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**Designing and Assessing an Italy-Based Business Model for Direct
Sourcing of Persian Saffron from Iran to the European Market**

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Declaration

I declare that this thesis is my own original work and that it has not been submitted, in whole or in part, for any other degree or qualification. All sources of information and ideas that are not my own have been acknowledged and referenced in accordance with academic conventions.

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Abstract

This thesis develops and critically assesses a business model for a proposed trading company that would import Persian saffron directly from Iranian producers and supply it to European business customers through a hub in Italy. The main target customers are small and medium-sized producers of premium and artisanal food products. Own-brand retail sales are also included as a secondary channel, but the main focus of the model is B2B supply.

The study uses the Business Model Canvas to develop the initial model and identify the assumptions on which it depends. These assumptions are then examined through market and industry evidence, including trade data, European market information, regulatory sources, competitor information, and academic literature. The model is then assessed strategically in terms of value creation, competitive differentiation, the strategic role of Italy, and the conditions under which it could become viable.

The analysis shows that the model responds to an identifiable value-chain issue in the saffron market. Iran produces most of the world's saffron, while part of the commercial value is created later through packaging, branding, documentation, and market access. The study also shows that quality documentation, traceability, and origin information are relevant in the European spice trade. Direct sourcing, laboratory testing, and documented origin are already offered by existing suppliers, however, so differentiation would depend on combining these elements around a narrowly defined customer segment rather than on any single feature.

The thesis concludes that the proposed opportunity is strategically credible and potentially attractive, but conditional rather than proven. Assumptions concerning market structure are supported by external evidence, while

assumptions concerning buyer behaviour, including supplier switching, repeat purchasing, and willingness to pay, still require direct commercial validation.

Abstract

Questa tesi sviluppa e valuta criticamente un modello di business per una società commerciale proposta, che importerebbe zafferano persiano direttamente da produttori iraniani e lo fornirebbe a clienti aziendali europei attraverso un hub in Italia. I principali clienti target sono piccoli e medi produttori di alimenti premium e artigianali. Anche le vendite al dettaglio con marchio proprio sono incluse come canale secondario, ma il focus principale del modello rimane la fornitura B2B.

Lo studio utilizza il Business Model Canvas per sviluppare il modello iniziale e identificare le assunzioni su cui esso si basa. Tali assunzioni vengono successivamente esaminate attraverso evidenze di mercato e di settore, tra cui dati commerciali, informazioni sul mercato europeo, fonti regolatorie, informazioni sui concorrenti e letteratura accademica. Il modello viene quindi valutato strategicamente in termini di creazione di valore, differenziazione competitiva, ruolo strategico dell'Italia e condizioni alle quali potrebbe diventare sostenibile dal punto di vista commerciale.

L'analisi mostra che il modello risponde a un problema identificabile nella catena del valore dello zafferano. L'Iran produce la maggior parte dello zafferano mondiale, mentre una parte del valore commerciale viene creata successivamente attraverso il confezionamento, il branding, la documentazione e l'accesso al mercato. Lo studio mostra inoltre che la documentazione della qualità, la tracciabilità e le informazioni sull'origine sono rilevanti nel commercio europeo delle spezie. Tuttavia, l'approvvigionamento diretto, le analisi di laboratorio e l'origine documentata sono già offerti da fornitori esistenti; di conseguenza, la differenziazione dipenderebbe dalla combinazione di questi elementi attorno a un segmento di clientela chiaramente definito, piuttosto che da una singola caratteristica.

La tesi conclude che l'opportunità proposta è strategicamente credibile e potenzialmente interessante, ma condizionata piuttosto che dimostrata. Le assunzioni relative alla struttura del mercato sono sostenute da evidenze esterne, mentre le assunzioni relative al comportamento degli acquirenti, inclusi il cambio di fornitore, gli acquisti ripetuti e la disponibilità a pagare, richiedono ancora una validazione commerciale diretta.

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1. Introduction

1.1. Background and motivation

Saffron (*Crocus sativus L.*), which is also known as red gold is the most expensive spice in the world by weight when considering the difficulty of production. It is known for its bright red colour and unique flavour and has been known to have some medicinal properties. It is usually extracted from the dried stigmas of the saffron flower and largely carried out manually because of the delicate nature of the flower (Golmohammadi, 2014). The red coloured spice which is produced from the plants, has been used in beverages, foods, pharmaceuticals, cosmetics, perfumes and even textile industries (Kothari et al., 2021). The rare characteristics of the plant cause saffron to be in high demand in industries where its visual quality and bioactive properties are used.

Approximately 90% of the global production of saffron is from Iran (Moshizi et al., 2023). The majority of it is exported to third countries in bulk, where after some changes such as in packaging, it is distributed to other countries (Mohammadi & Reed, 2020).

Bulk exports and downstream activities such as packaging, branding, and distribution can shift part of the value creation away from the producing country towards intermediaries and firms operating closer to the final market. This is particularly relevant for saffron because its commercial value depends not only on its origin, but also on its quality, presentation, and the information attached to the product.

Saffron quality is closely associated with three main compounds: crocin, which is responsible for its characteristic colour; picrocrocin, which contributes to its bitter taste; and safranal, which gives saffron its distinctive aroma.

Iran combines very large production capacity with an important role in international saffron supply, while the proposed business model aims to capture more value through direct sourcing, traceability and quality control.

Italy plays a different role in this structure. It has its own tradition of high-quality saffron production, including PDO products, but production takes place on a much smaller scale. At the same time, Italy has a strong agri-food sector and an established reputation for premium food products.

The opportunity therefore comes not simply from selling Persian saffron, but from connecting Iran's production capacity and recognised saffron origin with quality verification, traceability, and access to the European premium food market through Italy.

1.2. Scope of the study

Despite Iran's dominant position in global saffron production and the established reputation of Persian saffron, the international distribution model for this product is quite inefficient and it is dominated by intermediaries that make its source and authenticity vague, due to it being normally exported from the country of origin to an intermediary hub and then repackaged and re-exported with a new label and often without declaring a clear origin (Mohammadi & Reed, 2020). This structure can weaken the connection between the product, its origin, and the information available to buyers, particularly where quality, authenticity, and traceability need to be verified.

This matters especially for saffron, because its commercial value rests on characteristics that cannot always be assessed visually. Buyers may need reliable

information about origin, quality, testing, and batch history, while fragmented supply structures make that information harder to maintain across the chain. Traceability, certification, and coordination have also been identified as challenges within the Iranian saffron industry (Yousefi et al., 2017). The problem addressed by this thesis is therefore not only the movement of saffron from Iran to Europe, but the way a business model could connect direct sourcing, documented origin, quality verification, traceability, and European market access within a more coordinated structure.

The study develops and assesses a business model for an Italy-based trading company that would source Persian saffron directly from selected Iranian producers and supply customers from within the European market. The initial market-entry focus is on small and medium-sized producers of premium and artisanal food products that use saffron as an ingredient. Other saffron-using sectors, including cosmetics, nutraceuticals, pharmaceuticals, and wellness products, are treated as possible directions for later development rather than as part of the initial market focus.

A secondary component of the model is branded retail sales through e-commerce and selected third-party channels. This remains complementary to the core B2B model and may contribute additional cash flow and brand visibility, but it is not treated as a main source of demand at the initial stage.

Italy is examined as the proposed European hub. Its role is considered in relation to its position in the European saffron trade, access to the EU Single Market, its agri-food sector, transport connections, and established saffron tradition. The study does not assume that Italy is the best or lowest-cost European location. It examines whether Italy can provide a suitable base for connecting direct Iranian sourcing with smaller European B2B customers.

The model also explores how traceability, sustainability, and circular-economy principles could be built into its sourcing, logistics, documentation, and packaging decisions. This includes opportunities to improve resource efficiency, reduce avoidable handling or packaging stages, and identify possible uses for by-products or waste where these are relevant to the selected customer segment. These possibilities are considered at an exploratory level. The study does not claim that the proposed supply chain is fully sustainable or circular, and it does not provide a complete environmental impact assessment.

This thesis should therefore be understood as a preliminary and exploratory assessment of a proposed business model rather than as a complete feasibility study or an operational business plan. Its purpose is to examine the strategic logic of the model, assess its main assumptions against market and industry evidence, and identify the conditions, risks, and limitations bearing on its possible implementation.

1.3. Objectives of the study

The study pursues the following objectives.

1. Core Objective

The core objective is to develop and assess a business model for an Italy-based trading company that would source Persian saffron directly from selected Iranian producers and supply it to European business customers from within the European market.

The model is assessed with an initial focus on small and medium-sized premium and artisanal food producers using saffron as an ingredient. Other saffron-using sectors, including cosmetics, nutraceuticals, pharmaceuticals, and wellness products, are considered only as possible areas for later development.

Own-brand retail is included as a secondary channel, but the main focus of the study remains B2B supply.

2. Strategic and Operational Objective

The strategic and operational objective is to examine whether the proposed company could create value by combining direct sourcing, documented Iranian origin, laboratory-supported quality assessment, batch-level traceability, flexible B2B quantities, and EU-based supply. The study also asks whether an Italy-based hub offers a suitable structure for connecting Iranian producers with smaller European food producers while reducing the purchasing complexity those buyers would otherwise face.

The model is built around a relatively lean operating structure, with specialised activities, including laboratory testing, customs support, logistics, storage, packaging, and fulfilment, carried out through external partners. The study therefore also examines what supplier reliability, partner coordination, working capital, and repeat B2B demand mean for the viability of the model.

Financially, the objective is not to assume that direct sourcing automatically lowers costs or raises margins, but to assess whether the model could generate enough value to cover the costs of sourcing, testing, importing, holding stock, and fulfilling smaller B2B orders. The complementary retail channel is considered mainly in terms of additional revenue and brand visibility rather than as a principal source of income.

3. Sustainability Goal

The sustainability objective is to explore how sustainability and circular-economy principles could be built into the proposed business model, without assuming that the supply chain is already sustainable or circular. This means examining opportunities to improve resource efficiency, reduce avoidable

handling and repackaging, consolidate logistics where practical, and choose packaging that balances material efficiency with product protection and regulatory requirements.

The study also considers how traceability can provide the information structure on which future sustainability practices might rest, and how by-products or waste generated in one activity or sector could, where relevant, serve as inputs in another. These possibilities are treated at an exploratory level; the study does not attempt to quantify environmental impacts or demonstrate a complete circular-economy model.

1.4. Structure of the Thesis

The thesis is divided into six chapters.

Chapter 1 introduces the topic and its background. It sets out the problem addressed by the study, the scope of the research, its limitations, the objectives, and the structure that follows.

Chapter 2 reviews the relevant literature. It covers the global saffron value chain, the problems that characterise the traditional saffron supply chain, business model design theory, sustainability and circular economy in the agri-food sector, traceability and European Union regulation, and the gaps that emerge from the existing discussion.

Chapter 3 develops the initial Business Model Canvas. It presents the nine building blocks of the proposed company and explains the logic connecting them, before turning to the competitive advantage the model aims to create, the strategic role of Italy, and the critical assumptions on which the model rests.

Chapter 4 examines those assumptions against market and industry evidence. It covers global production and Iran's position within it, international trade flows,

price levels along the value chain, European and global demand, the target B2B segment, the competitive landscape, and Italy as a European hub. The chapter closes with an assumption–evidence matrix showing which assumptions receive external support and which remain unverified.

Chapter 5 assesses the model strategically. It evaluates the value proposition, examines where competitive advantage could realistically come from, weighs the strategic role of Italy, identifies the critical assumptions and the risks attached to them, uses a SWOT analysis to draw the assessment together, and sets out the conditions under which the model could become viable.

Chapter 6 concludes the thesis. It answers the central question of how strong the opportunity appears to be, presents the main findings and contribution of the study, and discusses the limitations of the research alongside directions for further work.

2. Literature

2.1. The Global Saffron Value Chain

The saffron production process begins with cultivation and continues through flowering, hand harvesting, stigma separation, drying, and storage. Saffron is the commercial name for the dried red stigmas of *Crocus sativus* L., and its commercial quality is shaped not only by cultivation conditions but also by post-harvest handling, especially drying and storage (Avila-Sosa et al., 2022). Saffron marketing extends beyond production into downstream stages such as packaging, branding, and export organisation (Mohammadi & Reed, 2020).

Within this chain, post-harvest handling plays a central role, as saffron is obtained only after dehydration and subsequent preservation. Drying is the main post-harvest step through which fresh stigmas are converted into saffron, and it is also the stage in which volatile compounds linked to aroma begin to develop (Cid-Pérez et al., 2021). Storage conditions and storage time also influence the compounds used to assess quality, especially those related to aroma, colour, and bitterness (Avila-Sosa et al., 2022). For this reason, saffron quality can be understood as the result of both cultivation and handling rather than as a property determined in the field alone.

These quality attributes are formalised in an international standard. ISO 3632-1:2025 sets out the reference specification for saffron in international trade, covering filament, cut-filament, and powder forms. Quality assessment is based on measurable characteristics, including the levels of crocin, picrocrocin, and safranal, which are associated with colour, bitterness, and aroma, as well as moisture content and the presence of foreign matter. The standard gives buyers and sellers a common language for describing saffron quality and supports commercial grading, but it describes the composition and quality characteristics of the product rather than where it was grown (International Organization for Standardization, 2025).

Taken together, cultivation, post-harvest handling, and measurable quality characteristics help explain why saffron is treated as both an agricultural and a commercial product. Its value depends on biological factors such as cultivation conditions and harvest quality, but it is also influenced by post-harvest handling, chemical profile, and the quality attributes by which it is identified and assessed in the market (Avila-Sosa et al., 2022). In saffron trade, market differentiation is linked to attributes that are not readily visible, including chemical profile and geographic origin (Wakefield et al., 2019). Part of the value added in saffron trade is associated with downstream activities such as packaging, grading, branding,

processing, and export organisation rather than with cultivation alone(Mohammadi & Reed, 2020).

Producers, intermediaries, and exporters do not occupy the same position within this structure. Saffron production is often relatively dispersed, while later stages such as packaging, marketing, and export are more strongly controlled by actors who coordinate collection, processing, and access to external markets(Mohammadi & Reed, 2020). This gives downstream actors a stronger role in shaping the form in which saffron reaches external markets. This pattern also appears in trade intermediation, distribution channels, and price spread, which means that market access depends not only on cultivation capacity but also on who controls commercial coordination and channel structure(Mohammadi & Reed, 2020).

This structure also affects the distribution of value within the saffron chain. Labour-intensive cultivation does not automatically correspond to a similar share of the final consumer price. The saffron chain is also characterised by high marketing margins, and producers are estimated to receive less than 65 percent of the final consumer price(Ghorbani, 2008). This suggests that economic power is linked not only to production itself but also to control over aggregation, circulation, and market relationships.

A further feature of the saffron value chain is that product movement is closely tied to information movement. The value of saffron depends not only on the spice itself, but also on the credibility of claims about origin, age, quality, and authenticity. Tracing the age and history of commercial saffron samples of unknown background remains difficult(Consonni et al., 2016). When saffron passes through several trading stages, unequal control over product information can lead to mislabeling, uncertain provenance, and weaker transparency(Consonni et al., 2016). Geographic origin can also be identified through chemical profiling,

which is particularly relevant in a product whose important attributes cannot be fully checked through visual inspection alone(Wakefield et al., 2019).

2.2. Problems in the Traditional Saffron Supply Chain

The traditional saffron supply chain often shows fragmentation and a lack of coordination. Production takes place at the farm level, but later stages of trade are usually organised through a sequence of collectors, traders, processors, exporters, and retailers. In this structure, the product may pass through several commercial hands before it reaches final markets. Problems at these later stages are linked to inadequate packaging, weak branding, and limited compliance with international standards(Mohammadi & Reed, 2020). The marketing channel structure also distributes value across several intermediaries rather than concentrating it at the production stage(Ghorbani, 2008).

One consequence of this structure is that the link between production and market presentation becomes weaker as saffron moves downstream. When saffron is traded in bulk and differentiated later through grading, packaging, or labeling, the link between the original product and its commercial form may become less direct. Problems that appear at these later stages have been linked to weak branding and the concentration of value-adding activities after the farm stage(Mohammadi & Reed, 2020). In this way, the chain can be understood as commercially uneven, because the stages closest to production do not necessarily control the stages in which differentiation becomes visible in the market.

A second problem discussed in the literature concerns authenticity and adulteration. Because saffron is a very high-value spice, it is particularly vulnerable to economically motivated fraud(Raina et al., 2024). Adulteration in saffron includes practices such as mixing it with other plant materials, adding dyed substances, increasing weight with external materials, and mislabeling

products of lower quality or different origin(Kumari et al., 2021). Commercial quality can also be reduced by improper handling, insufficient dehydration, poor storage conditions, and adulteration, so fraud and quality deterioration are often considered together rather than as fully separate issues(Avila-Sosa et al., 2022).

The problem is not limited to deliberate adulteration. It also concerns the difficulty of maintaining reliable product information as saffron moves through several commercial stages. The age and history of commercial saffron samples of unknown background remain difficult to reconstruct(Consonni et al., 2016). Geographic origin is not always identifiable through visual recognition alone and may require analytical verification(Wakefield et al., 2019). In this context, authenticity problems are discussed not only as isolated cases of fraud, but also as a structural consequence of a chain in which transparency may weaken as the product moves further from production.

The traditional saffron supply chain also presents problems in how commercial coordination is organised. In fragmented chains, later commercial stages may play a stronger role in shaping market access and product presentation than the production stage alone.

2.3. Business Model Design Theory

Business model design theory explains how firms organise value creation, value delivery, and value capture within a single system. Although the concept is now widely used, it is still defined and interpreted in different ways, especially in relation to process, structure, and innovation(Spieth et al., 2025). Even so, the business model is generally understood as the underlying logic that organises activities, exchanges, and revenue generation.

One reason the concept became influential is that it occupies a position between strategy and operations. Business model redesign distinguishes between

strategy, the business model, and the operating model by linking strategy to competitive positioning, the business model to the overall structure of the firm, and the operating model to implementation(Lara Machado et al., 2024). This gives the concept an analytical role beyond the description of individual activities. It is generally understood as a structured logic that links value creation and delivery to the organisational arrangements through which they are carried out. The relationship between business model innovation and performance also depends on internal and external conditions(White et al., 2022).

The value proposition is usually treated as a central part of the business model, but not as an isolated one. It connects value creation, value delivery, customer-related elements, and value capture. The value proposition is shaped by its relationship with other business model components(Kouptsov & Srai, 2023). This helps explain why business model design is often used to examine how a company's different parts are organised and work together, instead of focusing only on its market positioning.

A widely used framework in this area is the Business Model Canvas, a tool for describing and designing business models that is often used as a standard reference(Lara Machado et al., 2024). This tool categorizes the business model into interconnected components, encompassing the value proposition, customer segments, channels, customer relationships, key resources, key activities, key partners, revenue streams, and the cost structure(Brunner et al., 2025). Its importance in academic and applied work is not that it resolves all conceptual debates around the business model. Rather, it provides a structured way to map the model's main elements into a single analytical framework.

2.4. Sustainability and Circular Economy in the Agri-Food Sector

In agri-food systems, sustainability is usually understood in multidimensional terms rather than only environmental ones. Sustainable food systems can be understood through four broad societal goals: health, environment, equity, and economy, with attention to the trade-offs and interactions between them(Hebinck et al., 2021). Environmental issues often receive more attention than social, economic, and governance-related ones in agri-food sustainability(El Bilali et al., 2021). This means that sustainability in agri-food systems is generally treated as a broad systems issue rather than as a single indicator of environmental efficiency.

The circular economy is usually understood as a way of reorganising production and consumption to reduce resource use, waste, and emissions. In the agri-food sector, this discussion has mainly focused on food loss and waste, resource scarcity, and the shift away from linear production models(Esposito et al., 2020). Circular economy in agri-food is linked to sustainability, but it focuses more directly on how materials, resources, and side streams are managed within the chain.

When circular economy principles are discussed in the agri-food sector, the emphasis usually falls on food loss and waste reduction, by-product valorisation, packaging, and resource efficiency rather than on direct product recirculation. Waste management, reuse, recycling, and more efficient use of resources are central themes in this discussion(Esposito et al., 2020). In agri-food systems, circularity tends to rely more on the use of residues, by-products, and process changes than on repeated circulation of the same food product in its original form.

The environmental effects of agri-food systems extend beyond just the production stage. They also extend to logistics, although the importance of logistics depends on product type and chain configuration. In perishable chains,

this issue becomes more important because refrigeration, storage, and transport conditions are closely linked to both product preservation and energy use, which makes high energy use a central sustainability concern(Zhang & Mohammad, 2024). Across food supply chains, most environmental impacts still come from land-use change or agricultural production rather than from logistics alone(Deconinck & Toyama, 2022). For this reason, logistics can be treated as environmentally relevant, but not as the dominant source of impact in every food chain.

The limits of circularity become clearer when the product itself is meant to be consumed. Food products are perishable, naturally variable, and subject to food safety regulations, so circular strategies cannot be applied in the same way as for durable industrial goods. These conditions affect both waste generation and the circular options available at different stages of the supply chain(Viscardi & Colicchia, 2024). Bringing by-products and residues back into food systems can also create food safety concerns, including chemical, biological, physical, and allergen-related risks(Yeo et al., 2024). For this reason, circularity in food systems is usually discussed more in terms of reducing waste, finding other uses for residues, and recovering materials under controlled conditions than in terms of repeatedly circulating edible products through the chain.

At the same time, circularity in agri-food is not presented as a single, stable, and uniform model. Many different indicators have been used to assess circular economy transition in the sector, but there is still no common system for measuring it(Poponi et al., 2022). This is consistent with the view that the complexity of agri-food supply chains makes it difficult to define one circular model for the whole sector(Esposito et al., 2020). Circularity in agri-food is often seen as a general direction of change instead of a single model that can be applied the same way across all products and supply chains.

2.5. Traceability and EU Regulations

2.5.1. Food traceability concepts

In food supply chains, traceability is generally understood as the ability to trace a product and the information associated with it across different stages of production, processing, and distribution. It is not limited to recordkeeping alone, because it is also connected to food safety, quality assurance, fraud control, and coordination across the chain(Razak et al., 2023). In this way, traceability can be understood as both a product-tracking system and a system for keeping claims about origin, handling, and process history linked to that product.

This broader understanding is important in agri-food contexts because many relevant product attributes are not fully visible at the point of sale. Origin, storage history, processing conditions, and authenticity often depend on accompanying information, as they cannot usually be verified solely by visual inspection. Traceability is not only a compliance requirement but also improves information sharing and visibility across different stages of the chain(Razak et al., 2023).

2.5.2. EU regulatory framework

Within the European Union, the main legal basis for food traceability is Regulation (EC) No 178/2002. Article 18 establishes traceability for food, feed, food-producing animals, and other substances intended to be, or expected to be, incorporated into food or feed at all stages of production, processing, and distribution. The EU traceability framework is also generally understood as food-safety oriented and based on a “one step back, one step forward” logic, meaning that operators must be able to identify their immediate supplier and immediate customer rather than maintain a single mandatory end-to-end system across the whole chain(European Commission, 2010). Regulation (EU) 2017/625 further sets

the official control framework through which compliance with Union agri-food chain rules is verified across the Union.

The regulatory discussion in the EU is not limited to internal traceability records. It also extends to the information communicated to consumers. Regulation (EU) No 1169/2011 sets the general framework for food information to consumers and makes the indication of the country of origin or place of provenance mandatory where the absence of that information could mislead the consumer. Commission Implementing Regulation (EU) 2018/775 further lays down rules for cases in which the origin or place of provenance of a food is indicated but the primary ingredient has a different origin or provenance. In this way, EU food law connects traceability not only with product withdrawal and control, but also with the credibility of origin-related market communication.

2.5.3. Role of digital traceability

Digital traceability is usually treated as an extension of conventional traceability systems rather than as a separate concept. In agri-food supply chains, digital traceability is generally discussed in relation to greater transparency, food safety, and operational efficiency, although its adoption remains uneven across different regulatory and organisational contexts(Charlebois et al., 2024). It is also discussed in relation to the use of advanced technologies to improve visibility across the chain and strengthen consumer trust in food products(Rossi et al., 2025). In this sense, digital traceability is generally treated as a way of improving how information is recorded, accessed, and used across the chain rather than as a replacement for the legal principles on which traceability already depends.

At the same time, digital traceability is not presented as a complete solution to all traceability problems. Digital traceability can improve data reliability, make information sharing faster, and increase visibility across the supply chain, but it also faces practical limits. Different systems do not always work well together,

adoption can be costly, and its use remains uneven across actors and countries (Charlebois et al., 2024; Ellahi et al., 2023). Digital traceability is usually treated as one part of a wider traceability discussion that still depends on data quality, institutional coordination, and compliance with existing regulatory requirements.

Therefore, traceability in agri-food chains involves product identification, information continuity, regulatory compliance, and market communication. Within the European Union, it is linked through the legal framework to food safety, official controls, and origin-related information. Recent developments have also placed greater emphasis on digital systems and data integration. As a result, traceability is relevant not only to the movement of products across the chain, but also to the reliability of the information that moves with them.

2.6. Identified Gaps in the Literature

Saffron is still discussed more often in terms of origin, biology, chemical composition, quality, adulteration, and health-related properties than in terms of trade organisation as a coordinated value chain. This means that saffron is well covered as a biological and analytical product, but less often examined as a commercial system in which production, intermediation, and market coordination are considered together.

At the same time, relevant discussions often remain separate. Marketing and trade, traceability, sustainability, and business model design are usually developed with different priorities and in different contexts. As a result, the connection between saffron trade structure, traceability requirements, and business model design remains limited.

A similar issue arises in the sustainability and circular-economy discussion in agri-food systems. Broad frameworks exist, but their application remains difficult to standardise across different products and chains. This leaves limited

commodity-specific guidance for understanding circularity in high-value consumable chains where quality, perishability, and traceability remain closely connected.

Strong work exists on saffron quality and adulteration, on agri-food sustainability and circularity, on traceability systems, and on business model design, but these discussions are usually developed separately rather than as parts of one connected analytical problem. The main issue lies less in the absence of relevant concepts than in their limited integration within a single specialised agri-food chain. This is particularly clear where questions of value creation, value distribution, authenticity, regulatory compliance, and sustainability need to be read together rather than separately. In this sense, there is room for a more integrated approach to examining saffron trade, especially when value creation, traceability, sustainability, and coordination are considered together.

3. Development of the Initial Business Model Canvas

3.1. Initial Business Model Canvas

The Business Model Canvas brings the main elements of the proposed company into a single structure. It shows how the company creates and delivers value, reaches its customers, organises its activities and partnerships, and generates revenue while managing its operating costs.

The canvas represents an initial model rather than a final operating structure, as several elements still depend on supplier agreements, regulatory requirements,

payment arrangements, and customer response. Its scope is therefore intentionally focused. Although saffron can be used in sectors ranging from food production to nutraceuticals, pharmaceuticals, and cosmetics, these markets differ considerably in buyer access and operational requirements. At the market-entry stage, the model focuses primarily on supplying Persian saffron to small and medium-sized producers of premium and artisanal food products. Direct-to-consumer sales are included as a limited and complementary component. Other sectors are treated as possible areas for future expansion rather than as part of the initial model.

The value proposition combines the supply of saffron with documented Iranian origin, laboratory test reports, batch consistency, and traceability information. The company maintains a relatively lean structure by coordinating the supply chain while relying on specialised external providers for laboratory testing, customs support, storage, fulfilment, packaging, and regulatory advice where needed.

Figure 1 presents the nine building blocks of the initial Business Model Canvas. The relationships between these elements and the reasoning behind their selection are discussed in the following sections.

Figure 1. Initial Business Model Canvas

Key partners	Key activities	Value proposition	Customer relationships	Customer segments
• Iranian producers • Accredited labs • Freight forwarders and customs brokers • Third-party storage and fulfilment • Packaging providers • Regulatory specialists • International payment and banking channels • E-commerce and online payment providers	• Sourcing and purchasing • Quality and traceability management • Import compliance • Logistics and order coordination • B2B sales and support Key resources • Producer network • Supplier and batch documentation • EU registrations and compliance capability • Working capital, stock • Brand, online presence	• Documented Iranian origin • ISO 3632-based quality grading • Laboratory reports • Traceability records • Direct sourcing, fewer handling stages • Flexible quantities for SMEs • Batch consistency • Small retail packs	• Direct contact with B2B buyers • Samples and documentation • Continuity through consistency • Online retail support Channels • Direct B2B outreach • Trade fairs • Website and LinkedIn • Own e-commerce	• Small and medium premium and artisanal food producers • Own-brand retail customers
Cost structure		Revenue streams		
• Saffron purchasing • Laboratory testing and documentation • International transport and import • Storage, fulfilment, packaging and labelling • Registration, compliance and professional services • Sales and market access • Website and e-commerce operations • Financing and payment transaction costs		• B2B sales of saffron threads and powder • Retail sales of 0.5 g and 1 g packs • Value-based premium pricing		

3.2. Logic of the Business Model Canvas

The initial canvas follows a focused market-entry logic. The company does not attempt to serve all the industries in which saffron can be used from the beginning. Instead, it starts with small and medium premium and artisanal food producers as its main customer group. This choice affects the quantities supplied, the form of the product, the sales process, and the type of relationship developed

with buyers. It also allows the company to concentrate its limited initial resources on one market before approaching sectors with different technical and regulatory requirements.

The elements of the canvas are therefore connected rather than treated as separate decisions. The customer segment shapes the value proposition, while the value proposition determines the resources, activities, and partners needed to deliver it. At the same time, the revenue model depends on whether the company can maintain the quality, documentation, and delivery conditions promised to buyers. The model follows this connection from the selection of producers in Iran to the delivery of saffron, together with the information linked to it, to customers in Europe.

Customer and market logic

Small and medium premium food producers are more closely aligned with the initial scale of the proposed company than large industrial manufacturers. Their orders may be smaller and may differ according to the type of product they produce and the amount of saffron they use. This creates a place for flexible quantities of saffron threads or powder, rather than a model based only on large and standardised orders. Direct contact also allows the company to discuss product form, quality expectations, documentation, and delivery terms with each buyer.

Larger manufacturers can be less accessible at the market-entry stage because they often rely on more formal supplier approval procedures and established supplier records. A new importing company may not yet have the audit history, delivery record, or long-term compliance evidence needed to enter these purchasing systems. For this reason, smaller and medium-sized premium food producers offer a more realistic first market for testing the sourcing, documentation, and delivery process.

The choice of customer segment also explains why direct contact, samples, and documentation are central to the channels and customer relationships. This approach responds to the uncertainty surrounding saffron as a traded product. As a high-value product, saffron is vulnerable to adulteration, the presentation of lower-grade products as higher quality, and the misrepresentation of geographical origin (Raina et al., 2024). For this reason, buyers of saffron need evidence that goes beyond general product descriptions.

These conditions make sample-based outreach more suitable than relying mainly on general promotional communication during the first stage. The company can approach owners, purchasing managers, or production managers directly and provide samples together with the related documents. This gives potential buyers a practical basis for assessing the product before placing a larger order. Once the product and its documentation have been accepted, the relationship can move towards repeat purchases. Continuity then depends mainly on maintaining comparable quality, reliable delivery, and consistent documentation from one batch to the next.

Own-brand retail customers have a different position within the model. This segment creates a channel for selling small own-label formats and may provide additional cash flow and brand visibility. However, it is not expected to generate the main sales volume during the initial stage. Keeping retail secondary helps limit the need for wider consumer marketing, larger stocks of finished packs, and a more complex fulfilment system before the B2B side of the model has been tested.

Value creation and delivery logic

The value offered by the company does not depend on the saffron alone. It also depends on the information and supply conditions attached to it. B2B customers use saffron as an ingredient in their own products, so they need to

understand the quality of each batch, its documented origin, and whether comparable supply conditions can be maintained in later orders. Documentation and batch consistency are therefore part of the offer itself rather than administrative tasks carried out alongside it.

Quality assessment and origin documentation perform different functions. Laboratory testing is used to assess the saffron against the quality specifications set out in ISO 3632-1:2025(International Organization for Standardization, 2025). Documented Iranian origin is supported separately through supplier information, batch records, and commercial documents. Quality assessment can describe the characteristics of the product, but it cannot by itself establish where the saffron was grown.

Batch-level traceability connects these forms of evidence to the physical product as it moves through the supply chain. Supplier records, laboratory reports, import documents, storage records, and customer orders are kept linked to the relevant batch. This allows the company to retrieve information when requested by buyers or authorities and maintains the connection between each batch and its documented history. Traceability therefore forms part of both information management and the practical coordination of the supply chain(Bosona & Gebresenbet, 2013).

Direct sourcing further supports the offer by keeping the company close to producers and to the information generated at the beginning of the supply chain. This does not mean that every intermediary is removed. Rather, the model reduces avoidable commercial layers while retaining the specialised services required for cross-border trade, such as testing, transport, customs support, storage, packaging, and fulfilment.

The Italy-based structure makes the offer more accessible to European SME buyers. Rather than arranging their own imports, buyers can purchase smaller

quantities from limited stock held in Italy. This suits producers that do not require large industrial volumes and allows the company to provide flexible order quantities and EU-based fulfilment.

The retail offer uses the same sourcing, testing, and documentation structure. Saffron from tested and documented batches is packed in small formats under the company's own label and sold through its online shop. Retail customers receive the product in quantities suited to household use, while the company avoids creating a separate supply system for this complementary segment during the initial stage.

Operational and partnership logic

The operational structure is designed to remain relatively lean during the initial stage. The company coordinates the main activities of the business but does not perform every function internally. Its central role is to connect producers in Iran with customers in Europe while maintaining control over sourcing, documentation, quality information, and order coordination.

The main internal activities include selecting producers, purchasing saffron, organising laboratory testing, maintaining batch records, coordinating imports, managing customer orders, and developing B2B relationships. These activities are closely connected because decisions made at the sourcing stage affect the quality, documentation, and delivery conditions offered to customers. The company therefore needs to manage the movement of both the product and the information attached to it.

Producer relationships are one of the most important parts of the operating model. The company needs suppliers that can provide saffron with sufficiently consistent characteristics and maintain the records required for each batch. Direct communication with producers also supports access to information about the product and reduces the distance between the beginning of the supply chain and

the final buyer. However, supplier selection is not based only on price. It also depends on reliability, willingness to provide documentation, and the ability to meet agreed quality and delivery conditions.

Several specialised activities are carried out through external partners. Accredited laboratories provide independent testing, while freight forwarders and customs specialists support international transport and import procedures. Third-party storage and fulfilment providers manage stock and order preparation in Italy. Packaging suppliers support the preparation of retail formats, and regulatory specialists may be used when additional guidance is required. This structure allows the company to access specialised knowledge and facilities without making large fixed investments at the beginning.

The use of external partners does not remove the company's responsibility for coordination. Laboratory results, import records, storage information, and customer orders must remain connected to the correct batch. The company must also ensure that service providers receive clear instructions and that documents move together with the product where required. The operating model therefore depends on effective communication between the company, producers, laboratories, logistics providers, and customers.

The most important resources are not limited to physical stock. The producer network, supplier and batch documentation, knowledge of EU import requirements, working capital, and the ability to coordinate external providers are also central resources. A limited stock held in Italy supports shorter delivery times and smaller orders, but it also requires sufficient working capital because payment to suppliers and import costs may occur before the product is sold.

The company's brand and online presence support both B2B and retail activities. For B2B customers, the website and professional communication channels provide information about the product, testing process, origin

documentation, and available formats. For retail customers, the online shop provides a direct sales channel. These digital resources support market access, but the main operational value of the model remains the company's ability to coordinate sourcing, documentation, and delivery in a consistent way.

Revenue and Cost Logic

Most of the revenue is expected to come from selling saffron to small and medium-sized producers of premium and artisanal food products. B2B sales are expected to carry the larger share because order volumes are higher than in retail and because they can develop into repeat purchases. Revenue and margins depend on more than the price per unit: they depend on maintaining consistent quality, keeping documentation reliable, and meeting the delivery terms that were agreed. Repeat purchasing is therefore central to the commercial logic of the model.

B2B prices vary with order size, product form, quality characteristics, packaging requirements, and delivery arrangements. Larger orders can support lower unit prices, while repeat orders may allow more stable pricing arrangements. Smaller orders usually require a higher price per unit, since the same handling and fulfilment work is spread over a smaller quantity. The company has to weigh competitive pricing against what it actually costs to provide testing, documentation, storage, and flexible order quantities.

Retail sales form a second and smaller stream through own-brand packs sold online. The margin per gram may be higher, but so are the costs attached to it: packaging, labelling, payment processing, order preparation, and delivery to individual customers. Retail is therefore complementary rather than a main source of income during the initial stage. What it contributes is additional cash flow, brand visibility, and direct contact with final consumers.

A substantial share of the costs is incurred before revenue is received. Buying saffron from producers, laboratory testing, international transport, customs

clearance, applicable duties and import-related charges, and initial storage and packaging all come first. Other costs follow the sales themselves, such as fulfilment and payment processing. Alongside both sit regulatory advice, website maintenance, marketing, trade fairs, insurance, and professional services. Some of these costs move with the quantity imported or sold; others have to be paid regardless of the final sales volume. The purchase price of saffron may also vary between harvests, which puts pressure on margins when selling prices have already been agreed with buyers.

This is why working capital sits at the center of the model. Suppliers, transport providers, laboratories, and import expenses may all need to be settled well before customers pay. Holding stock in Italy supports faster delivery and smaller order quantities, but it ties up capital before any revenue is generated. Too much stock raises storage and financing requirements; too little means delayed orders and lost sales. Purchasing decisions therefore sit between expected demand and the working capital actually available.

Using external providers avoids large fixed investments in laboratories, warehouses, packaging facilities, and logistics equipment. What it does instead is shift much of the cost structure towards purchased services, most of which rise and fall with the level of activity. This brings flexibility during the initial stage, but changes in transport, testing, storage, or fulfilment charges can still affect margins.

The financial logic of the model rests on maintaining sufficient margins while controlling inventory and operating costs. Repeat B2B orders are expected to provide the main source of revenue stability, while retail adds a smaller and more flexible income stream. The viability of the model therefore depends on reaching sufficient sales volume and repeat purchasing without developing a fixed-cost structure that is too heavy for its stage of development.

Sustainability and Traceability within the Model

Sustainability and traceability are built into the model through sourcing, documentation, logistics, and packaging decisions rather than treated as separate activities. At this stage, the company does not claim to operate a fully sustainable or circular supply chain. Instead, the model introduces practical measures that a small importing company can manage within its financial and operational limits.

Working directly with producers improves access to information about how the saffron was grown and the conditions under which it is supplied. It may also reduce some of the commercial and handling stages between the producer and the European buyer. However, direct sourcing does not by itself make the supply chain environmentally or socially sustainable. Documented origin is not equivalent to sustainability, and broader sustainability claims require evidence that is not yet available within the initial model.

Traceability provides the information structure needed to support this gradual approach. The batch-level record system keeps records from different stages of the supply chain connected to the relevant product. At the initial scale, a structured batch-record system may be sufficient for the operational needs of the model. A more complex digital platform can be introduced as the number of suppliers, batches, and customers increases. The same structure can later incorporate verified information about farming, processing, packaging, and logistics practices.

Logistics also influences the sustainability performance of the model. Consolidating shipments can reduce the number of separate international deliveries, while holding limited stock in Italy allows several small customer orders to be served from a single imported batch. However, international transport remains a core part of the model and cannot be presented as environmentally neutral. Shipment size, transport method, storage requirements, and delivery frequency must therefore be considered together rather than assessed separately.

Packaging follows the same logic. The company can avoid unnecessary material, choose formats that protect saffron from moisture, light, and contamination, and limit unnecessary repacking where the operating structure allows. Product protection remains necessary because damaged or poorly stored saffron creates both financial loss and product waste. Reducing packaging must therefore be balanced against preserving product quality and meeting regulatory requirements.

Because laboratories, storage providers, packaging suppliers, and fulfilment partners are external, part of the company's sustainability performance depends on how these organisations operate. Partner selection can gradually take into account documentation quality, waste handling, packaging options, and the efficiency of logistics services. During the initial stage, these criteria are likely to remain secondary to legal compliance, reliability, and cost, but they can be given greater weight as the company develops.

Taken together, the model treats traceability as the groundwork for sustainability rather than as sustainability itself. The first requirement is a reliable record system that maintains clear links between suppliers, batches, logistics activities, and customers. Once this structure is in place, specific sustainability indicators, supplier requirements, and circular practices can be introduced without making claims that the initial business model cannot yet support.

3.2.1. Competitive Advantage Created by the Model

The advantage the model aims to create does not come from any single feature. It comes from the way several elements work together: direct sourcing from Iranian producers, documented origin, laboratory-supported quality assessment, batch-level traceability, flexible B2B quantities, and EU-based supply. What matters is how these elements reinforce one another.

Direct sourcing keeps the company close to producers and to the information generated at the start of the chain. This supports clearer documentation of origin and more direct discussion of product characteristics, available quantities, and future supply. On its own, however, direct sourcing would not be enough for European B2B buyers, who also need confidence in the quality and consistency of the product they receive.

Laboratory testing and batch-level traceability provide this second layer. Testing describes the quality characteristics of each batch, while traceability keeps the supplier, laboratory, import, storage, and customer records linked to that same batch. Together, they narrow the gap between the physical saffron and the information available to the buyer. The company is therefore offering a documented product history alongside the product itself.

Flexible supply adds a further element. Small and medium-sized premium and artisanal food producers may not need the volumes associated with industrial purchasing. By holding limited stock in Italy and accepting smaller orders, the company makes documented saffron more accessible for buyers that would otherwise have to arrange their own sourcing, testing, and import process.

The competitive position therefore rests on combining access to the source with a form of supply that suits European SME buyers. Direct Iranian sourcing supports origin and producer access, quality assessment supports product evaluation, traceability keeps the information linked to each batch, and flexible supply reduces the operational work required from the customer. No single element is unusual in itself. What may be harder to replicate is the combination, especially if the company can offer documented sourcing, quality information, and smaller B2B quantities through an Italy-based supply structure.

3.2.2. Italy as the European Hub

Italy has a specific role within the proposed model because it connects sourcing in Iran with sales to customers in the European market. The company is not designed simply as an importer that brings saffron into Europe and resells it. The Italy-based structure is intended to create a practical point from which the product can be stored, documented, prepared for sale, and distributed to B2B and retail customers.

One important function of the Italian hub is to separate the international import process from the purchasing process faced by European buyers. Rather than asking each buyer to arrange direct sourcing, transport, customs procedures, testing, and import documentation, the company completes or coordinates these activities before the product is offered for sale. Buyers can therefore purchase saffron from stock already located within the EU and deal with a supplier operating from the European market.

This structure is particularly relevant to the chosen B2B segment. Small and medium-sized food producers may require quantities that are too limited to justify organising an independent international import. Holding limited stock in Italy allows the company to divide imported batches into smaller commercial orders while keeping the related batch information and quality documents connected to the product. Italy therefore supports the flexible supply element of the value proposition rather than acting only as a geographical location.

The hub also creates a point from which the company can coordinate external services. Laboratory testing, customs support, storage, packaging, fulfilment, and customer delivery can be organised through the Italy-based operation. This does not require all activities to be carried out by the company itself, but it gives the model a central location from which these activities and the related information can be managed.

Italy also connects the B2B and retail sides of the model. The same imported and documented stock can be supplied in larger quantities to food producers or prepared in smaller own-brand formats for online customers. Using one European base for both channels reduces the need to develop separate sourcing and logistics structures during the initial stage.

Italy is also assumed to be relevant as a market in its own right, not only as an operational base. Saffron is familiar within Italian food culture, and the Italian agri-food environment may place the hub close to the type of small and medium-sized food producers targeted by the model. Whether these conditions hold is examined in the next sections.

The strategic value of Italy in the model therefore comes from its role as an operational bridge between Iranian producers and European customers, combined with proximity to the type of buyer the model addresses. It supports EU-based stock, smaller order quantities, local fulfilment, and coordination of the documentation and services required after import. At this stage, these points remain design assumptions rather than evidence that Italy is the best possible European location. They are examined against market and industry evidence in the next chapters.

3.2.3. Critical Assumptions Underpinning the Initial Model

The proposed business model rests on a number of assumptions that hold its elements together. These assumptions matter because the Canvas describes how the company is intended to operate, without showing whether the conditions it requires actually exist. Naming them here makes it possible to examine them later against market and industry evidence.

The first assumption concerns supply from Iran. The model assumes that the company can build relationships with producers able to deliver saffron with

reasonably consistent characteristics, reliable batch information, and the documentation needed for export and later sale in Europe. It also assumes that supply can be maintained over time rather than depending on a single purchase or a single producer.

A second assumption is that direct sourcing can be supported by workable import and logistics arrangements. Saffron has to move from Iranian producers to Italy while testing, customs procedures, transport, and documentation are coordinated around it. If any of these activities cannot be carried out reliably, the link between direct sourcing and EU-based supply becomes weaker.

The model further assumes that the chosen B2B customers value the combination of documented origin, tested quality, traceability, and flexible quantities. Small and medium-sized premium and artisanal food producers are expected to see value in buying smaller quantities from an EU-based supplier rather than organising their own imports or relying only on larger established distributors. This assumption sits at the centre of the model, since the value proposition is built around these specific needs.

A related assumption is that buyers are open to considering a new supplier when the product, samples, documentation, and delivery conditions meet their requirements. The company begins without a sales history or an established reputation in the European market, so the model depends on initial contact and product testing being converted into first orders and, eventually, repeat purchasing.

The pricing approach rests on a further assumption. The model is not designed to compete mainly on cost, so it assumes that buyers are willing to pay a premium for documented origin, tested quality, and traceability, rather than treating these as expected conditions of supply that carry no additional value. If documentation is seen only as a requirement rather than as part of the value offered, the margin

available to cover testing, storage, and coordination would be considerably narrower.

The decision to hold stock in Italy introduces another assumption. The benefits of faster European delivery and smaller order quantities are assumed to justify the additional costs of importing, storing, handling, and financing stock before it is sold. Italy has to add practical value to the customer relationship rather than simply adding another stage to the supply chain.

The lean operating structure also depends on external partners providing the required services at an acceptable level of cost and reliability. Laboratories, freight and customs providers, storage facilities, packaging suppliers, and fulfilment partners are all part of how the model works. The company assumes that these services can be coordinated without major internal investment during the initial stage.

Finally, the revenue model assumes that B2B sales can develop into repeat orders. Individual sales may generate early income, but the model depends more on continuity than on one-off transactions. Repeat purchasing is expected to stabilise revenue, improve the planning of imports and stock, and make the cost structure more manageable over time.

Together, these assumptions form the logical basis of the initial Business Model Canvas, but none of them can be confirmed through the Canvas itself. Chapter 4 therefore examines them against market, trade, pricing, supply, competition, and customer evidence. This allows the internal logic developed in Chapter 3 to be compared with real market conditions before the model is assessed more critically in Chapter 5.

4. Market and Industry Evidence

4.1. Introduction

Chapter 3 developed the initial Business Model Canvas and explained the relationships between its elements. The model is internally coherent in the sense that the selected customer segment, value proposition, sourcing structure, operating activities, and revenue logic all support the same market-entry approach. Coherence, however, says nothing about whether the conditions the model requires actually exist outside it.

This chapter therefore moves from design to evidence. Its purpose is not to show that the proposed company would succeed, but to examine the assumptions identified in Chapter 3 against what the market and industry data can support. Attention is given to Iran as the sourcing base, international trade flows, price levels across the chain, European and global market demand, the selected B2B segment, existing competition, and Italy as the European hub.

The analysis draws on official and institutional sources where possible: international trade databases, European market information, intergovernmental publications, and academic literature. Commercial sources are used more cautiously, and only where the origin and meaning of the figures can be established. The evidence is not equally strong across all parts of the model. Trade flows can be examined through structured datasets, while questions such as the purchasing behaviour of small premium food producers or their willingness to pay for documented origin are harder to evidence. Where reliable data are not available, this is stated rather than filled with estimates, and the gap is carried forward to Chapter 5.

4.2. Global Production and Iran's Position

Global saffron production is strongly concentrated in Iran. Total world production has been estimated at about 418 tons per year, with Iran accounting for around 90% of this amount. In 2017, Iranian production was reported at approximately 376 tons from around 108,000 hectares of cultivated land(Cardone et al., 2020).

More recent evidence shows that Iran still holds the main position in global saffron production, even if reported volumes differ between sources. Iran produced about 301 tons of saffron in 2023 and still accounted for more than 90% of global output(Daneshmandi et al., 2025). FAO gives a slightly more conservative estimate and places Iran's share at approximately 85–90% of world saffron production(Food and Agriculture Organization of the United Nations, 2025). Italy is on a completely different scale. Italian saffron production is estimated at around 450–600 kg per year, mostly produced by small and medium-sized farms across the country(Giupponi et al., 2023). This difference is important for the proposed model. Iran is the realistic production and sourcing base, while Italy is better understood as the European market and operational hub. Italian production is too small to replace Iranian supply, but Italy can still provide the location from which the product is stored, marketed, and supplied to European customers.

The way Iranian production is organised is also important. More than 75% of Iranian saffron farms are smaller than one hectare, while only around 7% are larger than two hectares(Khajeh-Hosseini & Fallahpour, 2020). This means that the production base is large, but also fragmented. For the proposed company, this has two implications. On one hand, there is access to many producers. On the other hand, national production capacity does not mean that every individual

producer can provide the same level of consistency, documentation, and continuity.

For this reason, Iran clearly supports the sourcing logic of the business model at the macro level. It has the production scale, the producer base, and the global position required for direct sourcing. However, the supplier-level assumption made in Chapter 3 cannot be confirmed by production statistics alone. A large and fragmented production base does not automatically provide consistent batches, reliable origin records, or the documentation expected by European B2B buyers. These elements have to be created through supplier selection, testing, documentation, and batch-level verification.

4.3. Trade Flows and the Saffron Value-Chain Problem

Iran's dominance in production is not matched by an equally dominant position in international trade. Earlier data identified Iran, Spain, and Afghanistan as the main saffron exporters, with roughly 48%, 27%, and 7.7% of global exports respectively (Cardone et al., 2020). Those shares refer to an earlier period, but they point to an important feature of the market: countries with limited domestic production can still occupy a substantial position in international saffron trade.

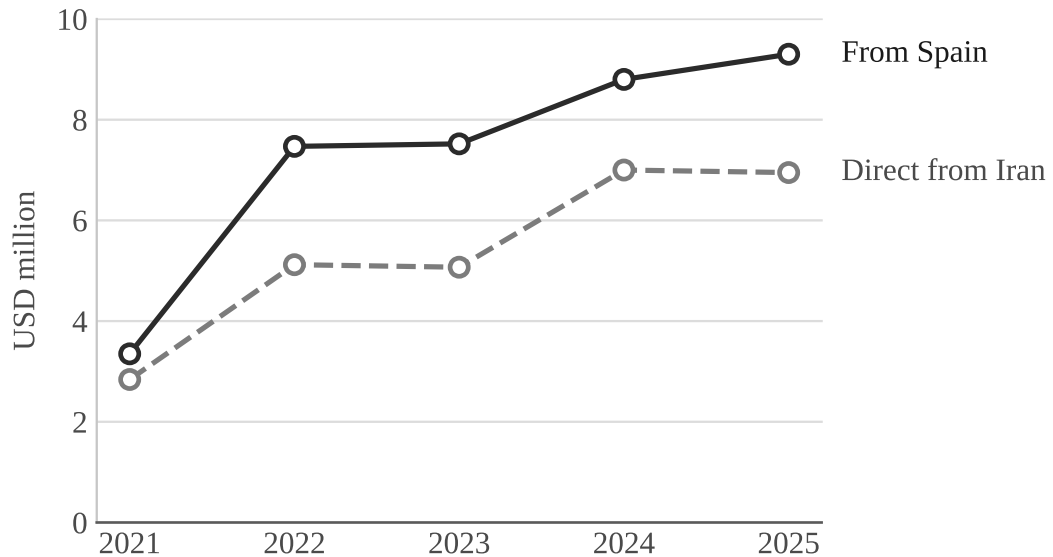
Trade Map data show Iranian exports spread across several destinations. In 2023, Iran exported approximately USD 253.5 million of saffron. China took the largest share at around USD 80.3 million, followed by the United Arab Emirates at USD 73.4 million and Spain at USD 45.1 million. Afghanistan accounted for roughly USD 16.7 million and Italy for around USD 5.3 million. Together, these five markets represented about 87% of Iran's recorded export value (International Trade Centre, n.d.).

Some of these destinations may function not only as final markets but also as trading and redistribution centers. Bulk exporting has long shaped the Iranian saffron chain, with countries such as Spain handling packaging, branding, and marketing after import (Ghorbani, 2008; Shahnoushi et al., 2020). Iran's National Export Strategy sets out the resulting gap: Iran produces more than 90% of the world's saffron but accounts for approximately 71% of world exports. Part of that difference is attributed to re-exporting and re-branding, and the report notes that Spain re-exported around 79 tons of saffron in 2018 against domestic Manchegan production of roughly half a ton (International Trade Centre & Trade Promotion Organization of Iran, 2021).

Recent trade figures indicate that this intermediary role remains significant. Spain imported approximately USD 68.1 million of saffron in 2025, of which USD 58.9 million came from Iran — around 86.5% of Spanish import value (International Trade Centre, n.d.). This does not mean the same proportion of what Spain later exports is Iranian in origin, since aggregate statistics cannot follow individual batches through import, processing, and re-export. What it does show is how heavily Spain's saffron trade depends on Iranian supply.

Italy connects more directly to the proposed model. Italian imports came to approximately USD 20.4 million in 2025, with Spain the largest supplier at around USD 9.3 million, or 45.6% of import value, and direct imports from Iran at approximately USD 6.9 million, or 34.1% (International Trade Centre, n.d.). Two supply routes therefore run side by side. Both have increased in recorded trade value over the period observed: imports from Spain rose from roughly USD 3.4 million in 2021 to USD 9.3 million in 2025, while direct imports from Iran went from USD 2.8 million to USD 6.9 million over the same period (International Trade Centre, n.d.). The direct route is established rather than hypothetical, but it remains the smaller of the two.

Figure 2. Italian saffron imports from Spain and Iran, 2021–2025 (USD million)



What the trade evidence shows, then, is a separation between where saffron is grown and where the commercial value is built around it. Iran remains the production base and a major exporter, while other countries contribute through packaging, branding, distribution, and market access. None of this demonstrates that removing an intermediary would automatically cut costs or raise margins. What it does is set out the trade structure against which the direct-sourcing model developed in Chapter 3 has to be assessed.

4.4. Price Levels across the Value Chain

The trade structure described in the previous section raises a further question: whether a country's position in the saffron value chain is also visible in recorded trade values. To examine this, reported trade unit values are used as an indication of the average value recorded at different stages of trade. They are calculated by dividing reported trade value by reported quantity and should be interpreted as averages rather than transaction prices for identical products, since they may

reflect differences in quality grade, product form, packaging, shipment size, and contractual conditions.

The export unit value of Iranian saffron has moved considerably in recent years. Iran exported saffron at an average unit value of approximately USD 587/kg in 2021 and USD 934/kg in 2022. The increase occurred alongside a fall in exported quantity, showing that changes in trade value cannot be interpreted only as changes in production volume(World Bank, n.d.). Previous research also indicates that saffron prices are influenced by product characteristics, market conditions, and the organisation of the supply chain(Shahnoushi et al., 2020).

Evidence at the producer stage is more limited. Research on Iranian saffron marketing channels indicates that producers capture a limited share of the final consumer price, with the remaining value distributed across different marketing stages including intermediaries, wholesalers, and exporters(Ghorbani, 2008). Systematic wholesale price series for saffron were not identified in the sources used here, meaning that the analysis moves from export values directly to import values without an intermediate wholesale reference point.

Recorded unit values at the European end differ from those observed at the export stage. In 2024, direct imports of Iranian saffron into the European Union recorded an average unit value of approximately USD 1,299/kg. Italy's direct imports from Iran recorded approximately USD 1,342/kg, while Spain's imports from Iran recorded approximately USD 1,280/kg(World Bank, n.d.).

These comparisons require caution, and one figure in the data illustrates why. In 2021, the average unit value of EU imports from Iran (USD 523/kg) was lower than Iran's overall average export unit value in the same year (USD 587/kg), even though import values may often be expected to be higher because of additional trade-related costs. Iran's average export value includes all destinations rather than the European market alone, meaning that the two figures do not represent the

same trade basket. More broadly, import and export unit values are not necessarily measured on the same basis, and differences may result from reporting practices, trade terms, transport costs, shipment characteristics, product form, or quality differences.

Trade statistics at HS 091020 level also do not distinguish between quality grades, certification levels, packaging formats, or contractual conditions. A higher recorded value may therefore reflect differences in the products traded rather than only additional value created after export. Unit values are useful for identifying differences between stages of the supply chain, but they cannot determine how profit is distributed between producers, exporters, importers, and retailers.

The available evidence nevertheless supports the broader value-chain problem identified in Section 4.3. Saffron does not acquire value through cultivation alone. Additional value can be created through quality assessment, documentation, packaging, branding, certification, and access to final markets. Previous research on Iranian saffron has highlighted that limitations in processing, packaging, and marketing can reduce the ability of producing countries to capture downstream value, while actors positioned at later commercial stages may hold stronger positions in international market access (Ghorbani, 2008; Mohammadi & Reed, 2020; Shahnoushi et al., 2020).

Italian PDO saffron illustrates how origin and product identity can influence market positioning. Zafferano dell'Aquila DOP is sold as a differentiated premium product built on geographical identity, certification, and local production. At the time of writing, the Altopiano di Navelli cooperative lists a one-gram jar of Zafferano dell'Aquila DOP at approximately €26 (Cooperativa Altopiano di Navelli, n.d.). This figure is not directly comparable with international trade unit values, since it includes small-scale packaging, PDO certification, origin identity, branding, distribution, and retail margins, and applies to a quantity several orders of magnitude smaller than a bulk consignment. Instead, it illustrates the difference

between saffron traded as a commodity and saffron positioned as a differentiated product with a documented origin.

Table 1. Summary of value benchmarks recorded at available trade stages

Stage in the chain	Recorded value	Basis of the figure
Iranian export	USD 587/kg (2021) USD 934/kg (2022)	Average export unit value across all destinations
EU-27 import from Iran	USD 1,299/kg (2024)	Average import unit value for direct imports from Iran
Italian retail, PDO product	approx. €26 per 1 g jar	Single retail listing for a certified Italian product; not a bulk trade value

Note: Figures are recorded on different bases and are not directly comparable prices. Differences between them cannot be interpreted as intermediary margins.

Taken together, the price evidence supports a careful interpretation of the value-chain problem. Saffron is valued differently depending on where it sits in the chain, the market it enters, and the characteristics attached to it. Downstream activities such as packaging, branding, certification, and marketing contribute to value creation, but the gap between export, import, and retail figures cannot be treated as intermediary profit.

The relevant question for the proposed business model is therefore not whether removing an intermediary would automatically increase margins, but whether a more direct sourcing structure can retain enough value to cover the additional costs of testing, documentation, storage, packaging, and European

distribution. This question is examined further through the analysis of European demand, market access conditions, and competitive factors.

Table 2. Reported import unit values of Iranian saffron, 2021–2024

Year	EU imports from Iran (USD/kg)	Spain imports from Iran (USD/kg)	Italy imports from Iran (USD/kg)
2021	523	527	692
2022	975	998	1,049
2023	843	870	955
2024	1,299	1,280	1,342

Note. Unit values are calculated from reported trade value and quantity for HS 091020 (saffron). They represent average trade values rather than prices for identical products or individual transactions. Source: World Bank WITS/UN Comtrade.

4.5. European and Global Market Demand

Market demand can be approached from two directions: customs-recorded trade values and published research on how saffron is used. This section draws on Trade Map data to gauge the scale of recorded import demand for HS 091020 saffron. These figures are not a measure of total consumer market size, since they exclude domestic production, final retail prices, and the value added after import. They nevertheless provide an observable measure of recorded international trade demand and the relative importance of importing regions.

Recorded saffron imports worldwide came to approximately USD 288.5 million in 2025. Spain was the largest importing country at around USD 68.1 million, about 23.6% of world import value, followed by India at approximately USD 39.8 million, China at USD 23.4 million, Italy at USD 20.4 million, Saudi

Arabia at USD 19.9 million, and the United States at USD 17.9 million(International Trade Centre, n.d.).

The direction of growth deserves closer attention. Recorded import value has risen by roughly 9% a year over the past five years and 14% over the past two, while the Trade Map quantity growth indicator shows a decline of around 11% a year across the same five-year period(International Trade Centre, n.d.).

Table 3. Trade Map indicators for world recorded saffron imports

Indicator	Value
Recorded world import value (2025)	USD 288.5 million
Average annual growth in import value (2021–2025)	+9%
Average annual growth in import value (2023–2025)	+14%
Average annual growth in import quantity (2021–2025)	–11%

Note. The figures refer to HS 091020 saffron and are based on Trade Map indicators. The growth figures should be interpreted as changes in recorded trade data rather than as a direct measure of final consumer demand.

This suggests that the increase in recorded trade value is linked more to higher unit values than to growth in recorded quantities. Movements in recorded value can also reflect quality, product form, reporting practices, or shipment composition, so the pattern is best read as an indication rather than a precise measure of price movement.

The EU-27 accounts for a substantial part of these imports. In 2025, it imported approximately USD 135.7 million of saffron from the world, about 47.0% of world import value for HS 091020(International Trade Centre, n.d.).

Spain was the largest importer within the EU-27, followed by Italy, France, Sweden, and Germany. Italy imported approximately USD 20.4 million, equivalent to roughly 15% of EU-27 import value, placing it second after Spain. The top five EU importers together represented around 90% of EU-27 saffron import value (International Trade Centre, n.d.). Both the European Union and Italy within it are therefore relevant market contexts for the proposed business model.

Consumption patterns cannot be identified directly from HS-level trade data. Customs statistics record saffron crossing a border, not whether it later goes to a food manufacturer, a restaurant, a retailer, a cosmetics producer, a supplement company, or a pharmaceutical firm. Trade data therefore need to be read alongside the academic literature. Saffron is used as a spice in food preparation for colour, flavour, and aroma, while growing interest has also been noted in its medicinal, nutraceutical, cosmetic, and functional food applications. Its uses extend across food, medicine, perfume and cosmetics, and other industrial sectors (Cardone et al., 2020).

For the proposed model, food and beverage demand is the most relevant part of this picture, since it corresponds directly to the initial focus on premium and artisanal food producers. The wider set of applications matters, but as market context rather than an immediate target. What the evidence establishes is that saffron is traded internationally at a meaningful scale, that the EU-27 absorbs a large share of recorded import value, and that demand rests on both established culinary use and developing non-culinary applications.

4.6. Evidence on the Target B2B Market

The target B2B segment consists of small and medium-sized premium and artisanal food producers using saffron as an ingredient in specialty products. Direct evidence on how this particular group buys saffron is limited, since the CBI sources used here do not treat saffron as a separate product-specific category.

Evidence from comparable spice markets nevertheless provides useful context. CBI's analysis of the European cardamom market notes that smaller industrial users with lower volume needs tend to rely on European importing wholesalers or spice processors, because importing small quantities directly from producing countries is expensive and adds considerable cost to the final product. For buyers of this size, using a European intermediary can therefore be more practical than managing direct sourcing and import procedures themselves. Importing wholesalers, meanwhile, buy in large volumes and break these down into smaller quantities for smaller end users, including spice companies and other food industry players(Center for the Promotion of Imports from Developing Countries, 2025). This is the logic behind holding stock in Europe and supplying below the volumes a direct international shipment would require, though it says nothing about the exact quantities or delivery schedules saffron buyers need.

Quality and the documentation behind it matter to these buyers. European buyers increasingly ask for laboratory reports covering microbiological, chemical, and physical characteristics, and CBI notes that such documents should normally be no more than six months old, with contaminant testing carried out by ISO/IEC 17025-accredited laboratories(Center for the Promotion of Imports from Developing Countries, 2026). For saffron, ISO 3632-1:2025 sets an international specification for dried saffron from the pistils of *Crocus sativus* L., covering filament, cut-filament, and powder forms (International Organization for Standardization, 2025). Both point the same way: what the model offers is recent laboratory evidence rather than a supplier's own description of grade.

Origin documentation works in two directions at once. On the regulatory side, CBI states that bulk packages entering the European market should carry the product name and variety, batch code, net weight, shelf life, storage conditions, lot identification number, country of origin, and the name and address of the manufacturer, packer, distributor, or importer(Center for the Promotion of Imports

from Developing Countries, 2026). Commercially, origin has become important to consumers buying premium products, and marking a spice as single-origin can emphasise characteristics specific to where it was grown. Saffron from Iran appears among the widely recognised provenance spices, and consumer goods that use spices as ingredients draw on this by using provenance spices to strengthen their own appeal(Center for the Promotion of Imports from Developing Countries, 2024). That last point describes the target segment directly: food producers using ingredient origin as part of how they position their products.

Authenticity is especially relevant to saffron. CBI treats adulteration as an issue across the European spice market and names saffron mixed with cheap components as an example of food fraud(Center for the Promotion of Imports from Developing Countries, 2026), which gives external support to the emphasis on documented origin and verification. On the regulatory side, CBI's current summary of products subject to temporary increased EU official controls under Regulation (EU) 2019/1793 does not list Iranian saffron among the product-origin combinations affected. This removes none of the normal food-safety obligations, but it does mean compliance should be treated as a general European market requirement rather than as a control regime aimed at Iranian saffron in particular.

Certification requirements vary from buyer to buyer. European buyers often ask for more than the law requires, particularly on food safety, product quality, and sustainable or ethical practice; FSSC 22000 may be required by some, while organic and Fairtrade certification belong more to specific niches than to the market as a whole(Center for the Promotion of Imports from Developing Countries, 2025, 2026). ISO 3632-1:2025 falls into the same category: a product specification, not a certification every European buyer is obliged to demand.

Taken together, the evidence supports the customer assumptions from Chapter 3 only in part. Smaller food manufacturers can need lower-volume supply and may depend on European intermediaries, and laboratory documentation,

traceability, clear delivery terms, quality specifications, and certification are all established features of the European spice trade. The standing of Iranian saffron as a recognised provenance origin, together with the specific concern about adulteration, strengthens the case for documented origin and verification. What secondary evidence cannot establish is the order sizes these buyers require, which certifications they would ask for, or whether they would move away from an existing supplier. Those remain assumptions, and confirming them would take direct buyer interviews, sample evaluation, or early sales.

4.7. Competitive Landscape

Company-level market shares are not available from the trade data used here, since customs statistics identify trading countries rather than individual firms. This section therefore looks at a selection of saffron suppliers with a visible presence in the Italian or wider European market. These suppliers were identified through searches of Italian and European saffron importers and were selected to represent different competitive models rather than to provide a comprehensive market overview. The aim is not to rank them, but to see how existing suppliers position their offers and where those offers overlap with the proposed model.

Simorgh, based in Turin, is the closest comparable supplier identified. The company imports and distributes Iranian saffron and presents a direct Iran–Italy supply line, describing a joint venture and exclusive contract with an agricultural business in Torbat Heydarieh, Khorasan, with no intermediaries in between. Its range covers Super Negin and other grades for food, industrial, and pharmaceutical use. Quality claims rest on chemical and microbiological analyses, including SGS documentation, and shipments are described as arriving with certificates of origin, phytosanitary documentation, and Italian and European health clearance. Professional formats include 50 g and 250 g packages(Simorgh

S.n.c.). Direct Iranian sourcing, laboratory-supported quality, documentation, and B2B quantities are therefore already available in the Italian market.

La Compagnia dello Zafferano offers something similar. The company imports Negin Premium saffron directly from Iran and promotes crocin, picrocrocin, and safranal values as quality indicators. Its public company profile states that saffron is assessed in the country of origin and tested again by specialised laboratories in Italy. Wholesale quantities start at 25 g, with tailored quotations for larger orders(La Compagnia dello Zafferano S.r.l.). The overlap with the proposed model is particularly close here: Iranian origin, direct import, laboratory verification, an Italian base, and small wholesale quantities all appear together.

Other competitors build their offer around processing and distribution rather than around a single origin. Alla Terza operates in Italy as an importer and distributor of food products, with saffron among its specialities, and emphasises supplier and raw-material selection, packaging, storage, and delivery throughout Italy. It also markets under its own brands and produces lines for large retail customers(Alla Terza S.r.l.). What it competes on is established logistics, packaging, quality selection, and market access, rather than Iranian provenance.

At European level, CEAE represents a longer-established saffron-specialist model. The Spanish company has several generations of experience in the trade and sources from producing countries including Spain, Iran, Morocco, Greece, and Afghanistan. It exports to several markets, Italy among them, and supplies bulk saffron alongside different saffron forms and packaged formats. CEAE also supplies private-label products adapted to customer requirements for packaging, quality, and weight(CEAE). Its position combines sourcing flexibility, established distribution, processing and packaging capability, and private-label service.

Table 4. Selected saffron competitors and publicly communicated positioning

Supplier	Main positioning	Main overlap with the proposed model
Simorgh	Direct Iran–Italy sourcing, laboratory testing, origin and import documentation, professional quantities	Direct sourcing, quality verification, documentation, B2B supply
La Compagnia dello Zafferano	Direct Iranian Negin saffron, testing in Iran and Italy, wholesale from 25 g	Iranian origin, testing, Italian base, flexible quantities
Alla Terza	Quality selection, packaging, storage and Italian distribution	Quality control, local stock, packaging and logistics
CEAE	Multi-origin sourcing, bulk and packaged saffron, international distribution and private label	B2B supply, flexible formats, packaging and European distribution

Note. The comparison draws on information the companies communicate publicly for commercial purposes. It does not establish market shares, sales volumes, customer satisfaction, or internal operating practices, and promotional material may overstate particular claims. Other suppliers not identified here may also compete in the same segment.

This evidence narrows where differentiation can realistically come from. Direct sourcing from Iran, high product quality, laboratory testing, documentation, and flexible quantities are already present in competing offers. They should therefore be treated as necessary components of the offer rather than as sufficient competitive advantages in themselves. Whether the particular combination

proposed in Chapter 3 is distinct enough for buyers to prefer it over these suppliers is not a question this evidence can answer; it is assessed in Chapter 5.

4.8. Italy as a European Hub

Chapter 3 set out why Italy was proposed as the hub. This section examines how far the available evidence supports the choice. Italy's role in the proposed model goes beyond its position as a destination market. The case for it as a European hub rests on a combination of factors: market access, the scale of its agri-food sector, an established saffron tradition, transport infrastructure, and the ability to reach customers elsewhere in the European Union.

Italy already holds a meaningful position in the European saffron trade. As Section 4.5 showed, it is the second-largest EU importer by value, and Section 4.3 identified an established direct Iran–Italy route. Entering through Italy therefore does not mean creating a new trade flow from scratch(International Trade Centre, n.d.).

Being inside the Single Market gives the hub a wider function. The Single Market allows goods to move freely between participating countries and opens access to more than 450 million consumers(European Commission). Goods arriving from outside the EU are released for free circulation once the applicable customs duties have been paid and import requirements have been met. From that point, they can circulate within the EU customs territory without a new third-country import procedure in each destination(European Commission). Stock held in Italy can therefore serve customers beyond Italy as well as the domestic market, subject to the food, labelling, tax, and other rules that apply to onward sales.

The Italian agri-food environment adds a second dimension. In 2023, the country's food and beverage industry generated approximately EUR 193 billion in turnover across around 60,400 enterprises. Food and beverage exports reached

EUR 53.4 billion, 56.2% of which went to other EU-27 markets(Federalimentare, 2024). These figures do not show how many Italian firms purchase saffron, but they show the scale of the food-processing sector and how closely it is tied to other European markets. This matters for a model aimed at premium and artisanal food producers rather than at saffron retail alone.

Saffron itself is well established within that environment. Cultivation in Italy has a long history, although current production is small, as noted in Section 4.2, and comes mainly from small and medium-sized farms. Saffron appears in Italian food products and regional cuisine, including pasta, cheese, and traditional dishes(Giupponi et al., 2023). Three Italian saffron names hold Protected Designation of Origin status: Zafferano dell'Aquila, Zafferano di San Gimignano, and Zafferano di Sardegna(European Commission, 2005, 2009). These designations apply only to products meeting their own geographical and production requirements and cannot extend to Iranian saffron. Their relevance here is different: they show that saffron already sits in a market where origin, product identity, and documented quality function as recognised forms of differentiation.

Italy is also connected into European transport networks. The Mediterranean European Transport Corridor runs across northern Italy through Turin, Milan, Verona, Bologna, Padova, Venice, and Trieste, linking westwards to France and eastwards to Slovenia and beyond. The corridor combines road and rail infrastructure with ports, airports, and multimodal freight terminals(European Commission). This does not establish that Italy offers the lowest logistics cost for saffron, but it does make holding stock there and distributing B2B orders across the EU practically feasible.

Taken together, the evidence supports Italy as a plausible European hub rather than only a domestic sales market. Its standing in the saffron trade, access to the Single Market, large and internationally connected food industry, established

saffron tradition, and integration into European transport networks all support the hub assumption developed in Chapter 3. What the evidence does not establish is that Italy is the lowest-cost or most efficient option among possible European locations.

4.9. Implications for the Business Model

The evidence in this chapter neither confirms nor rejects the business model as a whole. Instead, it shows that some of the assumptions set out in Chapter 3 receive external support, while others are only partly supported or cannot be tested with the available secondary evidence.

Several assumptions are supported at the level of the market. Iran provides the production scale that direct sourcing requires, and an established direct Iran–Italy trade route has already been identified. The European market shows substantial saffron import activity, and evidence from the wider spice trade confirms that laboratory documentation, traceability, product specifications, and clear delivery conditions matter to buyers. Comparable spice markets also suggest that smaller food manufacturers can have lower-volume purchasing needs and may rely on European intermediaries rather than arranging direct imports themselves. These findings are consistent with the model's use of documented quality, flexible B2B quantities, and stock held inside Europe.

Other assumptions are supported only in part. Iran's production base is large but fragmented, so national capacity does not show whether individual producers can deliver consistent batches, reliable documentation, and continuity over time. Italy is supported as a plausible European hub through its saffron trade, agri-food sector, Single Market access, saffron tradition, and transport links. However, the evidence does not show that it is the cheapest or most efficient base among the European alternatives.

The competitive evidence sets a further limit. Direct Iranian sourcing, laboratory testing, documentation, and flexible quantities already appear in competing offers. The chapter confirms that these features matter in the market, but it does not show that combining them as the model proposes would be different enough to influence buyer choice.

Several customer-level assumptions remain unconfirmed. Secondary evidence cannot establish what quantities premium and artisanal saffron users need, whether they would move away from an existing supplier, what value they place on documented Iranian origin, or whether they would pay more for stronger traceability and quality information. It also does not establish how often they reorder.

Some operational assumptions remain unresolved. The model depends on external laboratories, customs agents, logistics providers, storage facilities, packaging suppliers, and fulfilment partners. The evidence reviewed here shows that these functions form part of the wider European trading and distribution environment, but it does not establish the reliability, cost, or suitability of any specific provider for the proposed company. The same applies to whether holding stock in Italy justifies its additional cost, and whether initial sales would develop into repeat purchasing.

Table 5. Assumption–evidence matrix for the proposed business model

Critical assumption from Chapter 3	Evidence examined in Chapter 4	Assessment
Iran offers sufficient sourcing scale. And direct Iran–Italy sourcing is feasible	Global production data, Iran's share of world output, and cultivated area evidence; Bilateral trade flows 2021–2025 (Sections 4.2, 4.3)	Supported
Producers can supply consistent batches with reliable documentation	Farm-size distribution and fragmentation of the production base (Section 4.2)	Not confirmed
Traceability, testing, and documentation matter to European buyers	CBI buyer requirements, laboratory documentation, and ISO 3632-1:2025 (Section 4.6)	Supported
Smaller B2B buyers benefit from smaller EU-based supply, and holding stock in Italy justifies its cost	CBI evidence from comparable spice markets; no direct cost evidence identified (Sections 4.6, 4.8)	Partially supported
Documented Iranian origin carries commercial value	CBI provenance-spice evidence and adulteration concerns (Section 4.6)	Partially supported

Critical assumption from Chapter 3	Evidence examined in Chapter 4	Assessment
Direct sourcing, testing, and flexible quantities create differentiation	Competitor positioning in Italy and Europe (Section 4.7)	Partially supported but limited
Italy is a suitable EU hub	Import position, Single Market access, agri-food sector, saffron tradition, and transport networks (Sections 4.5 and 4.8)	Supported as plausible
Customers will switch supplier, reorder, and pay a premium for documented origin	No direct buyer evidence identified (Sections 4.4, 4.6)	Unconfirmed
External service providers can support the model reliably	Presence of testing, logistics, packaging, storage, and distribution functions in the European trading environment (Sections 4.6–4.8)	Unconfirmed

Note. The matrix summarises how the secondary evidence reviewed in Chapter 4 relates to the main assumptions developed in Chapter 3. It does not add new evidence, and assumptions not confirmed by the available sources are carried forward to Chapter 5.

Overall, Chapter 4 supports the basic sourcing, market-access, documentation, and distribution logic of the model, but it also leaves several supplier-level,

customer-level, partnership, pricing, and competitive assumptions unresolved. These unresolved points form the basis for the strategic assessment in Chapter 5.

5. Strategic Assessment of the Business Model

5.1. Assessment of the Value Proposition

The proposed value proposition brings together direct sourcing from selected Iranian producers, documented origin, laboratory-supported quality assessment, batch-level traceability, flexible B2B quantities, and EU-based supply. Chapter 4 suggests that several of these elements respond to genuine market requirements. However, the proposition is not equally strong across all its components. Some parts rest on external evidence, while others still depend on customer behaviour that has not been validated.

Quality verification and traceability have the firmest support. Chapter 4 showed that laboratory documentation, batch identification, origin information, and product specifications are established requirements in the European spice trade, and that saffron is particularly exposed to adulteration and authenticity concerns. That combination supports treating laboratory evidence and batch-level traceability as part of what is being sold, rather than as administrative work carried out alongside the product.

This is not the same as proof of additional commercial value. Some documentation and traceability are already expected as conditions of market access and food-safety practice, so providing them may be necessary to participate

without generating any extra willingness to pay. What is potentially stronger is the ability to keep producer information, laboratory evidence, import records, stored stock, and customer orders attached to the same batch. This produces a fuller product history than a general certificate or a quality claim.

Documented Iranian origin sits in a more ambiguous position. Iran's dominant production role and its standing as a recognised saffron provenance give it a credible basis, and Chapter 4 showed that provenance can contribute to how premium spices and food products are positioned. What no evidence establishes is that the selected B2B buyers would choose a supplier mainly because the saffron is documented as Iranian, or pay more for that fact. Origin works better as one component of a wider verified offer than as a source of value on its own.

Direct sourcing calls for the same reading. The established Iran–Italy route confirms that it is commercially possible, and it may improve access to producer information and support the documentation of origin and individual batches. What the evidence does not show is that direct sourcing lowers costs or raises margins by itself. Its contribution is informational and relational rather than financial.

Flexible quantities receive partial support. Comparable European spice markets indicate that smaller food manufacturers work with lower volumes and often prefer buying through European intermediaries rather than organising imports themselves. This supports holding stock inside Europe and breaking larger imported batches into smaller B2B orders. The limitation is that the quantities premium and artisanal saffron users actually require remain unknown. Flexibility appears relevant, but its commercial weight still has to be tested with the target segment.

EU-based supply reinforces this by reducing the operational burden placed on the buyer. Rather than arranging international transport, customs procedures, testing, and import documentation, a smaller manufacturer can buy from stock

already inside the European market. This makes the offer more accessible, particularly for buyers who do not need industrial quantities. The benefit has to cover the storage, handling, financing, and fulfilment costs the company carries in exchange. Chapter 4 supports the operational logic of EU-based stock, but it does not establish its economic efficiency.

The weakness in the proposition, then, is not that it lacks market relevance. It is that it has not yet been validated with the customers it targets. Secondary evidence confirms that quality, traceability, origin information, and lower-volume supply matter, but it does not show how these buyers weigh them against price, delivery reliability, or a supplier they already trust. It also does not show whether they would switch supplier, or pay more, for the combination offered here.

Overall, the proposition is credible at the level of customer need, particularly where verified quality, traceability, and accessible EU-based supply come together. Its commercial strength is less certain. It addresses recognised problems in the saffron and spice trade, but whether it generates buyer preference still rests on untested assumptions. It therefore depends on two conditions: that the company can maintain a verifiable batch-level link running from producer through testing and documentation to stock and delivery, and that this transparency proves valuable enough to move a buyer away from an existing supplier.

5.2. Competitive Advantage and Differentiation

The competitive evidence in Chapter 4 makes one point clear: the model cannot rely on direct Iranian sourcing, laboratory testing, documentation, or flexible quantities as unique features. Suppliers already in the market offer several of these elements, sometimes in combinations close to the one developed in Chapter 3. The question is not whether the company can offer these features, but whether it can arrange them into a clearer and more useful offer for the segment it targets.

Direct sourcing on its own provides only limited differentiation. Simorgh and La Compagnia dello Zafferano both present direct Iranian supply as part of their positioning, and both make laboratory-supported quality claims. These features still matter because they carry credibility, but they are expected components of a serious saffron offer rather than something competitors cannot reproduce.

The stronger possibility lies in how the information is connected. The model is designed to link producer information, batch records, laboratory evidence, import documentation, stored stock, and customer orders to the same batch. If maintained consistently, this makes the product history easier for a buyer to verify. The distinction lies less in holding individual documents than in keeping the information attached to the specific saffron delivered.

A second possible source of differentiation is the narrow customer focus. Simorgh presents professional formats from 50 g upwards and serves food, industrial, and pharmaceutical applications, while La Compagnia dello Zafferano offers wholesale from 25 g. Neither appears, from the public positioning examined in Chapter 4, to be built specifically around how small premium and artisanal food producers buy. The proposed model concentrates on that narrower group, pairing smaller B2B quantities with direct discussion of product form, batch information, documentation, and delivery. This does not make the offer unique, but it gives the positioning a more specific footing.

Italy-based stock supports the proposed differentiation, but it is not an advantage on its own. European competitors can also hold local stock, and Chapter 4 does not show Italy to be the lowest-cost logistics base. Its role in the competitive position is more specific: it allows the company to offer smaller EU-based B2B quantities while reducing the import-related burden placed on the buyer. The strategic suitability of Italy as a hub is assessed more fully in the next section.

How the documentation is delivered matters as much as having it. Treated as standard compliance paperwork, testing and origin records are easy enough for competitors to match. They become meaningful when the company can produce clear batch-specific evidence, hold that consistency across repeat orders, and answer reliably when a buyer asks about the product they received. The potential advantage sits in coordination and service rather than in any single document or certificate.

Price offers limited scope for differentiation. Chapter 4 did not establish a structural cost advantage from direct sourcing, while testing, storage, documentation, and small-order fulfilment all add cost. Competing on price would erode the very activities the model depends on. The more defensible position rests on verified supply, lower purchasing complexity, flexible quantities, and documentation suited to smaller B2B buyers.

Overall, there is a possible basis for differentiation, but not a guaranteed one. The competitive position would depend on combining producer-linked information, batch-specific verification, flexible EU-based supply, and a clear focus on smaller premium and artisanal producers more consistently than the alternatives do. Two conditions follow. The company has to deliver that combination reliably across repeat orders, not only at the first sale. Buyers also have to value the added transparency and service enough to choose it over suppliers already offering direct sourcing, testing, or flexible quantities. Without both conditions, the model risks being difficult to distinguish from offers already present in the market.

5.3. Strategic Role of Italy

Italy is suitable for this model not because it imports saffron, but because it can connect the sourcing structure built in Iran with the customers targeted in Europe. Chapter 4 showed that Italy already holds a meaningful position in the

European saffron trade, has an established direct route from Iran, and sits inside a large agri-food economy. The strategic question is therefore not whether Italy is a relevant saffron market, but whether placing stock and coordination there adds enough practical value to justify another stage in the chain.

Its first role is to separate international sourcing from the purchasing process faced by the buyer. A small food producer is unlikely to arrange transport from Iran, customs clearance, laboratory testing, import documentation, and storage for every modest order. By completing those steps before the sale and holding stock inside the EU, the company allows saffron to be purchased as a European B2B product rather than as part of an international sourcing process. That links directly to the customer focus assessed in Sections 5.1 and 5.2, where lower purchasing complexity formed part of what the model offers.

Italy's position inside the Single Market extends this function beyond the domestic market. Once saffron has been imported and released for free circulation, it can reach customers elsewhere in the EU without a new import procedure in each destination, and Italy's place in major European transport networks makes that distribution workable. What matters here is less the legal or geographic connection than what it allows: one international import feeding many smaller downstream deliveries. That fits the flexible-quantity logic and reduces the need for each B2B customer to bear the cost and complexity of a separate shipment. It also matters because the company is too small to run separate import structures for several national markets at the outset. One stock position can serve an initial Italian customer base while leaving wider European demand within reach as sales grow.

The Italian agri-food environment also fits the entry segment. The model targets food producers rather than every possible saffron application, and Italy offers a large food-processing sector with strong ties to other European markets. The point is not that every Italian food business is a potential customer, but that

the company would operate close to a substantial concentration of firms in the same broader sector as its intended buyers. This aligns the location with the customer strategy rather than with logistics alone.

Saffron's established place in Italian food culture adds to this, though it needs careful interpretation. Italy has its own saffron tradition, protected-origin products, and long-standing culinary uses, so saffron already belongs to a market where origin, quality, and product identity are recognised. That makes a documented saffron offer easier to explain. It does not mean Iranian saffron can borrow the reputation or the pricing of Italian PDO products. What counts strategically is familiarity with provenance-based differentiation, not equivalence between imported and domestic saffron.

Three qualifications hold this case in check. The first is competition: as Section 5.2 showed, established Italian importers already supply Iranian saffron, so whatever makes Italy suitable for this model also makes it attractive to others, and proximity to the target segment brings direct competitive pressure. The second is scale: Spain imports substantially more saffron than Italy, and the direct Iran–Italy route, though established, remains smaller than the flow arriving through Spain. Italy is an accessible and established market, not a dominant one, which shapes how quickly a new supplier could expect volumes to build. The third is cost: Chapter 4 does not establish Italy as the cheapest or most efficient European hub, and no systematic comparison with alternatives was made. Italy is suitable because it brings market access, customer proximity, saffron familiarity, and EU distribution together in one place, not because it has been shown to be superior on cost.

The case therefore rests on whether the hub does more than store product. Its value comes from combining import coordination, documented stock, smaller B2B quantities, customer access, and onward European distribution in one operating base. Italy remains suitable on condition that these benefits reduce

purchasing complexity and widen customer access enough to justify the working capital, storage, handling, and fulfilment costs that holding stock there involves. If the location adds cost without producing those benefits, its strategic role weakens considerably.

Overall, Italy fits the model because it can work as an operational and commercial bridge between Iranian supply and smaller European food producers. It is not presented as the best possible European hub, since the evidence does not establish that. Rather, it is a plausible hub whose value depends on whether it makes the model easier for target buyers to use. The next section therefore examines the assumptions and risks that would determine whether this hub structure could work in practice.

5.4. Critical Assumptions, Risks and Conditions for Success

The assessment so far suggests that the model depends on a limited number of critical uncertainties rather than on many assumptions of equal weight. Failure in any one of these areas would affect several parts of the business at the same time. These uncertainties concern supplier consistency, customer adoption, competitive differentiation, the economics of holding stock in Italy, and the coordination of cross-border activities and external partners.

1. Supplier Consistency and Documentation

The first assumption is that selected Iranian producers can supply saffron with sufficiently consistent characteristics while providing reliable information for each batch. This matters because the value proposition rests not only on access to Iranian saffron, but on maintaining the connection from producer to testing, origin records, imported stock, and customer delivery. Chapter 4 supports Iran strongly as a sourcing base at national level. However, the fragmented production structure

does not confirm that individual suppliers can provide the required consistency and documentation over time.

If this assumption does not hold, the consequences would extend beyond sourcing. Variation between batches or gaps in the records would undermine the traceability offer, make repeat quality harder to maintain, and reduce the company's credibility with B2B buyers. The risk could be reduced by qualifying suppliers before relying on them commercially, agreeing product and documentation requirements in advance, testing batches independently, and avoiding dependence on a single producer. What the model needs is therefore not access to Iranian supply as such, but access to a small group of suppliers able to repeat the same quality and documentation process.

2. Customer Adoption and Repeat Purchasing

A second assumption is that small premium and artisanal food producers will see enough value in the offer to try a new supplier and continue buying from it. Chapter 4 provides indirect support for lower-volume purchasing, EU-based supply, quality documentation, and traceability. However, it does not show how saffron buyers weigh these factors against price, delivery reliability, or a supplier they already use. Nor does it establish what quantities they would order or how often they would reorder.

This is critical because the revenue model depends on repeat B2B purchasing rather than isolated sales. If buyers accept samples without converting to regular orders, sales volume may not reach the level required to support inventory, testing, and operating costs. This risk can only be reduced through direct validation: approaching a limited group of target buyers, supplying samples and documentation, recording why they accept or decline, and testing whether first orders develop into repeat purchases. What has to be demonstrated is not only interest in the product, but repeatable demand from the selected segment.

3. Differentiation That Matters to the Buyer

A third assumption concerns whether the proposed differentiation carries commercial weight. Chapter 4 showed that direct Iranian sourcing, laboratory testing, documentation, and smaller wholesale quantities are already offered by existing competitors. The model therefore cannot rely on buyers viewing any single feature as unusual.

The risk is that the offer may be well designed operationally but still appear interchangeable with existing suppliers. Purchasing decisions could then fall back on price, established relationships, or delivery history, which are areas where a new company is initially weaker. The mitigation is to make the distinction concrete at customer level: batch-specific information that is easy to verify, documentation that stays attached to the product delivered, and service shaped around what smaller food producers actually need. Competitive success therefore depends on buyers valuing the combination of transparency, flexible supply, and service more than any of the features taken separately.

4. Stock Economics and Working Capital

Holding saffron in Italy creates a further critical assumption. Local stock supports smaller orders and easier European delivery, but it also commits capital before the product is sold. Purchase costs, testing, transport, customs-related expenses, storage, and handling may all occur before customer payment is received.

If sales develop more slowly than expected, the stock that enables flexible supply becomes a financial burden. Capital remains tied up, storage continues to generate cost, and further purchases become harder to finance. Holding too little stock creates the opposite problem: weaker delivery reliability and possible lost orders. The risk can be contained by starting with limited imported quantities, linking replenishment to observed B2B demand, and monitoring the relationship

between stock turnover, gross margin, and cash requirements before increasing volume. Italian inventory is justified only where the convenience and sales it generates cover the cost of financing and maintaining it.

5. Cross-Border Execution and External Partners

The final assumption is that the company can coordinate the activities it does not perform internally. The model depends on laboratories, freight and customs specialists, storage and fulfilment providers, packaging suppliers, and other professional services. It also depends on arrangements that move the product from Iran to Italy while keeping the related documents attached to each batch. Chapter 4 confirms that the trade route exists and that these service functions exist within the European market. However, it does not establish the cost, reliability, or suitability of particular providers for this company.

Failure at this level could interrupt the whole chain even where supply and demand are both present. Delayed testing, incomplete customs documentation, transport problems, unreliable storage, or difficulties in coordinating cross-border procedures could each prevent the value proposition from being delivered as designed. The lean structure works only where external providers are chosen and coordinated carefully. Holding more than one option for critical services, setting responsibilities out clearly, and maintaining complete batch documentation across providers would reduce dependence on any single partner.

Taken together, these assumptions define the conditions under which the opportunity becomes more credible. The model needs reliable documented supply, evidence of repeat demand from the target segment, differentiation that buyers actually value, sufficient margin and working capital to carry Italian stock, and dependable cross-border and external-service arrangements. The evidence reviewed does not rule out these conditions, but neither does it confirm several of them. The strength of the opportunity therefore rests less on how coherent the

model is in theory than on whether these conditions can be demonstrated at a small commercial scale before the business commits to larger volumes or a heavier operating structure.

5.5. SWOT Analysis

The previous assessment can be summarised through a SWOT analysis. The purpose of the matrix is not to introduce new evidence or replace the preceding analysis, but to synthesise the main internal strengths and weaknesses of the proposed model and the external opportunities and threats identified in Chapters 3 and 4 and assessed in Sections 5.1–5.4.

Figure 3. SWOT Analysis

Strengths	Weaknesses
• Focused entry segment of small and medium-sized premium and artisanal food producers • Designed batch-level record system linking producer, laboratory, import, stock, and delivery records • EU-based stock allowing smaller B2B quantities and reducing purchasing complexity for customers • Integrated coordination of sourcing, testing, documentation, and delivery around each batch • Lean operating structure with limited initial fixed investment	• Limited operating history, customer base, and market credibility • Dependence on selected Iranian suppliers for consistent quality and documentation • Working-capital pressure created by purchasing, testing, importing, and holding stock before sale • Dependence on external laboratories, logistics, customs, storage, packaging, and fulfilment providers • Higher unit costs at small initial scale and no established repeat-order base
Opportunities	Threats
• Iran's dominant production position provides a broad sourcing base • Existing Iran–Italy trade flows mean the sourcing route is commercially established • Significant European saffron imports and Italy's large agri-food sector provide access to potential B2B demand • Growing attention to provenance, authenticity, and protection against adulteration supports a documented saffron offer • EU Single Market access allows Italy-based stock to serve customers beyond the domestic market • The model could later extend into other saffron-using sectors once the initial food segment is established	• Established competitors already offer direct Iranian sourcing, testing, documentation, and flexible quantities • Target buyers may remain with existing suppliers rather than switch to a new entrant • Buyers may treat traceability and documentation as expected requirements rather than attributes worth paying more for • Changes in saffron purchase prices, transport, testing, storage, or other service costs may reduce margins • Cross-border, customs, logistics, or partner-related disruptions could interrupt supply • Customer adoption and repeat purchasing within the target B2B segment remain uncertain

Note. The SWOT summarises the internal strengths and weaknesses of the proposed model and the external opportunities and threats identified from the assessment in Sections 5.1–5.4.

The SWOT highlights that the model's internal strengths lie mainly in how its activities are organised rather than in features that competitors cannot reproduce. The focused customer segment, batch-level information structure, EU-based supply, and integrated coordination of sourcing, testing, documentation, and delivery give the model a coherent internal logic. That internal coherence should not be confused with external differentiation. As Section 5.2 showed, several individual elements of the offer are already available from established suppliers, so their competitive value depends on whether the company can combine and deliver them more effectively for its selected customer segment.

The weaknesses reflect the model's early stage and operating structure. The company would enter the market without an established sales record, while depending on supplier consistency, external service providers, and sufficient working capital to finance stock before sales are realised. Operating at a small scale may also raise unit costs until purchasing and sales volumes become more stable.

The external environment is similarly mixed. Iran's production position, the established Iran–Italy route, European market access, and growing concern with provenance and authenticity create conditions that are relevant to the proposed offer. These opportunities are balanced by established competition, uncertain customer switching, possible limits to willingness to pay, cost volatility, and operational disruption across the supply chain.

The SWOT therefore reinforces the assessment developed in Sections 5.1–5.4 rather than introducing a separate argument. The model has a coherent internal structure and operates within a relevant market opportunity, but its competitive strength depends on whether that structure can be translated into buyer preference, repeat demand, and sustainable operating margins.

5.6. Overall Assessment and Conditions for Development

The assessment in this chapter suggests a model that is strategically credible and potentially attractive, but not yet validated enough to justify full implementation. Chapters 3 and 4 show that it rests on a substantial sourcing base, an established Iran–Italy trade route, recorded European saffron demand, and purchasing requirements that are relevant to smaller food manufacturers. What remains unresolved are the assumptions that determine commercial performance: customer switching, repeat purchasing, willingness to pay, supplier consistency, and the economics of holding stock in Italy.

The opportunity appears strongest where the model solves practical purchasing problems, and weakest where it relies on claims of uniqueness. Verified quality, traceability, documented origin, smaller B2B quantities, and EU-based supply all respond to recognised market conditions, but competitors already offer several of these features. Direct sourcing, testing, and documentation cannot on their own support a defensible position. The potential strength of the model comes from combining these elements around a narrowly defined customer segment and keeping a clear batch-level connection running from producer through testing and import to final delivery.

Customer validation is therefore the condition that matters most. Secondary evidence supports the general logic of the target segment, but it cannot show whether premium and artisanal food producers would leave an existing supplier, what quantities they would order, how often they would return, or whether stronger documentation would affect their willingness to pay. Before any larger commitment is made, the model needs evidence from actual buyers through samples, quotations, first orders, and what happens afterwards. Interest alone is not the test; conversion into recurring B2B demand is.

Financially, the model is more credible as a controlled market-entry project than as a volume-driven business from the outset. The initial structure should remain small enough that slow customer acquisition, uneven order frequency, or a supplier problem does not create working-capital pressure the company cannot absorb. On that basis, the opportunity is best judged as potentially attractive but conditional. The market evidence supports the underlying logic: sourcing Iranian saffron, serving smaller European food producers, and running an EU-based hub from Italy. What it cannot show is whether that logic converts into an offer that is both differentiated and commercially viable. As Section 5.4 set out, five conditions would have to hold: reliable documented supply from selected producers, repeat demand from the target segment, buyer recognition of the value created by batch-level transparency and service, workable margins once EU stock and fulfilment costs are absorbed, and dependable cross-border and partner execution.

None of this makes the model a proven business opportunity, but neither does it leave it unsupported. The strategic foundation is coherent, and several of its elements find support in the market and industry evidence reviewed in Chapter 4. The next step is not expansion, but controlled commercial validation of the assumptions that remain open. If they hold at a small scale, the model would have a stronger basis for implementation and later development.

6. Conclusion

6.1. Overall Conclusions

This study set out to examine whether a business model based on direct sourcing of Persian saffron from Iranian producers, supported by documented

origin, laboratory-supported quality assessment, batch-level traceability, and flexible B2B supply from an Italy-based European hub, represents a credible business opportunity, and under what conditions it could become viable and competitive. The conclusion is that the opportunity appears strategically credible and potentially attractive, but remains conditional rather than fully validated. The model responds to documented characteristics of the saffron market and to requirements that are relevant within the European spice trade, but several assumptions that determine commercial success still require direct testing.

The analysis shows that the model responds to an identifiable value-chain issue rather than to a purely hypothetical market problem. Iran produces the large majority of the world's saffron, but its position in production is not fully reflected in recorded international trade, with packaging, branding, and market access often taking place elsewhere in the chain. Trade data and institutional sources both support this separation, while the literature also identifies concerns related to authenticity, origin information, and traceability within the existing chain. The proposed opportunity therefore develops from a documented gap in how saffron value is captured and communicated across the chain.

The strongest part of the model is the connection between sourcing, quality information, traceability, and delivery. Iran provides production scale at the national level, and an established trade route to Italy already exists, although supplier-level consistency remains unverified. European buyers also operate in a market where product specifications, laboratory evidence, origin information, and traceability form part of established buyer requirements and market practice. These findings support the basic logic of buying directly from selected Iranian producers while keeping batch-level documentation attached to the product and supplying it from inside the European market.

Flexible EU-based supply is also relevant for smaller food manufacturers. Holding limited stock in Italy can reduce the purchasing complexity faced by

customers that do not require industrial volumes and would otherwise have to organise an international import themselves. Italy is a credible base for this structure, combining Single Market access, a substantial agri-food sector, established saffron use, and links to wider European distribution. What the study does not show is that Italy is the cheapest or most efficient European location. Its value as a hub depends on whether these advantages justify the costs of inventory, storage, handling, and fulfilment.

The analysis also narrows where competitive advantage could come from. Direct sourcing, laboratory testing, documented origin, and flexible quantities are not unique features, since existing suppliers already offer several of them. The stronger possibility lies in how these elements are combined around a specific customer segment, particularly through keeping producer information, laboratory evidence, import records, stored stock, and customer delivery linked to the same batch. This may create a more transparent and usable offer for small and medium-sized premium and artisanal food producers. Whether this combination is valuable enough to influence buyer choice has not yet been demonstrated.

The main uncertainty is therefore commercial rather than conceptual. The model is coherent and supported by market evidence at a general level, but the study cannot confirm whether target buyers would switch from existing suppliers, what quantities they would purchase, how often they would reorder, or whether stronger origin documentation and traceability would affect their willingness to pay. Supplier consistency, the economics of holding stock in Italy, and the reliability of external service providers also remain important operational uncertainties.

The opportunity can therefore be considered credible under a specific set of conditions. The company would need reliable producers capable of supplying consistent and documented batches, repeat demand from the target B2B segment, differentiation that buyers actually value, margins sufficient to absorb the costs of

EU-based stock and fulfilment, and dependable cross-border and partner execution. If these conditions can be demonstrated at a small commercial scale, the business model would have a stronger basis for implementation and later development. Without that validation, it remains a strategically credible and potentially attractive business opportunity, but still a conditional one.

6.2. Main Findings and Contribution of the Study

Three findings emerge from the analysis as a whole.

The first concerns the relationship between production scale and commercial value. Iran's dominant production position is not fully reflected in recorded international trade. Part of the value attached to saffron is created after cultivation, through bulk exporting, re-exporting, packaging, branding, and market access in intermediary markets. Trade data show that a substantial share of the saffron entering Italy arrives through Spain, a country with very limited production of its own, alongside a smaller but established direct route from Iran. The structural argument behind the business model therefore rests on external evidence rather than on assumption alone.

The second finding concerns the position of documentation in the European market. Quality verification, traceability, and origin records are established requirements in the European spice trade rather than optional additions, and saffron is particularly exposed to adulteration. This supports treating documentation as part of the product rather than as administrative work carried out alongside it. One record system can serve both regulatory compliance and commercial communication, tying product quality, origin information, and batch history into a single structure. The same finding sets a limit on what documentation can achieve commercially: where buyers already expect it as a condition of supply, providing it may be necessary to compete without generating additional willingness to pay.

The third finding concerns what a lean operating structure actually requires. The model performs few activities internally, relying instead on external laboratories, freight and customs specialists, storage and fulfilment providers, and packaging suppliers, while retaining responsibility for the result. In this kind of structure, coordination becomes a capability in its own right rather than an administrative function. The value proposition holds only if information, documentation, and product stay connected as they pass between providers. The same arrangement that keeps fixed investment low therefore concentrates the company's risk in its ability to manage relationships it does not fully control.

The contribution of the thesis lies partly in what it shows about the Business Model Canvas itself. The Canvas is often used descriptively, as a way of setting out what a business intends to do. This study uses it differently. Its value here is not that it can show whether a business idea will succeed, but that it can structure an initial idea, examine how coherently its components fit together, and make explicit the assumptions on which the idea rests. Once those assumptions are visible, they can be examined against external market evidence and then assessed in terms of risks, opportunities, and conditions for implementation.

What the thesis demonstrates, then, is a process as much as a result: business model design, identification of critical assumptions, examination against market evidence, and strategic assessment. Each stage constrains the next. The design defines what has to be true; the evidence establishes what can be verified and what cannot; the assessment establishes what would have to hold for the model to work. The assumption–evidence matrix is where the second and third stages meet, and it allows the strategic assessment to separate conclusions supported by evidence from conclusions that remain conditional.

The study also offers a worked application to a chain rarely examined in these terms. Saffron combines high value, small volume, exposure to adulteration, and a considerable distance between the producing country and the later stages where

value is captured. These characteristics make it a useful case for examining how traceability works as a regulatory requirement and a commercial instrument at the same time. This dual role runs through the whole analysis, and a purely descriptive treatment of the saffron chain would make it less visible.

Together, these findings show that the proposed model's strength lies less in a single unique feature than in the coordinated combination of sourcing, documentation, traceability, customer focus, and partner management.

6.3. Limitations and Further Development

The limitations of this study follow from its exploratory nature and from the type of evidence available. These limitations define the boundaries within which the findings and conclusions of the study should be interpreted.

The most significant limitation is the reliance on secondary sources. Trade statistics, institutional publications, market information, and academic literature can describe how a market is structured, but they cannot show how individual firms decide. Assumptions about market structure, trade flows, price levels, and market access could be examined through secondary evidence. Assumptions about firm-level behaviour could not be confirmed in the same way. Buyer switching, repeat purchasing, order size, willingness to pay, supplier reliability, and partner performance all remain questions that only direct commercial validation can answer. No interviews, supplier negotiations, or sales attempts were carried out, so these assumptions remain untested rather than disproved.

Data availability narrowed the analysis in more specific ways. No systematic price series was identified for the producer or wholesale stages, so the value benchmarks cover only the stages for which data exist. Aggregate trade statistics cannot follow individual consignments through import, processing, and re-export, which limits what can be concluded about the origin of saffron arriving through

intermediary markets. The competitive analysis relied on publicly communicated positioning, which shows how firms present themselves rather than how they operate.

The study also contains no financial modelling. Cost structure, margin levels, and working-capital requirements are discussed qualitatively, but no quantitative assessment was made of the volumes at which the model would become self-supporting. This limits what can be concluded about the financial reasoning set out in Chapter 1. Whether a shorter chain would reduce costs could not be verified here, since trade data cannot separate intermediary margins from differences in quality, product form, logistics, or packaging. Cost efficiency therefore remains a possible outcome of the model rather than a demonstrated one.

Sustainability is subject to a similar limitation. The model seeks to incorporate sustainability considerations through the way the chain is organised, with the aim of reducing avoidable handling stages, repeated repackaging, and unnecessary transport steps. The batch-level record system also provides a structure on which more specific sustainability practices could later be built. No environmental assessment was carried out, however, and international transport remains a substantial part of the model. The sustainability dimension is therefore a design intention supported by plausible reasoning rather than a demonstrated outcome.

The scope was deliberately narrow in other respects. The model was assessed for one product, one initial customer segment, and one proposed European hub location. No comparative analysis of alternative European hubs was carried out, so Italy is established as a plausible base rather than an optimal one. The study is an exploratory strategic assessment rather than a feasibility study, and it does not provide a detailed implementation plan. The retail channel was also left largely outside the assessment. It forms a secondary part of the model and was included in the Business Model Canvas, but the market evidence gathered in this study

focused mainly on B2B supply. Its commercial contribution therefore remains unexamined.

Several directions follow for further work. The most immediate is primary validation with the target segment: structured interviews with small and medium-sized premium and artisanal food producers, sample-based approaches, and quotations aimed at establishing order sizes, purchasing criteria, and whether documented origin influences supplier choice and price. Parallel supplier and partner validation would also be required to test whether selected producers can provide consistent documented batches and whether laboratories, logistics providers, storage facilities, and other external partners can support the model at an acceptable level of cost and reliability.

The next step would be financial modeling of the conditions identified in the strategic assessment, particularly the relationship between margin, stock turnover, and working capital. This would make it possible to estimate the sales volume and order frequency required for the model to become financially self-supporting. A comparative assessment of European hub locations against cost, logistics, and market-access criteria could then test whether the Italian option remains preferable to available alternatives. Further work could also assess the sustainability implications of the model more directly, including transport choices, packaging, storage, and the environmental effects of holding stock inside Europe.

Taken together, the study establishes that the proposed business model has a coherent strategic foundation and addresses a documented problem in a market where its logic is relevant. It does not establish that the business would succeed. What it offers is a clearer view of what would need to be true for the model to work, and of which of those conditions can be tested before any substantial commitment is made. This, in the end, is what the Business Model Canvas made possible: not a forecast of success, but a structured way of identifying what a business idea depends on and testing those dependencies before acting on them.

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