

# Consumer trends and new product opportunities in the food sector

## Success Factors in New Product Development in the Food Sector

Renata Matysik-Pejas

**FOODCOST**



Co-funded by the  
Erasmus+ Programme  
of the European Union

# New Product Development by Enterprise



Innovation is regarded as one of the basic functions of contemporary enterprises, determining their development.

Product innovations are the result of the enterprise's innovation activity, visible on the market. The efficiency of developing and launching new products depends on competences, experiences, resources, method of management, but also on the marketing strategies adopted by the enterprise (Fortuin et al. 2007; Grunert and Sorensen 1996; Suwannaporn and Speece 2003).

**FOODCOST**



Co-funded by the  
Erasmus+ Programme  
of the European Union

# New Product Development by Enterprise



Enterprises must consider many factors in their decisions on new product development and must implement them better than their competitors. Innovations accepted by the market may contribute to gaining a competitive advantage by an enterprise and even help to gain a periodic leadership position on a given product market.

One of most important issues concerning new food product development are market and consumer oriented activities (Costa and Jongen 2006; Earle 1997; Stewart-Knox and Mitchell 2003).

**FOODCOST**



Co-funded by the  
Erasmus+ Programme  
of the European Union

# Consumer Trends and their Importance for the Success of New Food Products

Enterprises that introduce product innovations to food markets should analyse the environment and changes that occur in consumer trends. Time plays a crucial role in making use of appearing trends in a marketing strategy.

The accurate anticipation of newly forming trends and timely (ahead of the competition) implementation to create a product offer may mean measureable benefits and gaining a market advantage by the enterprise over a longer period of time (Mróz 2013).

# Consumer Trends and their Importance for the Success of New Food Products

The knowledge about consumer behavior has a practical dimension and may be used in the process of developing marketing strategies in enterprises.

The familiarity with trends allows the needs and motivations of customers to be foreseen and may prove to be a driver of success in the process of new product marketing and the creation of new markets.

This requires anticipation of consumer needs well in advance and enforces an on-going monitoring of the environment.

# Consumer Trends and their Importance for the Success of New Food Products

The enterprises of the agri-food sector should focus their attention on the correct analysis of the existing and still forming trends.

The innovative trends in food manufacturing, which may currently be distinguished in the European food industry, are grouped into main axes, meeting consumer demands. These trends are connected with:

- health,
- convenience,
- sustainability,
- authenticity,
- pleasure.

# Cooperation of Enterprises with Consumers as a Factor of New Food Product Success

The main aim of marketing innovative products is fulfilling current or arising consumer needs and expectations.

Consumers decide whether the products will find acceptance on the market. To achieve success, the innovative products must be developed and tailor-made for consumers.

Consumer orientation is one of the major drivers of success in the food manufacturing enterprise (Fortuin et al. 2007; Fortuin et al. 2009).

**FOODCOST**



Co-funded by the  
Erasmus+ Programme  
of the European Union

# Cooperation of Enterprises with Consumers as a Factor of New Food Product Success

Consumers play a key role at each stage of the new product development process (Czajkowska et al.2013). Their participation may be passive or active (Sojkin et al. 2012):

- the passive function means that enterprises, including a new product in their offer, use their knowledge about consumer behavior for this purpose,
- the active function is a form of direct consumer involvement in the new product development proces.



# Cooperation of Enterprises with Consumers as a Factor of New Food Product Success

Depending on the degree of consumer involvement in the company's operations three types of active consumers may be distinguished (Szul 2013):

- the first group consists of active consumers, whose involvement is nonetheless limited only to the assessment and evaluation of products on the internet forums or the websites of the stores,
- the second group consists of the consumers participating in activities which purpose is to make the offer more attractive as well as the consumers taking part in the campaigns prepared by the companies,
- the third group constitutes the innovative prosumers, who exhibit the aforementioned actions and try to influence the companies' offer by themselves.

# Cooperation of Enterprises with Consumers as a Factor of New Food Product Success

Initiatives of enterprises concerning product development with consumer participation can build on different concepts. An example may be open innovation and open source concepts:

- open innovation involves the exchange of ideas between the enterprise and its environment (among others consumers),
- open source, is based on free sharing and use of ideas.

# Cooperation of Enterprises with Consumers as a Factor of New Food Product Success

In the product commercialization process consumers can actively participate in planning the marketing activities connected with the marketing of innovations.

They can be involved in planning the activities concerning the final refinement of the packaging. Their opinions can also be taken into consideration in creating messages in market communication, so that it reaches their target market segments (Sojkin et al. 2012).

Moreover, consumers may be helpful in the choice of the manner of distribution for the new product manufactured by the enterprise. The role of the consumer is also valuable when the level of the product's market price is to be established.

Taking their price sensitivity into consideration may significantly contribute to the market success of the newly introduced product.

# New Product Packaging as a Driver of Market Success

The packaging is a means of communication with the market, increases the interest of customers and may make them realize their needs.

A well designed packaging should be an inseparable element of a new product. In self-service shops, packaging not only protects the product, but also fulfills the information and promotional function.

Therefore, the esthetic look (properly chosen colors and shapes), information put on it (composition, way of preparation), size and practicality (ease of use, convenient consumption, storage) are extremely important for the new product.

The buyers are attracted by the look of the packaging and on this basis imagine the product and its characteristics.

**FOODCOST**



Co-funded by the  
Erasmus+ Programme  
of the European Union

# New Product Packaging as a Driver of Market Success

When a new product appears on the market, it is the packaging that usually determines the first purchase by a consumer. Therefore, packaging should draw consumer's attention, highlight the product value and differentiate it from other similar products (Pasternak 2001).

The promotional function of the new product packaging is a tool to stimulate demand, encourage the consumer to unknowingly pay attention and to make a decision to buy the product. While designing the new project packaging, the enterprise should adjust its promotional features to the needs and psychological, cultural or age conditionings of the buyer groups for whom the product is intended (Cichoń 1996).

# Consumer Acceptance of New Product

Consumer response to a new product is a complicated psychological process that starts with finding information about the innovation and ends with its adoption. The notion of new product adoption denotes making a decision by a consumer to buy and use it (Kramer 2004).

The process differs depending on the consumer, because new food products spark curiosity and interest in some consumers, while they evoke fear and stress in others.

# Consumer Acceptance of New Product

Despite the fact that innovative products may bring consumers numerous benefits, their behaviors evidence some reluctance to accept them.

The resistance results in the market adoption process of the new product slowing down. Consumer opposition against new products may assume various forms from postponing the decision about the purchase to the most extreme case, i.e. their rejection (Cornescu and Adam 2013).

New food is associated with the term “food neophobia”, i.e. a general aversion to consume new food products (Babicz-Zielińska et al. 2009).

# Consumer Acceptance of New Product

The emotions caused by new foods are linked to the level of innovation.

A small alteration of the product may spark interest and a desire to learn, whereas a total novelty may lead to negative emotional states, such as apprehension or nervousness.

Negative emotions result from unfamiliarity with the product. Resentment of new products is connected with human physiology and the emotional sphere. For instance, timid persons, who do not like the risk are more reluctant to consume new food (Babicz-Zielińska et al. 2009).

Consumer inclination towards getting interested in new food products and their purchase is also correlated to their customs and gustatory habits, which are the main factors affecting their purchasing decisions. It constitutes a type of sensory, but also hedonistic barrier, which the food manufacturers face (Gutkowska 2011).



# Consumer Acceptance of New Product

Consumers who are exposed to new products are able to perceive both the risk and benefits that the new product gives.

Consumer attitudes towards new products result from previous experiences, but also from the opinions of other consumers. Some consumers are risk-takers, unafraid of testing new products, others are more cautious and will not dare to taste a new product without exhaustive information about it.

For efficient dissemination of novelties on the food market, not only the needs and expectations of potential buyers should be known, but also ways to encourage them to test and buy the new product (Earle et al. 2007).

# Consumer Acceptance of New Product

The emotions caused by new foods are linked to the level of innovation.

A small alteration of the product may spark interest and a desire to learn, whereas a total novelty may lead to negative emotional states, such as apprehension or nervousness.

Negative emotions result from unfamiliarity with the product. Resentment of new products is connected with human physiology and the emotional sphere. For instance, timid persons, who do not like the risk are more reluctant to consume new food (Babicz-Zielińska et al. 2009).

Consumer inclination towards getting interested in new food products and their purchase is also correlated to their customs and gustatory habits, which are the main factors affecting their purchasing decisions. It constitutes a type of sensory, but also hedonistic barrier, which the food manufacturers face (Gutkowska 2011).

# Consumer Acceptance of New Product

Consumer attitudes towards new products result from previous experiences, but also from the opinions of other consumers.

Some consumers are risk-takers, unafraid of testing new products, others are more cautious and will not dare to taste a new product without exhaustive information about it.

For efficient dissemination of novelties on the food market, not only the needs and expectations of potential buyers should be known, but also ways to encourage them to test and buy the new product (Earle et al. 2007).

# Consumer Acceptance of New Product

An important element of consumer education concerning new products is an intensive process of their promotion, aiming at breaking the dissonance between the individual components of consumer attitudes towards food.

Avoiding new, unknown food products by consumers may makes the manufacturers undertake promotional activities, e.g. product tasting at the point of sale. It can help to break the sensory barrier (Gutkowska 2011).

# Consumer Acceptance of New Product

The degree to which a new product is compatible with consumer lifestyle, values and beliefs plays a crucial role in the course of the product diffusion process on the market.

The characteristic features, accumulated experience and preferences encourage or discourage the acceptance of innovations.

Consumer types are characterized on the basis of their psychological traits (attitude, personality, intelligence, emotionality, behavior), demographic features (gender, age, place of residence), needs and expectations, education, acquired knowledge, propensity to avoid or to undertake risk, openness to change. However, the key element is called innovativeness, which is the propensity to accept innovations faster than other participants (Grunert and Traill 1997; Klincewicz 2011; Matysik-Pejas 2012; Wang et al. 2005).

# Consumer Acceptance of New Product

To be innovative does not have to mean that one buys new products at once, but consumers having this characteristic also strive to get information about the novelties on the market, which later lead to purchase of these products (Gutkowska and Ozimek 2005).

Innovative consumers are a key market segment for companies. They play an important role of opinion leaders in the success of a new product (Huotilainen, Pirttilä-Bäckman and Tuorila 2006).

# References

- ▶ Babicz-Zielińska, E., Jeżewska-Zychowicz, M., Laskowski, W. 2009. Konsument na rynku nowej żywności - wybrane uwarunkowania spożycia. Wydawnictwo Szkoły Głównej Gospodarstwa Wiejskiego, Warszawa, Poland, 187 pp.
- ▶ Cichoń, M. 1996. Opakowanie w towaroznawstwie, marketingu i ekologii. Zakład Narodowy Imienia Ossolińskich, Kraków, Poland, 222 pp.
- ▶ Cooper, R.G., Kleinschmidt, E. J. 2000. New product performance: what distinguishes the Cornescu, V., Adam, C.-R. 2013. The consumer resistance behavior towards innovation. *Procedia Economics and Finance* 6: 457 – 465.
- ▶ Costa, A.I.A., Jongen, W.M.F. 2006. New insights into consumer-led food product development. *Trends in Food Science and Technology* 17: 457-465.
- ▶ Czajkowska, K., Kowalska, H., Piotrowski, D. 2013. The role of consumer in the process of new food products design. *Zeszyty Problemowe Postępów Nauk Rolniczych* 575: 23–32.
- ▶ Earle, M.D. 1997. Innovation in the food industry. *Trends in Food Science and Technology* 8: 166-175.
- ▶ Earle, M., Earle, R., Anderson, A. 2007. Opracowanie produktów spożywczych. Podejście marketingowe. Wydawnictwo Naukowo-Techniczne, Warszawa, Poland, 381 pp.

# References

- ▶ Fortuin, F.T.J.M., Batterink, M., Omta, S.W.F. 2007. Key success factors of innovation in multinational agrifood prospector companies. *International Food & Agribusiness Management Review* 10(4): 1-24.
- ▶ Fortuin, F.T.J.M., Omta, S.W.F. 2009. Drivers and barriers to innovation in the food processing industry continued. A Comparison of the Netherlands and the Shanghai Region in China. In: *Proceedings of the 3rd International European Forum on System Dynamics and Innovation in Food Networks*, pp. 483-498.
- ▶ Grunert, K.G., Sorensen, E. 1996. Perceived and actual key success factors: a study of the yoghurt market in Denmark, Germany and the United Kingdom. Centre for Market Surveillance, Research and Strategy for the Food Sector, Aarhus, Working Paper 40, 38 pp.
- ▶ Grunert, K., Traill, B. 1997. *Product and process innovation in the food industry*. Springer, US, 242 pp.
- ▶ Gutkowska, K. 2011. Innowacyjność konsumentów wobec produktów żywnościowych jako warunek rozwoju rynku żywności. *Konsumpcja i Rozwój* 1: 108-119.
- ▶ Gutkowska, K., Ozimek, I. 2005. *Wybrane aspekty zachowań konsumentów na rynku żywności-kryteria różnicowania*. Wydawnictwo Szkoły Głównej Gospodarstwa Wiejskiego, Warszawa, Poland, 230 pp.
- ▶ Huotilainen, A., Pirttilä-Bäckman, A. M., and Tuorila, H. 2006. How innovativeness relates to social representation of new foods and to the willingness to try and use such foods. *Food Quality and Preference* 17: 353-361.



# References

- ▶ Klincewicz, K. 2011. Dyfuzja innowacji. Jak odnieść sukces w komercjalizacji nowych produktów i usług. Wydawnictwo Naukowe Wydziału Zarządzania Uniwersytetu Warszawskiego, Warszawa, Poland, 170 pp.
- ▶ Kramer, T. 2004. Podstawy Marketingu. Polskie Wydawnictwo Ekonomiczne, Warszawa, Poland, 214 pp.
- ▶ Matysik-Pejas, R. 2012. Innowacje na rynku produktów żywnościowych i ich oddziaływanie na nabywców. Handel Wewnętrzny 3: 140 – 149.
- ▶ Mróz, B. 2013. Konsument w globalnej gospodarce. Trzy perspektywy. Oficyna Wydawnicza Szkoły Głównej Handlowej, Warszawa, Poland, 300 pp.
- ▶ Pasternak, K. 2001. Rozwój produktu w przemyśle spożywczym. Uwarunkowania, działania i strategie w przedsiębiorstwie. Wydawnictwo Instytutu Przemysłu Mięsnego i Tłuszczowego, Warszawa, Poland, 129 pp.
- ▶ Sojkin, B., Ankiel-Homa, M., Małecka, M., Michalak, S., Olejniczak, T., Pachotek, B., Sielicka, M. 2012. Komercjalizacja produktów żywnościowych. Polskie Wydawnictwo Ekonomiczne, Warszawa, Poland, 230 pp.

# References

- ▶ Stewart-Knox, B., Mitchell, P. 2003. What separates the winners from the losers in new food product development? *Trends in Food Science and Technology* 14: 58-64.
- ▶ Szul, E. 2013. Prosumption as the activity of modern consumers - conditions and symptoms. *Nierówności społeczne, a wzrost gospodarczy* 31: 347-358.
- ▶ Suwannaporn, P., Speece, M. 2003. Marketing research and new product development success in Thai food processing. *Agribusiness* 19: 169-188.
- ▶ Wang, G., Dou, W., Zhou, N. 2008. Consumption attitudes and adoption of new consumer products: a contingency approach. *European Journal of Marketing* 42: 238-254.