

Fostering restaurant's brand loyalty through local food brands: the role of sustainability and perceived value generated by the Mountain Product label*

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Abstract

The promotion of traditional Mountain Products (MPs) can be boosted by restaurants introducing these local and well-regarded products in their recipes. Our study aims to examine the loyalty of restaurant owners to the products branded with the MPs label. This study, explorative, was conducted on a sample of restaurant owners to understand how two main aspects – the perceived value of offering dishes using MPs and the perceived sustainability of MPs – can increase their loyalty to using mountain products in their restaurants.

A survey, based on a structured questionnaire, was conducted face to face with a preliminary sample of 65 restaurant owners in Emilia Romagna, the region with the highest number of EU quality labels. The results of the PLS-SEM show that both the perceived value of using mountain products in their recipes and the sustainability of MPs are significant factors in driving restaurateurs' loyalty toward MPs. Our findings offer implications for policymakers seeking to enhance knowledge about and use of mountain products, but also for mountains' farmers and producers, in order to let them exploit the value of their products.

Keywords: Restaurant owners; Brand Loyalty; Mountain Products label; sustainability.

1. Introduction

Local food labels are increasingly valued by the Italian market (NielsenIG, 2022) and pushed by the development of EU labelling schemes. One such initiative is the Mountain Product (MP) label, introduced under European Union Regulation No. 1151/2012. The goal of the MP label is to protect and promote the unique characteristics of products that originate from mountainous regions—areas challenged by geographical and environmental conditions. These regions produce goods that are intrinsically linked to traditional methods, natural resources, and sustainable agricultural practices. The MP label ensures that products bearing this quality

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designation meet strict criteria, thereby guaranteeing their authenticity while supporting the economic sustainability of mountain communities.

Current literature on the topic has primarily focused on brand awareness, consumers' perception and willingness to pay (Staffolani et al., 2023), as well as on consumer attitudes towards MP labels, investigating factors such as brand equity, purchasing behaviour, and the impact of the label on the competitive positioning of MPs (Bassi et al., 2021). Research has also examined the label's role in value creation for producers and the challenges associated with its market penetration (Bonadonna et al., 2015; Pagliacci et al., 2022). However, how key intermediaries, such as restaurant owners, engage with the MP label and how it influences their brand loyalty (BL) remains largely underexplored in the literature. Addressing this gap is crucial for two main reasons. On one hand, restaurant owners act as key decision-makers in the food supply chain, determining which products to feature on their menus. Their choices can significantly influence consumer preferences, particularly when it comes to promoting locally sourced and environmentally sustainable products like those bearing the MP label. On the other hand, the MP label may offer a unique opportunity for restaurants to differentiate themselves by prioritising high-quality, locally sourced ingredients with strong environmental credentials.

This paper introduces a newly developed theoretical model that aims to contribute to the literature on brand loyalty and local foods by identifying and analysing the key drivers that influence the commitment of restaurant owners, in the agri-food industry. In doing so, the research will also contribute to broader efforts to enhance the visibility and market presence of MP labels, ultimately supporting a sustainable development in mountain regions.

2. Theoretical Background and Hypotheses Development

Brand loyalty (BL) has long been a central topic in marketing literature, referring to the commitment of consumers or intermediaries to consistently choose a particular brand over competitors (Aaker, 1991). In the food industry, BL is particularly relevant, as consumers and business owners often form attachments to brands that are perceived to offer higher quality, authenticity, or sustainability (Keller, 1993). Loyalty can manifest in repeated purchases or, in the case of restaurant owners, continued use of specific food products, which influences both purchasing decisions and customer recommendations.

As mentioned, in the context of MP labels, BL of restaurateurs is an area that remains largely underexplored. Despite the potential importance of these intermediaries, little empirical research has focused on the determinants that drive their loyalty in general, and nothing, to our knowledge, has been explored with specific reference to MP labels. The present research examines two primary independent variables. Perceived sustainability refers to the extent to which restaurant owners view the MP label as contributing to environmental conservation and ethical production practices. In an era where sustainability has become a crucial selling point in the food industry, restaurant owners who perceive the MP label as sustainable are likely to be more inclined to consistently purchase and promote them. Previous research focused on consumers, rather than intermediaries, has shown that sustainability is becoming a key

differentiator in purchasing decisions in the food sector (Mazzocchi & Sali, 2022). Therefore, we hypothesise the following:

H1: *Perceived sustainability of MP labels positively influences restaurant owners' BL to MP labels.*

In addition to sustainability, the perceived value of MP labels is another key factor that may influence loyalty. Perceived value refers to the restaurant owners' assessment of the added benefits associated with using MP labels, such as enhancing the quality of their offerings, meeting customer expectations for local sourcing, and differentiating their menu from competitors. As noted by previous studies, when a product is perceived to deliver superior value, it is more likely to foster brand loyalty (Keller, 1993). Given the premium positioning of MP labels as high quality and locally sourced goods, we propose the following hypothesis:

H2: *Perceived value of using MP labels positively influences restaurant owners' BL to MP labels.*

The overall theoretical model has been extended with demographics as control variables.

3. Methodology

The explorative study underlying this research involved 65 restaurant owners who were invited to answer a structured questionnaire. The survey, structured using Google's online platform, was administered in face-to-face mode. First, a list of local restaurants was prepared and then two trained interviewers contacted and/or directly visited the identified businesses to gather the data during Winter 2023 and on Spring 2024.

Respondents are fairly distributed between men (39 - 60%) and women (26 - 40%). Interviewees range in age from 23 to 71 years (mean 48, standard deviation: 12.61).

The measurement items used in this study were taken from existing literature and modified to fit the specific context of this study (see Table 1). They were evaluated using a 7-point Likert scale ranging from "strongly disagree – 1" to "strongly agree – 7" and were double-translated to prevent any translation bias.

Table 1. Measures, items loading, and reliability

Measures	FA	T	CA	AVE	CR
<i>Restaurant owners' loyalty to MP labels</i>			<i>0.885</i>	<i>0.811</i>	<i>0.948</i>
I intend to include products with the Mountain Products brand in the menu	0.953	21.296			
I am inclined to suggest dishes based on mountain products to my customers	0.799	5.266			
I intend to promote the Mountain Products brand to my customers	0.941	20.405			
<i>Perceived sustainability of MP labels</i>			<i>0.913</i>	<i>0.793</i>	<i>0.923</i>
Sustainable characteristics of Mountain Products					
Product healthiness	0.852	7.708			

Protection of consumer health	0.880	8.813			
Sustainability in the production process	0.934	14.896			
Eco-friendly cultivation techniques	0.896	12.025			
<i>Restaurateurs' perceived value of using MP labels</i>			<i>0.731</i>	<i>0.640</i>	<i>0.816</i>
Mountain products add value to the dishes offered	0.875	7.215			
Mountain products give prestige to my dishes	0.798	6.531			
Mountain products bring me benefits	0.718	4.540			

Notes: F.L. = Standardised Factor Loading, T = T-statistic, CA = Cronbach's alpha, AVE = Average Variance Extracted, CR = Composite Reliability.

4. Structural Model and Results

The validity of the hypotheses was assessed using a two-step approach as suggested by Anderson and Gerbing (1988). First, a confirmatory factor analysis (CFA) was conducted to test the unidimensionality and convergent validity of the constructs. Next, the Partial Least Square Structural Equation Model (PLS-SEM) was utilised to examine the causal paths among the constructs. The data were analysed using the software PLS-SEM 4.1 (Ringle et al., 2024). The results shown in Table 1 demonstrate that all items are significant and have completely standardised factor loadings higher than 0.7, proving the convergent validity of the measurement model. Additionally, all items showed a high item-total correlation, indicating their ability to measure the constructs under investigation. Cronbach's alphas (CA), Average Variance Extracted (AVE), and Composite Reliability (CR) are all good, assessing the convergent validity of the constructs (see Table 1). To determine the discriminant validity of the latent variables, Fornell and Larcker's (1981) criteria were used. Furthermore, the HTMT (Heterotrait–Monotrait) ratio of correlation was employed, with a threshold ratio of 0.9. Both tests validated the discriminant validity of the constructs. Finally, the bootstrapping method, using 5,000 bootstraps, was utilised to identify the p-values for the hypothesised relationships (Hair et al., 2020).

The results of the structural model indicate a direct positive effect of restaurant owners' perception of sustainability of MP-certified products on their loyalty to these products ($\beta=0.422$, $p\text{-value}=0.003$), confirming H1. Additionally, the perceived value of using MP-certified products by restaurateurs also has a positive and significant impact on restaurant owners' loyalty to MP-certified products, albeit to a lesser extent ($\beta=0.246$, $p\text{-value}=0.048$), confirming H2. Both control variables, gender and age, were found to be non-significant, indicating no demographic differences among restaurateurs.

5. Implications and conclusions

The study presents some preliminary results on the BL generated by the MP label on a specific target of professional users, restaurant owners, who are overlooked by current literature despite the pivotal role they can play on the market as quality food ambassadors. By proving the positive role of perceived value and sustainability of the MP labels in BL development, we contribute to the literature on BL and EU quality labels.

Our findings offer managerial and public policy implications too. Farmers and agri-food producers based in the mountains should target restaurants building on their

willingness to use the MP label thanks to the value it can generate and the sustainability image it brings. EU and national policymakers seeking to enhance knowledge about mountain products should implement communication strategies aimed at increasing the awareness of MPs not only among consumers, but also among restaurant owners. Stimulating the use of MPs among restaurants, it is possible to increase the interactions between MPs and end-consumers, achieving the objectives for which this label was introduced on the market and, in so doing, create value and support to mountain farmers.

The paper is explorative and has some limitations that require further studies. First, the small sample collected limits the generalisation of results and the proposal of a more complex model; however, the research is undergoing and we believe to increase the number of variables explored and interviewees in the next future. Second, the research focuses only on the MP label, while a better understanding of the use of multiple labels in the BL formation can be useful. Third, future surveys should test the model considering specific MP categories.

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