



EE489 Seminar in Industrial in Economics

The value of Origin

By

Rapeepat	Chalermisrachai	5604641398
Thakdanai	Sinprasong	5604641802
Vitsarut	Poonnoy	5604642008

Bachelor of Economics, Thammasat University

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Abstract

This paper measures the extent to which firms or companies usually are able to use geographical indication or appellation of origin to increase in value of their products or services. Primary and secondary researches are used to collect data, construct estimation of change in price, and analysis. Collected data are able to use as a reference to determine on what, when, and how factors add up the value of origin to products, with an extension to consumer's buying decision.

Introduction

Nowadays, things are changing and getting more complicated. There is more expectation, from people's perspective, toward others and it is required to pass certain standard of decision making. People are putting on many factors when it comes to purchasing product or service. In the market, many products are adapting accordingly to satisfy consumer's needs. With techniques and strategies, there exist many products offered in the market which includes the geographical origin in their name or brand to refer the source of product or techniques used, for instance, coffee - Blue mountain coffee, grilled chicken-Bang Tan, beer- Phuket beer, and mineral water - Fiji water. Most of these products are offered at the higher price than the same type of product without the geographical origin in their names. Those products are able to differentiate themselves in the market. Some of them are not necessary to be priced more expensive. However, undoubtedly, there are people who are willing to pay for higher price or value product/service to satisfy their need.

Thus, this paper will illustrate on what, when and how factors help add value to the origin, and then the paper will elaborate more on its effect on customer's decision which will be discussed more in this paper. The research method will be based on primary data and secondary data and the area of products will focus on both niche market and mass market.

Literature review

As our topic is focus on value of origin which involves the product differentiation method can be used to create more value to original product, literature review firstly define the definition of product differentiation on first part and how it involves with products including the origin of the component in their name or brand.

In first part, the definition of product differentiation is that two products are differentiated product if they are substitutes but not perfect substitutes, Machado and Spence (1976).

This paper classifies into two types of product differentiation which are horizontal products and vertical products. Horizontal products differentiation are differentiated product at the same price, products are really depend on customer's preferences. While, vertical products differentiation are differentiated product at the same price and products are different in qualities, Machado. This paper mainly focuses on vertical product differentiation.

Product differentiation involves a set of real economic choices because there are increase in returns and decline in average costs of firms. Therefore, product differentiation is an important component of imperfectly competitive strategic interaction, Spence (1976), Bernhofen (2001).

However, in the model of product differentiation, Perloff and Salop (1985) stated that entry can eliminate price and cost markups given product differentiation. If competition is restricted, it can say that entry does not affect the markup. Spence (1976) also supported this statement, in monopolistic competition market. Therefore, a firm that differentiated their products can not set a price above while entry occurs.

Moreover, Nils-Henrik M. von der Fehr and Stevik (1998) suggest a simple framework for characterizing alternative ways that persuasive advertising may affect

consumer preferences. Advertising can increase the degree of product differentiation because customers can perceive different product from other substitute products.

Secondly, this paper interested in appellations of origin based on literature review from above. According to a figure 1, Indication of source is the broadest concept. It only requires that the product originates in a certain geographical area.

On this point, WIPO (2002) and Teuber (2007) stated that the definition of appellation of origin from the other two concepts. A product labeled with a geographical indication or appellation of origin must have quality characteristics that refer to its geographical origin. The concept of appellation of origin is narrower than the geographical indication concept, it can be concluded that all appellations of origin are geographical indications and indication of source.

Teuber (2007) also supported that geographical indication product or GIs and country of origin product is one of a tool of product differentiation. The basic concept underlying GIs are well-known examples of names associated throughout the world such as blue mountain coffee which name or brand of products told certain nature and quality to customers and having characteristics linked to that origin.

According to WIPO (2002), consumers pay increasing attention to the geographical origin of products, and care about specific characteristics in the products that they buy. In some cases, the source of origin suggests to consumers that the product will have a particular quality or characteristic that they may value. It functions as product differentiators on the market by enabling consumers to distinguish between products with geographical origin based characteristics and others without those characteristics.

In case of coffee, Teuber (2007), According from a figure 2, Data from US online retail stores show that single-origin coffees receive higher retail prices, with the most expensive coffees are the Hawaiian 100% Kona and the Jamaican Blue Mountain with an

average retail price of 29.87 and 43.44 USD/ pound. The results from the hedonic pricing model show that in the origin-coffee sector coffees from individual coffee-growing regions receive higher price due to their reputation.

According to literature review from above, this paper used product differentiation theory, collected data, interview, and small experiment in order to indicate value of origin.

Theory

The following picture is the step that explain about process of differentiation by include geographical name in product name. When the product has entered into the market and include geographical name in the product name then seller is signaling something to buyer. When buyers perceive the signal that seller send then they would think that this product has something different from the ordinary one. This perception may be quality or satisfaction. Buyer will value this product differently which cause buyer less sensitive to price that make seller can be charged at higher price.

Market signaling cause Product Differentiation (Change from perfect competition to monopolistic competition)



Elasticity of Demand and Product Substitution



Firm maximizing profit



Change in price and quantity

1. Market structure

1.1 Monopolistic competition

In general, most of the interested markets that we use in this paper are competitive market but there are some degrees) of monopoly power exist in the market by using the method of product differentiation that leads to monopolistic competition market.

As we know, conditions for monopolistic competition market are 1.large number of producers 2.differentiated product and 3.free entry and exit. In our case study, we propose that the differentiation by include geographical origin name in the product name is one tools that can differentiate the product from other.

1.2 More explanation about Perfect competition and Monopolistic competition

1.2.1 Similarities

The mutual characteristic shared between perfectly competitive market and monopolistic competitive market is an elasticity of demand in the long-run. In both cases, if consumers are price-sensitive, an increase in price will result in lower demand for that product. There are composed of profit maximizing firms in both markets where it occur when firms produce product at the point that marginal cost equate with marginal revenue. The only difference in both cases is the degree of elasticity. In perfectly competitive market, firm's individual demand curves are perfectly elastic where an increase in price will result in loss demand. In monopolistic competitive market, the market power of firms allows them to increase price of the product without losing all of their customers as its demand curves are not perfectly elastic. Also, in both cases, the suppliers cannot make a profit in long-run.

1.2.2 Differences

Efficiency is a noticeable difference between perfectly competitive market and monopolistic competitive market. The first market, pricing is set at Pareto optimal where a change in price would benefit one party while the other party suffers loss. Here, the market is the one who determine the price of products and no suppliers can influence the price at all. In this market, prices are set where it is equal to the marginal cost of producing that particular product. The latter case, firms are able to set the price because of having market power and earn profit by setting price above marginal cause. This way, firms decrease the consumer surplus and create a deadweight loss in the market.

Product differentiation is another noticeable different between the two. Products are perfect substitutes for each other in a perfectly competitive market. Meanwhile, in monopolistic competitive market, products are highly differentiated. Most firms seek to emphasize the non-price related differences between their products and competitors'.

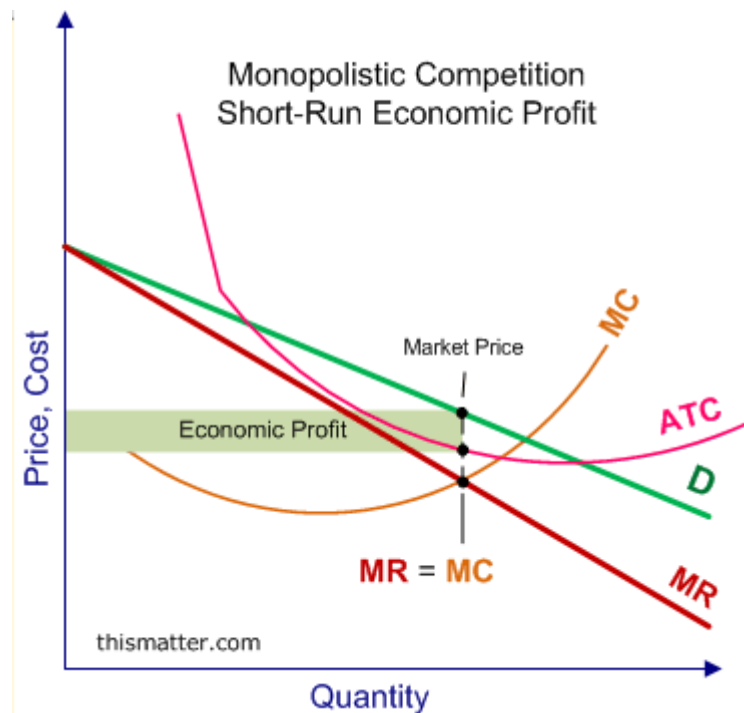
The last difference for both markets is a barrier to entry and exit. There is no barrier to entry and exit in a perfectly competitive markets and decision of the firm are made according to the profitability of the market. On the other hand, there are few barriers to entry and exit in monopolistic competitive market.

2. Product differentiation

For product differentiation theory, we use monopolistic competition market to explain this strategy. We know that the product that include geographical origin name can make their product different from common products that currently sold in the market then the firm who sells the product that include geographical origin name can make profit, remember when the product name include geographical origin name then the quality or type of that product have to change and adapt to the name that sellers send signal to customers. From the diagram

below, the firm currently makes a profit. Their demand, marginal revenue, marginal cost, and average total cost curve are shown in the diagram.

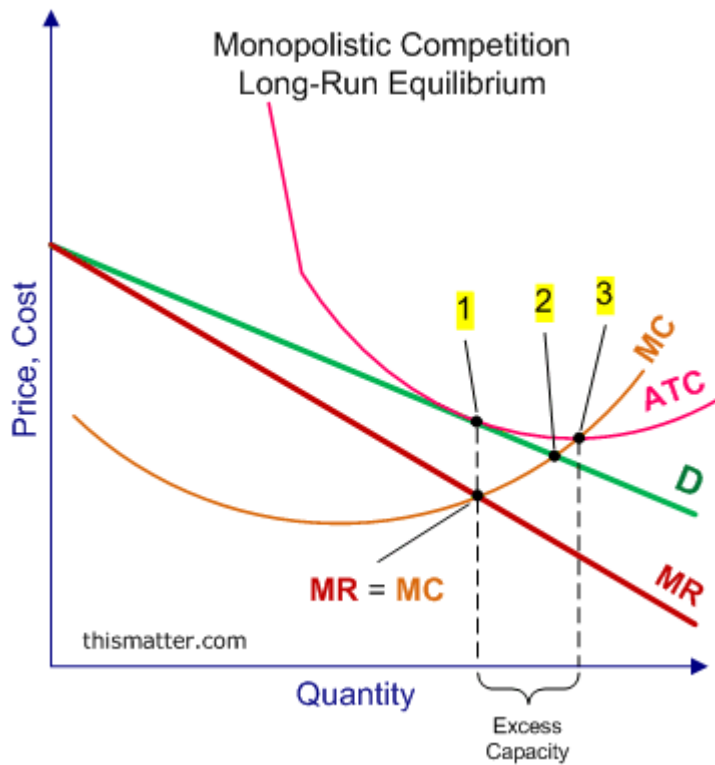
Figure: Monopolistic Competition in short run



Source: Thismatter

Since the firm makes profit equals to the shaded area then there will be incentive for other firm to entry in the market. Finally, more firms try to include geographical origin name in their product and expect higher profit from the market. Therefore, the demand curve and marginal revenue curve shift to the left until demand curve touch average total curve. This strategy explains why former firm who includes geographical origin name in their product name make zero profit and sells the product with price equal to the market price as common product.

Figure: Monopolistic competition in long run

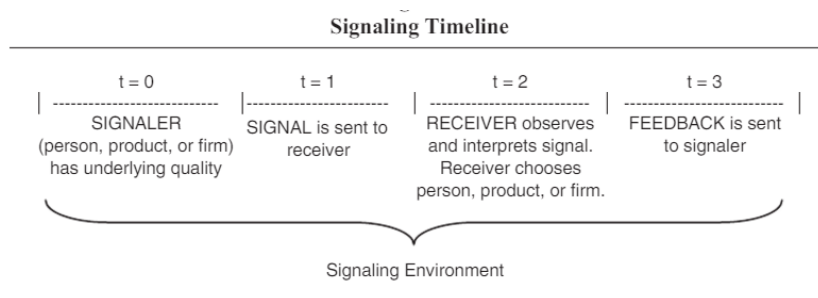


Source: Thismatter

At the end, firm can only do by produce at quantity $q=mc$ then price is equal to average total cost at this quantity, each firm will make zero profit or normal profit.

3. Market Signaling

Market signaling is an idea that sellers convey some implied information to buyers. When consumers perceive about that information then they would think positively to that



Note: t = time.

product.

Source: Researchgate

From the figure above, it show time line of signaling when sellers convey implied information to buyers. And this theory explain why sellers need to provide product that match consumer perceived. Because of consumer feedback that buyers send to sellers would define future business.

For the paper, the paper use market signaling idea for our finding. This paper discusses about how product name that include geographical name can send signal to customer and what condition that seller can sell their product with higher price than market.

4. Elasticity of Demand

For the definition of price elasticity of demand, price elasticity of demand explains how much size of quantity would be changed when the price of particular products vary. When demand is elastic, this means consumers are sensitive to price changes, when price increase just a little portion then this changing will cause a lot of reduction in quantity. When demand is inelastic, this means consumer are not sensitive to price changes, therefore increasing price with large proportion will face just a little reduction in quantity. Vice versa when price decrease. From basic economic theory, they show how price increase would affect quantity to be decreased and vice versa. Therefore, concept of price elasticity of demand can fulfill this point because this concept can adapt use in many kind of market. Price elasticity of demand plays an important role in our paper. This paper tends to use price elasticity of demand to explain why some products that include geographical name can sell with price a lot more than average market price and some products can sell with price a little more than average market price.

Methodology

Since this paper mainly mention about the value of origin name, we will analyze the data by theories. For example, product differentiation, market signaling and elasticity of demand then combine with the data collection that we collect from the real market. The data collection would be categorized into 2 types of market, mass market and niche market. The purpose of each category is finding of consumer preference and perspective.

This paper has made a simple experiment that shows the result of consumer perception to product name. How do consumers value the product that include geographical name? This experiment will be talked in the next part of data analysis.

The paper conducts interview and survey that fulfill our conclusion in terms of reality. The purpose of the interview is finding about consumer opinion on both niche and mass products.

For theory part, we use simple model of product differentiation that lead to monopolistic competition market to explain why the product that include their geographical origin name can differentiate their product. From this sense, when we collect products price and already found the average then we can know and compare the selling price of interested product price with market average. If the price of interested product is greater than market price then the name of geographical origin is assumed to add value to the product. But if the price of interested products don't vary with the average then we will analyze further by using economic concept and observe characteristic market. For the sample size that we will collect, we collect sample size of 3-5 for each product.

In this case study, both secondary data and primary were utilized. Secondary data was obtained from relevant literatures, online journals, articles, blogs, and other online sources. The primary data was collected by the combination of quantitative and qualitative approaches (online). The information that this paper collect from literature review would be used to

explain why some product can't increase price and some product can increase very high price. Data collecting is collected from real market and separate it into categories to find whether each category have different power to increase price. Survey methods are 1.) Offline by direct interview on demand side, the question would relate to niche product why those consumers decide to buy it with higher price than market and 2.) Online interview, this interview would conduct by using questionnaire via line group. The objective of interviews would be discussed in interview section. For pricing (average price), this paper would find at least 3 or more of a product and averaged them to make a standard price of particular product. This paper would use this average price to compare each product price to find out increased value then analyze further.

Interview

The objective of this interview is mainly aimed to focus about "How important of Geographical name". The interview questions also imply factors that consumer use in purchasing decision, This paper expects to find that whether the origin of the product is shown up in the decision making process. Moreover, the interview is expected to survey sensitivity, expectation and value of consumer. For the expectation, this paper need to know the expectation from consumer who buy the product that include Geographical name, what do they expect from their purchasing. For Sensitivity, this paper expects to know the sensitivity for each product categories to find why all of the product can't increase price with the same rate.

The interview questions consist of personal information part and geographical name of product question part. For the first part, from 100 interviewees, 60 percent of interviewees are male and age mostly around 20-29 year old whose education in bachelor's degree and the salary mostly around 10,000 - 20,000 baht per month.

For the second part of interview, the questions consist of When you buy products that you never used, you value that product by, To buy the same products that have the same price, which source do you choose from?, Have you ever consumed an indication of the source in the name or brand of the product?, What more do you expect from a product that has the source in name or brand?, What are your average meals price per meal, and If the price of products that you want to consume increase double, and which level of purchase decision does it has?(1 = lowest, 5 = highest).

For the second part of interview, on the charts in interview data. 43 percent of Customers value product that never used by on brand following with price, popular (trend), and source, told from others, and packaging (Figure7). For product with the same price, 83.8 percent of customers mostly prefer imported product and the rest is local product (Figure8). For the customer's expectation on product that has the source in name or brand, 56 percent expected for better quality following with 21 percent on satisfaction, 13 percent on story from the product, 8 percent on better taste, and 2 percent on better service (Figure10). Customers on this group are also high price sensitive, if the product that they want to consume increase double which 36 percent of customers have highest level of buying decision following with 30 percent of customer have high level of buying decision(Figure12).

Moreover, the paper has interview consumer in niche market, Fuji apple, Wine, Mineral water, Phuket beer. Most of consumers of these products almost have similar perspective and expectation from higher price. Quality is the important factor that makes preference to consumer. Each consumer tends to have their unique demand.

Data analysis

Two types of product that include Geographical name.

There exist two main types of product, in the market, that include a geographical name which are signaling product and non-signaling product. Here, in this paper, the product with signal is the one that is actually come from the direct source of origin and able to use its geographical origin in order to increase the value of the product i.e. the case of blue mountain coffee, in this paper, the coffee bean itself is directly come from the blue mountain in Jamaica. Furthermore, most of these products are categorized in niche market, for instance, wine produced in France usually have high price and quality. On the other hand, the non-signaling product that include geographical name is used with marketing strategy in order to increase either price of the product or perceived value by customers. For instance, Grilled chicken Bang Tan can be used to elaborate the meaning. The chicken is not actually come from bang tarn area but the technique of grilling chicken is. By adding the geographical name, the restaurant is able to add an additional value perceived by customers to its product. Note that there is type of product requires some reputation of the owner or restaurant and brand image, for some products, in order to reflect the credibility of the product/service offered.

The second one is the product that include geographical origin name in their product name. These geographical names can send signal to consumers about their product. For example of Salmon Norway, this name tells us about real origin of this product that this Salmon come from Norway country. Moreover, this type of name can send the signal about product about taste and quality of this kind of Salmon. When consumer have to decide between two product that they never try before then the name can play the important role in this decision because the name of the product can send positive signal ,the name that include good geographical name can tell consumer that this product has good quality then consumer

will value that product more than ordinary one. At the end, the willingness to pay for the product that include good geographical name will higher than the ordinary one.

This paper also shows the experiment that explains about how consumer value geographical name. This experiment (Figure13) uses 3 different bottles of water that have different name but each bottle of water still use the same color tone to eradicate bias. The experiment observes peoples and asks them about how much will they pay for these products. The experiment consists of interview session for 20 peoples for each product.

The result show that the product that include good geographical name can sell with higher price than the ordinary one. This is because consumer perceive about the quality or the taste of origin name that include in product name. Remember that this experiment doesn't give any consumer try the product before they purchase, this experiment just let consumer see the name of the product and decide maximum price that they are willing to pay.

Businesses and markets

According to collected data, the product on this paper classified into two types of market; first is mass market and second is niche market. There are some products that include the geographical or origin in the appellation or brand which produced and sold in mass market which different in change in price comparing with niche market.

Niche market

Niche market is the small market that a specific product is focused. For niche marketing as a marketing strategy, one or more specific segment in market. Higher price can often be charged because customers are prepared to pay for expertise and tend to be loyal and customers tend to understand base and knowledge of the products through personal

experience. Less competitors and less substitute product on this market.(Some market is seem to have high degree of substitution)

From table 1, the categories products on this market consist of fruit and beverage. In niche market, the highest percentage change in price are Chateau Cheval Blanc Saint-Emilion Grand Cru France, Chateau Margaux Margaux France, and Jamaica blue mountain which around 1,384, 1,322, and 1,270 percentage change in price respectively. For the lowest percentage change in price are Fuji apple and Fiji water which around -15 and -10 percentage change in price respectively.

From interview, the observation shows that almost the products that seem to have high degree of substitution (Still in niche market, such as apple and beer) can provide consumer demand that unique from other. This type of consumers has preference to the product that makes them satisfy for their higher payment. Therefore, not only product itself that make higher elasticity of demand but there are consumer preference that play important role in this value added.

Mass market

Mass market is un-segmented market with mass products. For mass marketing as a marketing strategy, there are a lot of products that can substitute and competitors. Firms focus on high sales and low prices and aims to provide products and services that will appeal to the whole market. In order to compete in this market, economies of scale can be an advantage because of higher production output and capacity.

From table 2, the categories products on this market consist of ready to eat, frozen food, Grilled chicken, and fruits. Considering ready to eat category, the highest percentage change in price are Pad Thai PraTu Phee (Thip Samai) and Nuea Tun Thanam Sathu which around 44 percentage change in price and the lowest percentage change in price is Khao Mok Gai Siam which around -3.58 percent change in price. In frozen food category, the highest

percentage change in price is S. Khon Kaen sour pork which around 12.13 percentage changes in price and the lowest percentage change in price is Salmon Norway -22.70 percentage change. For fruit category (except Japanese pear), the highest percentage change in price is Malaysian Loin which around 51.35 percentage change and the lowest percentage change in price is Malaysian jackfruit(1kg) which around -15.34 percentage change.

Finding

This paper finds out that the product name that include real geographical origin name can add value by sending signal to customer. According to experiment, the experiment show that consumer will perceive the value of product when the product match with their perception from seller's signaling, this result will be occur in case that the geographical product name match with origin of the product. Moreover, geographical product name that don't match with product origin are required to build more reputation, this reputation may come from marketing, product quality, etc.

Not all of the product name that include geographical name can increase price with equal percentage. The products that price can increase with higher percentage is tend to be the product in niche market. And the products that tend to have less ability to increase price is the product in mass market. The reason behind this analysis is that most of consumers in mass market is highly sensitive to price, they have high degree of elasticity of demand. For simplicity, we can observe from the real market that almost all of the mass product have high degree of substitution and the product cannot make preference to consumer then the product can replace with other product in the market. This is the reason why mass product can't increase price with highly percentage, consumer have alternative to consume.

In conclusion, the factors that help add values to the origin are product differentiation by consumer's perceived. However, the origin appellation products in mass market mostly

create low value than the products in niche market. When added source or origin to the product name or brand, customers tend to know that product's quality and story because customers will receive an information of the product by its brand and name. Therefore, the customers will prefer product that differentiated from another.

In the table below, it shows the simple conclusion that the paper has analyzed. The important factor for effective signaling name, sellers are required to provide product that matches with buyers perceived. If sellers fail to provide this matching then buyers would buy the product only one time and they would not come back to buy it anymore, WIPO (2002), Teuber (2007).

However, there are non-signaling product that geographical name does not signal any positive effect to origin. This type of name is required sellers power to make product well-know and has reputation. The reputation may be made from quality or marketing, Nils-Henrik M. von der Fehr and Stevik (1998). If sellers success to make their product well-know then the geographical name may become the story or symbol of their brand, WIPO (2002). Therefore, differentiate the product by adding this type of name alone would not add value to the product unless seller success for making well-known product by other tools.

	<i>Niche</i>	<i>Mass</i>
Signaling	<ul style="list-style-type: none"> ● Match with consumer's perception. ● Can be charged higher price(Not all of the products). 	<ul style="list-style-type: none"> ● Match with consumer's perception ● Can not be charged too much.
Non-Signaling (do not create value if failed to make reputation)	<ul style="list-style-type: none"> ● Making reputation is required ● Can be charged higher price(Not all of the products) 	<ul style="list-style-type: none"> ● Making reputation is required. ● Can not be charged too much.

Discussion and implications

Some appellation of origin products may not tell the source or origin that producer produced such as ready to eat, roasted chicken category on data. The geographical name tells about different in formula on producing that differentiated their product comparing others. Consumers will perceive that quality and taste of the product, not the source or origin of the product that produced.

There are some external conditions that increase the price of appellation of origin products such as law and regulation. According to data, Jamaica Blue Mountain Coffee and 100% Kona have legally protected GIs for coffee; most coffee GIs are still informal meaning that no legal protection has been obtained but the price of that coffee still higher than average normal coffee. The regulation such as TRIPs Agreement can raise the demand of the product and remove entry other competitors.

In wine category, the brand image and grapes breed has a higher impact to create value than value from source of brand on this category because value of wine mostly come from taste, winery, story that how to product rather than source or origin of grapes that they produced. However, changing location is also the one factor that creates more value, for example, moving the production from North America to France (everything else constant) leads to an increase in price.

For the data collecting, please remember that the data can be varying because some product is the same market as base product. For example of apple Fuji, apple Fuji is in niche market but the data show that increased value is not high because the element of average price is apple in niche market also, place that we collect is at Central Chidlom. Therefore, some product cannot show high change in price when we make a conclusion. However, when

compare these niche market apples to mass market apple. These niches make high change in value.

In case of salmon, many people think that Norway's salmon has the best quality but when the data is conducted, it show that Norway's salmon is not the best quality salmon. There are other types of salmon that have better quality. This better quality also come with higher price which make average salmon price is high.

Moreover, the obstacle of this paper is that the paper doesn't include historical price into analysis to see the pricing trend of the product that include geographical name. the paper cannot conclude the theory of product differentiation that firm will make zero profit in the long run which the paper would adapt use to find why some product cannot increase price and some products are sold at lower price than market. All of the data are cross sectional data.

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Appendix

Table. 1: Appellation of origin product's price in niche market

Product categories	Observation(Product name)	Price	Base price (Average price)	Difference(Product price-Average price)	Percentage difference
Niche Market					
Fruit	Japanese pear(Baht/box)	1750	446.67	1303.33	292%
	Fuji apple(Baht/piece)	129	152.375	-23.375	-15%
Beverage					
Beer (Baht/330ml)	Phuket	49	35.92	13.08	36%
	Sapporo	125	110.25	14.75	13%
Wine (Baht/bottle,750ml) 2015	Chateau Margaux, Margaux, France	22,357	1571.77	20785.23	1322%
	Chateau Lafite Rothschild, Pauillac, France	19,232	1571.77	17660.23	1124%
	Chateau Haut-Brion, Pessac-Leognan, France	17,868	1571.77	16296.23	1037%
	Chateau Cheval Blanc, Saint-Emilion Grand Cru, France	23,325	1571.77	21753.23	1384%
	Chateau Palmer, Margaux, France	9,670	1571.77	8098.23	515%
Mineral water	Fiji mineral water (Baht/500cc)	40	50.2	-10.2	-10%

Coffee (USD/LB)	Jamaica blue mountain	43.44	3.17	40.27	1270%
	100% Kona	29.87	3.17	26.7	842%
	Kenya AA	12	3.17	8.83	279%
	Sulawesi	11.91	3.17	8.74	276%
	Ethiopia Yirgacheffe	11.45	3.17	8.28	261%
	Java Estate	11.36	3.17	8.19	258%
	Ethiopia Harar/Harrar	11.28	3.17	8.11	256%
	Papua New guinea	11.22	3.17	8.05	254%
	Sumatra Mandheling	11.16	3.17	7.99	252%
	Tanzanian Peaberry	11.14	3.17	7.97	251%
	Costa Rica Tarrazu	10.09	3.17	6.92	218%
	Guatemala Antigua	10.07	3.17	6.9	218%
	Colombian Supremo	9.92	3.17	6.75	213%

Source: Author's own compilation

Table. 2: Appellation of origin product's price in mass market

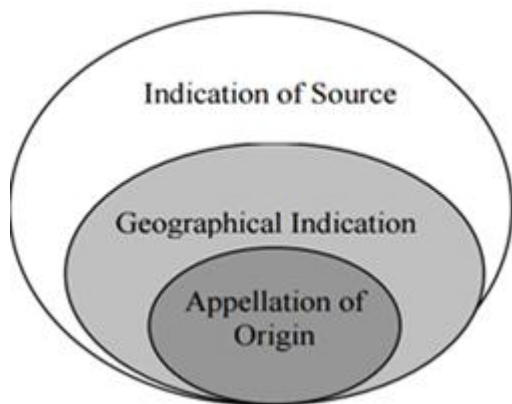
Mass market					
Ready to eat (Baht/dish)	Khaomankai Ton Pratumam (Ko Arng)	40	36.67	3.33	9%

	Pad Thai Pra tu phee (Thip Samai)	60	41.67	18.33	44%
	Khao Mok Gai Siam	45	46.67	-1.67	-4%
	Nuea Tun Thanam Sathu	60	41.67	18.33	44%
	Kha Mu Bang rak (Trok sung)	40	40	0	0%
	Nuea Tun Charoenakorn	45	41.67	3.33	8%
Frozen food	Salmon Norway (Baht/1kg)	1345	1740	-395	- 23%
	S.KhonKaen sour pork(Baht/100g)	58.33	46.2	12.13	26%
	S.KhonKaen vietnamese pork(Baht/100g)	35.64	35.21	0.43	1%
Fruit	Papaya, Taiwan(Baht/kg)	13	13.33	-0.33	-2%
	Loin, Malaysia(Baht/kg)	28	18.5	9.5	51%
	Malaysian jackfruit(Baht/kg)	17.5	18.25	-0.75	-4%
Roasted Chicken	Bang Tan (Baht/half chicken)	60	59.5	0.5	1%
	Wichian Buri (Baht/half chicken)	65	59.5	5.5	9%
	Tha Chang (Baht/half chicken)	100	59.5	40.5	68%

	Khao Suan Kwang (Baht/half chicken)	75	59.5	15.5	26%
	Phu Wiang (Baht/half chicken)	60	59.5	0.5	1%
Other	Honey Meung Fang (Baht/100g)	25.57 1	34.365	-8.794	- 26%

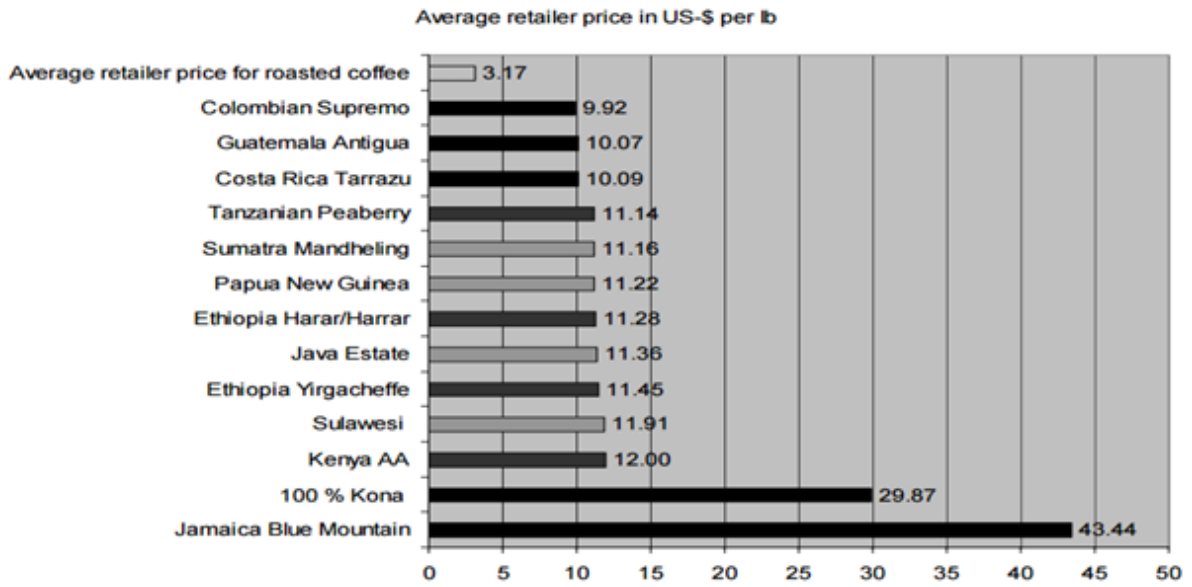
Source: Author's own compilation

Figure 1: Indication of source concept



Source: WIPO (2002)

Figure 2: Average retailer price of single-origin

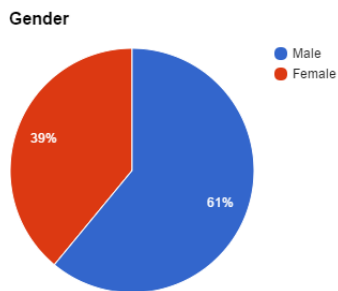


Source: Teuber (2007)

Interview data

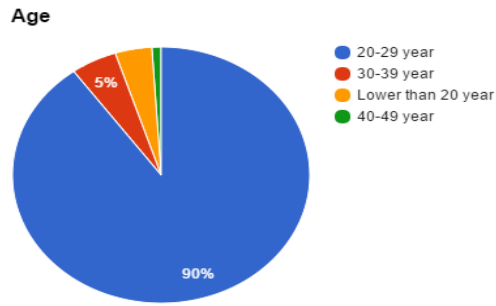
Personal information

Figure 3: Gender



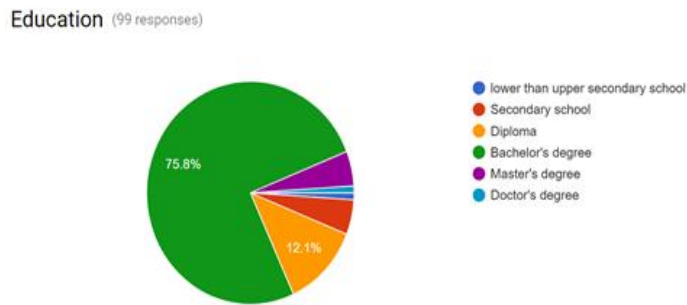
Source: Author's own compilation

Figure 4: Age



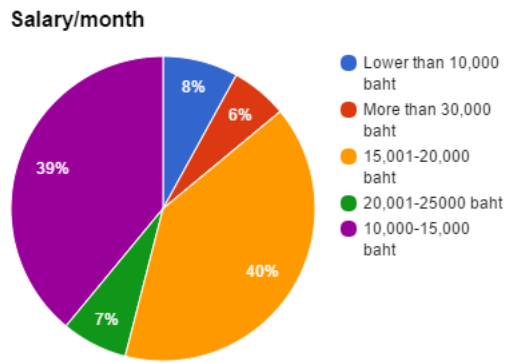
Source: Author's own compilation

Figure 5: Education



Source: Author's own compilation

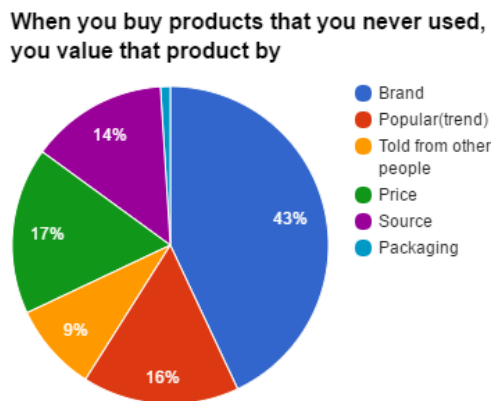
Figure 6: Salary



Source: Author's own compilation

Geographical name of product information questions

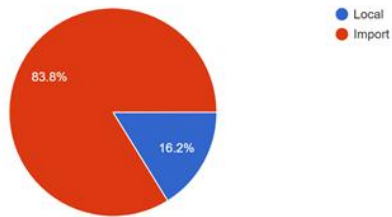
Figure 7: Product's value by customers



Source: Author's own compilation

Figure 8: Source of product that customer preferred

To buy the same products that have the same price, which source do you choose from?
(99 responses)



Source: Author's own compilation

Figure 9:

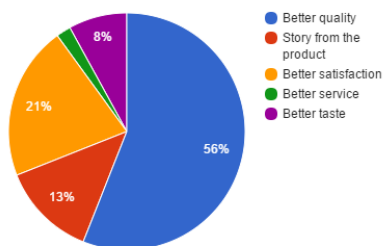
Have you ever consumed an indication of the source in the name or brand of the product? (For example Phuket Beer, Roasted Chicken(Wichee Buri), Blue mountain coffee)
(99 responses)



Source: Author's own compilation

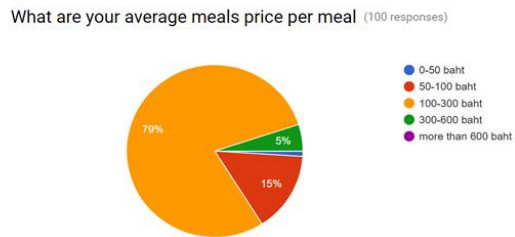
Figure 10: Consumer's expectation on appellation of source in product name and brand

Consumer's expectation from a product that has the source in name or brand



Source: Author's own compilation

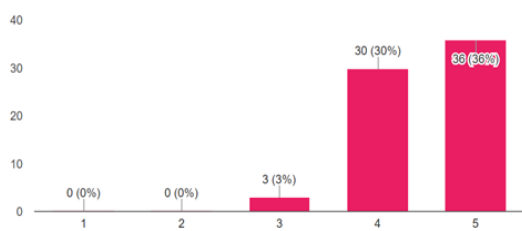
Figure 11: Average meals price of survey customer



Source: Author's own compilation

Figure 12: Customer's purchase decision from double price of products

If the price of products that you want to consume increase double , which level of purchase decision does it has?(1 = lowest, 5 = highest)
(100 responses)



Source: Author's own compilation

Experiment

Figure 13: Water's brand



Source: Author's own compilation

Note that the bottle is named Singha, Montblanc, and Tha Phra Chan, respectively.

Survey questions for business and market analysis

Why do you decide to buy this product?

Apple: Consumer likes to consume this kind of fruit and choose to buy the one that has higher price because they expect better taste and better quality.

Wine: Consumer expects different taste and better quality that differentiate from ordinary product.

Mineral water: The reason is that Fiji brand has higher mineral than domestic mineral water. The consumers feel that mineral water is cleaner than normal water and make more satisfaction.

Phuket Beer: This beer has good taste and it hard to find in store like seven-eleven. When they find this beer then they have more willingness to pay for tasting this good beer.

What factor is the most important for making decision?

Apple: Taste and quality

Wine: Taste and quality

Mineral water: Quality and satisfaction

Phuket beer: Taste

What is the maximum price are you willing to pay for this product?

Apple is around 140 baht

Wine is depended on type of wine. Range is wide

Mineral water is around 20-40 for imported product

Beer is depended on beer.