

## Marketing flexibilities in Geographical Indications (GI) and trademark: a Comparative Study

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### ABSTRACT

**Purpose** – The purpose of this paper to analyze what are the points that differentiates GI and trademarks in marketing context and what are the barriers in the GI marketing system.

**Design/methodology/approach** – A semi structured questionnaire survey conducted among producers and consumers of GI product in order to find out the real barriers in the GI marketing system and find out the differences between GI and trademark. The paper examined different case studies from Kerala which includes agriculture, textile and handicrafts (Secondary data).

**Findings-** In a wider sense the paper examines what are the differences between GI and Trademark. Even though they are brand name but in marketing sense it shows separate marketing strategy should develop for marketing GI products. The major finding shows that the consumers are not much more bothered about what is GI and they were knowledge about the place of origin and its specialties. On the producer side they were not using marketing techniques they were going with order sale marketing not using value added marketing and differentiated marketing strategy. The paper also examines what are the problems in the GI marketing system.

**Research limitations** –The major limitations of the study are that it interprets only with Kerala GIs and the GI system of marketing is criticized by that perspective.

**Practical implications** – The paper has a high degree of practical relevance.

**Originality/ value** - The paper is believed to be the first to consider marketing barriers in GI system and it gives an overview of what strategy should GI marketers to implement

**KEYWORDS:** Geographical Indications, Marketing Management, GI Marketing System

**Paper type-** Research paper

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### 1. Introduction

Marketing in a wider sense it is the process of exchange of goods and services according to the needs and wants of the consumer. But now the era has changed to creating needs and developing market segment and pushing the entire market into the new trends. It developed to the stage of the brand fabricated frame of living and consumption. At this stage where geographical

indication stands and what are the differences in brand and GI marketing. Another important question is whether the marketing system of GI is sufficient to develop in their market. The paper examines these questions in a concentrated study with Kerala GIs.

Firstly, the paper examines what are the differences in GI marketing and brand marketing considering what are the pluses and minuses both have. Secondly it looks into the GI marketing general problems from the 19 GIs of Kerala. Third it looks into what are the problems in the GI marketing system and explains in producer and consumer level and finally, discussion about the issues and conclude.

## **2. Geographical indication – Marketing Context**

Geographical Indications are inseparably linked to places where they are produced and build up reputation over a time associated with it. They reflect the unique combination of local natural resources like climate, soil and cultural assets like traditions, know-how and skills often handed from generation to generation, thus establishing a specific link between among the product, local stakeholders. Like any form of intellectual property Geographical Indications are also protected as Intellectual Property and has been defined and recognized as intellectual property by the Trade related aspects of Intellectual Property Rights (TRIPS) agreement of World Trade Organization. Thus the creativity and collective owned knowledge of the local communities producing GI who is the legitimate users of intellectual property like GI, thus it becomes an important collective asset in the value creation process. The purpose of GI tag is to differentiate and protect marketing of collective right. Thus GI can meet specific and remunerative demand as the consumers are increasingly concerned with specific attributes of agricultural and food products. Like Trade mark, GI also a brand name, but due to the bad effects of oligopoly and monopolistic competition it became a myth. Unlike Trademark producers of GI are not able to utilize the brand value and effectively adopt marketing techniques and to effectively manage GI as an asset. So the attempt, through this paper is to examine what are the practical problems in the marketing GI as a brand name and issues in adopting effective marketing Strategies for management of GI in organized and unorganized in India.

## **3. GI And Trademark (Brand Name)**

There are differences in GI marketing and trademark marketing system even though they are brand names. In order to develop a better marketing strategy we should consider what are the strengths and weakness of our brand. The study examines common differences in GI marketing and trademarks. The major differences are given below (Table1).

**Table 1**

Geographical Indication	Trademark
<ol style="list-style-type: none"> <li>1. <i>It's already there</i></li> <li>2. <i>Not possible to change the name</i></li> <li>3. <i>No scope of cognitive study</i></li> <li>4. <i>Perceived Quality appears</i></li> <li>5. <i>Only in that geographical area</i></li> <li>6. <i>It is GI</i></li> <li>7. <i>Only primary goal satisfaction in purchase decision</i></li> <li>8. <i>Single product</i></li> <li>9. <i>Reputation of geographical area</i></li> <li>10. <i>"Farm to fork" principle have only limited scope (food products)</i></li> </ol>	<ol style="list-style-type: none"> <li>1. <i>Created name</i></li> <li>2. <i>Easy to change</i></li> <li>3. <i>Product cognitive study have importance</i></li> <li>4. <i>Not quality assured</i></li> <li>5. <i>Produce everywhere like factory</i></li> <li>6. <i>Ready to eat concept - customizable</i></li> <li>7. <i>Product line</i></li> <li>8. <i>Market segmentation</i></li> <li>9. <i>Reputation of firm</i></li> <li>10. <i>"Farm to fork" principle is possible</i></li> </ol>

The brand name has created one and it can change according to the consumer preference but in GI case it is not customisable according to the producer preferences and taste. In certain cases GI marketing is a sale of territory essence product but in branding it can produce anywhere it depends on the firm's decision. Marketing context the GI marketing and Brand marketing is entirely different.

#### 4. GIs in Kerala- problems

In Kerala we have 19 products as certified as GI includes agricultural, textile and handicrafts. The list of GI in Kerala given below (table 2).

The main purpose of the GI is to protect and Table 2

S.No	Form No.	Reg. No	Product name	Type	State
1	2	3	Aranmula Kannadi	Handicraft	Kerala
2	34	54	Alleppey Coir	Handicraft	Kerala
3	40	17	Navara Rice	Agricultural	Kerala
4	41	36	Palakkadan Matta Rice	Agricultural	Kerala
5	47	49 & 56	Malabar Pepper	Agricultural	Kerala
6	56	72	Spices – Alleppey Green Cardamom	Agricultural	Kerala
7	65	59	Maddalam of Palakkad	Handicraft	Kerala
8	66	58	Screw Pine Craft of Kerala	Handicraft	Kerala
9	73	57	Brass Broidered Coconut Shell Crafts of Kerala	Handicraft	Kerala
10	86	81	Pokkali Rice	Agricultural	Kerala
11	112	130 & 141	Vazhakulam Pineapple	Agricultural	Kerala
12	117	144	Cannanore Home Furnishings	Handicraft	Kerala
13	120	152	Balaramapuram Sarees and Fine Cotton Fabrics	Handicraft	Kerala
14	126	170	Kasaragod Sarees	Handicraft	Kerala
15	127	179	Kuthampully Sarees	Handicraft	Kerala
16	135	163	Central Travancore Jaggery	Agricultural	Kerala
17	137	186	Wayanad Jeerakasala Rice	Agricultural	Kerala
18	138	187	Wayanad Gandhakasala Rice	Agricultural	Kerala
19	144	6	Payyannur Pavithra Ring	Handicraft	Kerala

Source: GI registry, Chennai

marketing of territory oriented product. GI is very important in that context but in the context of marketing it should have a rethinking. In that protection sense GI is full-fledged and competent. But marketing sense it is very weak compared to brand name and an international GI product. There are similar cases around India and some other underdeveloped countries. The paper examines what are the overall problems in GI marketing the major issues are:

- Marketing intermediaries
- Unorganized producers for marketing Geographical asset
- There is no product standardization mechanism
- Production not on the basis of demand but on as a routine
- Producers are not much more aware about value added marketing
- Consumers are not aware about GI tag and its quality
- Attitude towards foreign goods are hitting regional products

- Production is a time consuming process so the producers have no time to market it in a better way
- Monopolistic and oligopoly market problems are tussle the GI marketing
- Some producers not using labeling technique in the product
- Not utilizing it as a quality assurance tool in marketing the product
- Supply is uncontrollable so the pricing policies would not work properly
- Some products consumer cannot understand which is original or not in case of vazhakkulam pineapple, Navara rice etc.
- Marketing channels are not concentrated with the producer
- No standardized pricing policy among producers
- Lacking in the consumer reach of the product

## **5. Marketing barriers in GI marketing system**

Marketing system in GI is entirely different from brand marketing because it is a geographical based asset. In that case marketing system restricts certain rules that only to those producers can market it. The goodwill of GI is associated with that geography so it is not concentrated with that firm/producer the system issues considers the following headings:

### **5.1 Issues related to GI marketing**

GI provides incredible opportunities in marketing the product and thereby protects the traditional knowledge and rural development. In GI Identity is an important marketing tool that creates consumer awareness and loyalty. Identity produces three main opportunities in consumer based marketing.

- Result-as consumers can now be sure that what they are buying is
- What they want to buy
- Are willing to pay for it

GI also produces this same identity. GI stands above brand image that they created but identity is equally distributed and so the focused differentiation strategy of Michael porter only possible if they are organized. In GI case identity is already expressed one, due to the unorganized marketing strategy they can't reap out the benefits of the GI.

### **5.2 Credibility**

GI products are unique one it varies in different products in certain cases it is at its peak and certain cases it is very low only just noticeable difference. The differentiation effect in marketing a product is very relevant.

*A situation I:* Just noticeable difference having a GI product purchasing consumer (Vazhakkulam pineapple)

*Situation II:* incredible product having GI purchasing consumer (Aranmula Mirror).

In the case of GI tag using have certain perception problems with consumer that in the situation I consumer perception changes to a low difference means by GI tag. In situation II highly incredible product will result a good image of GI tag. Both have GI tag due to the variation in consumer attitude the credibility of GI tag sometimes adversely affect that differentiation.

### **5.3 Uncontrollable supplies**

The GI system involves the producers of certain area can produce and market that product. Marketing management is highly depended on supply and demand. In the case of GI the producers of unorganized sector will face the problem of uncontrollable supply. If a firm can't control the supply it will result price strategy highly and also other marketing issues. In GI case stakeholders will produce as their own wish this will generate marketing very difficult.

### **5.4 Issues involved in integration of marketing strategy**

Collective right is a good phenomenon only if oligopoly market is prevailing. Even in oligopoly system pricing policy is made by certain criteria. In the case of unorganized sector, GI marketing strategies will result also to the idle producer then their result for marketing strategies become unfocused. If everyone in that group has same right they will try to produce according to the order they will receive from their consumers then that will result lack of quality. If one firm produces low standard product then it will affect the entire group and over a period of time it will become worst good.

### **5.5 Consumer behavior**

GI tag produces certain assurance of quality in the consumer's mind in the case food products that are no such pesticides, natural product, and quality assured etc. Some studies show that consumer has certain preconceive notions about the GI tag. But in the case of just noticeable difference GI products will produce only a neutral effect.

### **5.6 Issues in GI value chain**

Brand Value Chain is a model that illustrates the fact that the company must change its focus to win the optimal value position but in the case of GI is based on a geographical area. GI value chain stands in that particular area of producers so the organized management of the geography based asset is required. The organization must optimize it according to its value position. The lack of high degree of empowerment of producers and processors and the capacity to incorporate certain number of technical or management innovations for sustainable development of the system is another problem.

## **6. GI marketing**

### **6.1 producer motives in GI marketing**

The producer will get historically created brand name in marketing their products and it also assures a set of quality among consumers so producer/firm can skip so many steps in the development of the organization. Since places are familiar producer/firm will get an advantage

of reputation. Marketing flow is rigid and producer/firm will get full control over the production. Law protection is another motive and support for his monopoly power

## 6.2 Consumer motives in purchasing GI products

Unique qualities and the specific character of regional products- market remuneration (LPPP-Emilie et al 2010) are the one set of motives for GI products. GI products satisfy consumers' needs for distinctiveness with respect to food ( Belk 1996, disc 1999) and some consumers replied about the GI is - typical', 'specific', 'special' and 'distinct (Koert van 2001). Some consumers replied main reason for GI is that perceived uniqueness and distinctiveness appears while purchasing the product. It highly depends on consumer attitude and preferences.

## 7. Discussion & conclusion

Marketing planning strategies are essential in both collective level GI organization and individual level, and right balance and coherence to be ensured between them depends on concrete situation of the GI system. The above mentioned issues like product differentiation, consumer behavior, issues in the GI value chain, and issues in integration marketing strategy require further study. In certain cases GI producers are facing main threats from the intermediaries. They have to jump out from that supply chain. For the sake of traditional knowledge protection and to ensure incentive for the producers of GI effective management of GI system is very essential. Thus further study is required to develop a marketing strategy in international level for GI.

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