 trends: technology,

[57] Fabien Szabo de Edelenyi, Manon Egnell, Pilar Galan, Nathalie Druesne-Pecollo, Serge Hercberg, Chantal Julia. (2019). “Ability of the Nutri-Score front-of-pack nutrition label to discriminate the nutritional quality of foods in the German food market and consistency with nutritional recommendations”. Archives of Public Health

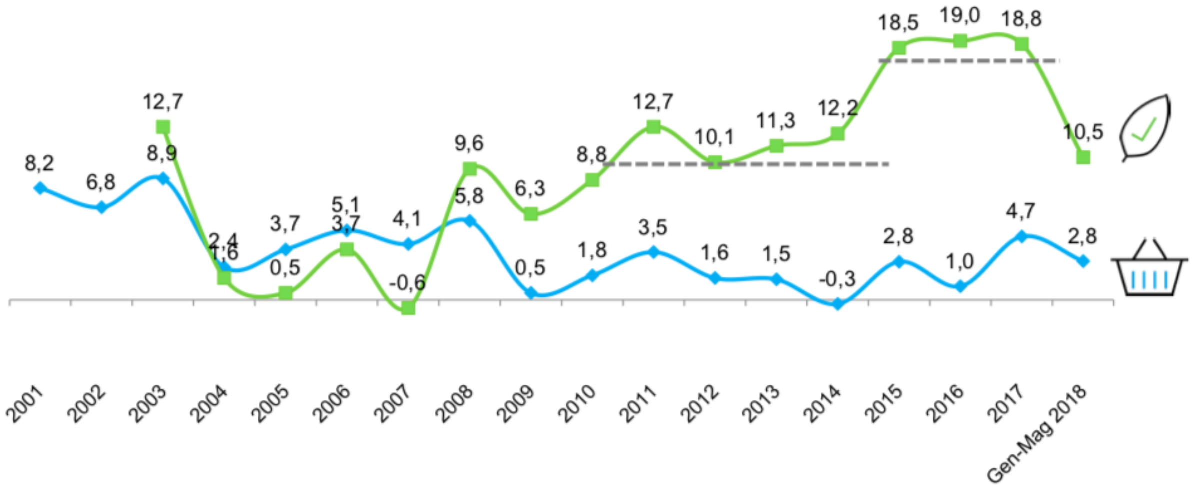
exotic taste, attention to vegetable and the usage of bio products. Talking about technology, as I said in the previous chapter, also food is subject to trends and this is in major part thanks to social medias, where is shared each step of everyone life, including eating habits. Web page, blogs, socials, influencers, apps and many others cover the roles of food consultants, sharing their suggestions about the right diet to have a healthy lifestyle. Importantly is to mention a higher consumption of plant-based and probiotic products, showing an increase in vegetable derived milk and vegan burgers.

Biological Market in the GDO

The general market trends concerning the food industry is experiencing higher growth rates. And this is also thanks to a general growth by the sales of products having features which allow them to be defined as biological products. As we can see from graph 2.1 below, in 2018 the growth rate was lower, but this is due also to its floating rate. If we look at graph 2.2, which is also below, in respect to the food products, bios percentages increased. In fact, the green aerograms represent the value of sales of bio products (in million) and the blue line represents their weight on the total amount of foods. Moreover, their contribution over the growth of foods within the market is equal to 10%[58]. The analysis comes to the following conclusions: first of all it is true that in 2018 the growth rate of foods slowed, while packaged products increased; the products experiencing higher growth are represented by fresh, healthy and of quality products; the naturalness of foods, claimed to be bio, is confirmed as a determining element in the growth trend; the expansion of the assortment offer shows to be a main driver for growth; in the end, the demand for organic products is also growing, as it is the growth rate for families that are willing to buy the regularly.

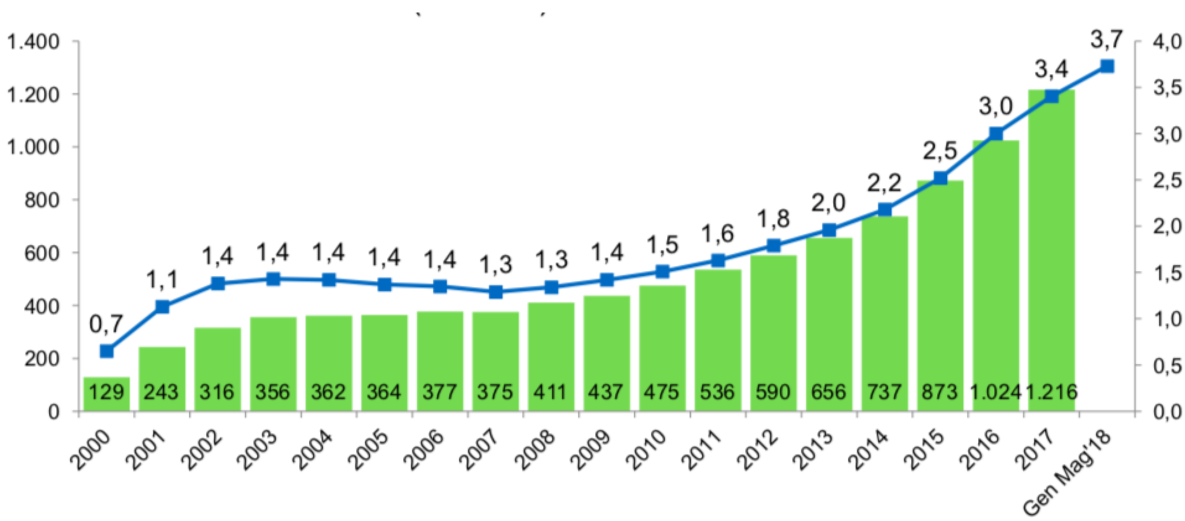
[58] *Nielsen Trade*Mis, Asso Bìo, Biological Market in GDO*

Graph 2.1 - Slower growth rate in early 2018, Iper + Super, Bio Products with imposed weight



*Source: Nielsen Trade*Mis, Asso Bìo*

Graph 2.2 - Higher growth in weight on food products



*Source: Nielsen Trade*Mis, Asso Bìo*

Bio Certifications

Organic products, in order to be certified, must follow precise norms and standards. Biological production norms forbid the usage of genetically modified organisms (GMO) and exclude ionizing radiations for food processing. Biological production for agricultural foods must apply to the following standards[59]:

- Respect the rules on soil treatment, respecting natural cycles and fertility;
- Prevent damages with the possibility of using plant protection products, authorized by the Commission;
- Use seeds of biological origin
- Use cleaning products approved by the Commission;
- Wild vegetables, harvested in specific areas, are also biological products, provided they meet a series of requirements with regard to the collection area and origin.

Organic agriculture is a method of agri-food production regulated at national, European and international level both in legislative and voluntary terms. It is regulated in different countries of the world and is defined internationally by the guidelines of the IFOAM (International Federation of Organic Agriculture Movements). In Europe it was regulated by Reg. Cee 2092/91, replaced from 01 January 2009 by Reg. Ce 834/07 with application methods dictated by the EC Regulation 392/13 and certified by organizations recognized by the Ministry of Agriculture. Organic Farming is a global system of agricultural production that favors the rational management of internal company resources to safeguard the agro-ecosystem in all its aspects.

The standards require that in all production and preparation phases is prohibited the use of synthetic chemicals and products containing GMOs (Genetically Modified Organisms).

For the defense of crops, are mainly used preventive agronomic means and, only if necessary, are utilized technical means, but still natural. As an example, the use of vegetable derived or living organisms (ex. useful insects) and microorganisms (eg Bacillus thuringiensis) to fight and hinder the spread of those organisms or microorganisms harmful to crops.

[59] Commissione Delle Comunità Europee, Bruxelles, 18.7.2001 COM(2001) 366 definitivo, Libro Verde, "Promuovere un quadro europeo per la responsabilità sociale delle imprese" (presentato dalla Commissione)

Soil fertility is managed with the contribution of organic substances of animal or vegetable origin. Both during the production and processing phases of the products, precautionary measures are always taken to avoid indirect environmental contamination phenomena with products whose use is prohibited.

The word "Bio" is used to characterize an organic product, its ingredients or its raw materials.

Figure 2.4 - Bio Label

Source: Bioagricert website

Bio labeling must be clearly visible on the packaging and it must contain a reference to the control body that certifies the product. Starting from 1 July 2010, the use of the European Union logo on organic food products is mandatory, as well as the indication of the place of origin of the raw materials that make up the product. Controls are managed by the authorities designated by the Member States which, in compliance with certain conditions, can delegate controlling tasks to accredited bodies, which although must have exclusive competence regarding the supervision of controls and delegation. Member States periodically notify the Commission of the list of the controlling authorities and bodies. Before an organic product is placed on the market, these authorities must also monitor the activities of all operators involved in its promotion and sale. At the end of the inspection, the operator is issued with a supporting document that certifies compliance with the provisions of the regulation. In the event that irregularities are detected, the supervisory authority verifies that the bio labeling of the products, taken into consideration, does not contain any reference to the organic production method. Organic agriculture and its related products are a valid model for food safety and, at the same time, for environmental protection.

The Implementation of Bio lines: Giants keep up with Bio trend

In light of this new trend, new consumers, all devoted to a healthy lifestyle, it seems that the industry is managing to keep up with this everchanging environment, where information and trends have the power to widespread in such a short time. A prime example, confirming all this, is not only the increasing number of brands exclusively focusing on the production of organic foods, as it can be Alce Nero, Fior di Loto, and many others, as well as supermarket chains as Naturasì. What is also interesting is how the big Giants as Barilla, Kellogg, Nestle, De Cecco, Ferrero, etc…, are implementing their Bio lines, making sure consumer understand their dedication to important and concerning topics, important for the health and envornment,

important for the society. In this way they are able to update their identity with new issues, not risking to be left behind by the competition. But how is it possible to anticipate trends and not be overpowered by a constantly updated competition? In a world which is so fast, and where everyone tries to take advantage of every second of anticipation over others, how can a firm make sure to keep path with each change, each new trend, and anticipate it , so that as the need is clear and everyone claim it, it is sure that it will be able to provide and satisfy customers' needs?
This is where teams of researchers come to existence and do their job, providing to each type of firm a service which is able to anticipate trends, making sure to respect the related regulations and laws: this type of service is offered by Lobbying Firms.

Palm Oil: News claimed to be fake.

In 2018, the "Osservatorio Immagino" presented its third report whose purpose was to show the Italian consumption trends, monitoring the most relevant phenomena and examining the most interesting trends. Also, in this publication there is a chapter entirely dedicated to a trend which is by now widespread: the consumption of "free from" products, such as "gluten-free" or "without palm oil". The claim "minor or absolute non-presence" of a food remains in first place in terms of communication on the packaging. In 2017 the world of food presented on the label as "free from" remains the most dynamic and the one in continuous growth. Recently emerged that over 10 thousand food products carry a claim on the packaging that highlights the absence of an ingredient or the low content of a nutrient. In 2017, sales of food "free from", "without" or "with few" reached the record threshold of seven billion euros, after having achieved a growth of 2.3%. Specifically, products with the claim "free from palm oil" ranked in the first place in terms of growth in 2017 with + 12.9%.[60] As palm oil was eliminated from all the best-selling products of the leading brands in Italy, it could not be otherwise. It could not be possible to buy anymore anything else, even if consumers wanted to. The main lever of this phenomenon is that products "free from palm oil" are perceived as healthier by consumers, but the claim does not actually guarantee to the consumer a necessarily healthier or more sustainable product than others. Most of the times, is not highlighted the ingredient which has been used to replace

60 Unione Olio di Palma Sostenibile Website

palm oil and sometimes are cleverly omitted the actual changes in the nutritional profile. Moreover, palm oil is not the only food containing saturated fatty acids, as also specified by the "Istituto Superiore di Sanità". Moreover, the amounts of saturated fats acids, not depending on which kind, must be less than 10% of the daily caloric intake. A focus on the relationship between consumers and food-related information such as messages on packaging, advertising claims and labeling might be enlarged. Many companies use the message "without ..." or "free from…" to attract new customers, but they often generate disinformation, as in the case of palm oil. Many studies states that consumers prefer foods without an ingredient, but often do not know if its elimination actually improves the nutritional profile of the food. Companies use the "without" claim to present their products as healthier sometimes without properly informing the buyer.

"This level of misinformation should be contrasted with the disclosure of truthful and complete information.

It is thought that "many companies have replaced palm oil with other products, giving great importance to this choice on their packaging. However, if coconut oil or cocoa butter, which does not contain less saturated fat, is used in its place, the expected benefit in terms of cardiovascular health vanishes". It seems that there is no scientific evidence that palm oil, as a source of saturated fatty acids, has a different effect on cardiovascular risk than other fats with similar composition percentage of saturated and mono / polyunsaturated fats, such as, for example, butter. Even the Istituto Superiore della Sanità has recently established an informative tool against hoaxes and fake news (ISS HEALTH) which we hope will help dispel doubts and misunderstandings to protect and support consumers. For what concerns the impact that palm oil has on the health, there is clear debate about how much it causes damages, but also about its replacements which sometimes are omitted. On the other hand, what seems to be under common consensus is the impact that palm oil has on the environment. In fact, together with the wood industry, the one involved in the production of palm oil is the major responsible for deforestation in south-east Asia, particularly Malaysia and Indonesia. Between 2000 and 2012, Indonesia lost 6.02 million hectares of tropical forest (60,000 square kilometers), an area roughly the size of the whole of Ireland. And in 2012 deforestation struck 840 thousand hectares against 460 thousand in Brazil. And main cause seems to be palm oil. In place of a unique environment, rich in biodiversity, here are extensive plantations of shrubs all the same aimed at satisfying the most varied "needs" of our criminal society. In fact, it is not just the confectionery industry that absorbs this product. Even the cosmetic one, the bakery processes, the production of biodiesel (ex. Eni and Marghera) and electricity: around the world even "sustainable" palm oil plants are inaugurated. Certainly, today there is certified palm oil even though the concept is still not clear and the doubt therefore remains[61].

Lights and Shadows of Organic/BIO food

Even though the trend of BIO is still increasingly growing, this perfectly healthy new wave of organic agriculture seems to present some defections. *

Organic food is defined the most popular trend of recent years. Increasing number of people today choose organic products, thinking about their own health but also about the future of our planet. Organic agriculture, in fact, is often proposed as a more ecological alternative to conventional agriculture, and for this reason it is the fastest growing food sector both in North America and in Europe. But the actual sustainability of the organic, and its health benefits, should be evaluated case by case. To this purpose there has been many investigations concerning the advantages and disadvantages of organic agriculture for health and the environment claiming Organic to be often proposed as the solution to environmental and food problems, discovering that the costs and benefits vary greatly depending on the context in which we find ourselves. While organic farming promotes local biodiversity, higher nutritional value of products and greater profitability for farmers, it has disadvantages, such as well-priced higher and lower yields than traditional agriculture[62]. One important criterion for measuring the sustainability of agricultural systems is the yield of a crop. So far, most studies have compared the costs and benefits of organic and conventional farms but have not taken into account the differences in yields of different crops and cultivation techniques. On average the yield of an organic crop is between 19 and 25 percent lower than that of a conventional crop. But the gap can be reduced by up to 5-9 percent, or increased to almost 40 percent, taking into account different products and different crop rotation techniques. The bio is not always better, and an indiscriminate adoption of these cultivation techniques would have serious repercussions on the environment, especially in terms of soil consumption. Organic farming can be considered better in terms of biodiversity, but farmers will need more land to grow to get the same amount

61 Fabio Balocco, journalist in the environmental and social field explaines in the article on Unione dell’Olio di Palma Sostenibile website

62 “Many shades of gray, the context-dependent performance of organic agriculture” by Verena Seufert and Navin Ramankutty, Science Advances, 10 Mar 2017. University of British Columbia.

of food. It is important to know that the conversion of soil to agriculture is the main cause of habitat loss and climate change.

To recall what explained at the end of BIO topic, this two examples, are clear evidences that as information is not well provided and transparent, consumers become uncertain and follow the trends, and it can happen that a major part of them does not actually try to go in deep as information is hard to really understand. And this is why, finding ways to accurately inform consumers is of fundamental concern.

In the following chapter will be provided an overview of nonmarket strategies, aiming to focus not on the mere business reality of a firm, but integrate along traditiona and core business strategies other activities with different purposes which focus more on reputations and other tools, rather than economic turnover.

Chapter 3

NONMARKET STRATEGIES AND THE ROLE OF LOBBYING FIRMS

The use of non-market strategies means finding a way to pursue strategic goals through political and social leverage. Non-market strategy helps groups gain soft power and influence and use them to their competitive advantage. It is developed towards government, press and influential groups. Through non-market strategies, groups can reshape the rule of the game through laws and regulation. It can also be driven by social pressure, media and education. Tools for non-market strategies are: events, demonstrations, networking, sponsoring, research, publications, but also the consequences of law suits. Connected to lobbying, non-market strategies are more global and long-term focus. Managing nonmarket strategies invite firms to care about their reputation, values and social impact. In order to deeply understand the efficacy of using nonmarket strategies, it is important to introduce an overview of competitive strategy.

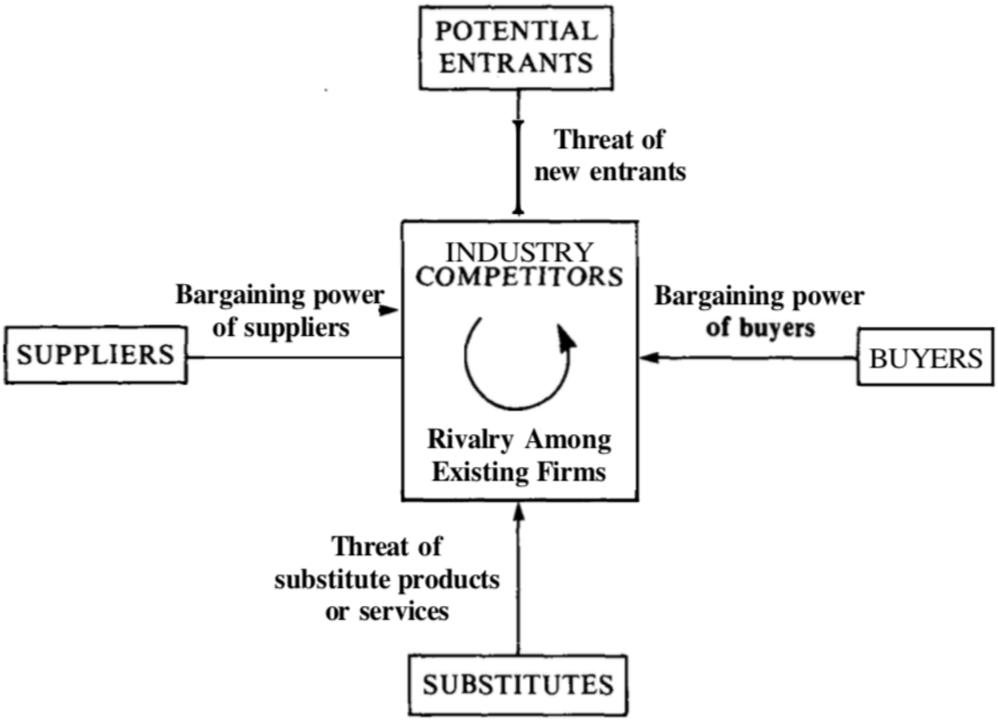
3.1 Competitive Strategy - An overview

Each company competing in an industry has a competitive strategy, which might be implicit or explicit. When we talk about an explicit competitive strategy, we refer to planning processes. On the other hand, concerning implicit strategies are involved activities of different functional departments of a company. Each of these departments can choose to take on a specific approach on the base of its professional orientation and of the motivations coming from executives. But the question is: what is that drives competition? What are the actions that competitors may take? And how can a company respond to those competitors' actions? How can the company be positioned in order to gain a competitive advantage over the long-run?

Setting a competitive strategy means planning on how the business can compete in a specific market, what can be its desired accomplishments and what are the supporting policies needed to reach those aims.

Porter's 5 Forces

Figure 3.1 - Porter's Scheme of the Five Forces



Source: "Competitive strategy, Techniques for Analyzing Industries and Competitors" book by Michael E. Porter

Porter's 5 Forces Analysis is a framework provided by Michael Porter, an American academic and economist, which describes the determinants of the competitive environment. The model states that the competition within a specific sector is not given by the mere rivalry among market participants, as it is common to believe[63]. Instead, do exist five forces which contribute to generate competition. Those forces are: threat of new entrants, bargaining power of suppliers, bargaining power of buyers, threat of substitutes and, in the end, the competition among existing competitors. As all these forces contribute in shaping the competitive environment, the implementation of competitive strategies is needed.

Being perfectly conscious about these five forces analysis, would highly support a company in comprehending the structure of the sector and more widely of the market involved and its

63 *book "Competitive strategy, Techniques for Analyzing Industries and Competitors" by Michael E. Porter*

potential long-term gains in terms of profit. At the same time, the model offers a reference framework enabling the company to anticipate and influence not only the competition, but also the sector profitability, determining in this way the company a sustainable competitive advantage.

1. Threat of new entrants

The first dimension of the model concerns the threat of new entrants. The entrance of new competitors within the market, can generate expected profit limitations. The concentration refers to the number of businesses operating in a given sector. The threat of new entrants into the market depends on existing barriers to entry, combined with potential competitors' reactions. If those barriers happen to be high and/or if the new entrant believes to be potentially threatened by existing market players, the threat of entry is low.
There are six elements representing barriers to entry as: economies of scale, product differentiation, capital requirements, government policies, cost disadvantages and expected retaliation.

2. Bargaining power of Suppliers

These force shows how suppliers can exercise their bargaining power over participants by imposing higher prices, limiting service qualities or moving costs upon actors present in the industry. As a player, through inadequate or wrong competitive strategies, is not able to respond quickly and effectively to this rise in prices, and subsequently is not able to recover costs, his profitability may be significantly lowered. The conditions allowing suppliers to be powerful may be several. As an example, this happens if they sell to a group of buyers which happens to be more split, they have higher chances to be influential in terms of prices and quality; if they are not forced to compete with other substitutes concerning the sale to the industry; if the industry does not represent a relevant client for those suppliers; if the product offered by the suppliers is a fundamental resource for the buyer; if their products are highly differentiated and innovative.

3. Bargaining power of Buyers

Customers can exert their bargaining power too by forcing prices to decrease, demanding for a higher quality of goods and services and creating competitions among participants, and all this happens at the expense of industry profitability. The conditions making a group buyers powerful can be: if it purchases a large amount of a given product compared to seller sales; if they purchases standard products; if it has few switching costs; if it doesn't earn high profits; if the product sold by the industry does not affect the quality of buyer's goods or services; if it has full information; if it is able to affect the purchasing decision-making process by customers.

4. Threat of substitutes products or services

A substitute product can have the same functions compared to an already existing product in the market. The way it can do can be diversified. A substitute service can be considered a threat as it makes questionable an industry product, which was already purchased by a specific buyer, and as it imposes a price cap over products. If an existing industry product is not able to differentiate from alternatives and substitutes through its performance and qualities, and if the price-performance alternative promoted by substitutes is more attractive to customers, the industry profitability can be highly challenged.

5. Rivalry among existing firms

Rivalry among existing firms assumes more commonly known characteristics and among them there are price discounts, new products introduction, advertising campaigns and improvements of goods or services. A high level of rivalry limits an industry profitability. The impact it has over industry profits depends by the intensity through which firms compete. Rivalries can also be considered with a positive point of view when each participant tries its best to satisfy the needs of different segments customers by offering several options in terms of price, product, service, features and brand identity mix[64]. The competition analysis (through competitive strategies) is based on the Porter's five forces model and it is vital to make firms go in the direction of a long-term profitability.

64 Harvard Business Review "How Competitive Forces Shape Strategy" Michael E. Porter

Now that we had a brief overview about competition and how can companies create value and gain competitive advantage, overcoming the potential threats existing in the market, the focus of this study is to highlight the fact that businesses are not just economic agents. On the contrary, with the development of nonmarket strategy, it is underlined that business are also social and political beings.

As companies create and divulgate value, there is a very large number of players trying to be influential over them through regulations and laws, from a more formal perspective, through activism, social pressure from an informal point of view. These are the types of social and political practices and represent all the energies put into the act of modeling the perception of the firm over the public. In this view of trying to shape the public perception about companies' image there are many factors to take into account. Commonly we think about the heritage of a company and its credibility in terms of goods or services qualities, the product differentiation, the benefits the company provide to consumer with its product, and all the different aspects composing the company's strengths. However, there are other elements which are gaining always more importance in the field of companies' core strategies, and they are two fundamental parts constituting a company nonmarket strategy. These two fundamental aspects are the Corporate Social Responsibility, CSR, and the Corporate Political Activity, CPA. Both CPA and CSR of a company go beyond the mere sense of making profit with the act of selling a good or a service and go beyond the act of looking at tangible outcomes. They mean that the company is trying to support its existing business reputation. By themselves they are not enough, but integrated with a successful business strategy, can add a significant and sustainable long-term value to the company.

As many studies have been conducted concerning the topic of nonmarket strategies, researchers have focused on these two main aspects. On one side there is the company's strategic Corporate Social Responsibility, also known as CSR, on the other side there are the examinations about the CPA, the acronym for the company's Corporate Political Activity. This is in the shadow of a common overlapping among the political and social characteristics of a business strategy. CPA, Corporate Political Activity determines companies aims to affect the public policy, trying to make it more favorable for the businesses. And together with CSR, Corporate Social Responsibility, they constitute two major elements for the implementation by companies of their nonmarket strategies.

3.2 CPA and CSR: The context

India is one of the largest democracies in the world and in recent times there have been the elections for a new government. For these elections the attention was put under corporations and how they perceived the benefits given by political parties. In USA, when Sant Chatwal, an American entrepreneur, was a declared guilty for collecting money for Hilary Clinton's presidential bid, and in this way, he violated the electoral law. Moreover, there are many entrepreneurs, or more generally businessmen, across the globe which at the same time have the opportunity to occupy important roles within the public institutions. As an example, in USA Bob Corker, Mark Warner, Michael Bloomberg, Mitt Romney, which are all businessmen, have occupied public roles; also, in Pakistan one of the prime ministers of recent times, was also steel tycoon that decided to enter in the political context in order to protect and assure his rights to his business. Silvio Berlusconi, an Italian Prime Minister, occupied the role for three times being also known as a valid entrepreneur with interests in media. Regarding this issue, can be made many other examples and all this received support by scholars conducting a study concerning the political participation by corporates. It was found that this phenomenon exists in 35 over the 47 countries taken as a sample and in these realities are present some differences for what regards the level of corruption, the market and economic development and types of government policies. Corporations can have play nowadays a very influential role, they are becoming the prominent actors of the society, being sometimes the only one with such political and cultural influence over the public. In fact, even if there is still the direct consultation of the population on matters of considerable political importance, as the election of government, the election campaigns are commonly financed by corporations as they have the goal of gaining favorable legislation. In fact, they can influence the latter with the employment of lobbyists, boards consisting in government membership or political action committee.

This is where are introduced CPA and CSR. As all the issues started arising and gaining more consents, it was encouraged an increasing interest by academics over the political activities implemented by businesses. The Literature about economics, management, finance, sociology and political science are all characterized by an empirical investigation over CPA and CSR which are two fundamental part of business nonmarket strategies[65].

65 "Corporate Political Activity: An Integrated Model" Published by Canadian Center of Science and Education. Authors: Vivek Kumar1, Munish Thakur1 & Saroj Kumar Pani1. XLRI Jamshedpur - School of Business and Human Resources

Corporate Political Activity (CPA)

In many theories about CPA, this aspect has been analyzed from different point of views. By the theorists of public interest policy has been defined as the result of rivalry and competition among interest groups. In this view, the business itself is perceived as a unitary and solid entity which operate collectively within the competition among interest groups, in order to guarantee the establishment of policies favoring the business. On the other side, there are the economic theorists that look at the Corporate Political Actions from a perspective based on a political exchange which trades advantageous public policy, like price controlling systems and direct subsidies, with financial support and votes by the industries. Researchers indicate that businesses are very much reliant on government actions and usually tend to implement many political activities in order to affect the public policy. This suggestion is made in the shadow of a perspective assuming a resource dependency of CPA[66]. These companies are the types that gain a relevant part of their sales from government or the types that account a relevant part of their costs which are imposed by the government actions. This means that those firms, implementing political activities, can enjoy their benefits related to those activities, taking into account their related costs. This describes a company political behavior. This might seem quiet intuitive. But, from an empirical perspective, arise a question whose related answer may be less obvious and much more interesting:

"Does the implementation of CPA, Corporate Political Activity, bring to higher business performance?"

Unfortunately, it is not possible to have evidence about a mutual consensus over such a superior return thanks CPA implementation[67]. However, interesting insights are given by the literature concerning businesses behaviors. Comparing to the assumption that companies operate in a given environment with the challenge to conduct an effective decision-making process adapting to institutional boundaries, it is taken into account the assumptions that companies have the opportunity to take several actions able to shape and transform the environment and the

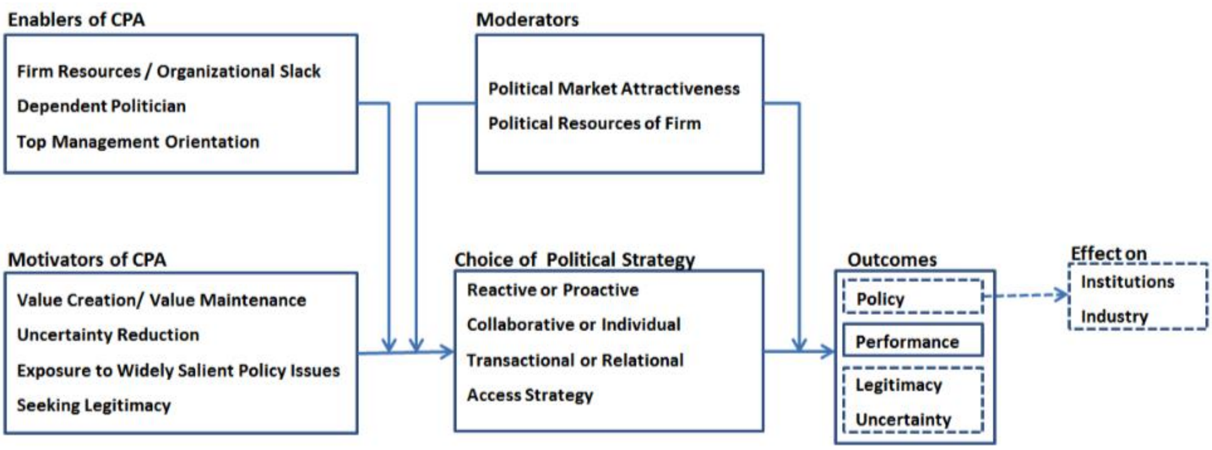
66 "Corporate Political Activity: An Integrated Model" Published by Canadian Center of Science and Education. Authors: Vivek Kumar1, Munish Thakur1 & Saroj Kumar Pani1. XLRI Jamshedpur - School of Business and Human Resources

67 Barron, A. (2010). Unlocking the mindsets of Government Affairs Managers: Cultural dimensions of corporate political activity. Cross Cultural Management: An International Journal, 17(2), 101-117.

institutions. But, the main concern of scholars coming from the context of strategic management, is to understand how firms can do that, how they can affect their environment and institutions.

In the figure below, 3.2, is provided an integrated model about the Corporate Political Activity, which summarizes the its main aspects. The process consists in answering five fundamental questions: 1. What does stimulate/motive companies in establishing political links? 2. What can support the establishment of those links? 3. What are the political strategies typologies that a company can implement? 4. What are the results obtained through the political activity of the company? 5. In the end, what can have significant effect on these outcomes of political strategies?[68] The integrated model showed below tries to give an answer to each of these questions.

Figure 3. 2 - CPA, an integrative model.



Source: "Corporate Political Activity: An Integrated Model" Published by Canadian Center of Science and Education. Authors: Vivek Kumar1, Munish Thakur1 & Saroj Kumar Pani1. XLRI Jamshedpur – School of Business and Human Resources

As we can see from the figure representing the integrated model concerning CPA implementation, we find in the boxes the issues anticipated by the five questions to which the model tries to give an answer.

68"Corporate Political Activity: An Integrated Model" Published by Canadian Center of Science and Education. Authors: Vivek Kumar1, Munish Thakur1 & Saroj Kumar Pani1. XLRI Jamshedpur - School of Business and Human Resources

- Motivators → CPA motivators are divided into four categories cited above in the picture. The first type, the value creation/maintenance motivators regard the assumption related to the resource dependency perspective which states that the companies most likely to implement political activities are the ones whose sales rely upon government or whose costs are imposed by regulations as their industry is highly regulated. The uncertainty reduction represents another significant motivator. For example, exports are considered a source of uncertainty because they depend a lot by the government and for this reason, they motive the use of CPA. Also the company level of differentiation is a motivator for CPA, as it means that the diversified company is more exposed to the policies set by government and for this reason, if the company try to influence policy, it would reduce the level of uncertainties. The exposure to salient policy issues is the most motivating factor of CPA, while seeking legitimacy means that the company is trying to pursue ultimate form if legitimacy by being connected to the highest levels of governments, as legitimacy is crucial for the survival of any type of business.
- Enablers→ As the motivators and stimuli over the implementation of CPA have been introduced, now the concern is about the effective decision about the implementation of political actions or a more direct strategy which is mainly dependent by the existence of enablers. Organization's resources and slacks, how the politic actors depend on companies and top managers orientation toward politics and their educational and functional background are the main enables. In fact, the slacks of a firm, so its resources, can be utilized as donations devoted to political aspects or as money contributions for infrastructures for CPA actions; also, when the interests of the firm is in accordance with the interests of politics, it will becomes easy for the formers to make the latters depend on them.
- Political strategies→ the different typologies of political strategies that a company can implement are identified within two main groups: reactive and proactive political strategies. The formers are the ones represented by the various responses to policy changes with a focus on the input of a firm, as the internal abilities. The latters refer to those strategies divided in three other subgroups, as 1. Anticipate the change in policy through the employment of expert in the politics field and the establishment of practices able to confront the future changes in policy; 2. Keep the values to affect policy in order to create barriers for the competition to enter in the market and maintain a leader position; 3. Increase the norms and affect the governmental policy in order to legitimate through legislation of those norms. Another two types of distinction among political

strategies that can be chosen is within a relational or transactional approach and within collaborative or individual behaviors.

*An important consideration should be made. With these three steps along the integrative process for the implementation of an effective Corporate Political Activity, for the choice of the CPA and the related outcomes is important to take into account two moderators, as the political attractiveness of the market and the political resources owned by the company. Competition is a main determinant of the political market attractiveness and a moderator for CPA outcomes. As the competition in the market is high, it results less attractive for political participation, and a more concentrated industry is preferable in order to have consensus over policy demands. Then, for what regards the political resources owned by a company, are involved the CSR and the activities characterized by philanthropy of a firms, concerning its reputation.

- CPA outcomes → the evidence obtained by empirical researches is not univocal, presenting mixed vision about the results generated by the implementation if CPA. Are shown both positive and negative outcomes coming from CPA over the firm's performance.

To conclude the topic related to CPA, the implications of the model provided suggest that when developing a strategy devoted also to the corporate political activities of a business, the moderators play a fundamental role within the choice of CPA and its related outcomes. Also, institutional investors seem to prefer corporations which do not engage in political activities as linkages among business and politics are tenaciously established making corporations, in this way, very influential on the institutional system around them. This generated a deep resentment by the public opinion, as the Occupy Wall Street protest demonstrated. Movements like the last one cited were created around the globe. So, the feeling emerging by scholars focusing on such topics is that it is necessary to careful analyze the impact that businesses can have on the environment and deeply understand whether it goes far beyond the interest of society.

Corporate Social Responsibility (CSR)

A growing number of European companies are indorsing their CSR strategies reacting to several social, environmental and economic pressures. The main goal is to send a signal to the various interested parties whom they have relationships with: employees, shareholders, investors, consumers, public authorities and NGOs. In this way, companies invest in their future and hope that their voluntary commitment will contribute to enlarge their profitability. Since 1993, the President's plea to European companies, asking them to join in the conflict against social exclusion, has become a strong mobilization and development of European networks of companies[69]. In March 2000, the Lisbon European Council called more specifically on the sense of corporate responsibility in the social sector, as regards good practices linked to education and training throughout the whole lifecycle, labor organization, equal opportunities, social integration and sustainable development.
By affirming their social responsibility and assuming voluntarily their commitments going beyond the regulatory and conventional requirements that they must comply with, companies strive to increase the standards related to social development, environmental protection and respect for fundamental rights, adopting an open governance system, able to reconcile the interests of the various stakeholders in the context of a global approach to quality and sustainable development. The Green Paper, published by the Commission of European Communities, concentrates mainly on the responsibilities of companies in the social sector. This act causes the development of new partnerships and new areas for relationships established within companies, in particular for what regards social dialogue, the acquisition of qualifications, equal opportunities, forecasting and change management; at local or national level, for the consolidation of economic and social interconnection and health defense and, more generally, on a global scale, for the protection of the environment and respect for fundamental rights. The reason why the European Union care about it is the following: it is concerned about industries' corporate social responsibility , as it could add a positive input to the strategic goal of the industries adopting CSR set out in Lisbon: "to become the most competitive and dynamic economy of the world, capable of sustainable economic growth accompanied by a quantitative and qualitative improvement in employment and greater social cohesion". The concept of corporate social responsibility means principally that they decide on

[69] Commissione Delle Comunità Europee, "Libro Verde, Promuovere un quadro europeo per la responsabilità sociale delle imprese" (Bruxelles, 18.7.2001, COM (2001) 366 definitivo.

their own initiative to help in improving the society and making the environment a cleaner and safer place. As the European Union strives to detect common values by implementing a Charter of Fundamental Rights, a growing number of businesses are increasingly recognizing their responsibility and considering it as one of the main components of their image and identity. This responsibility is conveyed towards the employees and all the parties involved in the company's activity but which in turn can have effect on its success. This evolution is a reflection of what is increasingly expected by European citizens and stakeholders to transform the role of companies in the new society in transformation. This vision agrees with the fundamental message of the Sustainable Development Strategy adopted by the European Council in Gothenburg in June 2001, according to which economic growth, social cohesion and environmental protection move together in the long term. The are several elements fostering this evolution towards corporate social responsibility:

- the new worries and beliefs of citizens, consumers, public authorities and investors in the view of globalization and large-scale industrial transformations;
- social standards that progressively affect the decisions about investments, made by individuals or institutions, both as consumers and as investors;
- the growing concerns caused by the deterioration of the environment triggered in turn by the economic activity;
- transparency for what regards the core companies' activities thanks to medias and modern information and communication technologies.

Most of denotations, devoted to the explanation of what corporate social responsibility is, define this concept as the voluntary integration of the social and ecological concerns of the companies in their market processes and in their relationships with the interested parties. The act of behaving with a sense of social responsibility means not only meeting all the applicable legal obligations, but also going beyond compliance, investing "more" into human capital, in the environment and in interactions with other interested parties. The experience gained with investments in environmentally responsible technologies and commercial practices implies that, as companies go beyond the obligations set by the legislation, they can increase their competitiveness. The application of social norms that exceed fundamental legal obligations, for example in the field of training, working conditions or the relationship between management and staff, can have a direct impact on productivity. In this way, a path is opened up to manage change and to reconcile social development and greater competitiveness.

However, an important clarification needs to be made: a company's CSR should not be meant as a replacement for regulation or legislation dealing with social rights or environmental criteria, comprising the development of new adequate legislation. In those countries where these types of regulations are not present at all, the focus should put in the activity of creating an appropriate regulatory or legislative background in order to establish a fair basis and then, starting from a robust foundation and context, socially responsible practices could be developed. An amount of businesses that achieve good results in the social sector or in the field of environmental protection show that these activities can bring to successful outcomes, and so an improved business performance, and can produce higher profits and growth. For many firms, this represents a new field of action that requires a long-term evaluation. The economic effect of a company's CSR can be divided into direct effects and indirect effects. As an example, direct positive results can originate from a better working environment that translates into greater commitment and greater productivity of workers or can derive from an effective management and allocation of natural resources. Furthermore, indirect effects are the outcomes of the increasing care and devotion by consumers and investors, which will expand the company's possibilities on the market. Conversely, a company's reputation can often suffer from criticism of its business practices. This situation can significantly damage fundamental a company's intangible assets, such as its brand or image.

3.3 How to build a Nonmarket strategy: the (IA)3 framework

Figure 3.3 - Building the nonmarket environment

Source: Creating nonmarket strategy, the IA framework from "What every CEO needs to know about Nonmarket strategy" by David Back and David Bruce Allen (The MIT Sloan Management Review)

In order to set the plan for a competitive nonmarket strategy, company managers would set as the first step the mapping of their own firm's nonmarket environment. In cooperation with CEO's and top managers of various industries, and on the base of David Baron's work, it was created the (IA)3 framework[70], concerning a detailed description of all the steps needed as a foundation in building an effective nonmarket strategy. It shares some similarities with the Porter's Five Forces which catches the main market features. This framework suggests an extensive examination of what can be a firm's nonmarket environment. This means proposing a contest in which have been divided the core business aspects, which are vital for the company affecting its ongoing business, from the stridency of politics. A firm shouldn't take a position on everything, this would represent the exact opponent to strategic thinking.

70 Creating nonmarket strategy, the IA framework from "What every CEO needs to know about Nonmarket strategy: In a global economy, sustained competitive advantage arises from tackling social, political and environmental issues as part of a corporate strategy, not just pursuing business as usual" by David Back and David Bruce Allen (The MIT Sloan Management Review)

For what concerns corporate strategy, most organizational frameworks, are structured on the base of a stakeholders' analysis when it comes to the company CSR (Corporate Social Responsibility). As large corporations often account for an unlimited number of probable stakeholders, contemporary studies are focusing on *pivotal* stakeholders. But, when we deal with nonmarket strategy, we encounter a different approach. As we can see from picture (2.2) the first step is based on *issues.* In order to indorse the ideals of nonmarket thinking and activate nonmarket strategies, it is important to examine politics thicket, recognizing the adequate social and political issues which are relevant for the business. In the same way as the Porter's Five Forces framework is led in a separate way for each type of industry in which the corporation operates, $(IA)_3$ framwork should be conducted as well for each relevant issue. Each $(IA)_3$, propose a starting point for a specific nonmarket strategy to be implemented for the issue and side by side they plot the firm's nonmarket strategy. A question may arise: how would you choose which issue is to be considered relevant? It would be best to start by the corporate's current market strategy. From this point, on the base of how the company compete in the market and depending on which is the value-creation plan, then it will be possible to identify what will be most relevant issue for the existing core business, and which one doesn't fit. So, the first step is to find these, and only these, issues. As managers are the ones closest and most attached to products and know best the market, it seems to be clear why this task of setting the nonmarket strategy should be performed by them. This framework is constricted on the base of a careful analysis of *issues, actors, interests, arenas, information and assets*. The nonmarket strategy environment setting is based on a proactive approach and, for this reason, managers should ask themselves six core questions which are subsequent one another.

1. **What is the issue?**

   As it was stated before, a firm's nonmarket environment is set on the base of issues. Also, the chosen issue, is defined as the chosen one if its resolution happens to have meaningful effects in the company's value-creation activity. But this step is not about the mere neutralization of potential threats. On the contrary, it must also include the recognition of the issues whose resolution is able to give birth to new opportunities.

2. **Who are the actors?**

   As the issues are identified, arise the concerns of who are the interested parties involved and which may be the possible conflicts emerging among them. This bring to the second step: the identification of actors whose attention is focused on the issue.

3. **What are their interests?**

   Consequential to the recognition of the issues and the related actors, caring about them, the third step is to understand what is that these interested parties wish to gain from the resolution of the selected issues. What is that that really stimulate them? Are their interests and desired achievements homogenous? Do all actors agree on the issue or does any split exist among them? Analyzing those aspects, allows the company to clearly understand which the potential allies can be or on the other side the potential opponents.

4. **In which arena do these actors meet?**

   The nonmarket issues can be executed in many different settings. As an example, the can be executed in parliamentary committee hearings, in courtrooms, in industry forums, and so on. On the other side, for what concerns other types of settings, they can be executed in news media, public domain or blogosphere. This is an important aspect of the nonmarket environment because being conscious about where is that the actors dealing with the issue will meet means understating that the game's rules differ according to the settings in which they are placed.

5. **What information will move the issue in this arena?**

   As money happens to be the markets' currency, information represents the currency of the nonmarket environment. But as arenas varies, in the same way will vary the ideal type of information needed to affect the resolution of the selected issue. The owners of necessary information usually gain a significant advantage. For example as we think about politics, which is based mostly upon persuasion, it is easy to understand that by having the owning the right type of information would be fundamental to achieve goals.

6. **What assets do the actors need to prevail in this arena?**

   It is by now clear how crucial is to have information appropriate for a specific issue and related arenas where they are executed. But it is also vital to take into account other important assets. As an example, a firm's name, status and reputation and the external perception of its image, are critical as its aim is to allow the selected issue to have an impact on the public domain. In the case of an attempt in affecting with a specific issue a context of a parliamentary committee, a precise knowledge about the typical procedures of committees or about which are the participants' principal worries and opinions would be necessary. Also, A wide range of contacts and a capability in rapidly assembling and mobilizing alliances and unions is a crucial asset. However, a coalition with the wrong actors, for example as a controversial policy group may be, would be a liability. Being credible is very important and a strict and precise market investigation is not sufficient for the achievement of goals and would not mean reaching a guaranteed success. So, by only executing an effective (IA)3 analysis would not be enough in order to reach a nonmarket edge. This would mean only setting a nonmarket strategy with a proactive approach, instead of a reactive one.

An application of (IA)3 framework in the real world

In the end, by mapping a nonmarket strategy with the identification of relevant issues, of actors interested in the issues, of what they want from these issues and in which arena they will meet, a firm can also map the needed information and assets for modelling the issue's development, supporting the core business goals. An example of firm implementing an efficient nonmarket strategy is represented by Novartis[71], AG which is among the largest pharmaceutical companies. The company since 2002 is fighting a battle against the Indian Government and the main reason is Glivec which is a drug for cancer. Novartis has been deprived of the patent for selling Glivec in India, while it obtained it for more than 40 countries. Novartis claims that the Indian government has too rigorous requirements for innovations and that in this way it disrupt property treaties dealing involving international intellect. The strategy adopted by the company to fight its battle against Indian government was to promote its campaigns in ministries and courtrooms, but at the same time pushing pressure also on media channels as its website, in which Novartis showed many videos and pictures representing patients in India to illustrate the benefits gained thanks to the use if Glivec and, at the same time, Indian specialists highlighting the damages presented by patients which could not use Glivec. These fight for intellectual property rights was not enough for Novartis, as the company accompanied its strategy also with the sales promotion of the cancer drug by intensely decreasing prices and this initiative was included in the company's CSR activities and initiatives in which Novartis provided not only Glivec at a significant reduced price, but also other healing drugs for free others, as drugs for

[71]Example of Novartis and other successful strategies are explained in the article: "What every CEO needs to know about Nonmarket strategy: In a global economy, sustained competitive advantage arises from tackling social, political and environmental issues as part of a corporate strategy, not just pursuing business as usual" by David Back and David Bruce Allen (The MIT Sloan Management Review);

malaria, at higher costs. The company claims its “access-to-medicines” program to be the main driver for such an increase in sales, managing to reach more than 80 million of patients all over the world, including many of them in India. By focusing on two strategy[72] with the aim of gaining international intellectual property rights with the first one and pharmaceutical philantrophy with the other one, Novartis represent a clear example of a player which was able to shape its competitive environment. This recall the (IA) 3 framework mentioned before, as the company managed to pursue an effective nonmarket strategy.

In fact, what the nonmarket strategy does is to accept the fact that the business is also a social and political beings[73], and not just an economic entity with mere related economic goals. As companies’ objective is to create and deliver values, there is a great number of players that tries to affect them, both in a formal way, with the application of regulations and laws, and in an informal way, with the use of social pressure, activism, and attempts in shaping the perception of the business by the public. Companies cannot avoid the process and efficient managers should always focus also in the social and political aspects because those aspects contribute in shaping the fundamentals rules of the game and also in reducing the risks of being hindered by competitors[74]. Even though executing an effective nonmarket strategy can help companies in gaining a significant competitive advantage, only few of them actually dedicate to this process of committing in a long-term development of the nonmarket strategy. Moreover, are few again the ones that decide to commit in this process, but at the same time, they still do not know how to effectively integrate their core market strategies with the nonmarket ones in order to gain a sustainable competitive advantage. The example of Novartis that I mentioned demonstrate a situation in which a company figured out how to implement a successful nonmarket strategy gaining positive outcomes, and in in this case the company defended property rights and , at the same time, showed to the public its corporate citizenship and these two strategies are only two of the great amount of nonmarket strategy that companies can implement.

[72] Novartis Webpage, Novartis annual Report 2014, Strategic Overview, our Environment site: https://www.novartis.com/sites/www.novartis.com/files/ar-2014-strategic-overview-en.pdf

[73] “What every CEO needs to know about Nonmarket strategy: In a global economy, sustained competitive advantage arises from tackling social, political and environmental issues as part of a corporate strategy, not just pursuing business as usual” by David Back and David Bruce Allen (The MIT Sloan Management Review);

[74] Website: https://m.economictimes.com/non-market-strategies-making-a-comeback-in-west/articleshow/4814061.cms

3.4 Main Players involved in the nonmarket process

Nowadays, as many companies and multinational corporations are internationally spread, they are capable to organize marketing departments and production subsidiaries in different countries with different cultures. This means that, to gain positive results and perform efficiently, they must follow the rules of every market in which they operate, adapting their core business to each different environment. So, international firms should incorporate market and nonmarket strategies on the base of an ever-changing business environment, which includes different government and non-government elements, depending on the country (and so on the market) in which they entered. The most efficient way to deal with these kinds of issues related to several adaptions is by emphasizing the main differences related to non-market environments compared with the market ones and, in turn, understating how to gain profit from this process. first of all, the market elements are characterized by direct, uniform, precise and predictable cause-and-effect relationships, while for the nonmarket ones they are less uniform and predictable because the operational and legal processes, related to each country and sector, are different from one another. For this reason, actors dealing with non-market factors, should be able to synchronize and match the relationships and interactions among international companies with related different government and non-government bodies.

The subject of non-market strategy is relatively new in the literature and the most devoted researcher to this topic is Baaron (1995) trying to explain the *"social, political, and legal arrangements that structure the firm's interactions outside of, and in conjunction with, markets"*[75]. The main idea behind the issue of non-market factors is that the implementation of effective non-market strategy, well integrated with the clear core business of the firms, bring the latter to positive economic performance[76]. This means that non-market elements have the power to influence a firm political, social and economic performance of a firm and it is important to understand that also government is able to affect firms' activities and results. These connected relationships highlight the fact that companies and business players are capable to affect actors involved in the public sector in their attempt to set public policies. As this idea is

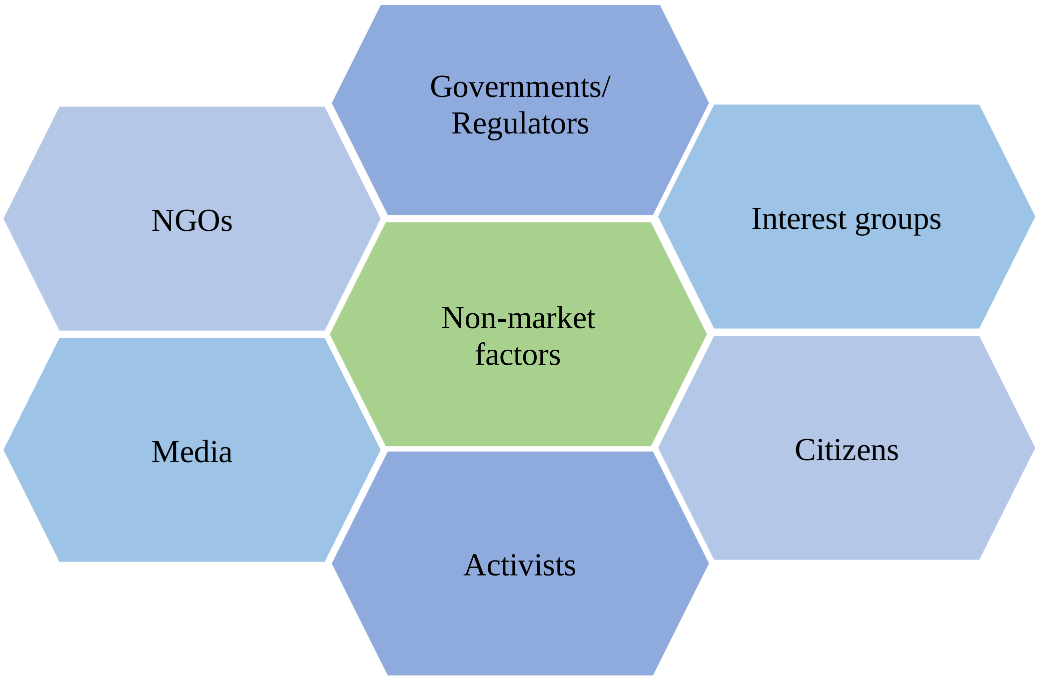
75 "Integrated Strategy: Market and Nonmarket Components" by David P. Baron, The California Management Review, First Published January 1, 1995 Research Article

76 A Study on 'Non-Market Strategy': Competitive Advantage for Firms and Indirect Benefits from Government and Interest Groups by Dr. Shriprakash Soni, Assistant Professor, MAEERS, MIT College of Engineering's, Centre for Management Studies and Research, Kothrud, Pune, Maharashtra, India and Mr. Shailendra Tomar Research Scholar, Pune, Maharashtra, India; International Journal in Management and Social Science, 2015

explained it should be clear how emerged the practice of lobbying, as it represent this kind of activity, meaning that lobbying firms have the aim to efficiently perform this task of influencing public forces.

In the figure 3.4 below, are displayed the main non-market factors which come to life right with the birth of any company. The factor shown are six and they are represented by NGOs, Activists, Media, Citizens, Interest groups and Government and Regulators.[77] All these factors interact with external forces outside the market, but some may cooperate, and more importantly they set the basis for each interplay among firms and the public. In our nowadays competitive market environment, as companies compete against one another, their business is extremely affected by treaties, legislation, policies, regulations, lawsuits, media and NGOs, which are non-governmental organizations. For this reason, it may seem obvious why the purpose of non-market practices is increasing more than ever. According to this view, non-market factors, included and well-integrated within the company's market strategy, highly influence a company's outcomes and this is why they deserve a careful attention.

Figure 3.4 - Non-market factors



Source: Personal elaboration

77 A Study on 'Non-Market Strategy': Competitive Advantage for Firms and Indirect Benefits from Government and Interest Groups by Dr. Shriprakash Soni and Mr. Shailendra Tomar, International Journal in Management and Social Science, 2015

- ***NGOs***: according to their sense of national and international priorities, these non-governmental organizations implement different types of activities having as the main objective the benefits for the society. They interact differently with firms and successful firms should build strong relationships with them by guaranteeing partnerships, allowances, contributions and others.
- ***Government and Regulators***: as I mentioned before, as multinational corporations or international firms aim to enter and operate in different markets in different countries, they should always take into considerations that each country has its own economic, social and political system, and this system is always controlled by an authority body as it can be the government, public institutions and regulators. For this reason, it is fundamental to understand that they always have to interact with those actors within a specific system and, in this way, they can generate new opportunities that can be beneficial to both parties involved.
- ***Media***: thanks to the globalizations, as the world is in a constant state of change, as well is the way in which firms do business. Media is the principal mean for new business opportunities in order to sensitize and involve not only stakeholders but also the community. Using every media channel at their disposal, firms have the power not only to promote and communicate their products, as good and services, but also their commitments within the company sociall responsibility toward the people and the environment, a company's CSR.
- ***Interest groups***: Interest groups come to existence for different reasons and the most important one is the business. This is why, specialists and trade associations are created to create a competitive advantage for firms. Some of those groups operate for both firms and public bodies, government, which contribute in policy making. We more commonly know them as Lobbying firms.
- ***Citizens and activists***: how firms interact with citizens and activists, is at their own discretion but always on the basis of ethical principles and sustainability concepts.

Non-market approach and company's CSR link

There is a link among a company's CSR and its non-market strategy. CSR is a term, as I explained in the previous sections, which nowadays, is commonly known for being able to promote the role a firm's business into the society. As the company's CSR aims to provide the contributive inputs towards developments within the society, as they can be improvement in ethical standards, environment standards, people developments and so on..., the non-market factors concern the necessity for firms to sustain and reinforce their business model. As these two elements have been explained, it becomes clear why firms should operate in collaboration with non-government and government organizations in order perform effectively according to economic aspects and also to create a better world they are surrounded by.

But as it has been explained how to build nonmarket strategies after having settled the nonmarket environment, how performance is affected by a good integration among efficient nonmarket strategies and the company core business and also which are the main players involved in all this process, the study now highlight the importance of one of those actors which play a fundamental role but that is often omitted, lobbying groups.

3.5 Focus on Lobbying Groups

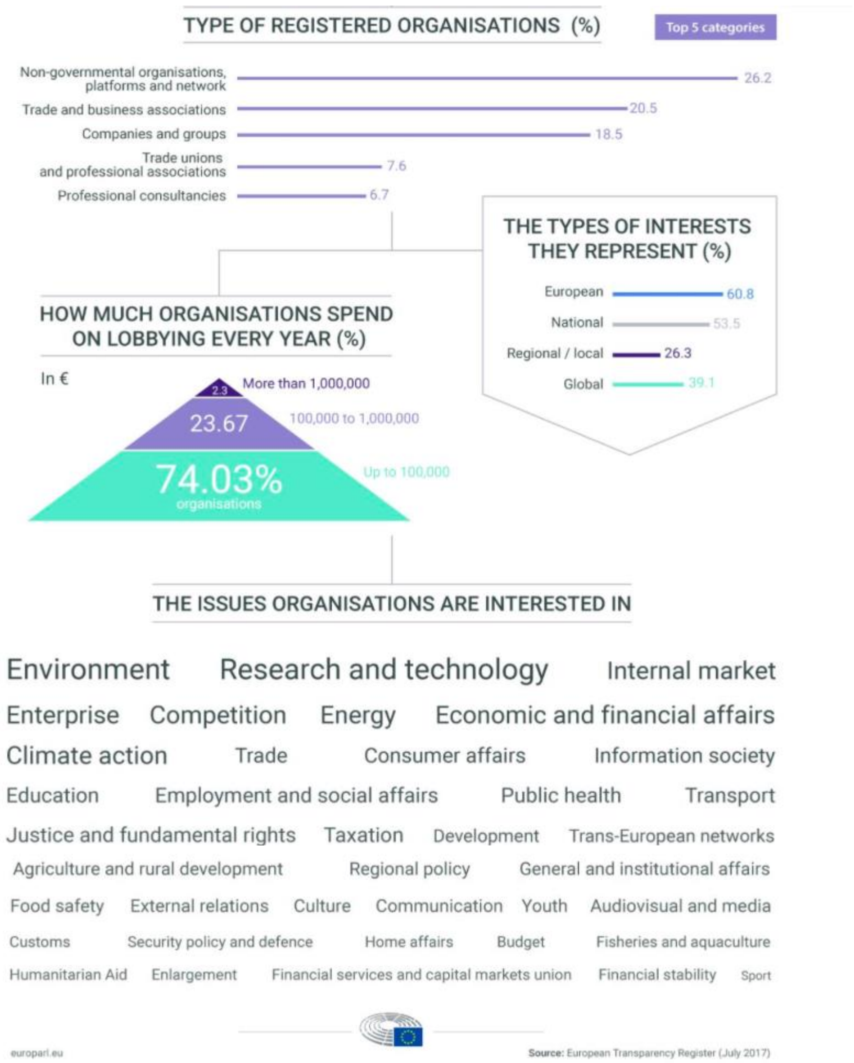
Lobbying is defined as the act of taking the form of campaign contributions or influence- buying through other means, as an activity that aims at changing existing rules or policies[78]. Lobby is a term coined in the United States of America to define those groups of people who, not belonging to a legislative body and without government duties, propose to exert their influence (lobbying) on those who have the power to make political decisions, to obtain the issuance of regulatory measures, in their favor or of their clients, regarding certain problems or interests[79]. These activities can be more or less institutionalized and more or less legitimate. In the USA,

78 "From Corruption to Lobbying and Economic Growth" by BÂrd Harstady and Jakob Svenssonz, 25 February 2009

79 https://www.penalecontemporaneo.it/d/6193-il-paradosso-del-lobbying

the pressure is exerted above all on the Washington Congress and on the heads of the executive, but sometimes the lobbies also use the judiciary power.

Lobbying differs, or at least this is the current vulgate, from corruption due to two fundamental characteristics: the subject on which influence is exercised is a politician and not a public official; the influence is exercised so that the rules are changed, and not to circumvent them from time to time. In general, then, lobbying is systematized, while corruption is not, even though in some countries this case applies. They are however ethically dubious behaviors both the one of the lobbyist, who exercises his greater social or economic power to direct legislative decisions towards specific interests to the detriment of others, even within a single company or sector it is not obvious that managers interests are advantageous for shareholders, or vice-versa, and those of public decision-makers, who would have the duty to defend the common good, but can obtain benefits by changing the laws and regulations favoring private actors. Lobbying practices are often confused with corruption. This is because those types of practices are still unknown and ambiguous for the power that they can exercise. They are not fully known by the public and most people yet do not fully know which are the main focus and strategies of these types of groups. Many recent studies have been recently conducted on the topic since it is considered to be a new "world" and many have focused on this slight line that divided the conception of lobbying with the one of corruption. One concern emerged to be wondering why corruption mainly affects poor countries while lobbying the rich ones and what are the consequences in terms of economic growth. It seems that companies corrupt public officials when the level of development is low, but they begin using lobbying practices when the level of development is high enough. As transparency concerning how public institutions interact with lobbying representatives, the EU institutions are beginning to negotiate on developing and improving a Transparency Register, listing main lobbyist participants. Into the document are registered more than 11.327 Organizations, accounting for more than 80,000 participants to the staff, including non-governmental organizations, business associations, companies, trade unions and consultancies. Organizations can be diverse in terms of size and topics of interest. Most of organizations have their head office in Belgium. An illustration of some data about the register may be useful in understanding how EU is trying to reassure the public opinion about this unfamiliar reality.



The EU Parliament, Commission and Council proposed to make the register as mandatory in 2017, suggesting that setting rules would convey more transparency to lobbying activities and practices representatives at a European level. The main objective of this document is to avoid controversial opinion about whether those hidden and ambiguous practices are adopted for some hidden interests. With the register, those actors interacting with EU public institutions would have to publicly declare their interest and give enough information about their purposes. The Approaches toward lobbying regulations may be several and different from themselves, depending on the country.

Lobbying practices overview into the Food Market – Interview to ES, Relazioni Internazionali e Comunicazione

But as the link between regulations, public institutions and lobbying activities have been explained, how to connect this aspect to the market of food. The examples may be numerous so to have a much clearer picture about the topic, I interviewed a lobbying firm's representative from ES – Relazioni Istituzionali e Comunicazione, which explained better how their reality mediate between their firm clients and public institutions with a focus into the Food market. Moreover, my research focused on those regulations devoted to the principles applied the productive process of foods and to the divulgation and communication of product characteristic to make consumers more confident and conscious in their decisions; in addition as the focus is on Italian food market, which didn't accept the use of Traffic Light labels, I concentrated the point to the growing trend and utilization of BIO and with the interview I got the chance to understand how lobbying firms play a role in each step of their clients, trying to obtain competitive advantage focusing also on political aspects.

Can you explain briefly your reality?

"The focus is not only on the mere practice of lobbying; another fundamental aspect are other market tools used by lobbies such as market research. First of all, there is a need to define the various facets of the food market. Within it there are various areas such as food and agriculture (ex. food in the strict sense), the part of production and process and finally the aspect related to catering, through which all the rest is used. Our organization assists two customers operating in the Food market: the first is an association that groups together all the aspects mentioned above; the second, on the other hand, is a company operating in the Food Delivery sector, oriented towards the innovative nature of the use of food, because through platforms the consumer can choose food through applications and consume it at home.

The first customer is more specifically an association of producers, which includes several cooperatives. ES works for them in a transversal sense, that is, dealing with both fiscal, legislative and working policies. This is due to the fact that problems are certainly presented on issues that concern all cooperatives in a horizontal manner, such as issues concerning work and the tax authorities. Secondly, there is the vertical aspect, that of individual realities. The cooperatives are an enormous reality, which have particularities due to their corporate form with great peculiar potential.

What kind of practices do you use for your client?

"Today, even though there is a great desire to appear in terms of competition, as being able to collaborate with important clients, the strategies that are used always remain ambiguous and

little known. This is due to the fact that there is a bit of reticence on the part of those who make this profession and we try to fight this habit on a daily basis. Our modus operandi is the following: ES imprints its Lobby strategy on the information sprawl, continually following every legislative process. We monitor daily activities at the Chamber of Deputies, the Senate of the Republic and governmental activity on the issues of interest to our customers. An example concerning cooperatives is the crisis in the price of "Pecorino cheese". In that case we tried to daily monitor the evolution of the situation. We have at our disposal a network of informants that allows us to have the information in advance. In that specific case we previously received the news that the "Emergency Decree in agriculture", which partly remedied the question of the price of Pecorino, would have become law and in this way we got the chance to inform our client. The customer represents an active part in our activity, in fact we share all the information with him, and we don't take initiatives without appropriately confronting each other. What we have at our disposal is a Law Text to be analyzed, highlighting positivity and criticality for the customer. The customer can confirm it, and therefore the text enters into force, or, if there were too many problems, refuse it. The client can intervene in the legislative process either independently, through direct contacts with legislative decision makers, or by raising the critical mass (for example by organizing mobilization days on the topic in question, involving both producers and large-scale distribution).

Another big problem concerning cooperatives at the moment is an invasion of the Asian bug that, being a very aggressive insect, in some areas of Italy has completely destroyed the cultivation of pears. In this regard there have been mobilizations in Parliament and the Government has proposed to open a table. The particular historical-political phase complicates the situation, in fact the problem had presented itself in August 2019 and at that time the former Minister of agricultural policies Gian Marco Centinaio, who had given answers, was dealing with the case. Subsequently in September, with the change of the Government the situation changed again, and it was still not possible to find a solution to the problem. I believe this is an important aspect in our activity, the activity of Lobby is very sensitive in this regard. We need the flexibility to understand the moment and then be able to pass it on to the various customers. This is not a trivial aspect. Therefore we work through information, analysis of measures and guidelines and guidelines that can be queries, interpellations, motions, resolutions, which are presented daily to the Chamber and the Senate. After a careful analysis of these documents we try to choose the best strategy with the client in relation to the case and the political moment.

Considering the fact that Food as a sector has a positive reputation, there is also the possibility of moving to the media. Therefore, another nonmarket strategy used in this area is also that of the involvement of the mass media, which often go hand in hand with public affairs. Since large cooperative realities are moving, such as in the case of our client but also of companies in a *general sense, the news is naturally critical. For this reason, the newspapers publish the news, the newscast broadcasts services and a mobilization are created that can lead to results. In the case of the price of Pecorino, the importance of information was evident, as there was a problem that led to the attention of the media, which made the institutions move to solve a problem. In that case the cooperative took charge of buying milk at 1 euro per liter regardless of the current legislation. But this happened because it is a very large company and therefore can have this power. Another big difference in these circumstances lies in the size of the company and the weight it has on the company not only in terms of turnover but also in terms of values transmitted. As far as organic labeling is concerned, this is one of the aspects that leads to a great positive reputation. A large company, like the cooperative in this case, which beyond being very big and caviling, also has a sustainable supply chain, starting from the producer partners up to the finished product, carries forward also values, is very advantaged. In the case of small businesses instead, who cannot rely on heritage or reputation, they must succeed in enhancing sustainability aspects and effectively communicate them.*

Italy has fiercely opposed traffic light labeling systems, as it was seen as quite simplistic indicator. Can you tell me about the implication of this aspect?

The idea was rejected by presenting a motion to the Senate Chamber. As for organic labeling, on the other hand, this, in Italy, has a certain relevance and popularity. In fact, in this case, among the various Lobbying operations that can be cited is that of the "Biological Design Bill". There are three legislatures that examine it without being able to turn it into a law. The opinions of the largest producer associations are taken into consideration through the hearings, which are another nonmarket lobbying tool (through hearings, as there is a bill being debated within a commission, the commission can, to its discretion, convene the main subjects involved in the bill. With regard to the draft law on organic products, the commission, in order to understand how it can improve this provision, convenes the main subjects involved. In the event that the Commission does not convene all those actors that are potentially interested in the issue and therefore want to be heard, the lobby company, which has specific customers, contacts the Commission and suggests that they listen to the opinions of their customers too who may have a position on the discussion in committee. Continuing with the discourse on the labeling and on the related Bill there is the hypothesis of putting a new symbol of the biological. (Draft biological DDL for cues). Becoming familiar with the Laws is very important for people involved in these kinds of operations, since they represent the documents with which we interact to make a first screening and then understand if that DDL can have an impact on your client's business. For example, ES knew that the organic label, thanks to extensive market research that confirms it, pleased almost all consumers, has an excellent reputation and has a positive impact on consumption. From the companies' point of view, all this is more than positive, but when a new text, or DDL, wants to introduce a new label and when we know that our customer *would like to delete this new proposal from the text, we intervene informing the our customers to avoid the risk that a new labeling could have a negative influence on the activities.*

BIO Trend. Before arriving at this trend, what role do the lobbies in the phase prior to what then becomes a trend?

The lobbying company comes into play prior to the development of the trend. For example, as regards the birth of the need for organic products, the company pushes for legislation to be created to satisfy this new need. When the consumer increasingly focuses on a healthy and correct diet, the company needs a legislative perimeter in which to operate correctly and to implement marketing strategies. In fact, today's consumer, and especially the one who feels the need for organic products, has such skills that the fact that the organic label is affixed to the product by the company itself is not enough, but needs further feedback and information. It is therefore in this case that the Lobbying society comes into play, or when a type of product needs to enter a discipline that is national or international, because specifically the symbol of the organic is proper to the European Union. The fact that the idea starts from a politician, a party or a majority is highly unlikely. For example, the text on organic labeling has been under discussion for three terms and is almost 10 years old, it is almost considered "old". The world instead changes quickly, and the Law often fails to keep up. A case in point is the "dynamic BIO": to date on the biodynamic there is a strong discussion. In the aforementioned text the biodynamic was not even considered, since it did not yet exist. Today, however, biodynamic producers have mobilized to be protected by laws themselves and to have disciplines in which they can operate. So, these are two worlds that come together. The problem, however, lies in the fact that the world of companies represents a fast and dynamic world, whereas the world of politics is a much slower and more static world, since it must also pursue an electoral aspect. In this regard we can take into consideration the discourse of Sunday closures. In that case the world of politics, and specifically the two former deputy prime ministers Luigi Di Maio and Matteo Salvini had decided in favor of Sunday closures. In response the productive world knew that this would have caused a strong negative impact on their activities. The one on "the Sunday opening of stores" was the longest hearing cycle in the history of the Italian parliament. No conclusion has been reached because when politics takes an initiative, it is not said that the business world supports them or is willing to adapt. In that case there was a mobilization of thousands of companies, large and small, shopping centers, municipalities. It was a huge lobbying operation because everyone opposed it, saying it was a law that would not lead to any benefit and that would have prevented the development of various businesses. In the specific case of our client the Cooperative declared that it would close on Sundays without opposition and that, thanks to market research, they would decide which stores to keep open and which do not on Sundays. Our contracts for employees tend to include Sunday closing, so if a store has to close on Sunday, it is free to do so, but at the same time it would also have been free to *remain open for liberalization. With the forced closures over the weekend there would have been the possibility of damaging various businesses, so following a cycle of hearings lasting about 7 months, the text was buried and no summary was reached. This example is useful to understand how much the political world rarely manages to keep up with companies, since tendentially needs arise from companies and then turn to politics to have a legislative framework. In an ideal world the opposite would happen, but unfortunately it happens that for electoral reasons, choices are made that do not meet the real needs of companies. The lobbying company in fact comes into play when policies are put in place that risk damaging even the cleanest and largest businesses, because obviously the damage is certainly greater for smaller businesses. Just think of a small store specializing in selling local food products, which receives the majority of its customers on Sundays because it is mostly tourist, which if it is forced to close on Sundays, would even risk failing within a year. Today we live in a very particular situation, because our Parliament is 65% composed of politicians at the first parliamentary experience. This is due to the rapid political rise of the 5 Star Movement, within which there are totally innovative elective mechanisms that have allowed the entry into Parliament of personalities without previous political experience. Thanks also to this there has been a strong renewal of the political class which today is the majority in Parliament.*

Today, however, our activity is subject to a very particular situation. We work for organizations that have interests that fall on the whole society, since when a law brings a sector to its knees, the whole organization suffers. There is a whole induced, which perhaps is less emphasized or omitted, but pays the consequences. This is an aspect of the lobby that is never sufficiently highlighted; that is, that in our operations we often make it appear that if a choice is made in contrast with a company, it is not necessarily the society itself that pays the consequences, but all the induced that is involved.

About the Food Delivery speech, these days there has been a strong debate on the figure of the rider. The Milan public prosecutor has opened an investigation without the possibility of a crime for the healthiness of the food being transported and the hypothesis of a person being replaced. Riders could take charge of an order and then not deliver it in person. Former Minister of Economic Development Luigi Di Maio has summoned Food Delivery companies with the intention of regulating the profession of the rider. After a year and a half there was a change in the Government, and it was not possible to complete the initiative. A decree was presented which, however, met neither the interests of the companies nor those of the riders themselves, who, not having a union, expressed their disapproval of the text through a letter on social networks, associating with each other. In this case, the political action would have disadvantaged both the companies and the riders themselves.

How Does Lobby Work?

The lobby makes assumptions of improvement, writing and drafting amendments to be proposed then to the Houses. The most interesting aspect is the fact that the world is plastic, through information and a correct analysis it is possible to give the perception of the limits of a provision. We do not try to limit ourselves to defending the client's interests as such, but we try to be as objective as possible, because this objectivity allows us to improve a standard. If this were not the case, and the lobbying company simply safeguarded the interests of its affiliated company, politics would not grasp the true meaning of the proposal, but a simple defense of its interests would end up as an end in itself. If it were possible to demonstrate the criticality of a norm and the effects that this could have not only on a single company but on an entire induced, the policy has the duty to take into consideration these effects. The issue is different concerning the awareness of a figure or of a political party that has a role and a voice in a given question, in fact it is up to the ability of the Lobbying society to be able to involve political actors and ensure that a certain practice is completed. Therefore, one of the first fundamental steps of the action of the Lobbying society consists in demonstrating, through information and in-depth analysis, the critical points of a Law Text presenting some analyzes and proposals that will be subsequently examined and taken into consideration by the various political actors (such as the legislative offices of the parties). Our ability lies in being able to constantly monitor individual issues and make them evolve in favor of our customers.

What Happens When You Talk About European Legislation?

The same dynamics also develop with European legislation. An example is the "Law of Delegation of the European Union", which is now being debated in the Chamber of Deputies, in which there are rules on agri-food controls and some variations of competences that will pass to the Ministry of Health and to the Agricultural Policies. Another major issue to consider is precisely that of food control, to avoid the risk of corruption in all cases. The whole control phase is also important and we first and foremost follow the "European Delegation Law" because it has combined all the regulatory matters that, once implemented, will have a great impact both on the various businesses and on the previous phase, namely that of controls of farms and various products. European regulations are now an essential aspect for Italian entrepreneurs. A great job of lobbying must be marked also towards that aspect, since the discussion of the directives of the European Union is a process that takes a long time; it is precisely in that case that there is the possibility of intervening to defend the interests of the entrepreneurs of the country in which one operates. This is due to the fact that the European Directive is implemented fairly dry, so it is important to act first, since once the Directive arrives it is implemented as a Community law, the Government issues a legislative decree that complies with the Directive within the which is very difficult to make changes.

Among the various examples of media cases I have dealt with the case of palm oil. There are theories that believe that often the focus on certain issues can be pushed by companies that use lobbying companies that are in turn pressure to focus on a certain issue that is at the expense of its competitors and instead benefits to the company in terms of competitive position gain. Do you agree with this vision of lobbying? Is this an aspect applicable to reality?

Very often in these cases, in my opinion, there is a discourse of competition between states, there is a huge lobbying practice between states and, unfortunately, Italy often comes out as a victim. A case in point in this sense is the fight against counterfeiting: there are some northern European countries that are against putting the origin of the products on the packaging because this would damage them. This is a clear example of lobbying between states, which recalls another interesting aspect of the Lobby, namely an Institutional Lobby. This aspect occurs in the most exemplary way in the European Union, within which real power games are generated. The same mechanism of competition and lobbying between states has been generated in the issue of the battle against palm oil.

How is awareness raised about one theme rather than another?

In Italy a large multitude of producers was damaged by the palm oil issue, also ES, among its customers, had an oil producer, which suffered serious damage to its activities, and it is for this reason that I previously did reference to a question of competition between States rather than a question of competition between companies. It is no coincidence that the issue has been brought to light by France, and it is interesting to see how convenient it is for some countries to shift their attention to specific issues.

Another very important theme is that of free trade treaties: if the reputation of another state or of some products goes down, in a very cynical and frank manner, there is much to be gained. In fact, sometimes the largest lobbying operations come from the nations themselves. Putting labels on Italy would be a huge advantage, because Made in Italy would become a real brand and all products processed in Italy would acquire added value.

Clearly with regard to non-markets, an aspect to be emphasized is that of corporate Communication: communication that should not be addressed simply to the consumer but to institutions and decision makers.

Chapter 4

MARKETING ANALYSIS

Coming to the conclusion of this study, this section is focused on my empirical research. Previously in chapter 1, I provided an overview of the food market, how it is characterized and what are the implications and consequences of an unconscious nutritional habit. Paying attention to what we eat, how foods' characteristics are communicated and where products and their productive processes come from are fundamental aspects to take into account as we make purchasing decisions. The decision making process of each consumers comes, of course, from the individual personal preferences and habits, but along his journey it must be helped and guided. In this situation producers and distributers play a fundamental role, as they are the main players deciding what service and products they want to provide and they must share their operations to the public. Information is the most important tool given to consumers as they need to know what and how they should eat, and as a consequence, they need to know what they are purchasing and what impact the consumption of specific products can have on their healthiness and wellbeing. Firms do business, so of course, they should always take care of an accurate information provided to consumers about which are the main characteristics and implication of their products. Institutions, in this context, are also important actors because it is not enough to rely upon the intrinsic motivation of firms to truthfully provide all the information related to products and production processes origins for the population wellbeing. It is also important to extrinsically motivate businesses through application of regulations related not only to specific standards or production, but also related to how the various features of the products are communicated to the public. Front of Pack labels are an example of this attempt by institution in motivating firms in properly describing how their products are composed. Italy is not using this system, but what seem to be a very popular trend is the increasing interest toward biological products, perceived to be healthier. My research focuses on understanding how the trend is actually translated into nutritional and purchasing behaviors. Do consumers really perceive biological products to be healthier in respect to not biological ones? As they are interested and devoted to healthy life standards, and perceiving biological food as healthier, what is their willingness to buy those types of products? I conducted a questionaire with the aim of understanding how behaviors toward purchase change among both women and men together, dividing two samples just on the base of two pictures displayed, as sample 1 looking at the picture of a NON-BIO product and sample 2 watching the picture of a BIO product. The aim was to understand if, by giving the exact same questions to the samples, and not only based on the perception of the product seen, but general questions about their purchasing influences and behaviors, they could have been influenced on exposing themselves by the picture already seen.

4.1 Methodology

The research design is represented by the creation of an online questionnaire, using a on Online Survey Software called Qualtrics. The resulting questionnaire was submitted through social networks, blogs and email as Facebook, Instagram and LinkedIn. Moreover, the questionnaire was divided in 8 sections:

1. Introduction
2. Picture randomization and display
3. Taste, Healthiness and Attractiveness product perception and influence of "free from palm oil" label
4. Sustainability and Health concerns
5. Willingness to buy Bio products
6. Drivers of purchases
7. Personal information about nutritional habits
8. Recognition of Brands

Description of the questionnaire

Overall, the questionnaire was composed by 11 questions for each respondent. The reason why I decided two show two different pictures randomized with the exact same questions was to understand if, as a different picture was seen, the respondent could have answered differently because influenced by the picture he previously saw, even though the questions were not merely related to the specific picture, but also related to general personal information.
The first section of introduction aims to identify who is the consumer the questionnaire is submitted to. In fact, are included three questions asking the sex, the age and the level of education of the respondent. As the survey aims at identifying nutritional habits of consumers, it is important to understand that males and females can have, in general, a different view toward

this matter of subject and as younger generations assimilate information in different ways compared to adults, they will also have shopping habits distant from one another.
Section 2 and 3 are dedicated to the randomization and display of two different pictures and the related perception of the product. The pictures are represented by two products: Classic Gocciole Pavesi and fior di loto biological analogue biscuits with chocolate chips. The pictures are shown in pictures 4.1, BIO and picture 4.2, Non-Bio:

Picture 4.1 - Non-BIO product, Pavesi

Picture 4.2 : BIO product, fior di loto

As the two pictures have been randomized, one part of the sample has seen the Non-BIO product, while the other part of the sample has seen the Bio product, and both of the sample received the exact same questions. The reason why my choice felt among these two types of products is: first of all, my aim was to display to consumers a food which is not commonly perceived neither healthy nor unhealthy. Biscuits in general cannot be defined as a healthy food, but with the right consumption doses, ingredients and consumed at the right time, as at breakfast, they do not represent what is commonly defined as unhealthy. Still, Gocciole Pavesi, have faced many issues related to the product perception, as they were concerned about the properties of some ingredients as palm oil and the calories intake. For these reasons I selected an analogue product but with a biological base; in fact, the second product, in terms of aesthetics, looks very similar to the "classic one", but it is produced and provided by a popular biological brand "fior di loto". As palm oil represent a popular concern of recent years, both products present on their package the "free from palm oil" label, so that consumers, when expressing their perception of healthiness coming from the product, are not influenced by the

presence of that ingredient. Moreover, in this way I could see if the perception of the biological food was actually perceived as healthier in respect to the other product only on the base of the biological feature. In conclusion the first two questions regard these themes:
The first one was asked right after the display of one of the picture:

"On a scale from 1 to 5, where 5 represent the maximum level, how do you perceive the product?

The three statements I decided to measure in terms of product perception were:

- Tasty (from 1 to 5)
- Healthy (from 1 to 5)
- Attractive (from 1 to 5)

After this question, the respondent was asked how much the label "free from palm oil" present on the package of each product could have influenced its behaviour toward the product purchase; for the second question the choice options provided were measured on a scale from "Not at all" to "Extremely" and it was submitted in the following way:

"Does the free from palm oil label, present on the product packaging, influence your purchase propensity?"

After these two questions, specifically related to the images displayed, I decided to focus not on the respondent itself. As I wish to find which are the main nutritional habits and behaviors toward biological themes, I wanted to know who was the consumer which was responding to my questions. In fact, my third question, section 4, aimed to ask what was the respondent relation with three themes treated in a great extend along all my research and they were sustainability, healthy nutritional habits, healthy lifestyle.

"On a scale from 1 to 5, were 5 is the maximum, how close do you feel to the following topics?"

Coming to this point with the previous questions, I understood who is the respondent and what type of customer he claims to be; to be clear, as the relative segment he belongs to and how much themes as sustainability and healthiness are important for him. So, the next section, 5, regards also his willingness to buy a biological product.

“Thinking about how much you usually spend for a type of food, how much more would you spend for an analogue product but having biological characteristics?”

Were then given three options:

- I would not be interested in buying the product at all
- The same price
- Between 20%-30% more
- About 50%

After receiving answers about the interest in buying a biological product in terms of willingness to spend, section 6, served as a way to add to the “customer profile” the key aspects of a product and more specifically a food product. As we all know, a fundamental aspect of nowadays market is competition. With a very big amount of alternatives competition is increasing always more, and as we make decisions, we take into account few key aspects, as brand and price. Also, if the product, I am referring to, concerns food, other characteristics become important. For this reason, with my research, I put the attention on the regulation of some quality marks to be out into the package of the foods in order to make consumers understand the origin of the product they are purchasing. In fact, among brand and price I asked how muche importance the respondent gave to marks of origin. In the end, there was the importance given to biological label.

On a scale from 1 to 5, when you choose to buy a specific food product, how much importance do you give to the following factors?”

- Brand
- Price
- Marks of origin (as DOP, IGP, DOC, etc..)
- Bio Label

In section 7 are included 2 questions regarding some personal habits of the respondent. As my research focuses also on what is that has the power on giving birth to a trend, a new concern or more usually, what has the power to make pressures about a specific issue, as it is a common practice conducted by lobbying firms, I asked my respondent two questions. The first one regards their propensity in being influenced when making purchasing choices. Specifically, I gave three options related to their pre-purchasing experience, again concerning what was that could have an impact on their choices. Then, with the second questiont, according also to the previous answers, I asked if considering their daily diets or simple nutritional habits, they ever avoided a specific ingredient, not because of an allergy or an intolerance.

"Thinking about the purchasing decision of a particular food, to which of the following sentences you fell to be closer?"

- I get influenced by advertising, social media, influencers, etc..
- On the pre-purchase phase, I search information about the ingredients of the product
- I follow the instructions/suggestions provided by the experts
- I get inspired during the purchase phase

"Has it ever happened to you to eliminate precise ingredients from your daily diet, not considering intolerances nor allergies? If the answer is yes, Why?

- It never happened to me
- Pressures from external influences (media, social media, word of mouth, etc..)
- Personal curiosity and information researches

In the last section, 8, I come to the end of my survey. Here I should have all the information needed. I know who the customer is, and what is important to him. But what he claims to be important for him, is reflected by the recognition of the "healthy" biological brand I included in the list of other brands? With this last question my aim is highlight the fact that, even though the biological trend is really keeping in growing and actually perceived to be as healthier, and even though, the customer would be willing spend more for a biological product, he may bot be able to recognize a biological brand among other brands with are not biological but that may have added recently biological product line.

"Which of those brands do you associate more with a healthy lifestyle?"

- Misura
- Mulino Bianco

- Fior di loto
- Vitasnella

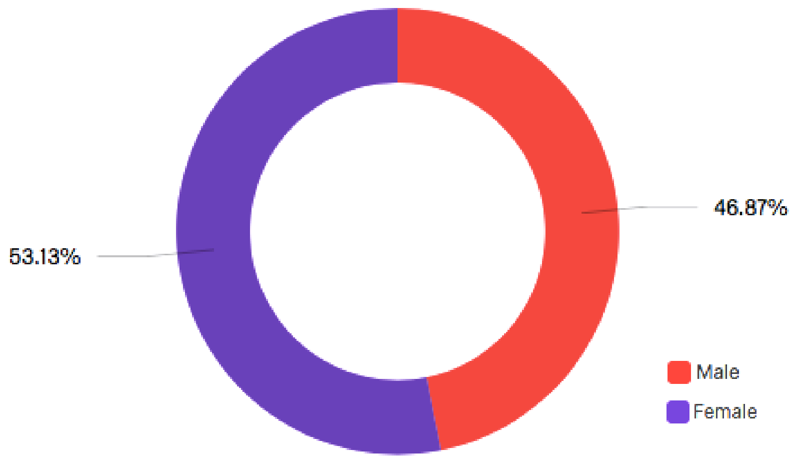
4.2 Questionnaire Results

These results represent a graphical overview of the data collected. The sample consisted in 391 respondent, but after eliminating the ones with incomplete answers, the total amount accounted for 368 respondents. The average age was more or less 33 years old with options of age ranges of 18-25, 36-45, 46-55, 56-65 and 65 and more. The questionnaire was conducted only in Italian as my concern was to understand nutritional habits of the Italian population and how they are influenced. As my sample was only Italian, I decided to do not provide the English version in order to do not mislead my respondents which were not confident with the language. In the Appendix is provided the visual representation of the questionnaire, including questions and other graphs.

Demographic questions

For what concerns the percentage involving the gender, Q1, the sample was represented by a 53.13% of Females and a 47.87%. Then, regarding the age range, Q2, the majority was found among 18-25 years old, accounting for a 36.04%, 26-35 years old accounted for the 11.65%, 36-45 years old were the 10.84%, 46-55 the 20.87%, 56-65 accounted for the 16.26% and in the end, there was also small slice of the chart including the 65+ years old, accounting for the 4.34%. As the last question of the demographics regarded the level of education, Q3, the majority was found among respondents with Bachelor’s/Master’s Degree, as for the 56.37%, then with High School, 39.02% and with Middle School the 4.61%. The chart below, 4.1, represents the data for Females and Males, while the other two charts concerning Age ranges and Level of Education are displayed in Appendix B.

Chart 4.1 – Gender %



Personal Elaboration

As the three questions results concerning the demographic have been explained, the rest of the following result provided are on the base of the independent variable which is the type picture that the respondent has seen on the base of a randomization. On the other side, as the questions suggests, the dependent variables are the perception of the food (tasty, healthy and attractive), and the perception of the "free from palm oil" label. Then the other six questions, are not specifically related to the product shown itself, but more focused on the general preferences, habits and information about the respondent. Even though the other questions are not directly correlated to the kind of product the respondent has seen, I asked these general questions even to understand if in some ways the picture can bring the respondent to be influenced in the given answers. So, I treated these following aspects as controlled variables in respect to both independent variable as the type of images displayed and then also to independent variable as the respondent gender.

NON-BIO/BIO products and Product Perception

Independent variable → The two different pictures (Picture 1, Non-BIO cookies, Picture 2, BIO cookies)

Dependent variable → Perception of the Product as tasty, healthy and attractive

As the sample is divided in two clusters, the one which saw the NON-BIO product and the one which encountered the BIO product, we have different perceptions by consumers regarding the two different products. As we take the answers separately for the different clusters.

*Table 4.1 - Product's Images*Perception of healthiness of NON-BIO/BIO products*

Images	**Perception of Healthiness**					
	1	**2**	**3**	**4**	**5**	**Tot**
NON-BIO count	38	66	46	13	4	167
%	22.8%	39.5%	27.5%	7.8%	2.4%	100%
BIO count	18	30	56	65	32	201
%	9%	15%	27.9%	32.3%	15.8%	100%
TOT count	56	96	102	78	36	368
%	15.2%	26.1%	27.8%	21.3%	9.6%	100%

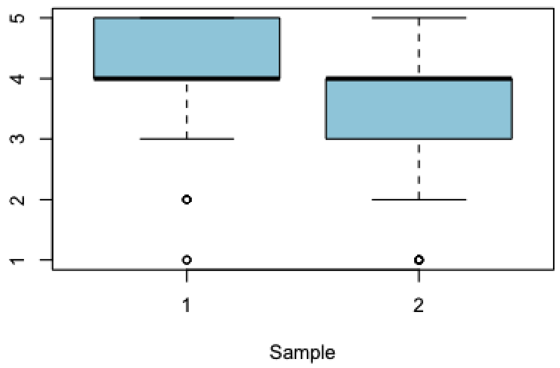
Personal elaboration

In the table above, 4.1 are explained how respondent perceived each of the product to be healthy in terms of weight over the total amount of respondent. For the non-bio product, the majority do not perceive it as healthy, but when it comes to the bio one, even though the respondent is still looking at a pack of cookies, he perceive it to be healthier. In fact, only the 10% of respondent perceive NON-BIO cookies as healthy, while the 48%, almost half of respondent, perceive the BIO food to be healthier.

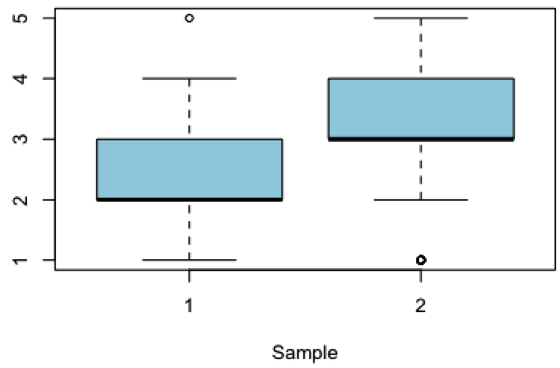
In Appendix B, are displayed the graphs showing the perception of both products in terms of tastiness, healthiness and attractiveness. Below is represented another graph which highlight another interesting ideas: in graph 4.1 are put together the responses from cluster 1, which saw the NON-BIO product and cluster 2, which saw the BIO product; from this, we can see that for the perception of tastiness and attractiveness, the trend among cluster do not present a particular significance and both clusters perceive the foods to be tasty and attractive, but as we move the attention to healthiness perception, the BIO product is perceived to be healthier, and for attraction, the perception of NON-BIO product is higher than the BIO one.

So, it seems from the graphs that the hypothesis that the biological product is perceived to be healthier than the non-biological on shows a graphical significance.

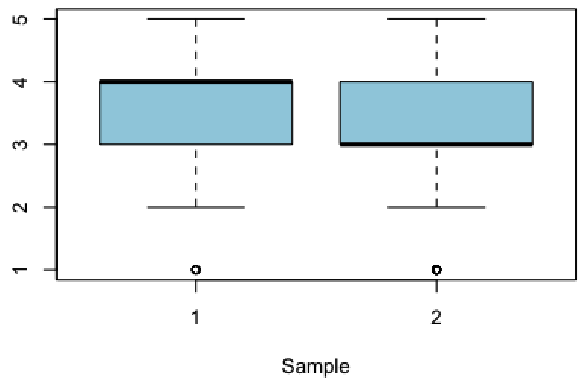
Graph 4.1 - Tasty



Graph 4.2 - Healthy



Graph 4.3 - Attractive



NON-BIO/BIO products and "Free from Palm" oil label

Independent variable → The two different pictures (Picture 1, Non-BIO cookies, Picture 2, BIO cookies)

Dependent variable → Willingness to buy influenced by the moderator "free from palm oil" label

In this question, my concerns is to understand if there is a difference among the two cluster about how their purchase intention may be affected by the "free from palm oil" label present on the packaging. From the results it seems that for the cluster 1, with NON-BIO image, was not particularly affected by the label, while for the BIO product, seen by cluster 2, the majority is positively affected by the presence of the label. Below is represented table 4.1, showing the weights percentages of respondents belonging to each given answer and chart 4.2, highlight the weights for the NON-BIO cluster and Bio cluster, respectively picture 1 and 2.

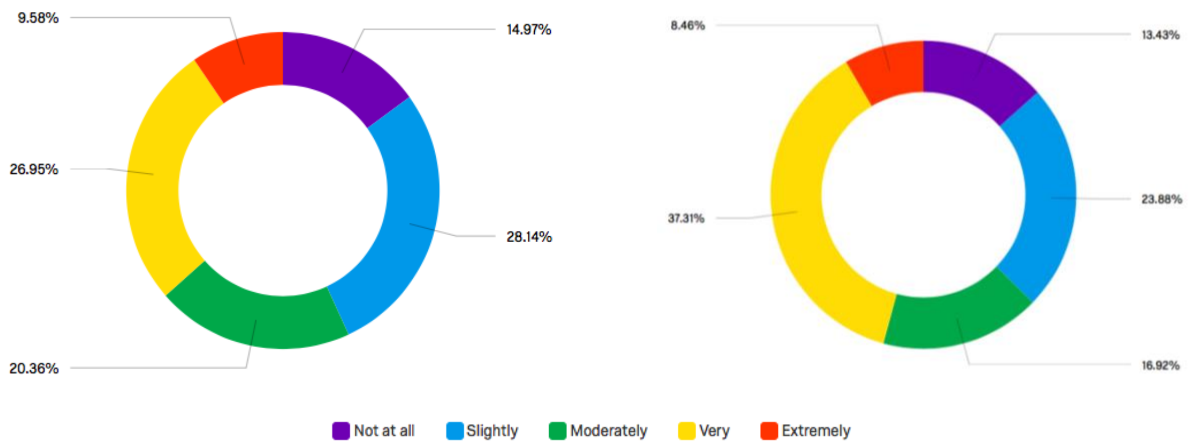
Table 4.2 - Purchase intention moderated by "free from palm oil" label

Images	**Purchase intention with "free from palm oil" label**					
	Not at all	**Slightly**	**Moderately**	**Very**	**Extremely**	**Tot**
NON-BIO count	25	47	34	45	16	167
%	15%	28.1%	20.4%	27%	9.6%	100%
BIO count	27	48	34	75	17	201
%	13.4%	23.9%	16.9%	37.3%	8.5%	100%
TOT count	52	95	68	120	33	368
%	14.1%	25.8%	18.5%	32.6%	9%	100%

Personal elaobarion

Chart 4.2 - Purchase intention with "free from palm oil" label - Sample 1, NON-BIO product image

Chart 4.3 - Purchase intention with "free from palm oil" label - Sample 2, BIO product image



Personal elaboration

To conclude this section, for what regard the statistical relevance, these variables do not show a particular significance, if we set as the independent variable the two different pictures displayed for each cluster. On the other hand, what is interesting to measure is the difference among collected answers in terms of Gender, which is set as independent variable later on the chapter.

Sustainability and Healthiness Concerns

Table 4.3 - Health and Sustainability concerns for Sample 1, NON-BIO product image

Field	Min	Max	Mean	St. dev	Variance
Sustainability	1	5	3.89	0.92	0.85
Healthy diet	1	5	4.01	0.92	0.84
Healthy Lifestyle	1	5	4.05	0.91	0.83

Table 4.4 - Health and Sustainability concerns for Sample 2, BIO product image

Field	Min	Max	Mean	St. dev	Variance
Sustainability	1	5	3.91	0.97	0.93
Healthy diet	1	5	4.05	0.92	0.85
Healthy Lifestyle	1	5	3.98	0.98	0.97

Personal elaboration

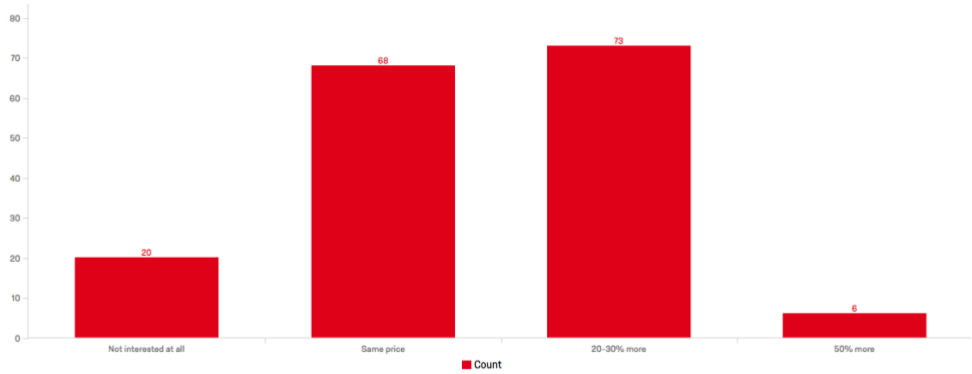
To understand this question's results, the tables of statistics shows how the values are pretty much similar for both samples, 1 and 2. Even graphically, differences among the 2 samples are very slight (in the Appendix the other graphs are displayed). In fact, most of participants seem to be devoted to topics such as the sustainability and healthiness. But does the sensitivity towards these themes, expressed by participants, is reflected in their purchasing decisions? As data will be collected even more, in the conclusion of the study will be provided a further deepening regarding the issue.

NON-BIO/BIO products and Willingness to spend more for BIO products

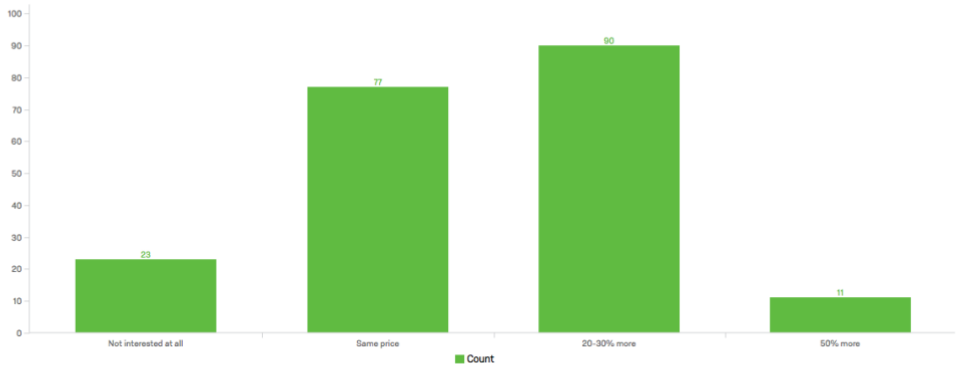
As this relation applies, my concerning was to understand, first of all, the consumer behavior toward the willingness to spend more for a biological product compared to how much they usually spend for analogue one but not BIO. Secondly, I wanted to see if the picturing of a NON-BIO or BIO product could have influenced the respondent in giving the answering. Unfortunately, my respondents were not triggered by one picture or another to respond differently, and for this reason there seem not to be any particular particular difference in answers percentages over the total amount of participants.

As both graphs below show, 4.4 and 4.5, there is no significant difference among the two clusters. The situation changes if we take into account the difference in responses regarding the different genders.

Graph 4.4 - Willingness to spend more for BIO products, Sample 1 count, NON-BIO product image



Graph 4.5 - Willingness to spend more for BIO products, Sample 2 count, BIO product image



NON-BIO/BIO products and the Importance of Brand, Price, Marks of Origin and BIO Certificate

For what regards the importance that customers give on a daily basis to factors such as brand, price, marks of origin and BIO certificate, it seems that the majority gives a moderate importance to all of the aspect. And this is true for both samples, whose mean for each factor is equal to more or less 3.5 and the variance is close to 1, showing how much responses do not depart too much from the mean. As the samples seem to behave similarly, this variable do not provide any statistical relevance, including the graphical one. Even in terms of gender diversity, the situation seems to be pretty much the same, apart from a higher concern presented by women in evaluating the importance of BIO certificates. This aspect will be further measured later.

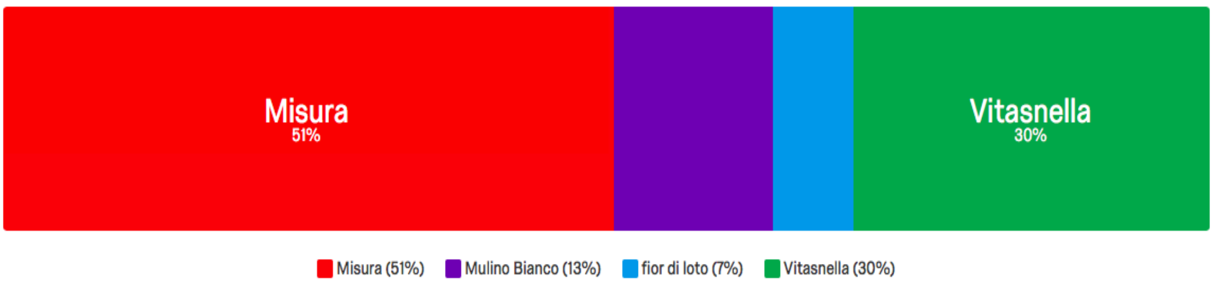
Influences on purchase and nutritional habits

The data collected for both questions and for both clusters, seem to be highly homogenous, meaning that most people claim to search for information about products and ingredients motivated by personal curiosity and interest making this variable stronger when deciding what to purchase. For the elimination of particular ingredients, not caused by allergies nor intolerances, applies the same process: the majority of respondent in both samples is found over the ones to which this situation never occurred. Pictures are displayed in the Appendix while the personal analyzation is found in the comments. And even though, it presents non statistical significance, it is possible to graphically understand a significance in preferences present by sample 1 in searching independently for information and sample 2 in following the instructions of experts.

NON-BIO/BIO products and the Recognition of the Brands

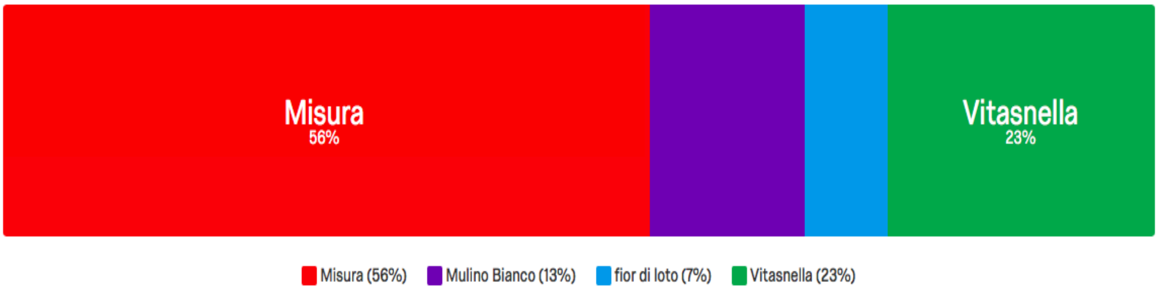
Again, in this case, most respondent of both samples behave similarly, meaning that, as they encountered a list of four brands, such as Misura, Mulino Bianco, fior di loto and Vitasnella, the majority recognized as the healthiest brand Misura or Vitasnella. In this case it is intresting to see that, even though most of respondent claimed to be close to sustainable and health concerns and more importantly claimed to be willing to spend more for a biological product, giving attention to biological certificate on the pre-purchase phase, only few people associated fior di loto to a healthy lifestyle

Graph 4.6 - Brand Recognition for Sample 1, NON-BIO product image



Personal elaboration

Graph 4.7- Brand Recognition for Sample 2, BIO product image

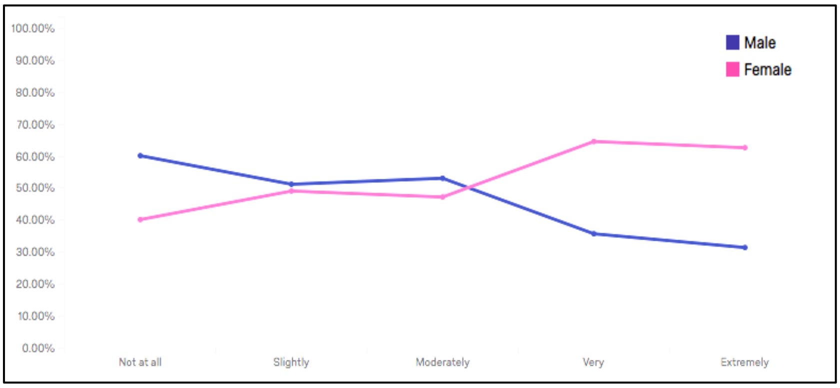


As using the different pictures as independent variable didn't bring to concerning results, the following analysis will focus on Gender as independent variable with dependent variables as willingness to buy with moderator "free from palm oil" label, willingness to spend more for BIO products and Importance given to Bio Certificate in the purchasing decision making.

Gender vs. Product Perception due to "free from pal oi" labels.

H1: the willingness to buy the product is more affected by the presence of "free from palm oil" label for what regards women.

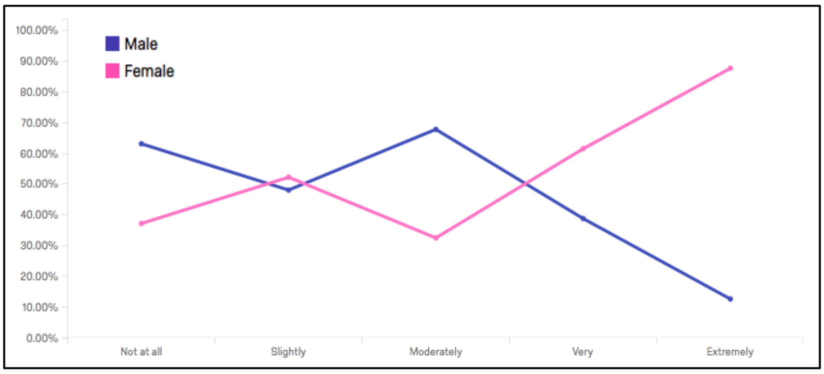
Graph 4.8 - Gender Diversity and willingness to buy with "free from palm oil label - case of NON-BIO product image



Personal Elaboration

The graph above, 4.8, represent the graphical relation between the gender difference and their purchase intentions moderated by the free from palm oil label. The two lines stand for the male responses, in blue, and for female reponses, the pink line. In the case of the NON-BIO product, women are more affected by the "free from palm oil label having the 64.4% responding Very and the 62.5% Extremely, compared to men being 35.5% with Very answer while the 31% responded Extremely. As we can see the weights are reverse in the case of not at all.

Graph 4.9 - Gender Diversity and willingness to buy with "free from palm oil label - case of BIO product image



Then, in graph 4.9 is presented the case BIO product image display, cluster 2. Here, the situation is even more extreme. In fact, women represent the 87.5% in Etremely responses, while men are just the 12.5%. Here, the fact that women are more influenced by the "free from palm oil" label is much more evident.

Regression Analysis: Gender*Willingness to buy with "free from Palm Oil" Label moderator

As put together the two samples, we can see the overall graphical significance in terms of gender diversity and being impacted by the "free from palm oil" label in the purchasing journey. This assumption is explained in the following graph, while the tables explains the most significant values of the Regression Analysis.

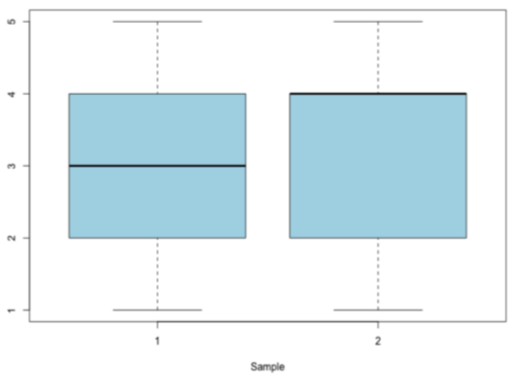
*Table 4.5 - Regression Results for Gender*Purchase Intention with free from palm oil label*

Deviance Residuals:				
Min	1Q	Median	3Q	Max
-1,5363	-1,1495	0,8569	1,1051	1,3814

Coefficients					
	Estimate	Std. Error	z value	Pr(>|z|)	
(Intercept)	-0,78794	0,27867	-2,828	0,00469	**
"free from palm oil" label	0,32018	0,08812	3,634	0,00028	***

	SS	*df*
Null Deviance	508,02	367
Residual Deviance	494,36	366
missingess of obsv.	11	
AIC	498,36	

Graph 4.10 - Graphical significance, "free from palm oil" impact



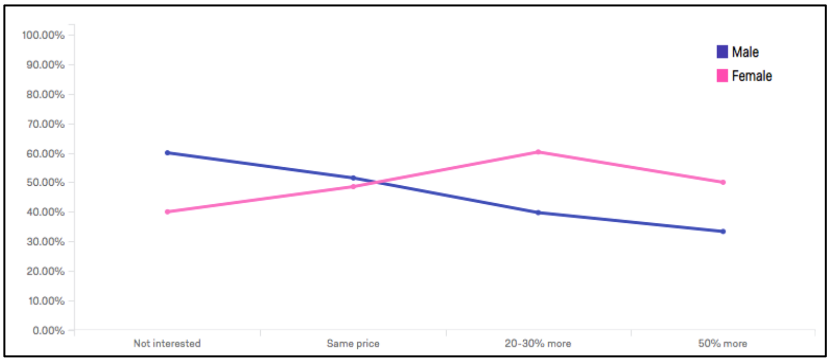
Personal elaborations

The results Analysis obtained through R Programme, shows how women are much more affected by the presence of “free from palm oil” label in the package and it influences positively their purchase intention toward the product having the label. In fact, in the coefficients table is highlighted in red the p value, which is below the 5%, p < 0,025, underlining the statistical significance of the positive perception presented by women. Moreover, the value SS, null deviance is quite similar to the one of the residual deviances with only one less degree of freedom meaning that the null model could be a fine predictor for the general model.

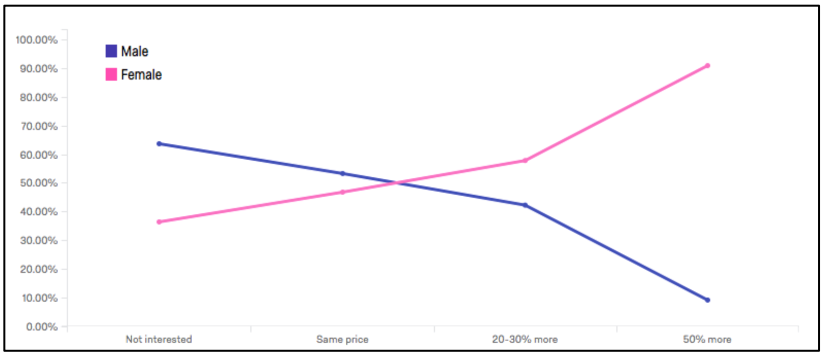
Gender vs. Willingness to spend more for BIO Products

H2: The willingness to pay for a BIO product is higher for women

Graph 4.11 - Gender Diversity and Willingness to spend more for BIO products - case of NON-BIO product image.



Graph 4.12 - Gender Diversity and Willingness to spend more for BIO products - case of BIO product image.



Personal elaboration

As we compare the two graphs above, 4.11 and 4.12, both showing the graphical relation between Genders and their willingness to spend for biological products, women seem to be more propense to spend more compared to men both in sample 1, NON-BIO product and in sample 2, BIO product, even though in the latter situation the assumption is more evident. In fact, in graph concerning the first sample with NON-BIO product image, the 50% of women compared to the 33% of men are willing to spend between the 50% more for biological products, while the 60% of women compared to the 40% of men 20-30% are willing to spend more. This graphically shows that women, caring about biological features presented by the products they buy, are more propense to spend more if they find an analogue product but certificated as BIO. In the second graph, 4.12, the situation is the same, exept for the fact that trend is more dramatic. In fact, after having seen the BIO product image, as in sample 2, the percentage of women willing to spend between the 20% and 30% more is represented by the 60%, while the ones willing to spend 50% more is represented by the 90%. Respectively, for men the percentage are the 42% and 9%. The case of spending the 50% is very much enlarged in the case of the second sample, showing a higher influence coming from the picture of the Biological product.

Regression Analysis: Gender*Willingness to pay

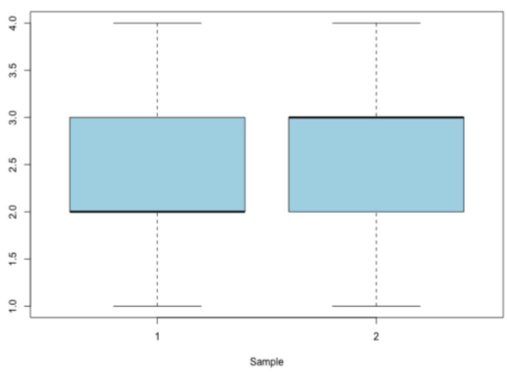
*Table 4.6 - Regression Results for Gender*Willingness to pay*

Deviance Residuals:				
Min	1Q	Median	3Q	Max
-1,5851	-1,1559	0,9088	0,9990	1,4122

Coefficients					
	Estimate	Std. Error	z value	Pr(>|z|)	
(Intercept)	-1,0229	0,3642	-2,808	0,004978	**
higher budget for BIO	**0,486**	**0,1444**	**3,365**	**0,000765**	***

	SS	*df*
Null Deviance	508,02	367
Residual Deviance	494,25	366
missingness of obsv.	11	
AIC	500,25	

*Graph 4.13– Graphical Significance for Gender*Willingness to pay*

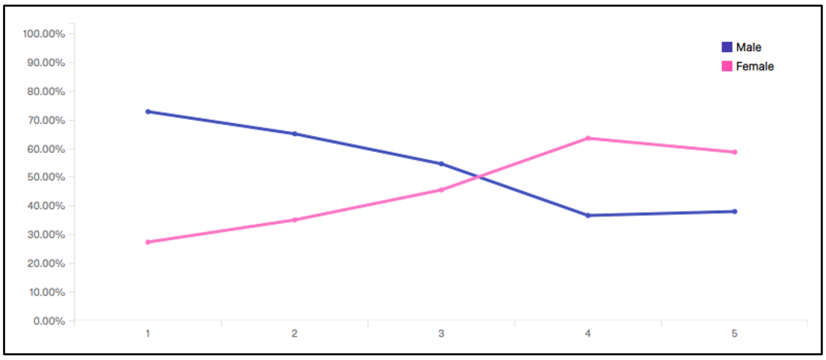


The results Analysis obtained through R Programme, shows how women willing to spend more are much more compared to men. In fact, in the coefficients table the p value is below the 5%, $p < 0,025$, underlining the statistical significance of the positive perception presented by women. Moreover, the value SS, null deviance is quite similar to the one of the residual deviances with only one less degree of freedom meaning that the null model could be a fine predictor for the general model.

Gender vs Product Purchase Intention with BIO Certificate

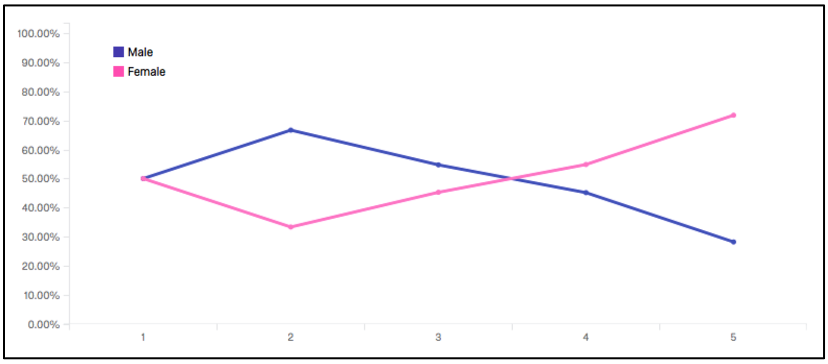
H3: the willingness to buy is positively affected by the presence of BIO certificate for what regards women

*Graph 4.14 - Gender*Purchase Intention with BIO Certificate, Sample 1 - Case of NON-BIO product image*



Graph 4.14 represent the responses from sample 1 about the importance women and men give to BIO certificate when buying food products. As this is sample one the saw the picture of NON-BIO cookies. In this case the most concerning difference among men and women relies upon the value of 1, as giving none importance to BIO, as women percentage is low, 26%, and men 73%. Then the situation is reversed for the value of 5, as women are the 60% and men the 38%, showing that women give much greater importance to products certificated as BIO.

*Graph 4.0-15 - Gender*Purchase Intention with BIO Certificate, Sample 2 - Case of BIO product image*



Again, in the case of looking at the BIO product picture as in Sample 2, the situation is more dramatic. In, fact graph 4.15 shows that in the value of 5, men are the 28%, while women are the 72%, even though in this case also women, claiming to don't care about BIO certificates, represent a finer percentage, as the 50%.

Regression Analysis: Gender*Purchase Intention with BIO certificate

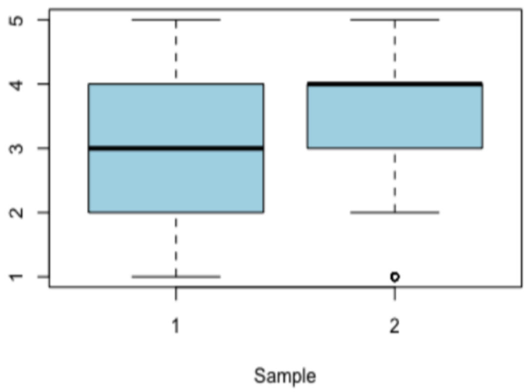
Table 4.7 - Regression Results for Gender and Purchase Intention with BIO Certificate

Deviance Residuals:				
Min	1Q	Median	3Q	Max
-1,607	-1,178	0,816	1,094	1,667

Coefficients:				
	Estimate	Std. Error	z value	Pr(>|z|)
Intercept	-1,5261	0,6414	-2,379	0,01734
Brand	-0,1029	0,1114	-0,924	0,35567
Price	0,1362	0,1166	1,168	0,24292
Marks of Origin	0,1203	0,1279	0,941	0,34681
BIO Certificate	**0,3046**	**0,1089**	**2,798**	**0,00514** **

	SS	*df*
Null Deviance	464,6	335
Residual Deviance	449.37	331
missigness of obsv.	43	
AIC	459,37	

Graph 4.16 - Graphical Significance for Gender and Purchase Intention with BIO Certificate



The results Analysis obtained through R Programme, shows how women give more importance to BIO certificate before buying a product compared to men. In fact, in the coefficients table the p value is below the 5%, $p < 0,05$, underlining the statistical significance of the positive perception presented by women.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

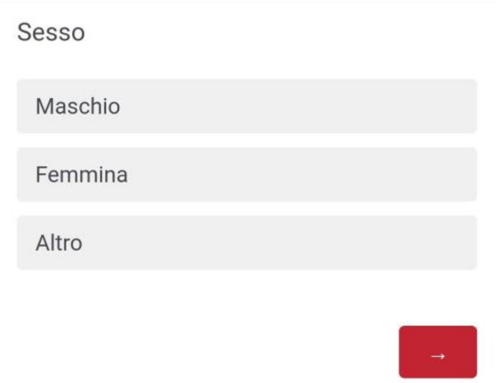
My research aimed to provide the following aspects: an overview of the Food Market; the concern by institution and society of overcoming the abuse and misuse of foods which can lead to eating disorders and obesity disease; the related initiatives in sensitizing the themes of sustainability, which benefit the environment, and of health, which has a direct impact on people safety and wellbeing; an introduction to the regulations and principles for informing properly consumers along their CDJ, customer decision journey, represented by labelling systems providing a clear picture of the main food characteristics, which in the case of many European countries, can be traffic light labels, while for Italy is the inclusion of origin marks and Bio labels; the integration of previous aspects reflected by the implementation of nonmarket strategies, which serve to business to include factors other than business focused, with the aim of shape their reputation toward public opinion; and in the end the role of strategic mediators, as lobbyists, into the implementation of those types of strategies.
The path come to an end with the marketing research which helped me in integrating the various topics treated, even though not including the part of non-market strategies. From my point of view, I was not able to include aspects of non-market strategies and lobbying firms as my research was addressed to ordinary people, certainly representing full-fledged consumers which actually showed to be committed to the treated themes, but, at the same time, far away from such realities.

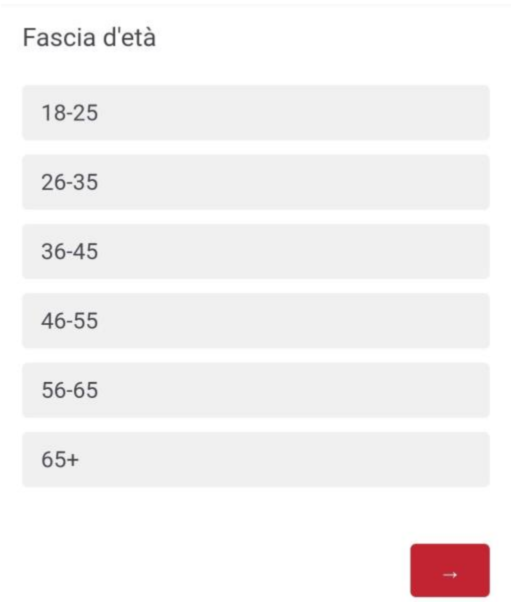
The limitations present in my research can be found in the need of a vaguer picture of the two products displayed, as brands can actually influence participants choices and may be misleading. In my case, my purpose was to understand the results also on the base of the perception and recognition of brands, but it could have been provided a more accurate example without this limitation. Moreover, the sample should have been greater in terms of number of respondents, and also the timeline used to collect answers should have been wider. But still the results obtained helped in finding some concerning facts. In my research emerged that people claimed to be concerned and sensitive to topics such as sustainability and healthiness, including nutritional aspects. But at the same time this devotion to such topics is not reflected into purchasing behaviors. This statement generates from the fact that NON-BIO is actually perceived to be more attractive and tastier, while for the BIO one healthier. After having looked at the BIO product, every respondent considered that product to be healthy, even though the product was represented by a pack of cookies. So, it is true that the common opinion toward BIO associates the latter to a healthier option, but why isn't the consumer willing to purchase it at the same extent to which he is interested into healthiness? Maybe there is a need to really help consumers in collecting information. BIO is defined to be healthier, but is this because people actually know all of the aspects contributing in the creation of an healthier alternative, or because the word of mouth spread, media promote it and so the trend is established? Moreover, even though most of participants claimed to give importance to BIO certificate, 48% of the total is willing to spend more for a BIO product, which may seem a positive aspect, but we need to take into account that that most of this result is represented by women. At the same time men, claiming not to care much about Bio certificateds and features, after looking at BIO picture, got influenced by the display and claim, for the 45%, to be willing in spending more for BIOs. However, as a general assumption, in all the analysis it emerged how much women are much more interested and committed to the purchase of BIO products, affected by palm oil label, but at the same time even men are committed to the topic of healthiness and sustainability. So, this make the situation ambiguous, as it is not clear whether men, believing in the importance of healthy nutritional habits, do not associate BIO to healthiness, not trusting the trend, or if they believe it but still are not interested in reflecting their concerns on purchasing and consuming their products. Comparing the sample only on the base of which picture has been shown to participants didn't bring to significant relevance of results, but, as we add in this comparison the gender diversity, this actually bring to relevant assumptions. Moreover, not only women happened to be much more likely to invest in BIO compared to men, also, this case is much more extreme in case of picturing a BIO product. The samples are both influenced by the picture they see but with opposite results for men and women and this caused the effects to cancel out each other. Taking into account these hypotheses we come to the conclusion that there is a difference among women and men in terms of perception and purchasing intention. In the end, it is also interesting that when consumers where asked what brand in the list they associated more to a healthy lifestyle, only few, including women, fior di loto which, among BIO concerned, a popular company strictly devoted to the production of bio products of any kind . The great majority pointed out at Misura or Vitasnella, famous brands which distribute a wide range of products close to those types of consumers devoted to healthiness and body shape, as products focus on the explications of a low calories' intake. At the same time, these two brands do not provide any BIO line, while Mulino Bianco at least committed to the BIO line. Not even this one has been associated to the healthy standards of nutrition and this is true both for men and women. This is more alarming in the case of the second sample, when were displayed not only a BIO product, but more importantly a product produced by fior di loto. This means that almost no one give the attention to the BIO brand when looking at the picture, even though everyone claimed to give a high importance to brands on the pre-purchase phase.

In the end, Bio seem to be a very popular trend, having women as its most devoted "fans", as the questionnaire shows. But in this process, are not took into account aspects not totally in favour of healthy and sustainability concerns, as an example of the environment, and more specifically, as I explained in chapter 2, soil consumption. The research leaked out the fact that consumers does not have a clear idea about various production characteristics implications. And this is reflected by their purchase intentions and behaviours. For this reason, it may seem extremely necessary a more consistent, simplified and wider disclosure of relevant information, giving consumers the chance to make proper or at least conscious decisions. And maybe this can be on reason which influence misleading behaviors showed by my samples.
Another important aspect, in addition to an incorrect or uncomplete divulgation of information, may be the fact that even though is belongs to everyone's acquaintance that BIO products are associated to healthier ideas of the products, as in fact it is, they are still not ready to fully commit in their purchase. One possible cause may be found in the following aspect: as people rationalize and know that BIO is healthier, they still don't purchase it because they are not use to this trend. They need to be pushed and motivated by brands themselves. It can be that firms are also the ones not ready in adapting their businesses to this new wave. There are some cases as Mulino Bianco and many others, integrating along their core products also Bio lines. But maybe they are still not ready to fully commit to this cause. In fact, BIO products and brands are few, still unknown, as in the case of fior di loto, Alce Nero (and so on..) and provide very high prices. As people were not born, as it is obvious, with an intrinsic propensity in committing into the BIO world, they need to be extrinsically motivated by actors involved in the food market through means of information and effective communication. The concern is eating healthy, and this is the message that needs to be delivered to people. The most effective way in this new digital world is exploiting the channels of media, press, social network, not only in simply promoting Bio processes, but actually showing which are the related effects, motivating more and raising awareness among consumers. As everyone, know, hear, see and get used to something, the external influence will become an intrinsic one, shaping its preferences and habits.

APPENDIX A - ILLUSTRATION OF THE QUESTIONNAIRE

Demographics: Q1, Q2, Q3





Pictures Blocks: Sample 1, NON-BIO, Sample 2, BIO

Per favore, guarda attentamente l'immagine!

→

Per favore, guarda attentamente l'immagine!

→

Q4 – Product Perception

In una scala da 1 a 5 (in cui 5 è il massimo), come percepisci questo prodotto

	1	2	3	4	5
Gustoso	○	○	○	○	○
Sano	○	○	○	○	○
Attrente	○	○	○	○	○

→

Q5 – Purchase Intention with "free from palm oil" label

L'etichetta senza olio di palma presente sulla confezione, influenza la tua propensione di acquisto?

- Per nulla
- Poco
- Indifferente
- Abbastanza
- Molto

→

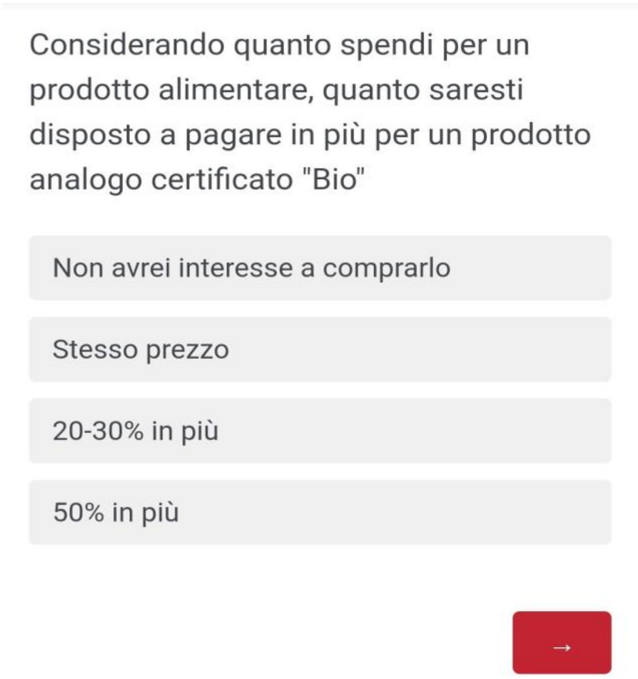
Q6 – Sustainability and Health Concerns

In una scala da 1 a 5, quanto ti senti vicino alle seguenti tematiche

	1	2	3	4	5
Sostenibilità	○	○	○	○	○
Alimentazione sana	○	○	○	○	○
Stile di vita sano	○	○	○	○	○

→

Q7 – Willingness to buy BIO products

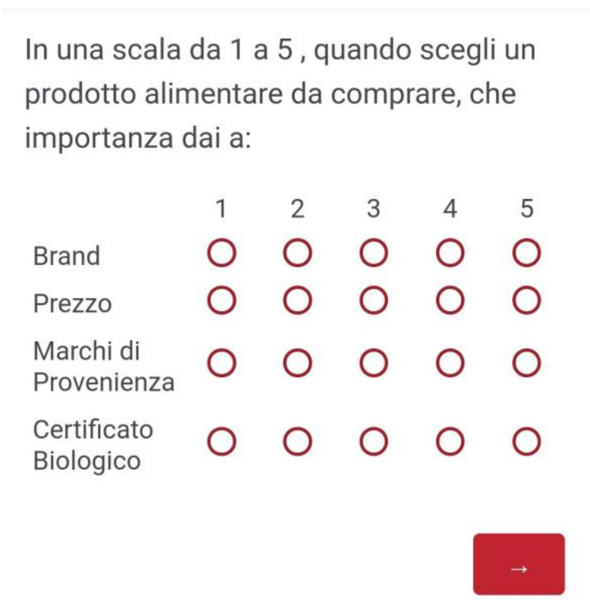


Considerando quanto spendi per un prodotto alimentare, quanto saresti disposto a pagare in più per un prodotto analogo certificato "Bio"

- Non avrei interesse a comprarlo
- Stesso prezzo
- 20-30% in più
- 50% in più

→

Q8 – Impact of Brand, Price, Quality Marks and Bio Cert. on Purchase Intention



In una scala da 1 a 5 , quando scegli un prodotto alimentare da comprare, che importanza dai a:

	1	2	3	4	5
Brand	○	○	○	○	○
Prezzo	○	○	○	○	○
Marchi di Provenienza	○	○	○	○	○
Certificato Biologico	○	○	○	○	○

→

Q9 – External Influences in Purchasing decisions

Riguardo alla scelta dei prodotti acquistati, a quale di queste affermazioni ti senti più vicino

- Mi faccio influenzare da pubblicità, social, influencer, ecc,
- Prima di acquistare un prodotto mi informo sulle caratteristiche dei vari ingredienti
- Seguo i consigli di esperti (nutrizionisti, dietologi, medici..)
- Mi faccio ispirare al momento dell'acquisto

→

Q10 – External influences on dietary choices

Ti è mai capitato di eliminare dalla tua dieta precisi ingredienti, senza considerare intolleranze o allergie? Se sì, per quale motivo?

- No, non mi è mai capitato
- Pressioni da parte di influenze esterne (media, social, passa parola, ecc..)
- Curiosità e ricerca di informazioni individuali

→

Q11 – Brand Recognition


Quale tra i seguenti brand nell'industria alimentare, associ a uno stile di vita sano

Misura

Mulino Bianco

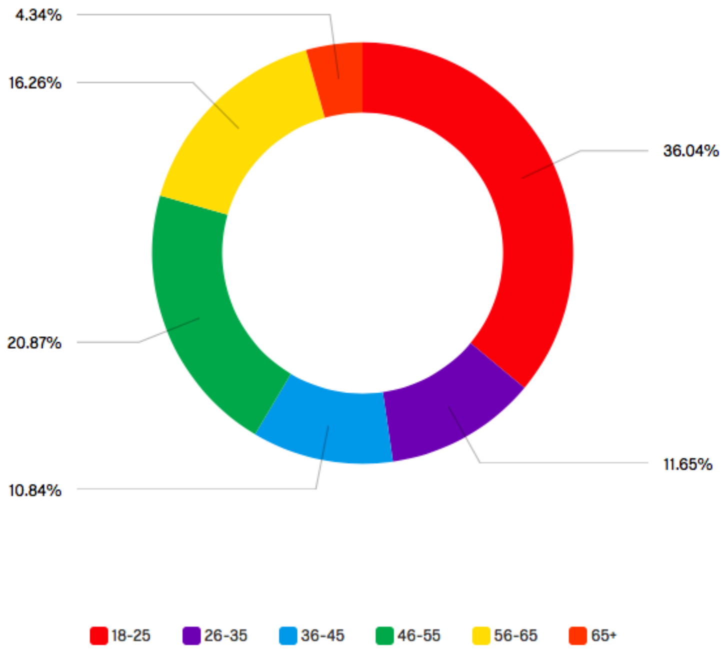
fior di loto

Vitasnella

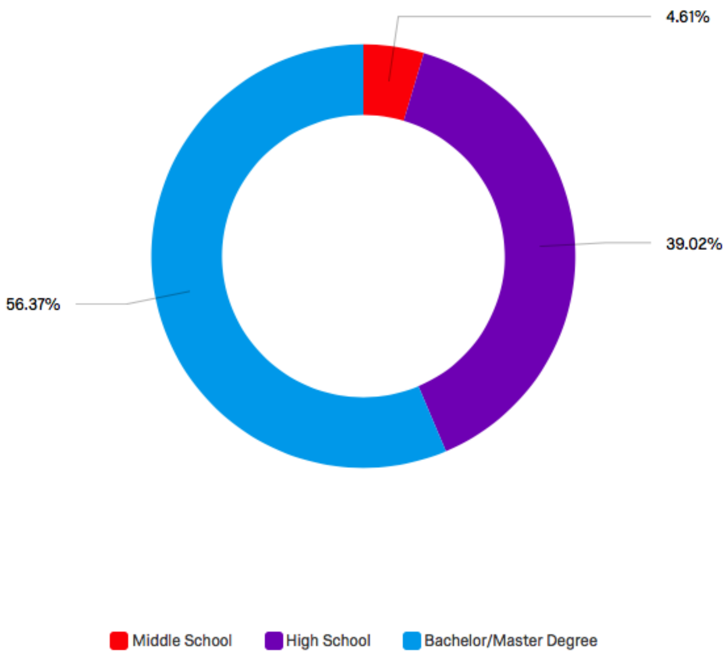
→

APPENDIX B – QUESTIONNAIRE RESULTS ILLUSTRATIONS

Age Range

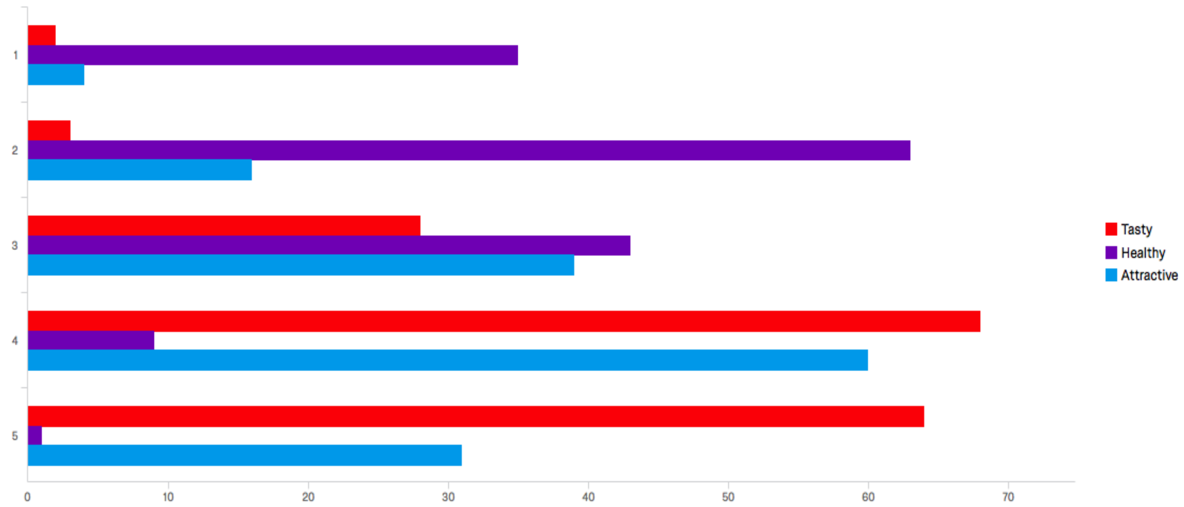


Level of Education

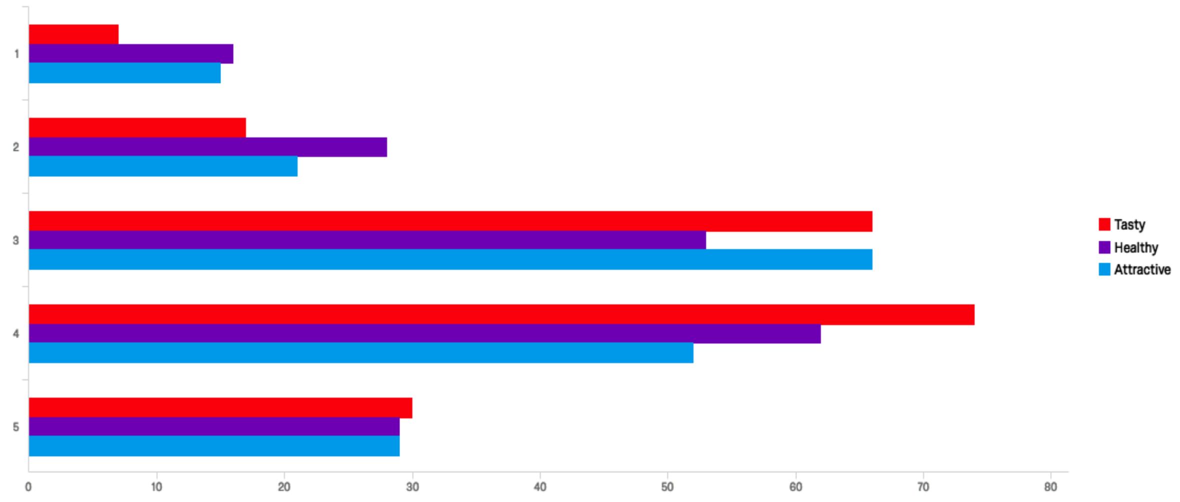


Products' Perception

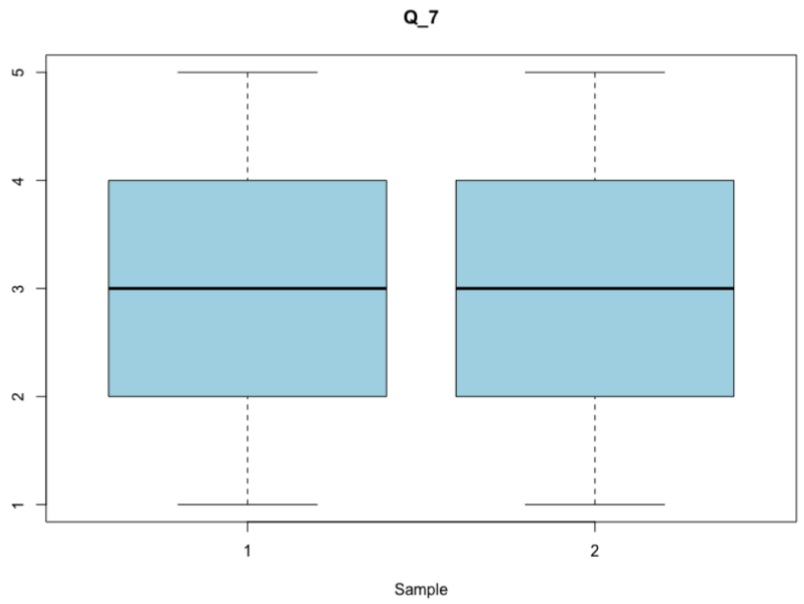
Sample 1, NON-BIO PICTURE



Sample 2, BIO PICTURE

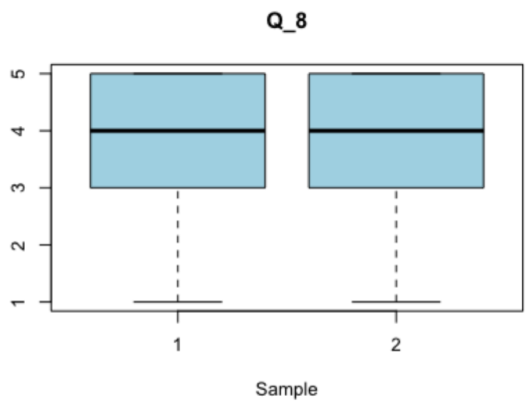


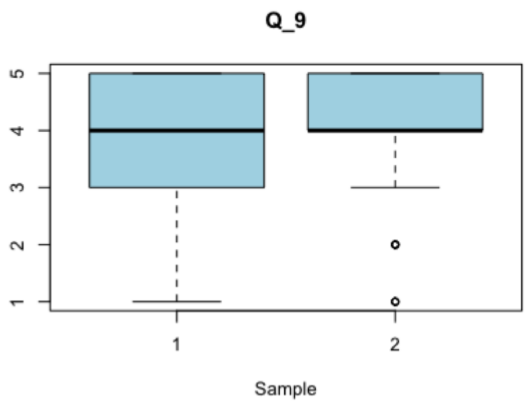
“Free from Palm Oil” Label – Graphical significance among samples

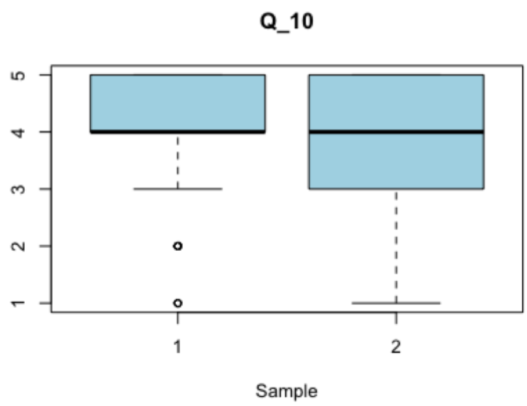


Health and Sustainability Concerns – Graphical Significance among samples

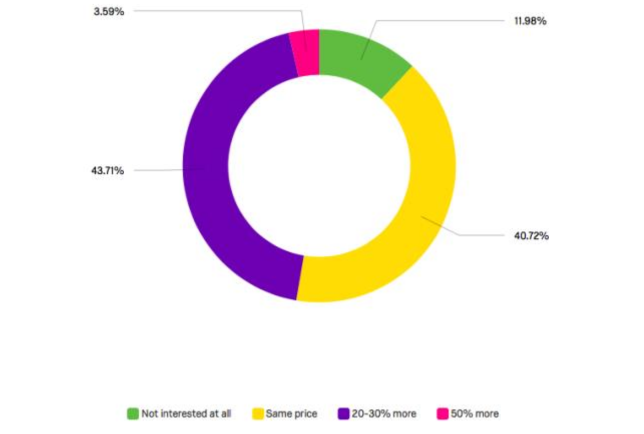
Q_8 Sustainability; Q_9 Healthy nutritional habits; Q_10 Healthy lifestyle

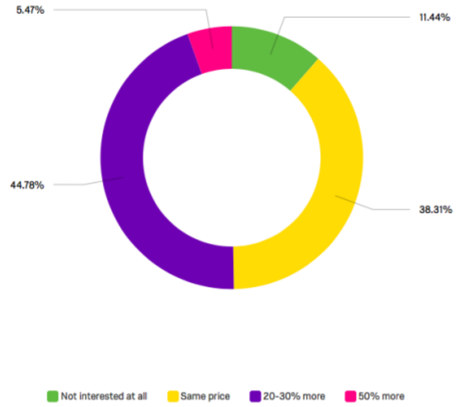




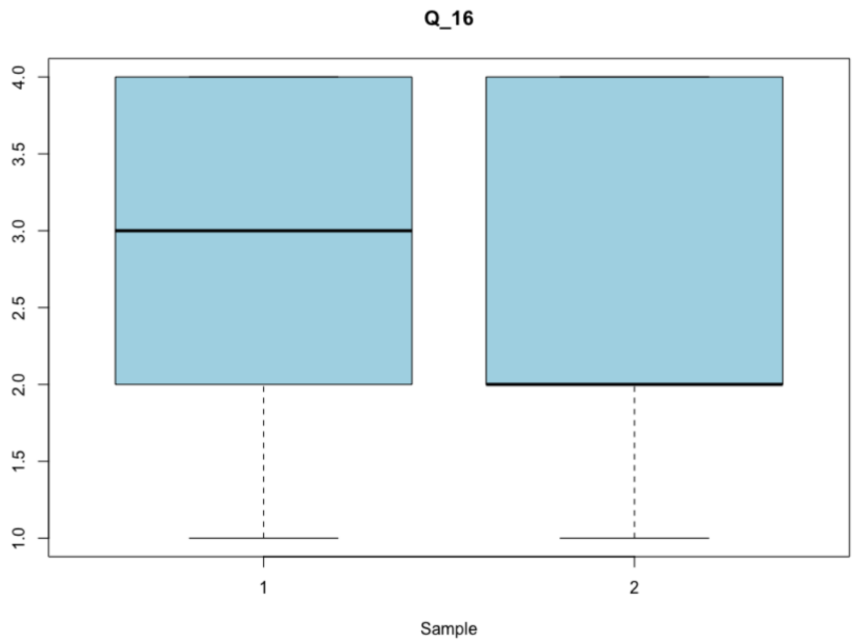


Willingness to Buy Biological products Graphs for NON-BIO and BIO



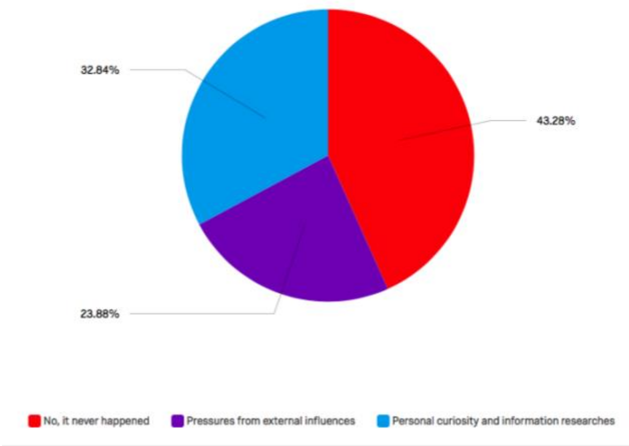


External Influences on Pre-Purchase phase (Q_16), Graphical significance among samples

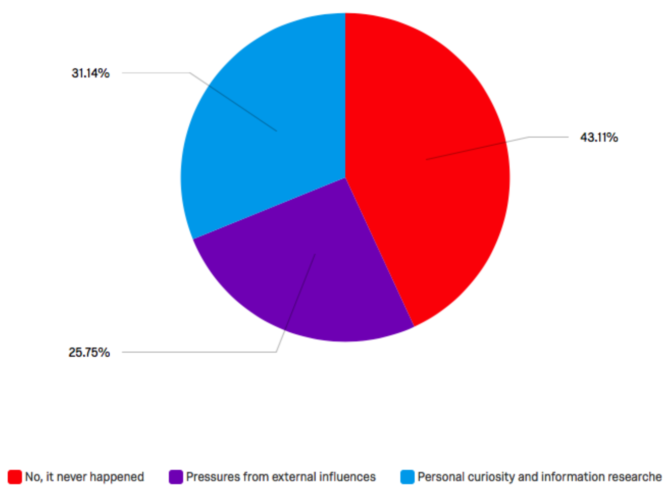


Dietary avoidance choices due to external influences

NON-BIO



BIO



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SUMMARY

The Food Market is very wide and peculiar. Each country presents its own culture and habits, reflecting those aspects also in food. From famous and admirable receipts, to typical foods coming from each single city all over the world. The “Country of Origin” effect assumes a real added value in terms for each domestic country from the perspective of foreigners. And from the food side, this is true especially for Italy. Made in Italy has the value of a proper brand, and not just because the product it refers to is simply manufactured in Italy, but mainly because it owns those specific characteristics that only are country can offer.

The initial part of my research is based in providing an overview of the overall food market. In the first place, food, apart from the pure nutritional function, is able to trigger a series of emotions, transform our current mood and give us a sense of sharing with each other that goes far beyond the mere act of eating. Food has always been central for each person and this is not true only for Italians, which are famous for being real food experts and lovers. Nowadays, food is focal for everybody across the globe, with each country having different habits and cultures, but still giving a lot of importance to food. Eating is something we have always done, which deeply influence the quality of our lives, our physical and mental healthiness, from when we were born, till we reach the old age. Within the centuries, the conception of food has changed a lot and now the focus is on different aspects. As an example, earliest concepts referred to the mere function of feeding served by food. It was only a need to be satisfied for survival. For centuries, the human race fought the food scarcity, disease and an adverse environment. But, as the world experienced industrial transofrmations and technology developments, was clearer the divergence among countries in terms of real output, and some countries became richer. In those cases, the disposable resources started increasing and one resource which started in being abused was specifically also food. And, as this resource is more than available, it become easy to lose control over it. As the population is not able to manage overcapacity of food resources, start to spread a general trend over eating disorders and obesity. Obesity is defined as an excess of adiposity into the human body. Regarding this theme, even though in the last decades there has been a wide range of researches, the process through which people start gaining more weight compared to how much it is supposed to are still lacking accurate deepening and it is still difficult to understand how obesity has spread around the globe. The percentages growth in obesity rates within each country in the world are worrying and the country suffering more from this obesity spreading was precisely the US. In USA obesity started spreading more

rapidly involving percentages pf people from 1975 equal to 12.5% to 1994 which were already 25% after only ten years, arriving to 2014 were it was reached 34.2% of population being obese, while China represented the country affected less by the phenomenon. Italy cannot escape this. Even in the country were food plays a major role in terms of products qualities we must confront eating disorders problems presenting higher rates among southern and not graduated individuals. These phenomena started raising concerns on how to overcome the problem. As food is consumed properly and consciously it is beneficial to our wellbeing. The world has to change its direction and proceed toward a constant commitment into a healthy lifestyle achieving not only a moderation of consumption, but also the ability in making the right decisions. Obesity and malnutrition have never gained much of attention until recent years. Many institutions and organization have focused in raising sensitivity to such topics. So, the new concern is how to conduct a healthy lifestyle which mainly depends on our eating habits. Before treating the initiatives taken by institutions, I also took into account how the new era of digitalization has contributed to the trend of Healthiness. Thanks to technology and social networks, the trend started expanding and spreading awareness. In fact, apart from the initiatives provided by public institution, as regulations, norms, principles and guidelines or other organizations, are needed more direct channels which make the concern a proper media case, having the power to involv each type of listener. From sharing helpful suggestion, the right instructions to follow and making healthy food appealing, each actor, participating into this huge network, motivates others, or “followers” along the journey of eating a behaving consciously. These explained initiatives represent the more informal ones, developed mainly by the people with the power of influencing others. Though, they are not enough. Cosumers’ choices should be driven not merely by personal preferences or just because people are following a trend. More importantly, they should be made also with the contribution of a wide range of available information which are necessary to be delivered in a simple way. Even though there is a significant number of people, whose motivation in gathering this kind of information is intrinsic, many others need external stimuli in order to inquire and make conscious choices. How can this information related to the main features of products and their treatment process be given to the public? And more importantly, how can they be aware of what is defined to be “good”? Knowing where each type of food comes from and how does it work and in which geographical area is located their production process is a fundamental step in the customer decision journey, and the main players involved in production and delivery of food should put every effort they can to effectively communicate their characteristics. This is why it is very important to know where what we buy and consume comes from. Italy, especially southern areas such as Campania, has some of the most important trademarks in the world, from pasta to oil or mozzarella. Exports of course represent a fundamental element for the economy, but firstly locals must be educated on the values of European marks. The importance of the denomination or indication of origin in the food market acquires nowadays an added value related to corporate strategies. In the light of an international competition in the sector local products gain an incredible relevance. The usage of products having quality trademarks certifies the seriousness of a specific brand or manufacturer and guarantee to the consumer certain characteristics about raw materials. In fact, it is the European Union which created those designations in order to protect and preserve the gastronomic heritage of their territories. DOP, IGP, DOC, IGT and STG represent a legitimate warranty for consumers, which in this way are perfectly conscious in their pre-purchase decision-making process. They are able to know that they are buying food produced in compliance with precise disciplines, and to protect the producers themselves against potential imitations or unfair competition. The EU agreed that the geographical origin influence the quality and peculiarity of a food product or a wine, along with traditional production techniques. In order to recognize and protected these characteristics the European Union created some designations linked to territorial origin, production area and production processes. Here, becomes clear the importance, even in the food sector, of Made in Italy. A “theoretical” definition of food industry Made in Italy can consider the protected designation of origin and geographical indication (DOP and IGP) mentioned before. In this way the territory and the geographical area would be fairly enhanced and would prevail against competition, highly bounding agricultural Made in Italy definition but also combining it with a normative parameter. In the research I mentioned to very successful cases of Italian business, one from the side of producing, as Ferrero, and the other one from the distributive and retailing chain, as Eataly. Ours country boasts the largest number of registered trademark products in Europe and is subject to numerous and sophisticated attempts at counterfeiting and Italian sounding phenomena, defined as fake Made in Italy. So, establishing product identity, in order to avoid those types of events and protect domestic production, have been introduced labelling systems named “Front of Pack” labels.

The relevance of Front of Pack Labels (FOPL) relies in their ability to allow not only authentic brands to communicate and protect the high-quality features characterizing their products, but also consumers to clearly find and understand this information, in order to make conscious purchasing decisions. The regulation of product labeling and the consequent information to consumers represents an aspect of the protection of product quality. Italy has therefore implemented the European legislation, with internal rules aimed at protecting the quality of food production, such as those that require mandatory indication of the origin of the raw material on the label for certain agricultural products. Across Europe, each country presents its own FOP labelling scheme. Of course, as these schemes present various dissimilarities, there is an enduring dispute regarding which one might be the most effective in terms of information public communication. Still nowadays, there is not yet a common consent about the issue. Though, several guiding principles regarding the provision of nutrition information to the public have been provided by the Codex Alimentarius Commission which developed the "Codex Alimentarius". The Codex comprehends several securities standards, with a general and specific character, which were created in order to protect consumers healthiness and to guarantee fairness in the food market. It has been created in the 60's thanks to the cooperation between to United Nation Organizations, "Food and Agricultural Organization" (FAO) and "World Organization of Health" (WHO), with the aim of guiding and promoting the development and application of food products designations and requirements, encouraging its harmonization and, by doing so, favoring international products trade. Within the Codex, there are thousands of norms and standards, from general ones, applicable to each type of food product, to more specific ones, devoted to a particular type of food. General norms involve hygiene, front of pack labels (FOPL), residues of pesticides and veterinary drugs, inspection of imports, exports and certification systems, methods of analysis and sampling, food additives, contaminants, nutrition and foods for special dietary uses.

Then it is important to understand that the Codex Alimentarius has approved ongoing work for international guidance on FOP ("Front of Pack") nutrition labelling. The functional and visual aspects concerning FOPL are fundamental to satisfy all the needs mentioned before as they represent how information is provided. For this purpose, has been created in 2014 by van der Bend a "Funnel Model", as it was felt the need to implement an overall overview including the main FOP label features used in Europe. The model sums up and identify the different characteristics related to FOP labelling schemes. The model has been developed for many types of labels distinguishing from positive labels, mixed labes and negative labels. As an example of funnel model, in France, in 2017, was created the Nutriscore, also accepted in other EU countries as Spain, Belgium and Portugal. Nutriscore, through the display of five boxes colored from dark green o dark red and assigned with letters from A (best nutritional quality) to E (least good quality nutrition), provides a process of continuum from healthy to unhealthy indications and it is considered a mixed FOP label, as it is not positive nor negative. This is just one examples among many others of a type of label used in specific countries selected to communicate products characteristics. What is the role of our country regarding the issue of FOPL system? In a letter signed by Gian Lorenzo Cornedo, the Permanent Representative of our country in the WHO, Italy criticizes the nutritional profiles, necessary for the functioning of the interpretative labeling, because claiming to be without scientificfoundations and also criticized the traffic light labels, which, in the countries where they were introduced, would not have given significant improvement in terms of public health or impact on obesity. The main worry concern the fact that the purchase of several high-quality Italian products known all over the world, such as extra-virgin olive oil, would be discouraged by the adoption of such misleading graphic indicators. For the moment it seems to be clear the fact that our country is not going to consider the adoption of traffic light labelling systems to be applied for our products. But this does not mean that the concept of labels is not accepted as a whole. In fact, what has been approved and is becoming a huge trend is the adoption of Bio Labels.

Products defined to be Bio, are becoming more and more popular not only worldwide, but mainly in Italy, the country where food represents a real symbol of its culture. 2019 Food Trends has one common thread: more attention to healthiness and care. Nowadays, an average consumer prefers to behave and buy based on a healthy lifestyle, not wanting anymore to fill the shopping cart and the stomach focusing the attention on quality rather than quantity. Organic products, in order to be certified, must follow precise norms and standards. Biological production norms forbid the usage of genetically modified organisms (GMO) and exclude ionizing radiations for food processing. Organic agriculture is a method of agri-food production regulated at national, European and international level both in legislative and voluntary terms. The standards require that in all production and preparation phases is prohibited the use of synthetic chemicals and products containing GMOs (Genetically Modified Organisms). Labeling system has been applied to organic food in order to clearly recognize them. In fact, Bio labeling must be clearly visible on the packaging and it must contain a reference to the control body that certifies the product. Organic food is defined the most popular trend of recent years. Increasing number of people today choose organic products, thinking about their own health but also about the future of our planet. Organic agriculture, in fact, is often proposed as a more ecological alternative to conventional agriculture, and for this reason it is the fastest growing food sector. However, it has been discovered that, even though Organic is often proposed as the solution to environmental and food problems, the costs and benefits vary greatly depending on the context in which we find ourselves. While organic farming promotes local biodiversity, higher nutritional value of products and greater profitability for farmers, it has disadvantages, such as well-priced higher and lower yields than traditional agriculture. So far, most studies have compared the costs and benefits of organic and conventional farms but have not taken into account the differences in yields of different crops and cultivation techniques. The bio is not always better, and an indiscriminate adoption of these cultivation techniques would have serious repercussions on the environment, especially in terms of soil consumption.

However, BIO is growing, even in the light of some misconception and controversial opinions. In light of this new trend, new consumers, all devoted to a healthy lifestyle, it seems that the industry is managing to keep up with this everchanging environment, where information and trends have the power to widespread in such a short time. A prime example, confirming all this, is not only the increasing number of brands exclusively focusing on the production of organic foods, as it can be Alce Nero, Fior di Loto, and many others, as well as supermarket chains as Naturasì. What is also interesting is how the big Giants as Barilla, Kellogg, Nestle, De Cecco, Ferrero, etc…, are implementing their Bio lines, making sure consumer understand their dedication to important and concerning topics, important for the health and environment, important for the society.

In this way they are able to update their identity with new issues, not risking to be left behind by the competition. But how is it possible to anticipate trends and not be overpowered by a constantly updated competition? In a world which is so fast, and where everyone tries to take advantage of every second of anticipation over others, how can a firm make sure to keep path with each change, each new trend, and anticipate it , so that as the need is clear and everyone claim it, it is sure that it will be able to provide and satisfy customers' needs?

This is where teams of researchers come to existence and do their job, providing to each type of firm a service which is able to anticipate trends, making sure to respect the related regulations and laws: this type of service is offered by Lobbying Firms.

Before coming to the activity of Lobbies, it is important to introduce another important aspect analyzed by my research, the nonmarket strategies. The use of non-market strategies means finding a way to pursue strategic goals through political and social leverage. Non-market strategy helps groups gain soft power and influence and use them to their competitive advantage. It is developed towards government, press and influential groups. Through non-market strategies, groups can reshape the rule of the game through laws and regulation. It can also be driven by social pressure, media and education. Tools for non-market strategies are: events, demonstrations, networking, sponsoring, research, publications, but also the consequences of law suits. Connected to lobbying, non-market strategies are more global and long-term focus. Managing nonmarket strategies invite firms to care about their reputation, values and social impact. To build a successful non-market strategy, has been developed the (IA)3 framework, which concerns a detailed description of all the steps needed as a foundation in building an effective nonmarket strategy. It shares some similarities with the Porter's Five Forces which catches the main market features. This framework suggests an extensive examination of what can be a firm's nonmarket environment. This means proposing a contest in which have been divided the core business aspects, which are vital for the company affecting its ongoing business, from the stridency of politics. A firm shouldn't take a position on everything, this would represent the exact opponent to strategic thinking.

Figure 3.1 - Building the nonmarket environment

Source: Creating nonmarket strategy, the IA framework from "What every CEO needs to know about Nonmarket strategy" by David Back and David Bruce Allen (The MIT Sloan Management Review)

In order to implement a successful and performative nonmarlet strategies it is of fundamental importance to start by the corporate's current market strategy. From this point, on the base of how the company compete in the market and depending on which is the value-creation plan, then it will be possible to identify what will be most relevant issue for the existing core business, and which one doesn't fit. So, the first step is to find these, and only these, issues. As managers are the ones closest and most attached to products and know best the market, it seems to be clear why this task of setting the nonmarket strategy should be performed by them. This framework is constricted on the base of a careful analysis of *issues, actors, interests, arenas, information and assets*. In the end, by mapping a nonmarket strategy with the identification of relevant issues, of actors interested in the issues, of what they want from these issues and in which arena they will meet, a firm can also map the needed information and assets for modelling the issue's development, supporting the core business goals. In fact, what the nonmarket strategy does is to accept the fact that the business is also a social and political beings, and not just an economic entity with mere related economic goals. As companies' objective is to create and deliver values, there is a great number of players that tries to affect them, both in a formal way, with the application of regulations and laws, and in an informal way, with the use of social pressure, activism, and attempts in shaping the perception of the business by the public. So, the main idea behind the issue of non-market factors is that the implementation of effective non-market strategy, well integrated with the clear core business of the firms, bring the latter to positive economic performance. There are six main players involved in the non-market realities as NGOs, Activists, Media, Citizens, Interest groups and Government and Regulators.

As it has been explained how to build nonmarket strategies after having settled the nonmarket environment, how performance is affected by a good integration among efficient nonmarket strategies and the company core business and also which are the main players involved in all this process, the study the focuses on the significance of one of those actors which play a fundamental role but that is often omitted, lobbying groups. Lobbying groups are defined to be those groups of people who, not belonging to a legislative body and without government duties, propose to exert their influence (lobbying) on those who have the power to make political decisions, to obtain the issuance of regulatory measures, in their favor or of their clients, regarding certain problems or interests. They are however ethically dubious behaviors both the one of the lobbyist, who exercises his greater social or economic power to direct legislative decisions towards specific interests to the detriment of others, even within a single company or sector it is not obvious that managers interests are advantageous for shareholders, or vice-versa, and those of public decision-makers, who would have the duty to defend the common good, but can obtain benefits by changing the laws and regulations favoring private actors. Lobbying practices are often confused with corruption. This is because those types of practices are still unknown and ambiguous for the power that they can exercise. They are not fully known by the public and most people yet do not fully know which are the main focus and strategies of these types of groups. Many recent studies have been recently conducted on the topic since it is considered to be a new "world" and many have focused on this slight line that divided the conception of lobbying with the one of corruption. One concern emerged to be wondering why corruption mainly affects poor countries while lobbying the rich ones and what are the consequences in terms of economic growth. It seems that companies corrupt public officials when the level of development is low, but they begin using lobbying practices when the level of development is high enough. As transparency concerning how public institutions interact with lobbying representatives, the EU institutions are beginning to negotiate on developing and improving a Transparency Register, listing main lobbyist participants. Into the document are registered more than 11.327 Organizations, accounting for more than 80,000 participants to the staff, including non-governmental organizations, business associations, companies, trade unions and consultancies. Organizations can be diverse in terms of size and topics of interest. Most of organizations have their head office in Belgium. An illustration of some data about the register may be useful in understanding how EU is trying to reassure the public opinion about this unfamiliar reality. The main objective of this document is to avoid controversial opinion about whether those hidden and ambiguous practices are adopted for some hidden interests. With the register, those actors interacting with EU public institutions would have to publicly declare their interest and give enough information about their purposes.

As the link between regulations, public institutions and lobbying activities have been explained, how to connect this aspect to the market of food? The examples may be numerous so to have a much clearer picture about the topic, I interviewed a lobbying firm's representative from ES – Relazioni Istituzionali e Comunicazione, which explained better how their reality mediate between their firm clients and public institutions with a focus into the Food market. Moreover, my research focused on those regulations devoted to the principles applied the productive process of foods and to the divulgation and communication of product characteristic to make consumers more confident and conscious in their decisions; in addition as the focus is on Italian food market, which didn't accept the use of Traffic Light labels, I concentrated the point to the growing trend and utilization of BIO and with the interview I got the chance to understand how lobbying firms play a role in each step of their clients, trying to obtain competitive advantage focusing also on political aspects.

From the interview emerged the fundamental aspect that the firm adopt in order to work for their client. They work for a very large cooperative and their focus is not on the *mere practice of lobbying; another fundamental aspect are other market tools used by lobbies such as market research. as I asked her why lobbying practices are still so ambiguous and unk*

Coming to the conclusion of this study, this section is focused on my empirical research. As I mentioned regulations implemented in the divulgation of information and in the productive processes, and then in the BIO label, perceived to be the healthiest alternative provided, my research focuses on understanding how the trend is actually translated into nutritional and purchasing behaviors. Do consumers really perceive biological products to be healthier in respect to not biological ones? As they are interested and devoted to healthy life standards, and perceiving biological food as healthier, what is their willingness to buy those types of products? I conducted a questionnaire composed by 11 questions for each respondent. with the aim of understanding how behaviors toward purchase change among both women and men together, dividing two samples just on the base of two pictures displayed, as sample 1 looking at the picture of a NON-BIO product and sample 2 watching the picture of a BIO product. The aim was to understand if, by giving the exact same questions to the samples, which were not only based on the perception of the product seen, but general questions about their purchasing influences and behaviors, they could have been influenced in exposing themselves by the picture already seen. Then another important aspect was to understand the different behaviors among men and women. The two pictures provided were the following:

The reason why my choice felt among these two types of products is: first of all, my aim was to display to consumers a food which is not commonly perceived neither healthy nor unhealthy. Biscuits in general cannot be defined as a healthy food, but with the right consumption doses, ingredients and consumed at the right time, as at breakfast, they do not represent what is commonly defined as unhealthy. Still, Gocciole Pavesi, have faced many issues related to the product perception, as they were concerned about the properties of some ingredients as palm oil and the calories intake. For these reasons I selected an analogue product but with a biological base; in fact, the second product, in terms of aesthetics, looks very similar to the "classic one", but it is produced and provided by a popular biological brand "fior di loto". As palm oil represent a popular concern of recent years, both products present on their package the "free from palm oil" label, so that consumers, when expressing their perception of healthiness coming from the product, are not influenced by the presence of that ingredient. Moreover, in this way I could see if the perception of the biological food was actually perceived as healthier in respect to the other product only on the base of the biological feature. The graphical significance of all the questions actually confirmed my thoughts and the main hypothesis receiving also a statistical significance were the following:

H1: the BIO product is perceived to be healthier than the NON-BIO one
H2: the willingness to buy the product is more affected by the presence of "free from palm oil" label for what regards women.
H3: the willingness to pay for a BIO product is higher for women
H4: the willingness to buy is positively affected by the presence of BIO certificate for what regards women

In the research I provided the main graphical differences in behaviors among the two pictures sample and also among women and men, and this was done for all the questions submitted. For the accepted hypothesis, regarding the linear regression I used the R program and showed the statistical significance obtained in the tables. Apart from H1, which provided graphical results, as the BIO product was perceived to be healthier the other three Hypothesis were all accepted providing p values smaller than 0,025 (H1 and H2) and smaller than 0,05 (H3).

In conclusion, the results obtained helped in finding some concerning facts. In my research emerged that people claimed to be concerned and sensitive to topics such as sustainability and healthiness, including nutritional aspects. But at the same time this devotion to such topics is not reflected into purchasing behaviors. This statement generates from the fact that NON-BIO is actually perceived to be more attractive and tastier, while for the BIO one healthier. After having looked at the BIO product, every respondent considered that product to be healthy, even though the product was represented by a pack of cookies. So, it is true that the common opinion toward BIO associates the latter to a healthier option, but why isn't the consumer willing to purchase it at the same extent to which he is interested into healthiness? Maybe there is a need to really help consumers in collecting information. BIO is defined to be healthier, but is this because people actually know all of the aspects contributing in the creation of an healthier alternative, or because the word of mouth spread, media promote it and so the trend is established? Moreover, even though most of participants claimed to give importance to BIO certificate, 48% of the total is willing to spend more for a BIO product, which may seem a positive aspect, but we need to take into account that that most of this result is represented by women. At the same time men, claiming not to care much about Bio certificateds and features, after looking at BIO picture, got influenced by the display and claim, for the 45%, to be willing in spending more for BIOs. However, as a general assumption, in all the analysis it emerged how much women are much more interested and committed to the purchase of BIO products, affected by palm oil label, but at the same time even men are committed to the topic of healthiness and sustainability. So, this make the situation ambiguous, as it is not clear whether men, believing in the importance of healthy nutritional habits, do not associate BIO to healthiness, not trusting the trend, or if they believe it but still are not interested in reflecting their concerns on purchasing and consuming their products. Comparing the sample only on the base of which picture has been shown to participants didn’t bring to significant relevance of results, but, as we add in this comparison the gender diversity, this actually bring to relevant assumptions. Moreover, not only women happened to be much more likely to invest in BIO compared to men, also, this case is much more extreme in case of picturing a BIO product. The samples are both influenced by the picture they see but with opposite results for men and women and this caused the effects to cancel out each other. Taking into account these hypotheses we come to the conclusion that there is a difference among women and men in terms of perception and purchasing intention. In the end, it is also interesting that when consumers where asked what brand in the list they associated more to a healthy lifestyle, only few, including women, fior di loto which, among BIO concerned, a popular company strictly devoted to the production of bio products of any kind . The great majority pointed out at Misura or Vitasnella, famous brands which distribute a wide range of products close to those types of consumers devoted to healthiness and body shape, as products focus on the explications of a low calories’ intake. At the same time, these two brands do not provide any BIO line, while Mulino Bianco at least committed to the BIO line. Not even this one has been associated to the healthy standards of nutrition and this is true both for men and women. This is more alarming in the case of the second sample, when were displayed not only a BIO product, but more importantly a product produced by fior di loto. This means that almost no one give the attention to the BIO brand when looking at the picture, even though everyone claimed to give a high importance to brands on the pre-purchase phase.

In the end, Bio seem to be a very popular trend, having women as its most devoted "fans", as the questionnaire shows. But in this process, are not took into account aspects not totally in favour of healthy and sustainability concerns, as an example of the environment, and more specifically, as I explained in chapter 2, soil consumption. The research leaked out the fact that consumers does not have a clear idea about various production characteristics implications. And this is reflected by their purchase intentions and behaviours. For this reason, it may seem extremely necessary a more consistent, simplified and wider disclosure of relevant information, giving consumers the chance to make proper or at least conscious decisions. And maybe this can be on reason which influence misleading behaviors showed by my samples.
Another important aspect, in addition to an incorrect or uncomplete divulgation of information, may be the fact that even though is belongs to everyone's acquaintance that BIO products are associated to healthier ideas of the products, as in fact it is, they are still not ready to fully commit in their purchase. One possible cause may be found in the following aspect: as people rationalize and know that BIO is healthier, they still don't purchase it because they are not use to this trend. They need to be pushed and motivated by brands themselves. It can be that firms are also the ones not ready in adapting their businesses to this new wave. There are some cases as Mulino Bianco and many others, integrating along their core products also Bio lines. But maybe they are still not ready to fully commit to this cause. In fact, BIO products and brands are few, still unknown, as in the case of fior di loto, Alce Nero (and so on..) and provide very high prices. As people were not born, as it is obvious, with an intrinsic propensity in committing into the BIO world, they need to be extrinsically motivated by actors involved in the food market through means of information and effective communication. The concern is eating healthy, and this is the message that needs to be delivered to people. The most effective way in this new digital world is exploiting the channels of media, press, social network, not only in simply promoting Bio processes, but actually showing which are the related effects, motivating more and raising awareness among consumers. As everyone, know, hear, see and get used to something, the external influence will become an intrinsic one, shaping its preferences and habits.