



Marketing Munchies Podcast Transcript

Episode #41

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Announcer: Welcome to the Marketing Munchies Podcast series hosted by Dr. Bridget Behe. Each week Bridget and her guests will share information, insights, research-based findings, and her 30 years of experience to help your horticultural business connect better with current and future customers. Now, let's join our host, Dr. Bridget Behe.

Dr. Bridget Behe: Hi, and welcome back to the Marketing Munchies Podcast. I'm your host, Dr. Bridget Behe. I am excited today to have a conversation with two folks. I have got Trey Malone back. He is an assistant professor in the Department of Agriculture and Food Resource Economics here at Michigan State. And we are joined today by Jarrad Farris who is a doctoral student in the same department, and he is under the supervision of Mywish Maredia. Welcome, Trey! Welcome, Jarrad!

Dr. Trey Malone: Glad to be back!

Jarrad Farris: Glad to be here!

Dr. Bridget Behe: I have entitled the podcast today "The Distance to Distant: What is not Local." You want to fill us in by talking about some of the research that you have been doing on perceptions of really what is local?

Dr. Trey Malone: Sure. This is a big topic that you hear all over the place is how local is local? I think, maybe 10 years ago everybody was talking about organic marketing and everything. That literature and that interest, I think, has shifted towards more of this local food system content. One of the obvious questions that you hear when—especially when you talk to stake holders is: how local do I have to be to market myself as local for an industry group market?

Dr. Bridget Behe: So, they want a mileage on it?

Dr. Trey Malone: They want a mileage. They want some locator. What can happen, is because it is such a washy definition of local, you will have these scandals. For example, there was this big scandal in Tampa Bay where people were marketing as farm-to-table, but they were not growing anything nearby. They were just buying it at the standard grocery store and marketing it as such. As we move this literature forward, we need to, I think, more appropriately address how consumers really perceive that localness, because if you don't, you could face some type of backlash at some point.

Dr. Bridget Behe: Unlike organic, local does not have a legal definition. People are kind of stretching that so they can appear to be local, because they know that sometimes they can get a premium for that—when they are actually not local.

Dr. Trey Malone: Sure, yeah, exactly. Are we talking about distance? Are we talking about state? Are we talking about within the county? I have had conversations with groups in Lansing

where they would like to define it as “grown within Lansing city limits.” Yeah, there are a lot of struggles, I would say, as a marketer who is trying to capitalizing on this kind of local branding.

Dr. Bridget Behe: Okay.

Dr. Trey Malone: And so, Jarrad, he is actually from Virginia. He has actually done a fair bit of work on Virginia Ciders. That’s where we really started talking about how Michigan, which is a very strong cider state, like where those local perceptions play into how consumers value Michigan ciders versus ciders from other states. And, so I will let Jarrad talk a little bit about his term paper for my class.

Dr. Bridget Behe: Ah, fun assignment I guess, huh?

Jarrad Farris: That is an interesting question. The way I like to think about it is, say you were on the border of Michigan and Ohio, and you wanted to make a purchase of cider. You have, for example, one cider was produced say 10 or 20 miles across the border in Ohio, and you have another cider that was produced in Michigan but all the way in the U.P. Which one of those is local? You have one that was produced in your state but farther away, and you have one that was produced closer but in another state. The answer to that depends on how you perceive the concept of local. That’s kind of the question we are getting at with this research is: how do you perceive local? Is it more of a distance measure or is it more of a “this something produced within my state” is local?

Dr. Trey Malone: So, talk a little bit about what the previous literature would suggest on this.

Jarrad Farris: The previous literature often defines local in terms of a distance measure, and explicitly defines the distance in the choice. For example, you were presented with this cider or some other food product was produced 100 miles away versus this similar product, but it was produced 50 miles away. Distance is explicitly defined often in the past literature. One issue with that is when you are presented with a choice in the marketplace, you are often not shown the actual distance that product traveled. That would be a very difficult, if not impossible, label to apply to a food product. It is more of an implicit or unobserved distance that you have to figure out yourself or at least guess when you are buying a product: how far did this travel? It is not defined for you specifically.

Dr. Bridget Behe: If you knew the geography, and you had the city or town then you could maybe figure it out. But, certainly, you are not given the mileage.

Jarrad Farris: Exactly. Another option might be to just define it based on geography. That is the more common way that it is labeled. You can look at almost any food product and see where it came from—if not the state then maybe the country that it was produced.

Dr. Trey Malone: Sure. We have got this literature out there that suggests that people like closer to further, but they are explicitly defining it where that is not what the market does in real life. What is the innovation in this study that you brought to the table that helps us answer this question more accurately?

Jarrad Farris: What we wanted to do here was get the actual distance from each consumer to where the product was produced. We get the *Google Maps* driving distance from the respondent to the cidery. This is as accurate as if you wanted to plug in your address and drive to a cidery. A much different measure than say a generic, “this traveled 100miles; this traveled 50miles; or this was produced within Michigan or within wherever.” We are getting the actual distance for each consumer. Then we can see: do consumer preferences among the sample differ depending on how many miles away that consumer is from where the cider was produced?

Dr. Bridget Behe: So, what did you find?

Jarrad Farris: We find that it does not matter! Distance, in terms of mileage, does not seem to affect consumers’ preference or choice for Michigan cider. It suggests that it is more of a statewide definition of local.

Dr. Bridget Behe: So, you feel like they identified more with the state than the distance. If I lived 2miles from the Michigan border, then I would really prefer something—even if it was manufactured, if the apples were grown in the U.P. and the cider was made up there. I would prefer that to something 11miles south of me in Ohio?

Jarrad Farris: Yeah that is what—I should add that these are very preliminary findings, but so far, that is what we are discovering, and that is what our finding suggests.

Dr. Trey Malone: I think that there is a case to be made that that has been especially profound effect in Michigan. There is some fantastic data that they just compiled and released in the *Journal of Economic Perspectives*, where they look at social networks across counties. The way they measure social networks is by *Facebook* friends. How many *Facebook* friends do Lansing folks have in Stillwater, Oklahoma? Or Payne County, Oklahoma? Or how many Ingham County friends do you have when you are living in Eaton County? What you see in that data is the relationships within Michigan are very much constrained to Michigan—more than any other state in fact. When it comes to this idea of like social relationships influencing local food choice and everything else, those borders matter dramatically, I think, for a Michigan food business, especially.

Dr. Bridget Behe: So, we are more like the Republic of Texas than we are the state of Michigan!

Dr. Trey Malone: I would, unfortunately, think that might be true.

Dr. Bridget Behe: Wow, well you know this is just kind of putting our toe in the water with really how consumers define local. I have done some work in the past, and it shows that local card trumps organic, sustainable, many of the other labels that defy—well organic has a legal meaning—but the other ones that kind of defy definition.

I think we will come back and revisit this topic, but really appreciate you being on the podcast today, Jarrad and good to have you back Trey!

Dr. Trey Malone: Yeah, thanks!

Jarrad Farris: Thanks, it was a pleasure being here!

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Announcer: Thank you for joining us on this week's Marketing Munchies Podcast. For more information or to download the transcript of this podcast, please visit, connect-2-consumer.org. That's C-O-N-N-E-C-T, dash, the number two, dash, C-O-N-S-U-M-E-R, dot, C-O-M.

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