CAUCASUS RESEARCH RESOURCE CENTER

DAIRY AND BEEF CONSUMER PREFERENCES

ALCP Alliances Caucasus Programme

REGIONAL MARKET ALLIANCES IN THE SOUTH CAUCASUS

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Cooperation Office
South Caucasus

MERCY CORPS

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Executive Summary

Swiss Development Cooperation (SDC) funded Mercy Corps Georgia implemented Alliances Caucasus Programme (ALCP), which began in Samtskhe Javakheti in 2008 and is now implementing a four-year phase (2017 -2021) focusing on regional development in Georgia, Armenia, and Azerbaijan in the livestock sector. The programme created a model for the sustainable development of small and medium enterprise (SME) dairy factories based in and equitably supplied by local communities. The ALCP continues with the aim of building a greater degree of sustainability in the SME dairy sector to safeguard and allow for the development of a market, which sustains fair business growth, supplier development, and consumer choice.

The National Cheese and Beef Consumer Research is a component of the ALCP program. Within this component, CRRC-Georgia helped ALCP to understand consumer expectations and needs, knowledge, attitudes, preferences, and behavioral patterns of cheese and meat consumption in urban areas, and analyzed what consumers focus on while choosing and buying cheese.

The survey suggests that in the urban areas of Georgia, the vast majority of people purchase both dairy and meat products on at least a monthly basis, and it is important that the products should be natural or grass/hay fed. People generally understand natural and 'ecologically clean'[1] cheese to mean cheese made from raw milk from healthy cows. When it comes to dairy, the primary concern Georgians have when purchasing is whether the cheese is made naturally with raw milk. Correspondingly, Georgians prefer to buy cheese from sellers they think will be able to provide 'ecologically clean', natural cheese. In general, they report being willing to pay more for such cheese. Analogously, the vast majority of beef consumers in Georgia prefer to buy meat that is grass- or hay- fed and are willing to pay more for it. This leads to the recommendation that:

> Producers of cheese made from raw milk and grass- or hay- fed beef explicitly promote these qualities in their marketing (including packaging);

About half of urban meat and dairy consumers find it difficult to find the cheese and beef that they want to buy. In both cases, people in Tbilisi are more likely to report that they find it very difficult to find the cheese or meat they want to purchase, and they are just as likely to report that they are willing to pay more for cheese produced with raw milk and for grass or hay fed meat. This suggests a market opportunity for producers. If producers can provide the types of meat and cheese that consumers want in Tbilisi, they are more likely to be successful.

A majority of urban Georgians only buy cheese that is unpackaged, and the bazaar[2] is the preferred place for cheese purchases among a plurality, though less so in Tbilisi. These facts suggest a clear barrier to market entry for packaged cheese producers, since the majority of the market purchases unpackaged cheese and prefers to purchase it at locations that are less likely to provide packaged cheese. This suggests that labelling and marketing more generally will be significant in terms of whether a cheese gains a foothold on the market. The findings of the study do provide some hints at what could lead to success.

[1] 'Ecologically clean' or 'ekologiurad supta' in Georgian is a commonly used undefined phrase in Georgia to denote an image of healthy, clean, natural products. The research was structured to define the meaning of the phrase.

[2] A bazaar is an agricultural market, which generally contains a number of stalls, tables, In Georgia, many if not most bazaars sell groceries.

People report that they touch, smell, and taste cheese when buying. Hence, producers from less well-recognized brands should:

Provide free samples as part of advertising campaigns in shops carrying their cheeses;

This recommendation should be considered together with the above findings that people report having trouble finding the cheese that they want to buy, and that in general, people primarily want natural cheese, made from raw milk.

Introduction

CRRC-Georgia carried out a survey, in support of ALCP's goal of implementing activities to improve the transparency of the information available to consumers in terms of labelling and origin of cheese and beef through a process that involves SMEs, supermarkets, the National Food Agency (NFA), consumer interest groups, and the media.

CRRC-Georgia and ALCP developed a questionnaire for the survey, to understand the knowledge, attitudes, preferences, and behavioral patterns of cheese and meat consumption among the population of Georgia in urban areas. Following the questionnaire development, the organization took a representative sample of urban areas in Georgia. The survey was stratified by type of urban area (capital versus other urban area). The survey had a response rate of 50%. The survey consisted of 1,500 completed interviews, and has an average margin of error of 2.3%. The survey was made available to be conducted in Armenian, and Georgian languages, however, only one respondent chose to be interviewed in Armenian. The survey was not conducted in Azeri language, because it was not the only language spoken. Fieldwork was carried out in June 2018.

The specific goals of the survey were to provide answers to the following questions:

- What are the consumption patterns of cheese and other dairy products?
- What are the reasons behind consumers' choices, behavior, and perceptions while buying cheese?
- What are consumers' awareness of different quality issues?
- Are people in Georgia's urban areas willing to pay more for "ecologically clean" cheese or other dairy products, produced with raw milk that is supplied by farmers living in highlands?
- What are the consumption patterns of beef by type of product?
- Is there a willingness to pay more for grass- or hay-fed beef?

The report presents findings from the survey. It proceeds as follows. The next section provides a methodological overview. The subsequent section provides an overview of findings. It is divided into one section focused on the cheese market and another on the beef market in Georgia. The final section provides an overview of conclusions and recommendations. The cheese labels asked about on the survey, the questionnaire, and frequency and cross tabulation tables are provided in the annexes of the report.

Methodology

CRRC-Georgia carried out a survey representative of the urban population of Georgia. The research consisted of a number of steps, including identifying research questions, developing a survey questionnaire, sampling, fieldwork, data cleaning and weighting, and data analysis.

The questionnaire was developed in close consultation with ALCP. After determining the research questions for the project, the questionnaire was drafted and finalized. The questionnaire was developed in English and then translated into Armenian and Georgian languages. The survey was not translated into the Azeri language, because no area was sampled in which Azeri is commonly spoken. Afterwards, the project team programmed the questionnaire in Open Data Kit to enable computer assisted personal interviewing (CAPI). Following a pilot, interviewers were trained on the questionnaire and fieldwork was carried out in June, 2018.

The survey used stratification with clustering to obtain a representative sample of the urban areas of Georgia. The survey was stratified by the type of urban settlement (Tbilisi and other urban settlements). The list of electoral precincts in Georgia was used to sample, with clusters selected according to the probability proportional to size principal. Households were selected for interviews using systematic random walk. Interviews were conducted with the individual in the household most responsible for grocery shopping.

The survey contains 1,500 completed interviews. Reflecting the gendered division of labor in society and the fact that interviews were conducted with the person most responsible in the household for grocery shopping, the survey included 348 men and 1152 women. The response rate was 50%, and the average margin of error is 2.3%. The data was weighted following data cleaning to ensure it is representative of the population of urban areas in Georgia. Following cleaning and weighting, CRRC-Georgia carried out data analysis. The data analysis made use of descriptive statistics (frequencies and cross-tabulations). Questions were cross-tabulated by age group (18-35, 36-55, and 56+), sex, settlement type, and household economic status. Household economic status was measured by the question "Which of the following statements best describes the current economic situation of your household?" Response options included "Money is not enough for food"; "Money is enough for food only, but not clothes"; "Money is enough for food and clothes, but not enough for expensive durables like a refrigerator or washing machine"; "We can afford to buy some expensive durables like a refrigerator of washing machine"; and "We can afford to buy anything we need." For the report, the first two response options were combined into "low" economic status, the third response option was left as is, and is referred to as "middle." The fourth and fifth options are combined and referred to as "high." In general, the report highlights significant differences between people with the above characteristics. If not noted, there is usually no significant difference between groups. In the report, percentages are reported for only those people who purchase cheese or beef (over 90% of the sample). All refuse to answer responses were not included in the data analysis. Rather these responses were treated as missing.

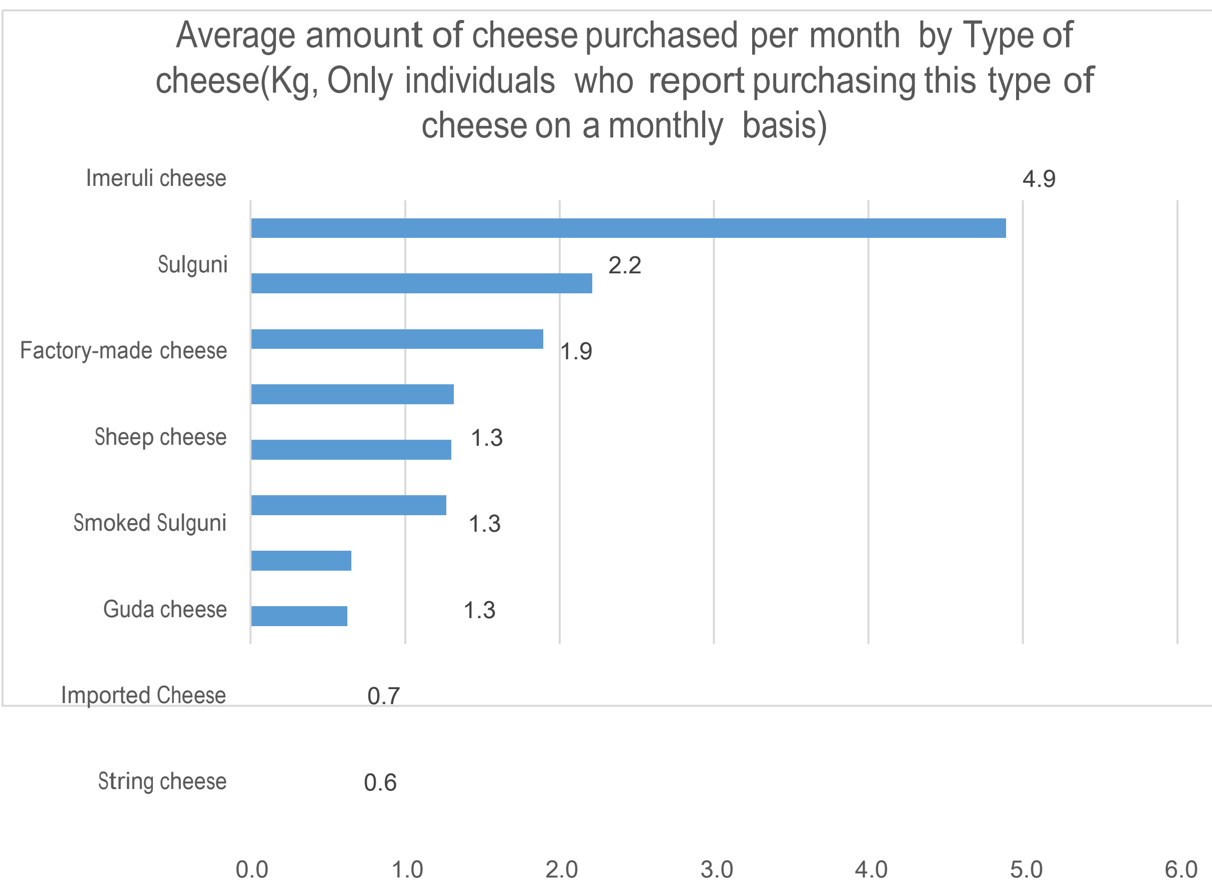
Results

This study suggests that while a large majority of the urban population of Georgia purchase cheese, about half of people find it difficult to get the cheese they want. The cheese which people want to buy is made with raw milk or otherwise "natural," and people report they are willing to pay more for cheese that is natural or 'ecologically clean'. For cheese producers, the implications are relatively clear: there is demand for natural cheese that is unmet, particularly in Tbilisi. In contrast, the demand for cheese made in the mountains is low. With beef, the study again suggests that meat consumers in Tbilisi are less happy with access to the beef they want to purchase, and that hay- or grass-fed beef is strongly preferred. Consumers report that they are willing to pay more for such beef.

Dairy

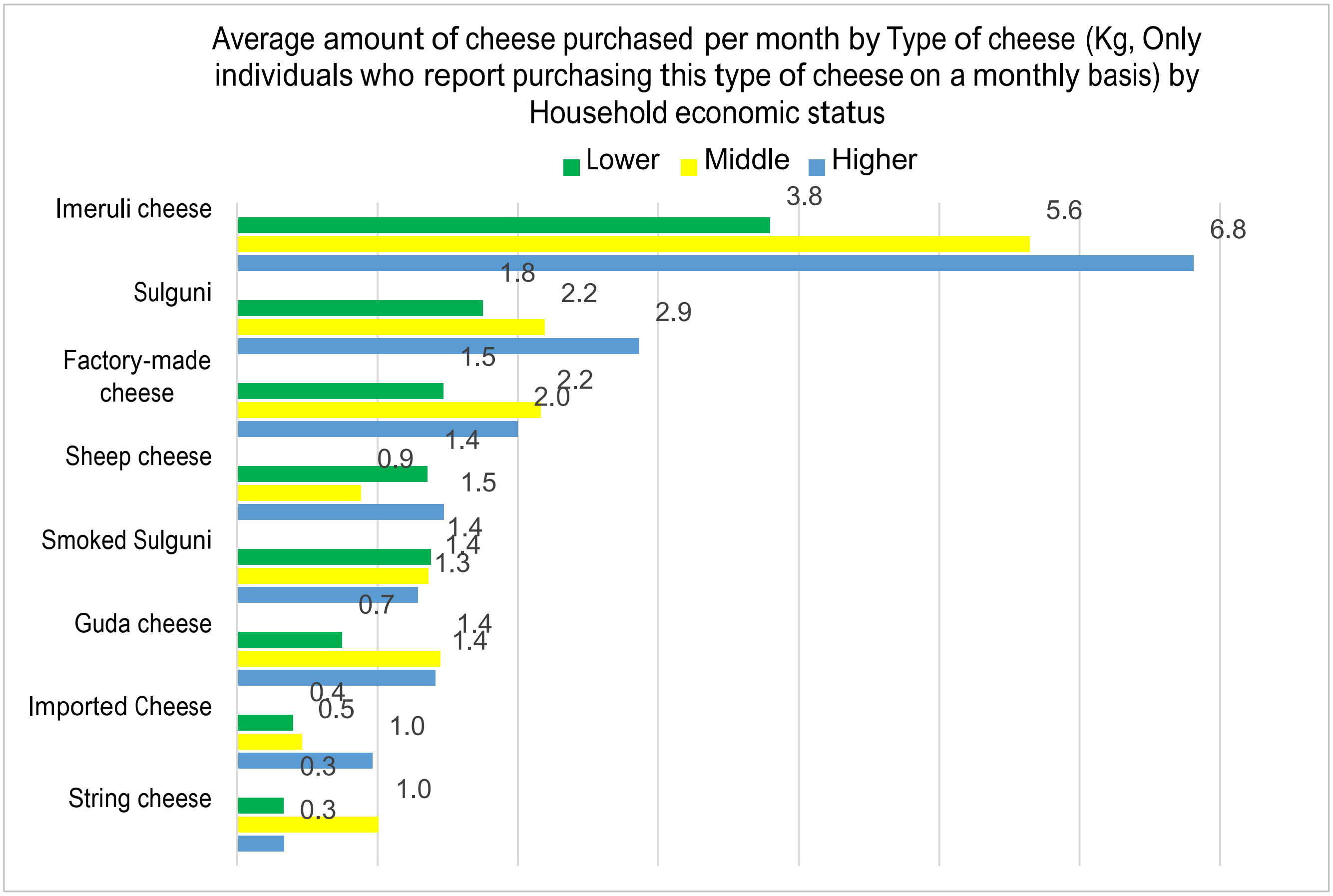
The majority of the population in urban areas purchase cheese at least once a month (93%), and a plurality purchase cheese on a weekly basis or more regularly (38%). The most commonly purchased cheeses are Imeruli (85%) and Sulguni (47%).

The chart below shows how much cheese is purchased in an average month, by the people who purchase each type of cheese. Imeruli is purchased in significantly greater quantities (nearly 5 kilograms per month on average) than its next closest rival, Sulguni, which consumers of buy an average of 2.2 kilograms per month. Households that consumed all other types of cheese purchased less than 2 kilograms per month.[3]



[3] It is important to note here a number of outliers are present in the data, with some families reporting that they purchase over 20 kilograms of cheese per month. The survey did not ask about whether the people used cheese for a family business, but it is reasonable to believe that the average cheese consumption may be slightly lower than presented in the chart for Imeruli and Sulguni, two cheeses regularly used in family food businesses. Nonetheless, the overall pattern appears the same with or without these outliers in the data.

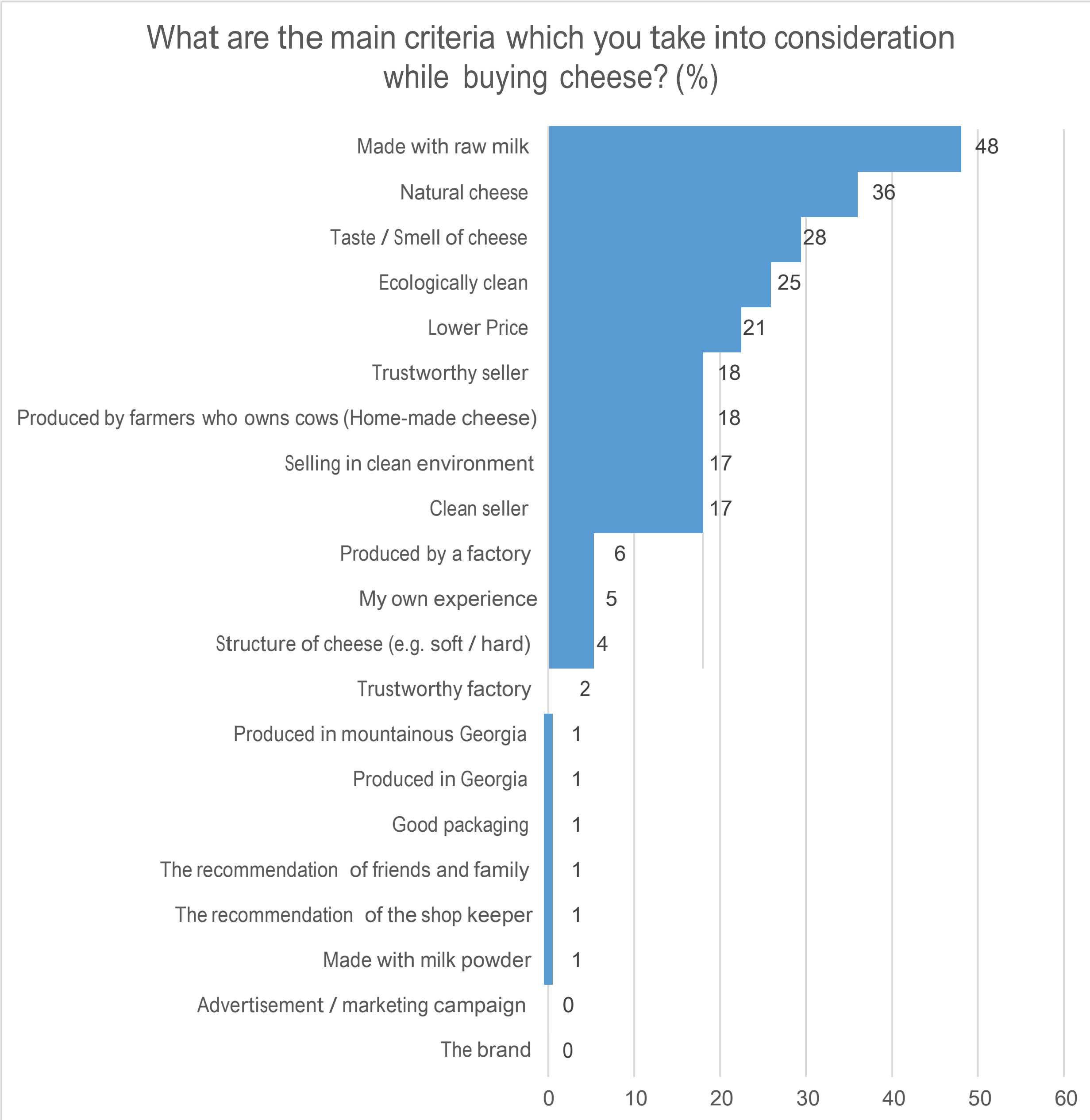
People at a higher level of economic well-being purchase more cheese. Compared to households with a low level of economic well-being, who on average purchase 3.8 kilograms of Imeruli, households with middle or higher levels of economic well-being buy more (middle: 5.6 kg, high: 6.8 kg). A similar pattern is present with Sulguni, although there is only a statistically significant difference when comparing people with high and low levels of economic well-being. On average, people who have a high level of economic well-being purchase 1.1 kilograms more than people who have a low level of economic well-being (low: 1.8 kg, middle 2.2 kg, high: 2.9 kg).



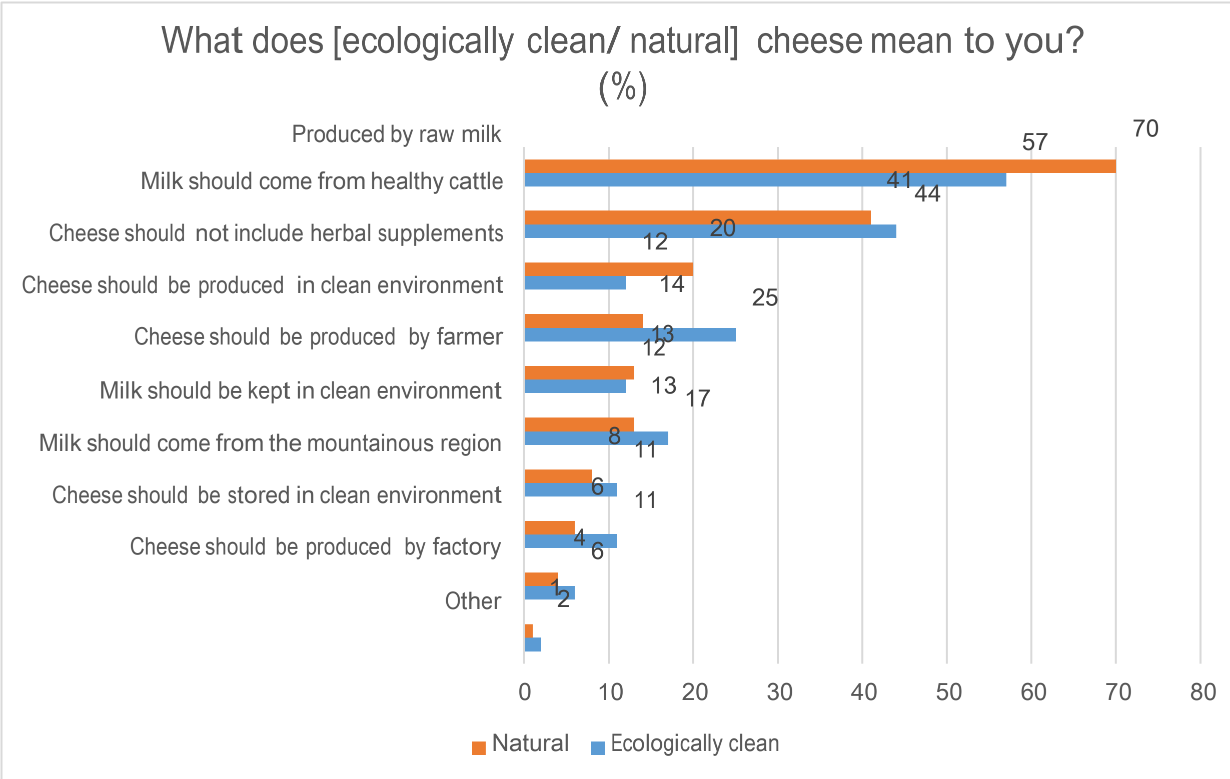
When it comes to other dairy products, 82% of the population in urban areas purchase butter; 82% *Matsoni* or yogurt; and 64% cottage cheese. Consumption of *Matsoni*/yogurt is highest at 4.9 kilograms per month among those who purchase it, followed by 1.6 kilograms of cottage cheese and 1.4 kilograms of butter among those who purchase it.

Whatarepeople in urbanareas in Georgia looking for whentheybuycheese?

The most common criteria people take into account when buying cheese are whether it is made from raw milk (48%) and if it is natural cheese (36%). Roughly equal shares noted that the taste and smell of the cheese (28%) and that the cheese was 'ecologically clean' (25%) were among the main factors in their decision to purchase cheese. In fifth place came price (21%). Overall, the data suggests that the most important factor for people is whether the cheese is made in some sort of natural or organic manner. Significantly, people report being willing to pay more for ecological/natural cheese (89%) and cheese made by a factory that collects milk from village farmers (58%).



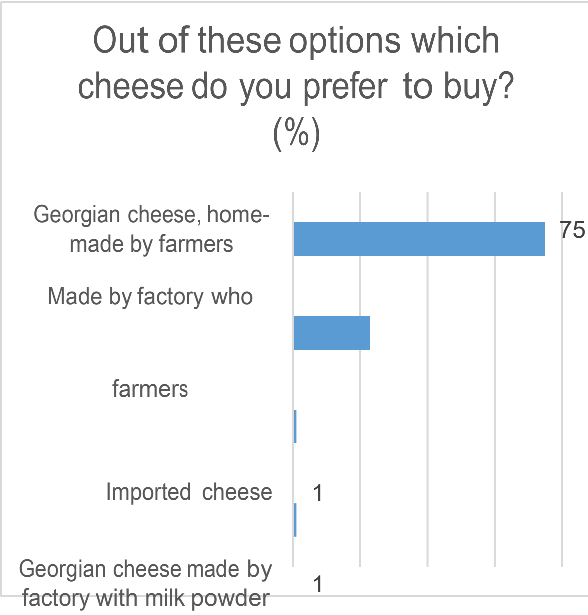
People were asked what natural cheese and 'ecologically clean' cheese meant to them. In both cases, the main answers were that it was produced by raw milk and comes from healthy cattle. People are slightly more likely to report that natural cheese means it should not contain vegetable oil (20% natural versus 12% 'ecologically clean'), and slightly more likely to report that 'ecologically clean' cheese should be produced in a clean environment (14% natural versus 25% 'ecologically clean').

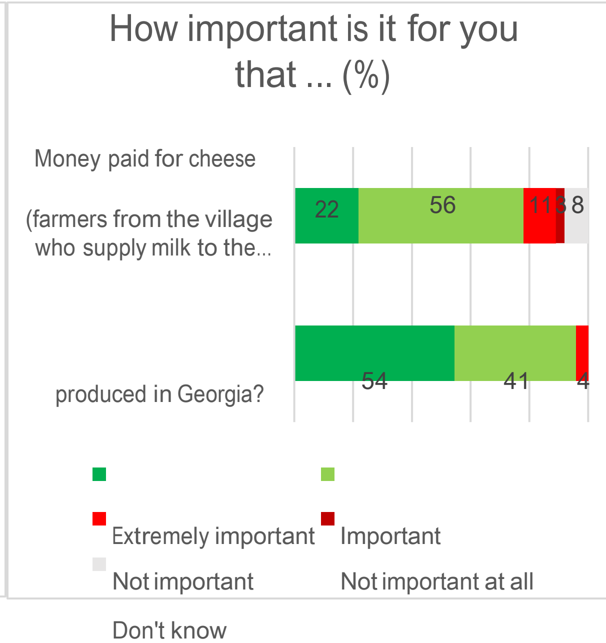


Note: People could name up to three things that 'ecologically clean' and natural meant to them. Hence the data in the chart above does not sum to 100%.

Mountain Cheese has been found to not be an important factor for consumers in urban areas in Georgia. Less than 1% take into consideration if cheese is made from mountain regions when purchasing cheese. Only 11% of consumers relate mountainous cheese to 'ecologically clean' cheese and a similarly small share (8%) relate it to natural cheese. When selecting logos, a small percentage of consumers (5% first choice, 8% second choice) prefer logos that are associated with a mountainous place.

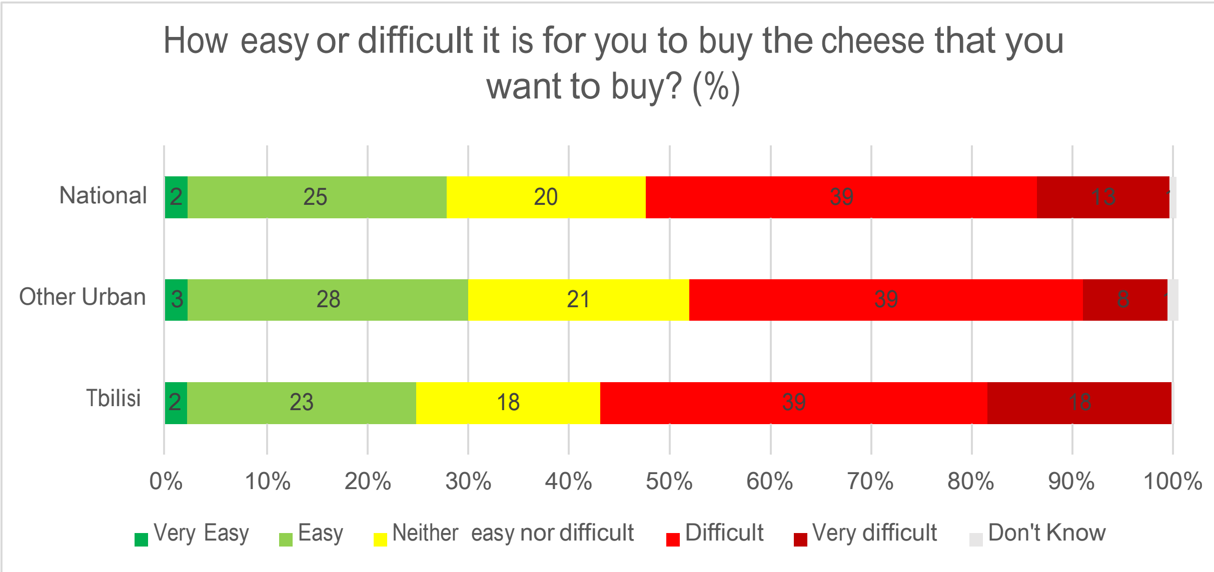
Although very few respondents reported that it was one of their main criteria when selecting cheese, when asked whether or not it is important, the vast majority of people in urban areas of Georgia (95%) say it is important (41%) or extremely important (54%) that the cheese they buy is produced in Georgia. Moreover, 78% of the population of Georgia in urban areas feel it is important (56%) or extremely important (22%) that money paid for cheese supports the community it came from. This is partially reflected in the fact that people in Georgia's urban areas prefer to buy cheese that was homemade in Georgia by farmers (75%), and prefer to purchase non-packaged or non-branded cheese (81%) over packed or packed and branded cheese. Although not asked about directly on the survey, it is likely that such cheese is generally believed to be from Georgia as opposed to imported and that such cheese is more likely to be natural.





People in Georgia's urban areas with low levels of economic well-being care slightly more about the price of cheese (low: 25%, middle: 17%, high: 14%). People in Georgia's urban areas with a higher level of economic well-being care slightly more about cheese being 'ecologically clean' (low: 22%, middle: 26%, high: 31%) and cheese being sold in a clean environment (low: 16%, middle: 14%, high: 25%). Men and women do not report significantly different criteria when buying cheese.

While people in Georgia's urban areas purchase a substantial amount of cheese and indicate their main criteria when purchasing is that the cheese is 'ecologically clean', many find it difficult to purchase the cheese they want. About half of the population of Georgia's urban areas (52%) find it difficult or very difficult to purchase the cheese they want. Interestingly, people in Tbilisi report it is very difficult for them to find the cheese they want to buy more often than people in other urban areas (18% versus 8%). This finding may at first come as a surprise given that there is a greater variety of shops in Tbilisi than in the rest of the country. However, it likely stems from the fact that people in Tbilisi have relatively weaker access to rural areas, where cheese is less likely to be made with milk powder, than people in other urban settlements. Indeed, people in Tbilisi (49%) are slightly more likely than people in other urban settlements (36%) to select their cheese seller, because they think they provide natural or 'ecologically clean' cheese, as discussed in greater detail below.



During the selection process, most people visually inspect the cheese (97%), smell it (88%), taste it (87%), look at the price (65%), read or ask where it is produced (57%), and touch it (56%). Few people in the urban areas of Georgia check for an ISO certificate (7%) or ask about food safety and health standards (16%).

Women are slightly more likely than men to smell the cheese (91% of women versus 84% of men); to touch the cheese (64% of women versus 47% of men); to read the packaging or labeling when buying cheese than men (25% of men versus 36% of women); or to read or ask about the ingredients (36% of women versus 19% of men).

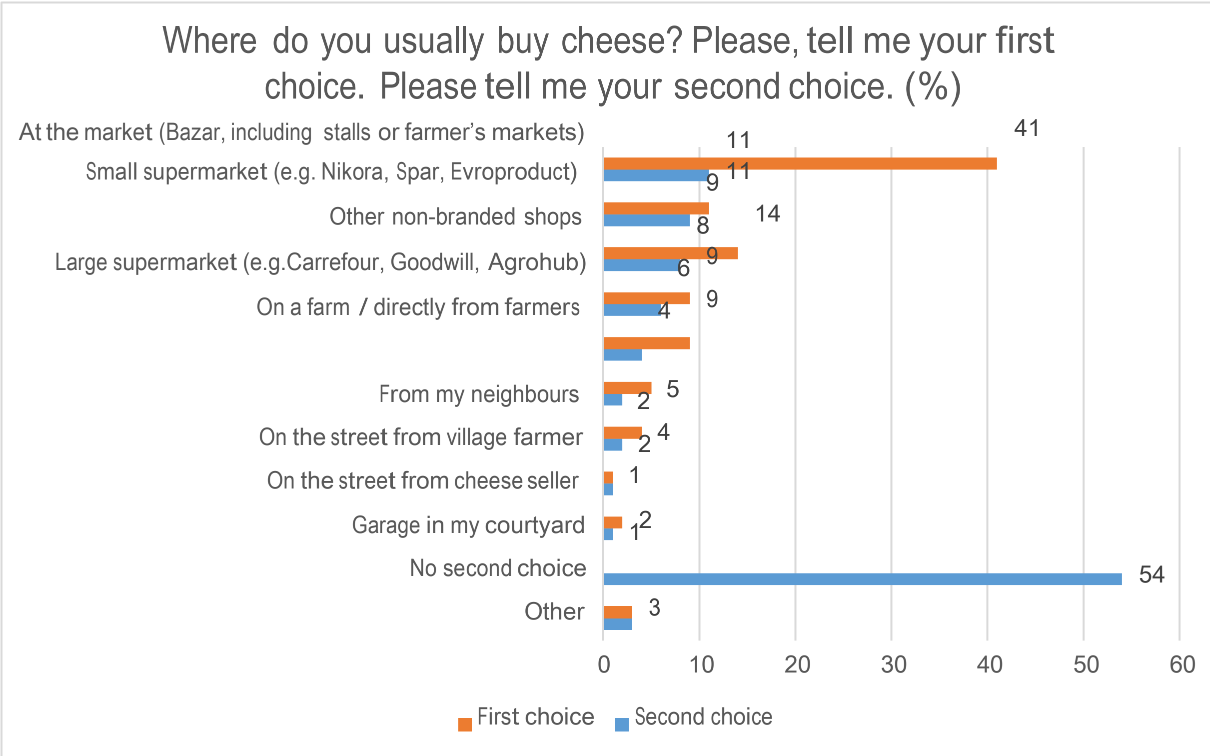
The high share of respondents that smell and taste the cheese may suggest a reason why people in Georgia's urban areas prefer to buy non-packaged cheese. Clearly, if cheese is enclosed in a package, one cannot taste a sample or smell the cheese (at least as clearly). Hence, it is recommended that:

New brands of cheese on the market provide samples at the point of sale for potential customers.

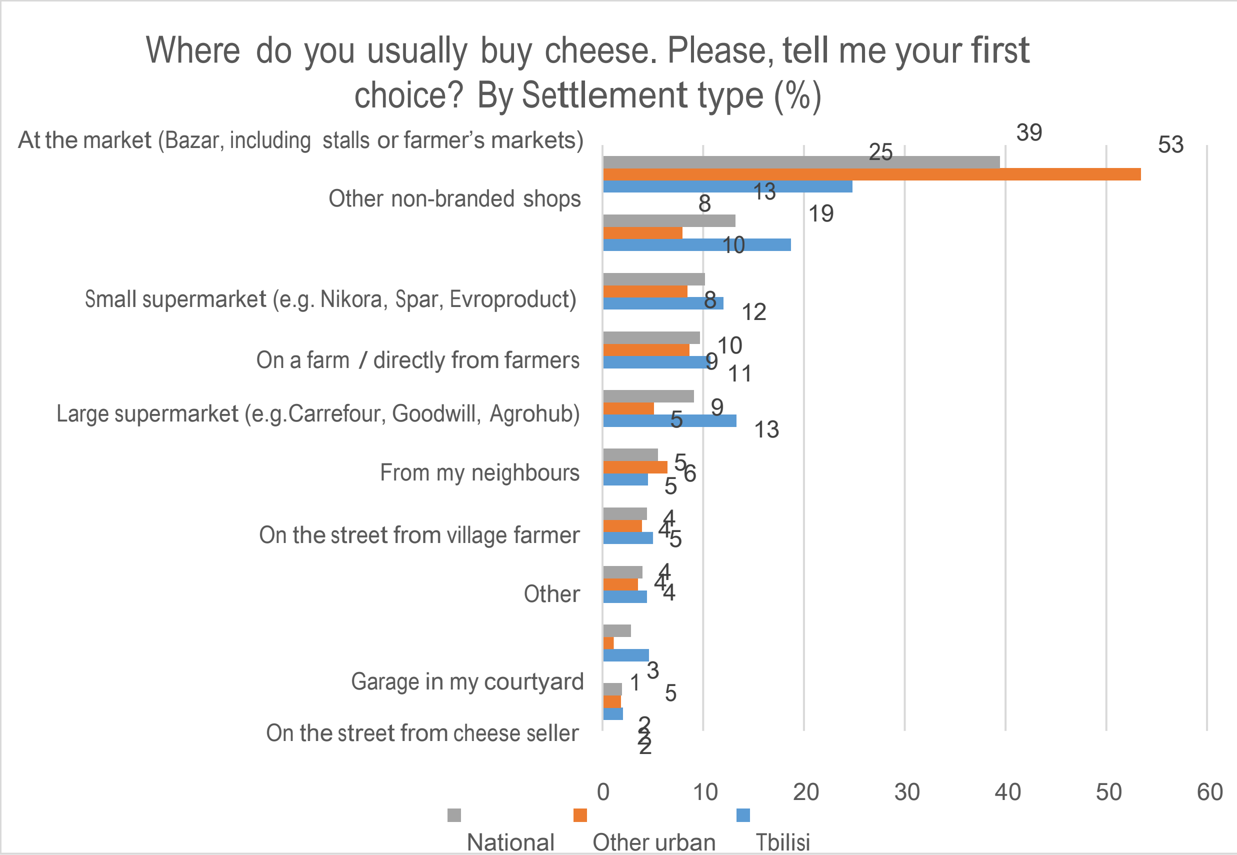
Where do people in urban areas (prefer to) buy cheese?

A plurality of people in urban areas purchase cheese from markets (bazaars) (first choice: 41%, second choice: 11%[4]). The other popular locations of purchase are non-branded shops (first choice: 14%, second choice: 8%), small supermarkets (first choice: 11%, second choice: 9%), large supermarkets (first choice: 9%, second choice: 6%), directly from farms (first choice: 9%, second choice: 4%), and from neighbors (first choice: 5%, second choice: 2%). A majority of consumers (54%) do not have a second preference for where to purchase cheese.

[4] All second choice responses are calculated including individuals who report they have no second choice.

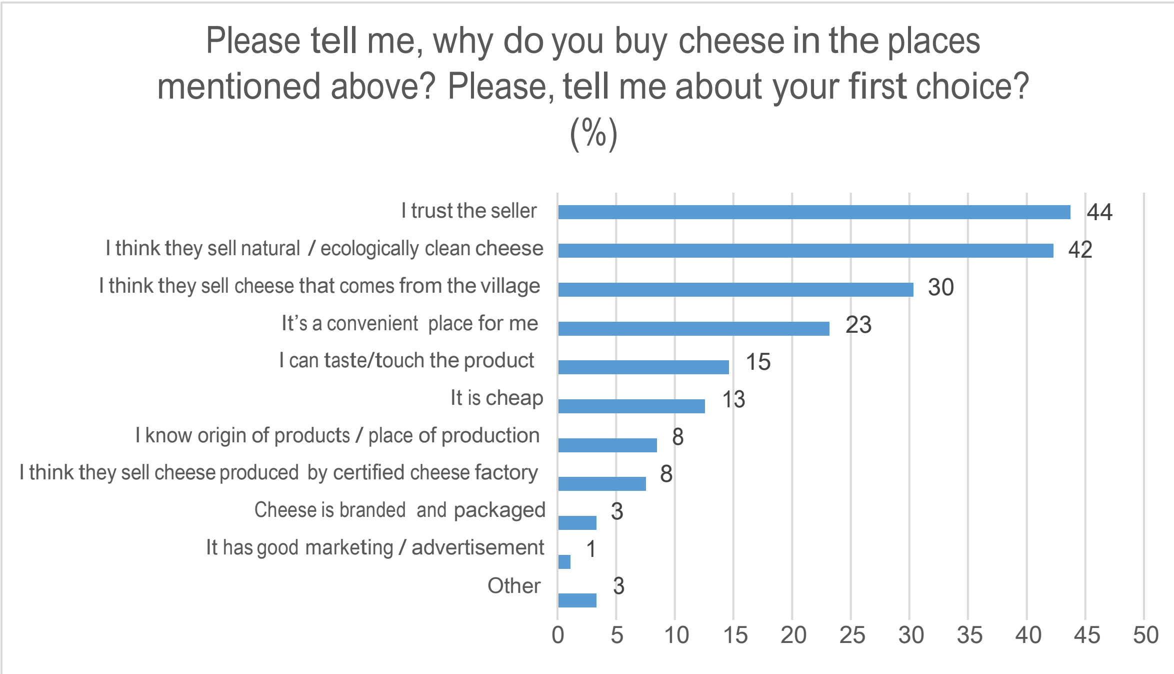


These preferences vary by whether people live in Tbilisi or another urban settlement. In either case, the largest share of people prefer to buy cheese at the bazaar. However, while 54% of people prefer to buy cheese at the bazar in other urban areas, only 27% of people in Tbilisi prefer this location. In Tbilisi, a greater share of people prefer other non-branded shops and large supermarkets.



Men are slightly more likely to purchase cheese at the bazaar (49% of men's first choice; 35% of women's first choice). Women have more diffuse preferences for where they buy cheese. Hence, there is no clear preference in terms of place to buy cheese for women that differentiates them from men. There are no significant differences between men and women in terms of their second preference for where to buy cheese. However, men are slightly more likely to say they have no second preference on where they prefer to buy cheese (58% of men versus 50% of women).

The three most common reasons people in the urban areas of Georgia purchase cheese from their preferred locations are trusting the seller (44%), the cheese being natural or 'ecologically clean' (42%), and they think the cheese is from the village (30%). Next comes the convenience of the location (23%). The least important reasons people in Georgia's urban areas purchase cheese from preferred locations are good marketing (1%), cheese is branded and packaged (3%), and cheese is produced by a certified cheese factory (8%). Younger generations care slightly more if the cheese is natural or 'ecologically clean' (18-35: 47%, 36-55: 41%, 55+: 39%) and slightly less about the price (18-35: 7%, 36-55: 14%, 55+: 17%).



Food safety was not a major concern among consumers. When asked why they purchase cheese from preferred locations, less than 10% (8% first choice, 10% second choice) of respondents mentioned if the cheese being sold was produced by a certified cheese factory. When asked why consumers buy cheese, relatively few mentioned if the seller was clean (17%) or the cheese was sold in a clean environment (17%). When looking at cheese when buying, 38% of consumers do check expiration date/ask about date of production (In case of cheese from farmers), however only 16% ask about food safety and health standards and only 7% check for ISO certification.

Women are slightly more likely than men to report that they purchase cheese from their preferred seller, because the seller provides natural or 'ecologically clean' cheese (46% of women versus 38% of men). Men are slightly more likely to mention that they can touch or taste the cheese (18% of men versus 12% of women), which likely is part of the motivation for men's preference for purchasing cheese at the bazaar. Men also place slightly greater importance on convenience (28% of men versus 20% of women).

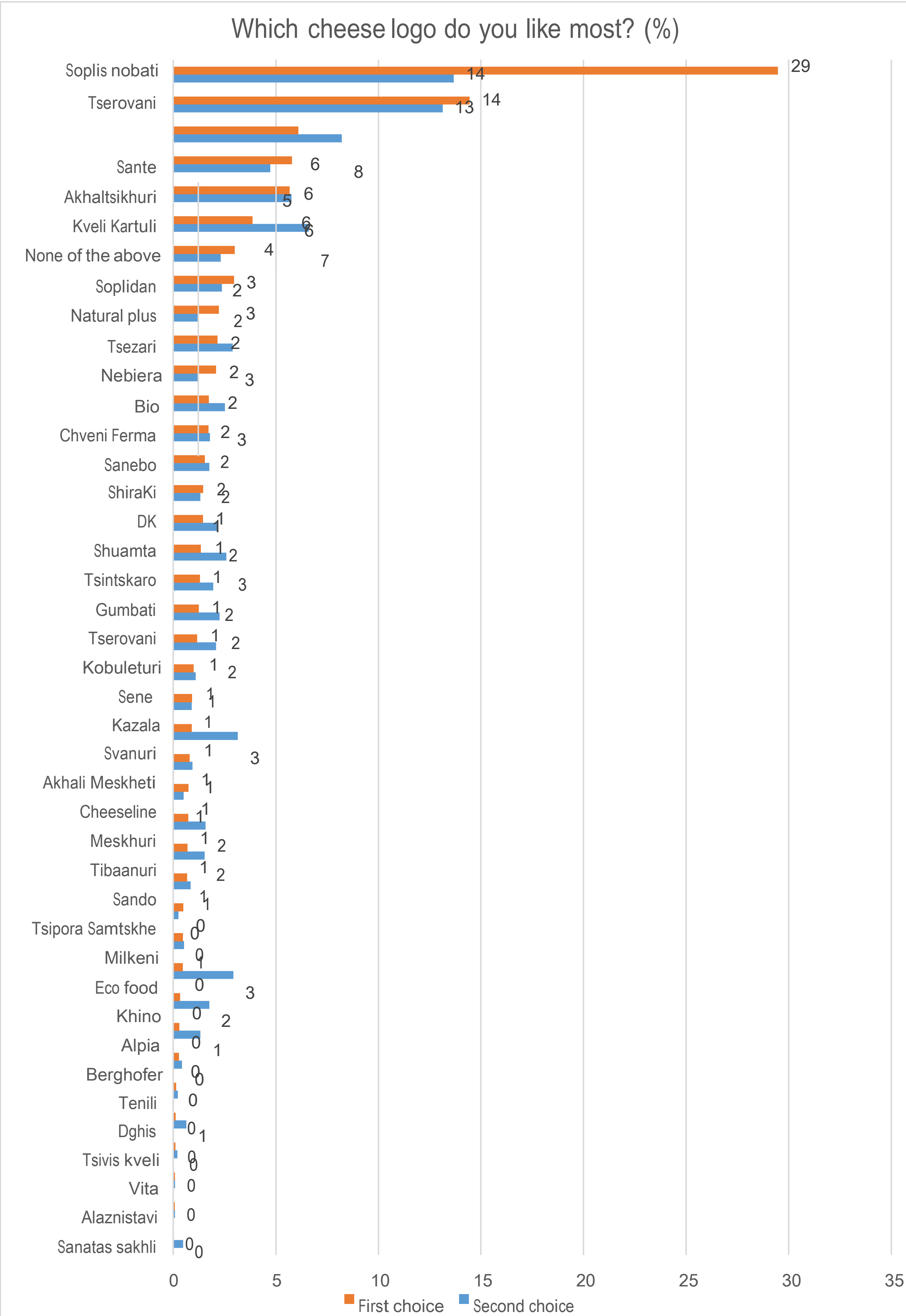
About three in four consumers have come across cheese which cheese that has gone bad, with only 27% reporting they never have had such an experience. Of those that have had bad cheese, 45% do nothing, 27% complain to the person who sold them the chees, 20% return the cheese to the seller, and 20% stop buying cheese from the particular seller. This, however, does not ensure future safety, as less than 1% referred the cheese seller to Momxmarebeli.ge or referred them to the National Food Agency.

Labelling

The vast majority of people in urban areas (81%) usually purchase cheese that is non-packaged or non-branded. A small minority (5%) purchase packaged and branded cheese, while 14% purchase cheese that is packed but not branded. In total, 56% of people report they do not purchase labeled cheese at all. Of the 44% who do purchase labeled cheese, 8% report that they don't read the labels. Among the 39% who reported they purchase labeled cheese and read the labels, 58% trust them and 37% distrust them. The remaining respondents reported "don't know" in response to the question. Those who have a high level of economic well-being are slightly more likely to trust what the labels say compared with people who have a low or middle level of economic well-being (low: 16%, middle: 25%, high: 34%), and are also less likely to buy cheese that is not labelled (low: 64%, middle: 51%, high: 46%).

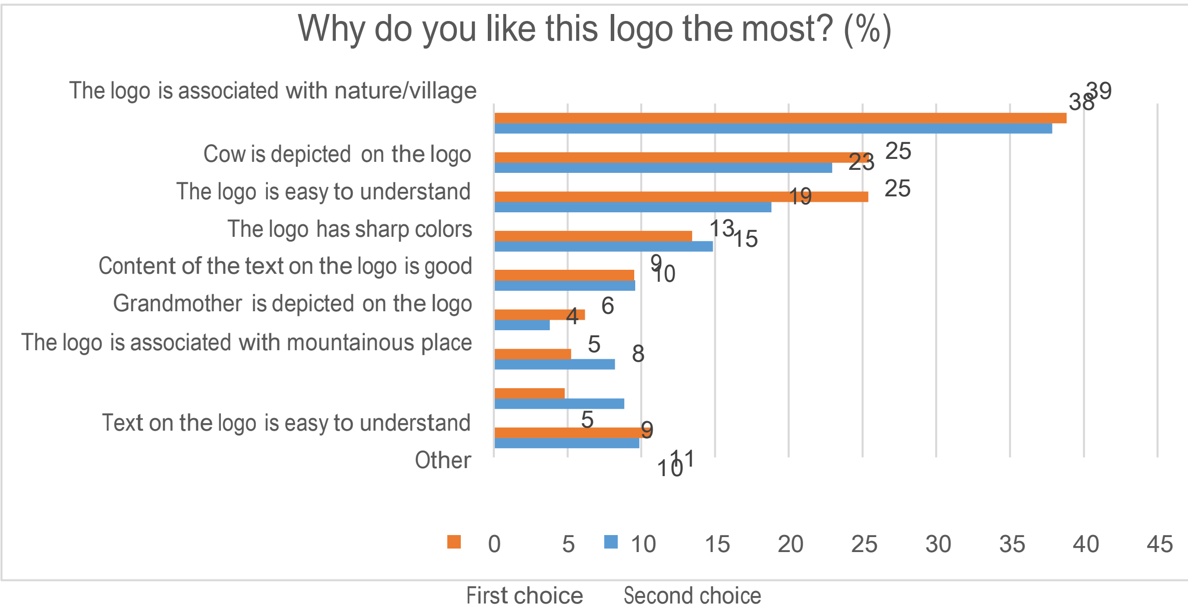
The survey asked respondents which label they liked most and second most from a list of 38 different logos of cheese producers.[5] The results are provided in the chart below. Overall, the data suggest that Soplis Nobati is the most preferred logo, followed by the yellow logo for Tserovani (Please, see annex 1). All other logos were selected by less than 10% of the population.

5 The logos are provided in Annex to the report.



Which cheese logo do you like most? (%)
Soplis nobati
Tserovani
Sante
Akhaltsikhuri
Kveli Kartuli
None of the above
Soplidan
Natural plus
Tsezari
Nebiera
Bio
Chveni Ferma
Sanebo
ShiraKi
DK
Shuamta
Tsintskaro
Gumbati
Tserovani
Kobuleturi
Sene
Kazala
Svanuri
Akhali Meskheti
Cheeseline
Meskhuri
Tibaanuri
Sando
Tsipora Samtskhe
Milkeni
Eco food
Khino
Alpia
Berghofer
Tenili
Dghis
Tsivis kveli
Vita
Alaznistavi
Sanatas sakhli
0 5 10 15 20 25 30 35
First choice
Second choice

When asked why people liked specific logos, the most common response was that the label provided associations with nature or a village (39%) and that a cow was depicted on the logo (25%). This re-affirms the importance of cheese's natural or organic nature in its likelihood of being purchased. Besides nature, a significant share of people reported that the ease of understanding the logo (25%) and the logo's sharp colours (13%) were the reasons why they liked the label. Men are slightly more likely to report as their first reason why they liked a logo, because it was easy to understand (33% of men versus 20% of women).



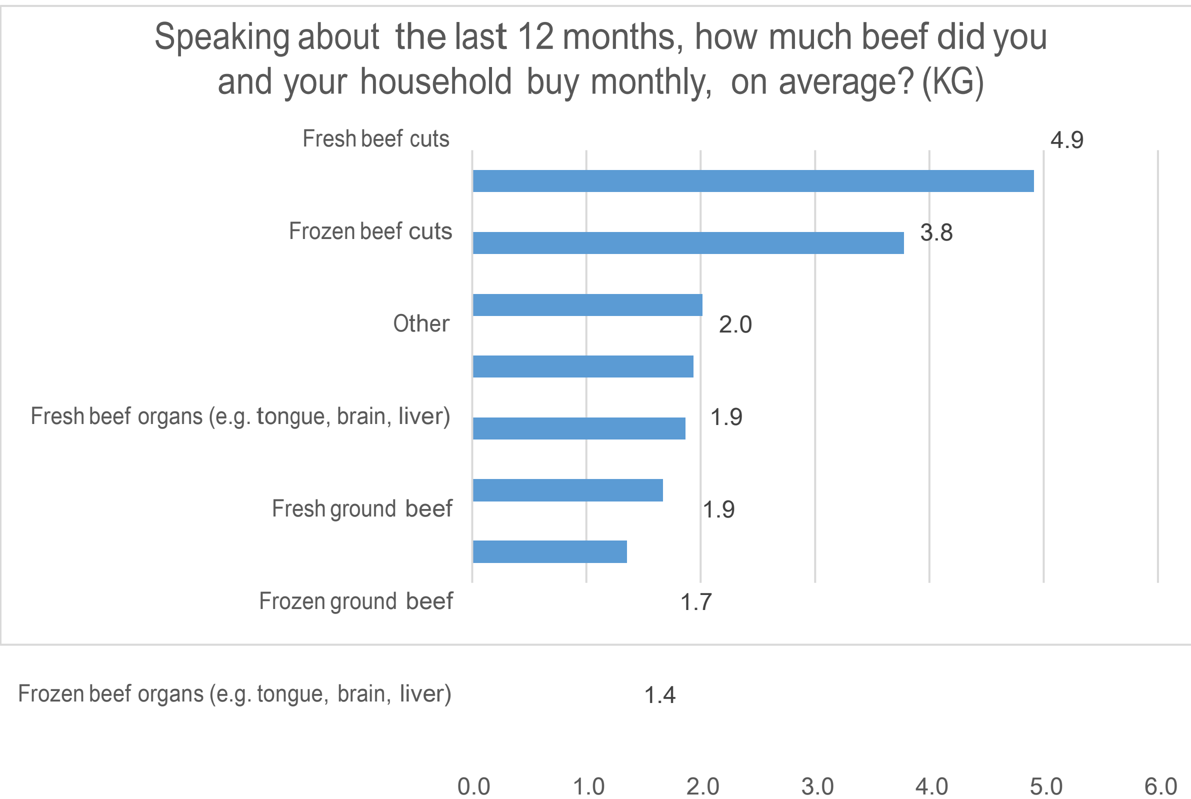
When looking at **logos,** the picture (36%) and name of cheese (25%) are generally the first thing people report looking at. The colour of the logo (11%), price/weight (11%) and description of the cheese (14%) are looked at first at equal frequencies. When reading the **description of the cheese**, 45% report reading who the cheese producer is and the expiration dates first. In second comes the cheese ingredients (31%), and in third the general description of the cheese (20%). When reading **the label**, the first thing a plurality of people read is the date on it (49%), followed by the cheese type or producer (25%), and the price (12%).

Based on these findings, a number of recommendations are pertinent for cheese producers. First and foremost, logos should induce associations with nature, rural areas, or livestock to increase the chances someone will like the logo. This point is particularly important since people also report the main reason they purchase the cheese they do and from the seller they purchase from is that they think the cheese is natural or made from raw milk. Second, keeping it simple is likely a good strategy. Just as many people noted that the logo was easy to understand as the reason they liked it as noted that a cow was on the logo. In terms of conveying this information, the picture and name are likely the most important, because they are the first thing people report looking at when they see the logo, which is also generally the first thing people will see on the cheese.

Meat

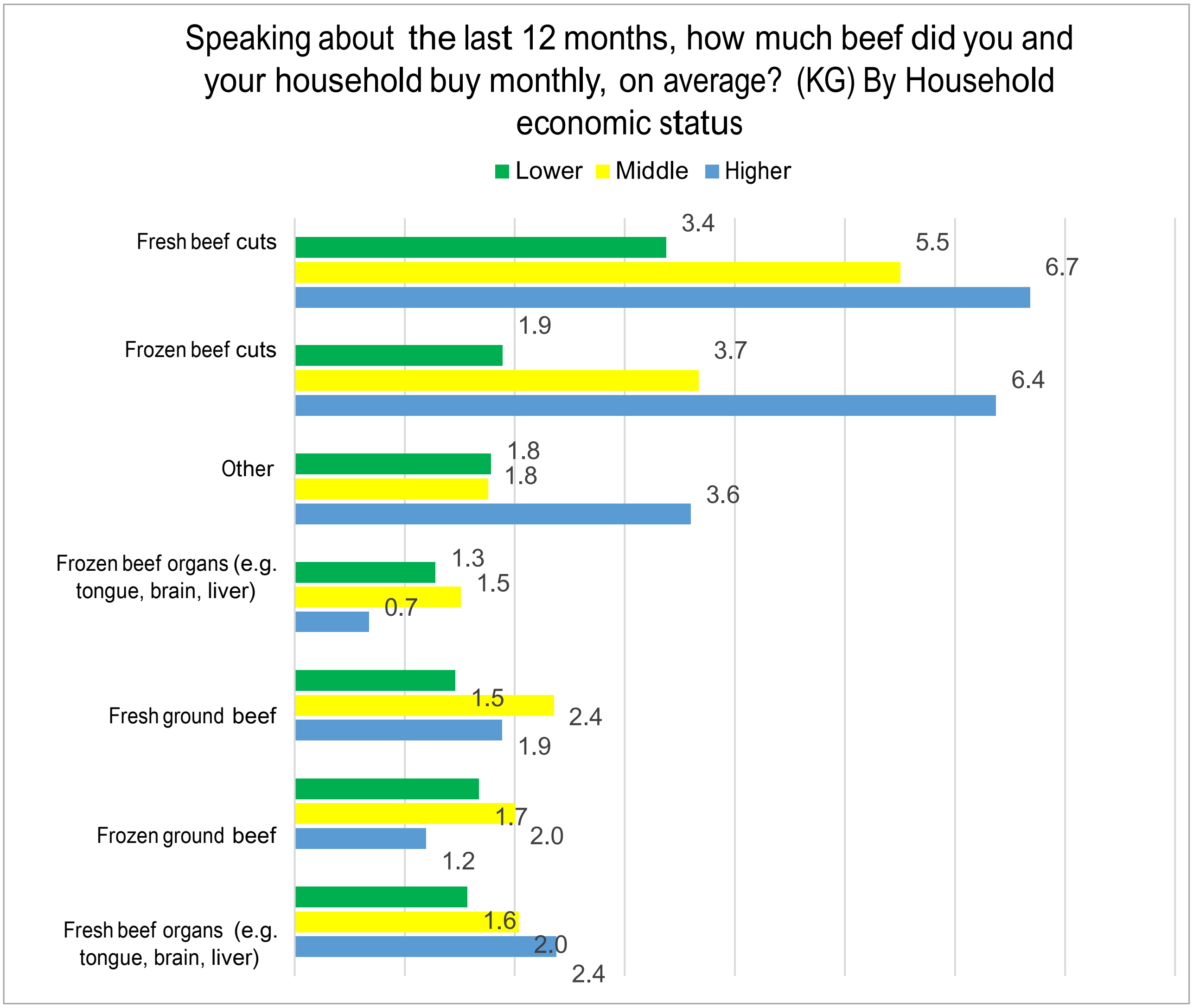
A majority of people in Georgia's urban areas buy beef on a monthly basis (89%). About 54%[6] buy beef once (29%) or twice (25%) per month, and the remaining beef consumers purchase beef more often. In general, people in urban areas buy fresh beef more often than frozen beef. 41% of people living in urban areas purchase fresh ground beef versus 6% who purchase frozen ground beef. The rate is even higher for beef cuts[7], with 97% purchasing fresh beef cuts on a monthly basis, versus only 4% purchasing frozen beef. About 25% purchase cattle fresh innards, compared to 2% who purchase frozen innards.

Among the people who buy each type of beef, fresh beef cuts are bought in the largest quantity, at 4.9 kilograms on average monthly. While frozen beef cuts are bought by relatively few, consumers buy a relatively large amount. Other types of beef purchased equates to about 2 kilograms per month, whether frozen or not.



The chart below shows that households with higher levels of economic well-being, on average, buy more beef cuts (low 3.4 kilograms, middle 5.5 kilograms, higher: 6.7 kilograms). Although, the chart suggests that there are similar differences when it comes to the frozen beef cuts, taking into consideration the small number of observations, the difference is not statistically significant.

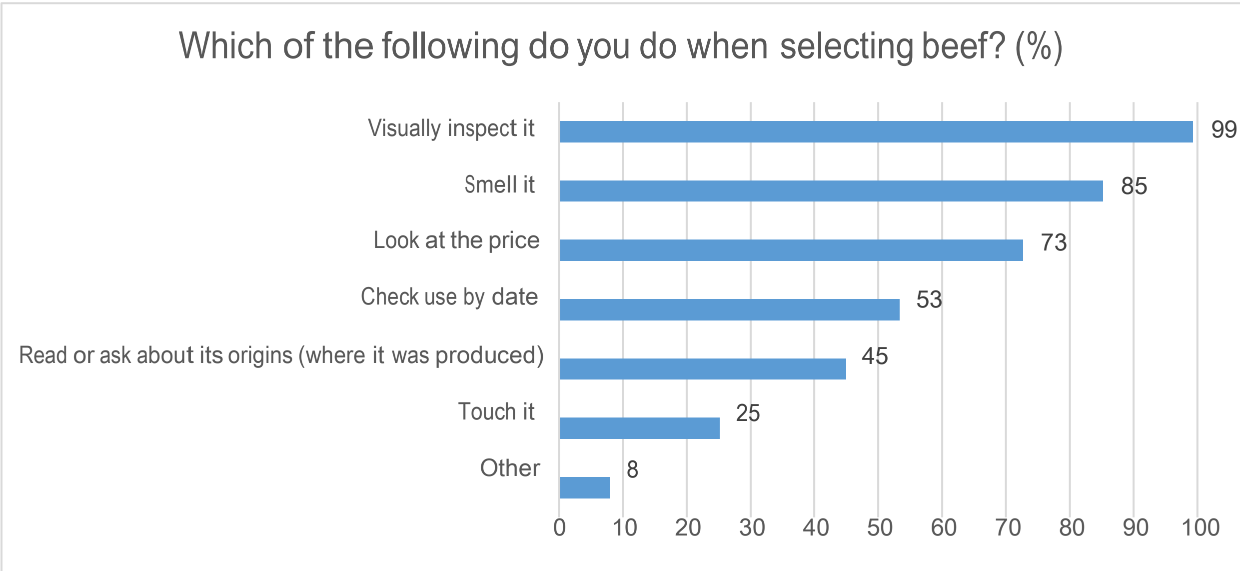
[6] This number is 1% higher than the sum of purchasing once a month or twice a month due to rounding.
[7] Beef cuts in this context refers to non-ground beef.



Wheredo people in Georgia's urban areas (preferto) buy meat?

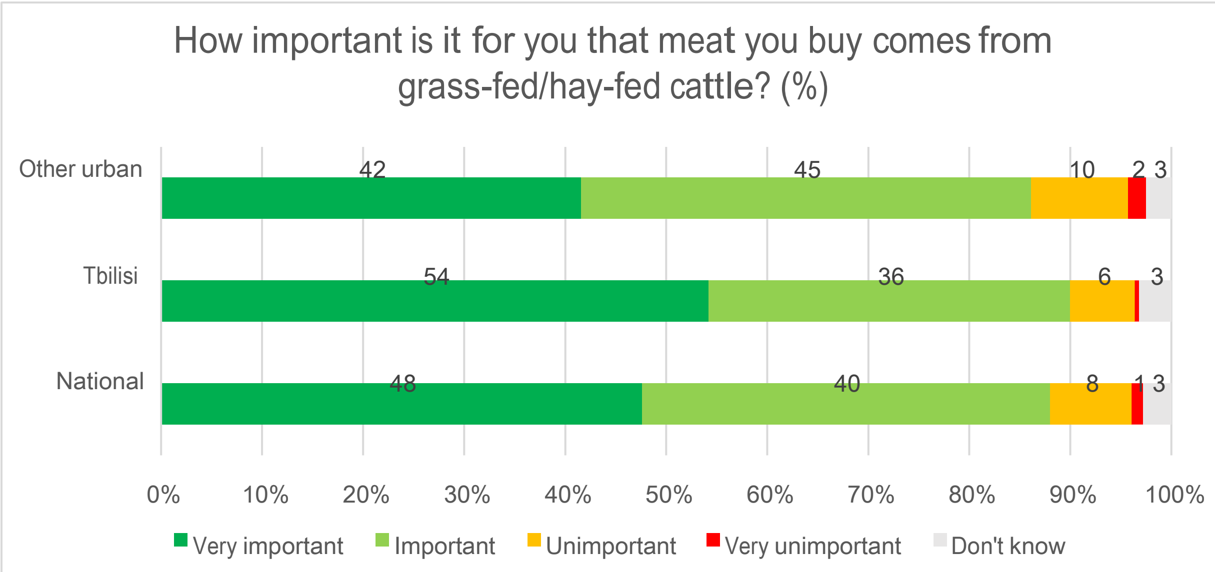
People in Georgia's urban areas mostly purchase beef from the bazaar (first choice: 43%). The next most popular options are non-branded shops (first choice: 23%), large supermarkets (first choice: 16%), and small supermarkets (first choice: 10%). People in Georgia's urban areas purchase beef at preferred locations mostly because they trust the seller (first choice: 62%) or they can choose their cuts of meat (first choice: 42%). Other important factors are the convenience of location (first choice: 24%) and if the location has suitable storage conditions (first choice: 24%). A majority of people (67%) reported no second choice in preference on where they buy meat. Men are slightly more likely to report that they purchase beef at the bazaar (47% men versus 39% women), and women are slightly more likely to purchase beef at non-branded shops (17% of men versus 26% of women).

When purchasing beef, almost everyone visually inspects it (99%). A large majority (85%) also smell the meat and check the price (73%). About half the population of urban areas checks use-by dates (53%) and reads or asks about where the meat was produced (45%). Relatively few people touch the meat (25%).



In terms of slaughter, preferences are split between those who want to buy meat slaughtered at a farmer's house (46%), and meat slaughtered at a slaughterhouse (45%). The remaining respondents reported they did not know, suggesting a lack of preference. Women are slightly more likely to report they prefer to buy meat slaughtered at the farmer's house (50% of women versus 41% of men), and men are slightly more likely to report they prefer to buy meat slaughtered at a slaughter house (53% of men versus 39% of women). Although beyond the scope of this report, given that new slaughtering regulations have entered into force, the consumer preference for meat slaughtered at a farmer's house could represent a barrier for the implementation of new regulations related to slaughter.

The majority of people in Georgia's urban areas (88%) feel it is important (40%) or very important (48%) that beef comes from grass- or hay-fed cattle. This sentiment is slightly stronger in Tbilisi, with 54% of Tbilisi reporting that it is very important compared with 42% of people in other urban areas. Three quarters of people report (77%) they would pay more for grass- or hay-fed meat, with no significant difference in willingness to pay in Tbilisi compared to other urban areas.



Half of people living in Georgia's urban areas (50%) find it difficult (36%) or very difficult (14%) to buy acceptable meat. As with cheese, people in Tbilisi are more likely to report that it is difficult for them to get the beef they want. While 54% in Tbilisi reported it was difficult or very difficult, 47% in other urban areas reported the same.

Given that, people find it important to have grass- or hay-fed beef and that they consider it more difficult to find the beef they want in Tbilisi, a similar dynamic to the one with cheese is likely present. Given that a large share of consumers report they are willing to pay more for grass-fed beef, farmers that are already producing grass-fed beef should actively advertise this quality of their meat.

Conclusions and recommendations

In the urban areas of Georgia, the vast majority of people purchase both dairy and meat on at least a monthly basis. When it comes to dairy, the primary concern people in urban areas in Georgia have when purchasing is whether the cheese is made naturally, with raw milk. Correspondingly, people in Georgia's urban areas prefer to buy cheese from sellers they think will be able to provide 'ecologically clean', natural cheese. In general, they report being willing to pay more for such cheese. Analogously, the vast majority of beef consumers in Georgia prefer to buy meat that is grass- or hay- fed. This leads to the recommendation that:

> Producers of cheese made from raw milk or meat that is grass- or hay- fed explicitly promote these qualities in their marketing (including packaging, labeling);

About half of urban meat and dairy consumers find it difficult to find the cheese and beef that they want to buy. In both cases, people in Tbilisi are more likely to report that they find it very difficult to find the cheese or meat they want to purchase, and they are just as likely to report that they are willing to pay more for cheese produced with raw milk and for grass- or hay- fed meat. This suggests a market opportunity for producers. If they can provide the types of meat and cheese that consumers want in Tbilisi, they are more likely to be successful.

A majority of urban cheese consumers in Georgia only buy cheese that is unpackaged, and the bazaar is the preferred place for cheese purchases among a plurality, though less so in Tbilisi. These facts suggest a clear barrier to market entry for packaged cheese producers, since the majority of the market purchases unpackaged cheese and prefers to purchase it at locations that are less likely to provide packaged cheese. Hence, labelling and marketing more generally will be significant in terms of whether a cheese gains a foothold on the market. The findings of the study do provide some hints at what could lead to success. People report that they touch, smell, and taste cheese when buying. Hence, producers from less well-recognized brands should:

> Provide free samples as part of advertising/marketing campaigns in shops carrying cheeses of new market entrants;

This recommendation should be considered together with the above findings that people report having trouble finding the cheese that they want to buy, and that in general, people primarily want natural cheese, made from raw milk.

Annex 1: Cheese Labels

1. ცეზარი	2. ახალციხური	3. ჩიზლაინი
4. სოფლის ნობათი	5. კაზალა	6. სენა
7. ყველი ქართული	8. სანდო	9. გუმბათი
10. წინწყარო	11. სვანური	12. ხინო

13. მილკენი	14. წიფორა სამცხე	15. მესხური
16. ქობულეთური	17. დღის	18. შუამთა
19. წეროვანი	20. ნატურალ პლიუსი	21. ალპია
22. სანებო	23. ტენილი	24. ეკო ფუდი

25. სანტე	26. ალაზნისთავი	27. ახალი მესხეთი
28. ბიო	29. შირაქი	30. ტიბაანური
31. ნებიერა	32. სანათას სახლი	33. ცივის ყველი
34. სოფლიდან	35. ჩვენი ფერმა	36. ვიტა

37. წეროვანი 	38. ბერგჰოფერი

Annex 2: Questionnaire

English Questionnaire.docx

Georgian Questionnaire.docx

Annex 3: Frequencies and Cross-tabulations

Survey Results.pdf