

Case studies

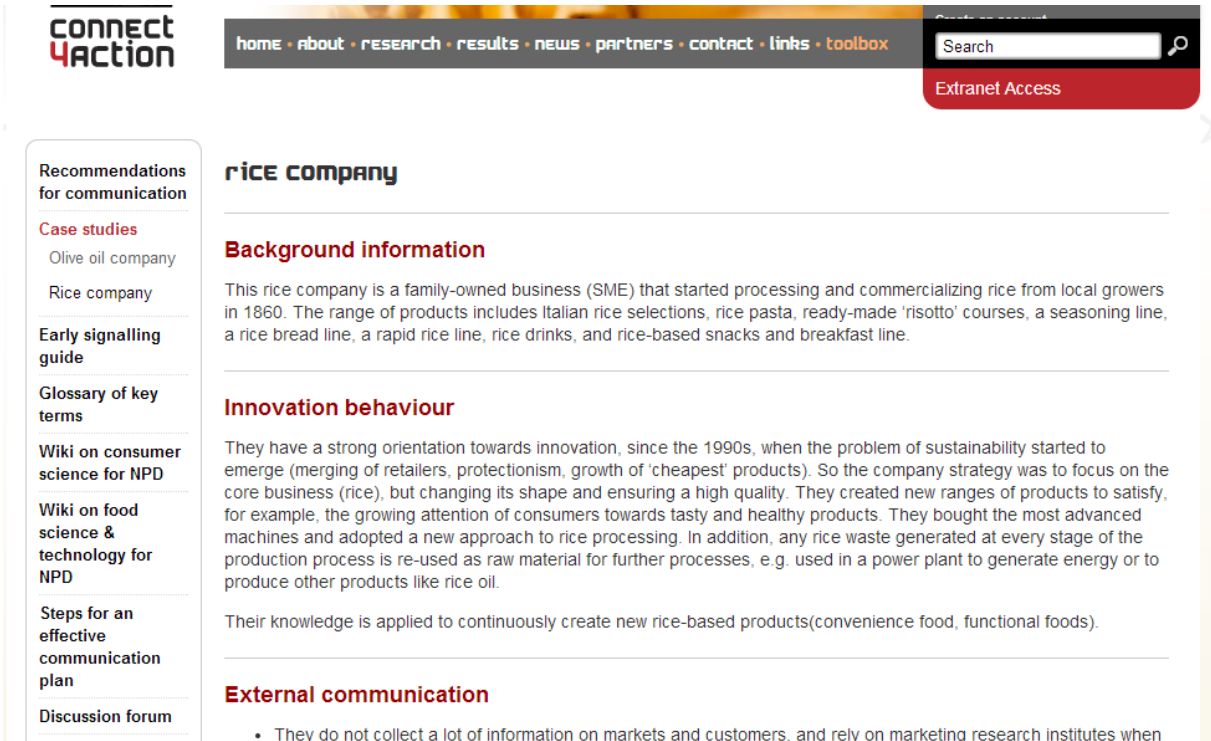
Aim

To give examples of concrete cases where communication has been proven to be a key element for the success or failure of food innovations, including the description of the challenges encountered and if and how they were faced.

Structure of the case

- Background information
- Innovation behaviour
What is the innovation strategy of the company? What kind of innovations did it develop? Etc.
- External communication
How does the company acquire information on consumers?
How does the company communicate with consumers about new products?
- Internal communication
How are information flows managed within the company, especially during food innovation development?
Is there a multi-disciplinary team dealing with the food product/process innovations of the company?
- Lessons learnt about communication during the food innovation process
Summarises the success and failure factors related to the communication behaviour of the company during the food innovation process.
- References

Case studies on the C4A website



The screenshot shows the C4A website interface. At the top left is the logo for 'CONNECT 4Action'. A navigation bar contains links for 'home', 'about', 'research', 'results', 'news', 'partners', 'contact', 'links', and 'toolbox'. A search bar is located in the top right, with a red button labeled 'Extranet Access' below it. On the left side, there is a vertical menu with several categories: 'Recommendations for communication', 'Case studies' (with sub-items 'Olive oil company' and 'Rice company'), 'Early signalling guide', 'Glossary of key terms', 'Wiki on consumer science for NPD', 'Wiki on food science & technology for NPD', 'Steps for an effective communication plan', and 'Discussion forum'. The main content area features a section titled 'rice company' with a sub-section 'Background information' containing a paragraph about the company's history and product range. Below that is 'Innovation behaviour' with a paragraph on their innovation strategy. The 'External communication' section includes a bullet point stating they do not collect a lot of market information and rely on marketing research institutes. At the bottom, a horizontal menu lists 'Introduction', 'Background', 'Consumers', 'Products', 'Communication', 'Assignment', and 'Case studies'.

CONNECT 4Action

home • about • research • results • news • partners • contact • links • toolbox

Search

Extranet Access

rice company

Background information

This rice company is a family-owned business (SME) that started processing and commercializing rice from local growers in 1860. The range of products includes Italian rice selections, rice pasta, ready-made 'risotto' courses, a seasoning line, a rice bread line, a rapid rice line, rice drinks, and rice-based snacks and breakfast line.

Innovation behaviour

They have a strong orientation towards innovation, since the 1990s, when the problem of sustainability started to emerge (merging of retailers, protectionism, growth of 'cheapest' products). So the company strategy was to focus on the core business (rice), but changing its shape and ensuring a high quality. They created new ranges of products to satisfy, for example, the growing attention of consumers towards tasty and healthy products. They bought the most advanced machines and adopted a new approach to rice processing. In addition, any rice waste generated at every stage of the production process is re-used as raw material for further processes, e.g. used in a power plant to generate energy or to produce other products like rice oil.

Their knowledge is applied to continuously create new rice-based products (convenience food, functional foods).

External communication

- They do not collect a lot of information on markets and customers, and rely on marketing research institutes when

Two case studies

- Olive oil company
- Rice company

Reference

- Massa, S & Testa, S (2009). A knowledge management approach to organizational competitive advantage: Evidence from the food sector. *European Management Journal*, 27:129-141

Case study - Olive oil company (1)

Background information

- Family-owned business (SME)
- Started as a typography business
- Started producing oil from local olive production and distributing it by mail in 1911
- Increasing demand -> started to buy olives and olive oil from selected producers in the Mediterranean area
- 1980s: production of preserves (containing olive oil)
- 1990s: new cosmetic line based on olive oil
- typography activity continues to the present
 - this is mainly linked to the olive oil production (printing price lists and communication with customers)

Innovation behaviour

- Introduction of incremental product innovation or new combinations
- Not radically new products that also do not originate from customer needs
 - Carefully planned and very time-consuming
 - Consumer involvement
 - Launch of small pilot projects
 - Long testing periods

Internal communication


- Data warehouse containing customer and sales data for the domestic market
- Marketing department performs all report design, data extraction and marketing activity
- ICT department is developing an intranet portal to archive and index documents (e-mails and postal correspondence to/from customers, press articles, etc.)
- New employees spend their first six months visiting all departments (thought to be important for absorbing the tacit knowledge permeating the firm)
- Intranet: main communication channel within the firm

Case study - Olive oil company (2)

External communication

- Customers represent a respected value
- Customer relationship management strategy: to achieve a stronger relationship and develop continuous learning
- Focus: on capturing external knowledge:
 - from customers (focus groups, direct contacts)
 - from marketing research institutes and from the main sectoral publications and trade journals (on market trends and competitors)
- Communication channels: e-mail, mail, phone, contact at fairs, etc.
- Front-line personnel (call centre staff, correspondence department, delivery service) directly and carefully selected by the head of the marketing department
- Exploits the information from its customers in order to create a company image that fully responds to customer expectations e.g. espresso coffee machine

Lessons learned

- Extremely focused on its customers
 - has an exclusive relationship with them based on loyalty and care
 - Customers' preferences and needs are used to improve products and services
 - Large data warehouse to store and manage large amounts of data concerning their customers and sales
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- Special attention given to external communication. This is extensively used in order to develop innovative products and to launch them on the market
 - Internal communication is used in terms of storing information acquired from customers and using such information to develop incremental product innovations based on customers' needs and preferences

Case study - Rice company (1)

Background information

- Family-owned business (SME)
- Started processing and commercialising rice from local growers in 1860
- Range of products: rice selections, rice pasta, ready-made 'risotto' courses, a seasoning line, a rice bread line, a rapid rice line, rice drinks and a rice-based snacks and breakfast line

Innovation behaviour

- Strong orientation towards innovation
 - Since the 1990s, when the problem of sustainability started to emerge (merging of retailers, protectionism, growth of 'cheapest' products)
 - Company strategy: to focus on the core business (rice), but changing its shape and ensuring a high-quality product
 - Created new product ranges to satisfy the growing demand of consumers for tasty and healthy products
 - Bought the most advanced machines and adopted a new approach to rice processing
 - Any rice waste generated at every stage of the production process is re-used as raw material for further processes, e.g. used in a power plant to generate energy or to produce other products like rice oil
- Knowledge is applied to continuously create new rice-based products (convenience food, functional foods)

External communication

- They do not collect a lot of information on markets and customers and rely on marketing research institutes when they need this information.
- The new products are rapidly launched on the market, as they are tested in a limited number of shops and then refined, thanks to partnerships with a few large retailers.

Case study - Rice company (2)

Internal communication

- The product committee (president and CEO, head of marketing, head of purchasing, communications manager and head of R&D) meets twice a month to develop ideas and generate new insights for the running product development projects
- Ideas often come from the feelings and experiences of their employees
 - required to commit to the company
 - a portion of their salary varies depending on the company's results
 - personnel turnover is very low
 - making mistakes is seen as necessary in the learning process
- Verbal and social communication 'culture':
- Social events (hiking trips, BBQs, camping, etc.) in order to foster interpersonal relationships, a collaborative environment, open communication and knowledge sharing
- Promotion of a strong sense of commitment and belonging in its employees
- Role of communication technology neglected:
- information system to store sales data and information on production procedures and formulae
- main storage 'device': human memory (turnover is very low)

Lessons learned

- More internal communication than external communication
- Success factors for internal communication
- Formal communication strategy (product committee)
- Informal communication culture (social events and a strong sense of belonging amongst all employees)
- Product committee as a multidisciplinary team