Innovation and retail market

How to create breakthrough products that become differentiated in the eyes of the consumer?

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ABSTRACT

The research addressing food product development includes a variety of arguments, techniques and approaches. The aim of this paper is to give an overview of relevant factors that can form a basis for how to create successful products in the food sector. This is approached by, first, presenting innovation in the food industry. Innovations can be focused in one area in the food product development process, such as consumer research. So, second, a review is made upon critical factors in consumer-oriented food innovation. The third part highlight some important areas in consumer behavior to provide a better understanding of components that shape peoples behavior in regard of food. The article concludes that a more beneficial approach to food innovation for food companies might be by combining factors influencing consumer decision making into the consumer research process to get a greater understanding of consumer behavior and to be more able to meet consumer expectations.

KEYWORDS: Food innovation, consumer research, food industry, food product development

1. INTRODUCTION

Today when you step into an aisle of any supermarket you are surrounded by an overwhelmingly amount of products. The food producers are constantly trying to be the most innovative company with the newest products to maintain the relationship with the consumers. New product launches should be seen as a positive attribute, but instead it has gotten out of hand and the vast majority of new food products fails. [5] Radical new products are rare, especially when compared to the high number of product launches every year, only incremental level of novelty is introduced to the market. Which makes it hard for the consumers to perceive the added value of the 'slightly new' food products that constantly are added to the retailers' shelves. This approach to innovation does allow the introduction of relatively high amount of different products in a short time. A problem with this can be that the consumers basically have too many choices and are having a hard time to differentiate the products from each other. That can result in lack of product uniqueness and in that way become hard to distinguish in the eye of the consumer. Which is not particularly fortunate for food companies that invest time and money into innovation in hope to increase their sales revenues. Then, of course, you can ask the question, unsuccessful innovation or no innovation at all?

“The degree of fit between a new product and consumer needs is the key determinant of success in new product development”. [17]

Innovation is a well known word in today’s industry. The objective of each future-oriented
company is to successfully develop and introduce new products and services to the market. So, considered the high failure rate of new food products, implies this that the methodology for new food product development needs improvement? There is a lot of literature on how to innovate and develop new products, but not especially food products. Therefore the objective of this article will be to increase the understanding on how a company can create breakthrough food products that becomes differentiated in the eye of the consumer. Differentiated in this context means create products that adds a value to the consumer. A pleasant consequence of consuming a product. However, differentiated products doesn’t necessarily mean product success. There are several factors that plays an important role when introducing a new product to the market. In this paper I will mainly concentrate on consumer insights.

In this article I will try to analyse the relation between food innovation and consumer decision processes to see if these two scientific fields combined together can bring new insights to new food product development and increase the possibility for product success. As I go through consumer-oriented food innovation and factors that is important in consumer decision processes, I will later discuss whether or not food innovation will benefit from having a greater understanding of consumer behavior.

The paper presents a review of theory on food innovation and the processes of consumers' decision making. Research is first conducted to enlighten different food innovation approaches. Thereafter, research is particularly sought to understand the consumer-oriented approach to find out which factors that is decisive to create successful products. Finally, research is conducted to understand consumer's behavior and purchase processes.

Before the main topic is presented in this paper, some definitions and general characteristics of the food retail market are introduced.

1.1 Definitions

Creating breakthrough products means involving both product development and innovation. To make clear that innovation is not the same as product development it is necessary to define both expressions. In this paper the expressions product development and innovation are used briefly about the process in which creating new products.

**Product development**

"The creation of products with new or different characteristics that offer new or additional benefits to the customer. Product development may involve modification of an existing product or its presentation, or formulation of an entirely new product that satisfies a newly defined customer want or market niche". [1]

**Innovation**

"The process by which an idea or invention is translated into a good or service for which people will pay, or something that results from this process. To be called an innovation, an idea must be replicable at an economical cost and must satisfy a specific need". [2]

To get a greater understanding of how to create breakthrough products that is differentiated in the eye of the consumer it is essential to take a deeper look at the factors involved in product innovation and development process.

1.2 Retail market

Companies approach the retail market based on different strategies depending on their understanding of their audience, technology and business model. It exists several categories on foods introduced as new by food companies. Such as, ‘me-too’ products, line extensions, repositioned existing products, new form of existing products, new packaging of existing products, innovative products, etc. [15]

The chosen category into the marketplace depends on a company's innovation strategy and the desire to be a category leader or not.
1.3 Mass market

Consumer markets are mass markets, and are therefore characterized by a lack of personal interaction between the innovator and the users [7]. Consumer markets usually involves characterizing the population of potential buyers and in-depth characterization of a small number of consumers where such insights are deemed to be especially valuable. This indicates that developing successful products to a mass market is a challenging task. Where you have to develop unique products that fills needs and the desires to a large consumer group.

1.4 Commoditization

According Lundahl [4] commoditization has become a problem in food product development, and the definition is as follows;

"Almost total lack of meaningful differentiation in the manufactured goods. Commoditized products have thin margins and are sold on the basis of price and not brand". [3]

Commoditization has become a known expression in the food industry as the lack of differentiation increases. With commoditization, one brand has no features that differentiate it from the other brands and as a result, the consumer makes decisions based on price alone. With commoditization comes increased competition, and the lack of differentiation creates a downward cycle of lowered consumer desire to seek new functionality or "new and improved" intrinsic qualities. Economic downturn and market complexity to leads consumers entering the marketplace with reluctance to pay for what they see as unnecessary features and qualities. [4]

Consumers want products that will make their lives better at the lowest possible price, whether it is food, beverages, personal care products, or products for their homes. [4]

2. INNOVATION IN THE FOOD INDUSTRY

This chapter begins by spelling out the concept of innovation in the food industry and thereafter it introduces a short review of the different types of food innovation recognized in the literature. Then, it reviews the literature on consumer-oriented innovation and the important factors detected to this approach. Innovation is regarded as a major source of competitive advantage for a food company. There are two major views to be found in the literature. Innovation in the food industry combines technological innovation with social and cultural innovation. The ultimate innovation is a new or improved consumer product or service. Innovation can be focused in one area of technology, for example process engineering, product formulation, food qualities or consumer needs. Food industry innovation needs to be based on the total technology in the food system and concerned not only with the technological changes but also with the social and environmental changes, so as to produce food that satisfies the nutritional, personal and social needs and wants of all communities. [16]

The term innovativeness can still be used at different levels. Either as a characteristic of a particular innovation, or as a characteristic of a company. In this paper I will only concentrate the term in the context of a new product.

The introduction of new food products is widely regarded as an essential element of competition between food companies to achieve greater market share. Almost continuously competitors try to create innovative products and offer new value to the consumers, and successful management of new product development is a key determinant of business performance.

New food products can be defined in two ways:

- A product not previously manufactured by a company and introduced by that company into its marketplace or into a new marketplace, or
• The presentation or rebranding by a company of an established product in a new form, new package or under a new label into a market previously explored by that company. [18]

Fundamentally new innovations are apparently rare in the food production. As described in the beginning of this chapter there are different approaches to innovation in the food industry. However, a successful innovation requires at least two types of skills. R&D skills and market-orientation, technology and consumer research. The majority of food innovations are modifications of existing products and are demand-driven. Consumer trends in needs and wants with the respect to taste, convenience, health and environmental aspects offer opportunities to food producers. Which might imply that consumer demands substantially contributes to the product innovation, and that the technology aspect therefore is given less priority. Which obviously in most occasions results in incremental innovations.

Yet, despite the large amount of research, published on optimizing the product development process, the vast majority of new food products (72–88%) continue to fail. [5] If this number is true, then I ask myself why this massive failure rate when companies in the food and beverage, in packaging and food service proclaim that the ‘customer is king’. Which factors do they forget or ignore during the research phase? Or is it simply misunderstanding of consumers needs that is the problem? The answer to these questions encompasses a number of different factors and will be attempted addressed during the article.

Innovation intensity in the food industry
The European food and beverage industry displays much lower research and development investments than industries in other sectors and is quite conservative in the type of innovations it introduces to the market [6]. Radically new products are rare when compared to the high number of product launches to the market every year. Does this indicate that the innovation intensity is influenced by the consumers, since consumer acceptance obviously is a major determinant for product success? And since food habits are part of the cultural heritage and changes rather slow, it makes successful innovation rather challenging?

The slow-moving nature of the food industry in part can be traced to the conservatism in food habits and to the tendency to dislike new foods. Trends driving some innovation in the food industry are typically push to reduce calories, reduce salt, eliminate trans-fats, all on a ingredient level. Another trend that drives some innovation is the goal to market more healthful, 'good-for-you' foods, and the recognition that obesity is a looming problem worldwide due to 'over-nutrition'. [20]

The strategy and thought of differentiating a products is not anything new. New and improved technologies are increasingly being used in food innovation to successfully differentiate products. Nevertheless, only a small proportion of food product releases are radically new. Fear of new product failure has resulted in low rates of innovation in the food industry with many companies preferring to re-develop old products to create new products in the attempt to increase the success rate. Ironically, this apparently ‘safe’ approach perpetuates the problem of high food product failure. [5]

However, newness to the consumer obviously largely depend on whether consumers believe the product offer more value relative to existing products and price.

2.1 Food preferences

Food preferences plan an important role in food selection because they give an indication of the amount of satisfaction an individual anticipates from eating a food. According to Thomson [7] it is relatively easy to make new products that people like, but it is much more difficult to create products that people want. Furthermore, he
suggests that new product developers and researchers need to look beyond liking, acceptability and purchase intents as a means of judging new products.

Food product design is oriented to the consuming or using experience. Lundahl [4] explains that liking is an expression of product love – a projected feeling onto the product as an object. A product can be liked for its functionality, how it helps build a consumer’s social or self-identity, how it stimulates or surprises, or how it leads to sensory pleasure. Since a product can be liked for many things, the use of liking as a measure is highly flexible. Since food is so much of a matter of personal preferences, the developer can not leave out the voice of the consumer either, just to create innovative and unique ideas so that he can provide something that no competitor currently provides.

3. TYPES OF FOOD INNOVATION

New product development can originate from new technology or new market opportunities. Research concludes that it exist four orientations of product development in the food industry. Technology and cost orientation, which are related to the use of more traditional work methods, and customer and consumer orientation, which are related to the use of more recent and interactive work methods. These four approaches are related to different opinions about factors influencing success and failure of products, use of models and cooperation. [17]

Technology-driven food innovation
Technology-oriented companies take mainly technology and technique as the starting point for the new product development process. This type of thinking makes sense in many industries, especially those in high technology such as electronics, where the innovation pressure is high.

Cost-oriented food innovation
Cost-oriented companies take mainly costs and profit as the starting point for the new product development process.

Customer-oriented food innovation
Customer-oriented companies take mainly societal development, external cooperation and brainstorming sessions with co-workers as the starting point for the new product development process, and to some degree quality, market research and sensory analysis.

Consumer-oriented food innovation
Consumer-oriented companies take first and foremost consumer wishes as the starting point for the new product development process. But also includes market research and brainstorming sessions with consumers as important factors. And to some degree package technology and sensory analysis.

Research shows that these four orientations of product development are related to different opinions about variables influencing the failure of products. A quite notable discovery made by Sijtsema, Backus, Linnemann and Jongen [17] is that consumer-oriented product developers had a high score on the two items 'lack of sensory research' and 'package technology', which is seen as two important factors that influence the success or failure of products. Using these two issues as a starting point for product development but at the same time not directing proper attention at them is a bit contradictory and an interesting aspect. Is insufficient knowledge about the importance of consumer research the problem, or is it simply just inattention of the consequence of these aspects?

In the marketing literature, it is argued that R&D does not guarantee innovative success. It is not only important to have facilities to acquire the technical intellectual property in order to innovate, like R&D, licensing or acquisitions. It is also of importance that these intellectual inputs interact with the needs in the market. The food industry is not a subject of the same
type of innovation pressure as high technology companies. The food industry is characterized as a steady, relatively boring and slow moving with minor technical innovations. Therefore companies often migrates the focus from the product itself to relying on innovations/expertise in marketing, packaging, distribution, and line extensions. Even though this can seem like a smart solution, maybe this is one of the factors that prevents food companies from creating more successful products? Why not be more tactically focused on factors such as what is driving the consumers and how can the products provide customer value? Instead of searching for potential away from the product, search for product characteristics that are seen as valuable in the eye of the consumer.

4. CONSUMER-ORIENTED FOOD INNOVATION

In previous section, we have seen that it exists several ways to approach food innovation, but since consumer-oriented food innovation obviously is the most utilized one we will take a closer look at this next.

Integration of consumer’s needs into the complex multidisciplinary product development process seems to be one of the ways to become more successful for food companies. As part of the implementation of consumer orientation in the first phase of product development, it is important to understand the consumer’s perception of the food product and its characteristics, to know how to take the first step of the translation into product characteristics. First, insight is needed into consumer’s perception of those needs and wishes. Secondly, it is important to gain an insight into product characteristics related to this perception. Third, product developers must decide how to integrate this perception into product development and formulate the tangible product characteristics. This is the most utilized strategy when we talk about food innovation, where the consumer is an important factor to take into consideration in the development process. The thought involves to include the consumer as an important source to insights. Consumer-oriented innovation involves optimizing the product around how users can, want, or need to use the product. Without consumer research the company will probably meet a challenge convincing the customer that they actually need the product. Which means you are forcing the user to change their behavior to accommodate the product. This kind of approach leads most of the time to product failure.

A full understanding of how consumers evaluate food quality must also take contextual factors into account. Food consumption and quality preferences must be seen as integral parts of daily life, where food consumption is embedded in various kinds of practices that people engage in. Consumer-oriented innovation involves basically a thought where consumer needs and market environment is seen as the crucial important factor that will lead to product success. Where market information gathering is used to create new product ideas together with consumer involvement along the product development process.

According to Lundahl [4] when you want to develop a new product you have to distinguish between product affect, like quality and pleasure, and behaviors. He claims that product affect not necessarily alone create emotional connections to a product or brand. What you need is a framework that goes beyond just making a product pleasurable and consistent in quality. You need a framework that helps you understand how to differentiate your product in ways that achieve emotional connection with consumers. This framework uses the science of psychology to understand people on an emotional level. It helps innovators understand how to differentiate products in ways beyond functionality, sensory qualities and hedonics.

Lundahl [4] claims that companies should shift its
focus of innovation from the product to the experience. And specifies that by being behavior-driven, the innovation focus shifts thinking from developing and selling products that consumers will want to buy, to delivering to the market product experiences that consumers seek, select, share and desire to repeat-use as a new habit.

Lundahl [4] also expresses the importance of understanding how a product impacts on an emotional basis is essential to the innovation and development process. Why? Emotions are the basis for most consumers behaviors.

4.1 Market research

A well known part of the market research today is to watch reports on what people eat and tracking of what people buy in stores. This information is seen as valuable to the marketer and developer to identify areas with potential marketplace success. Market research has evolved from being problem solving into being a continuing reportage of market performance, consumer awareness tracking, and the like. Companies hope this information will provide them with insight and direction for a new product. Unfortunately, according Moskowitz and Hartmann [20] those findings seldom create successful products. They claim that a part of the problem is that companies has commoditized the consumer research process, turned the process into 'insights', and then formalized these insights as a series of standardized reports, rather than as solutions to problems.

A lot of what the food industry relies on comes from the reports of store movement, rather than from primary research, which can indicate that there is a lack of funding to better understand the way consumers make decisions about food. Consumer behavior is a very large field and tends to focus on gross decision rules, rather than the specifics for innovation. For example just to find out the relative importance of taste, rather than the direction to take when formulating a product. [20]

4.2 Consumer research

During the opportunity identification phase consumer research is important, to understand what drives consumers' decision processes and which factors influence these processes to utilize this insight in new product ideas. Despite the large number of available methods and techniques to be used, review of literature indicates that the majority of them are not used by companies.

Directly or indirectly derived consumer needs

A fundamentally distinction can be made between methods involving consumers self-articulated need (directly derived) and those that derive indirectly (statistically or by observation). Letting consumers articulate their needs themselves implies that the company assumes that the consumers are able to fully understand their own needs and are able to express them. However, research has revealed that consumers most of the time are unaware of their underlying choice criteria in purchasing a product or choosing one product instead of another. Identifying and understanding latent needs is of crucial important since consumers may have needs that they are not aware of. Consumers do not ask for fulfillment of these needs and may not have the ability to express them. Solutions that fulfill latent needs may evoke delight and surprise consumers, and therefore have a bigger opportunity to differentiate a product from its competitors and make consumers more loyal. [21]

Product characteristics

Multiple product characteristics and attribute combinations can fulfill one consumer benefit. Product characteristics are measurable, manipulable and physical properties of products. Products attributes are those characteristics (either intrinsic or extrinsic) that the consumer infers from the product, like the creaminess. Furthermore, consumers desire products not for their attributes, but rather the benefits they deliver. Different products can deliver the same benefit, which implies that benefits are not
product specific. Benefits can include ‘health’, ‘good taste’ and ‘convenience’. Relevant to mark is that the number of product characteristics is far greater than the number of attributes and benefits. Multiple product characteristics can satisfy a product attribute and multiple attribute combinations can provide the consumer one particular benefit. [21]

5. THE CONSUMER

From the 21th century it has been observed a new consumer who is more informed, more critical and wants to get precise information on products and joins an internet community to express opinions.

This chapter reviews some literature on consumer buying decision processes in the context of food. Central factors in consumer behavior are attempt enlightened to explain and capture highly relevant behaviors evoked by products. The purpose is to understand and get an overview over components that shape peoples behavior in regard of food.

5.1 Consumer buying decision processes

Consumer decision making

When people make product choices, their decisions to choose a particular product is influenced by what they perceive (or what they anticipate they'll perceive) and whether or not they like (or think they'll like) what they perceive. We buy products because, knowingly or otherwise, we want the functional and emotional benefits we believe they'll deliver to us. [14]

Thomson [7] points out that what we want is shaped by the interaction of three factors:

Underlying you - your psyche and your lifetime of personal experiences.
Transient you - how you're feeling mentally and physically at that particular moment.
Situation and circumstance - where, when, why, what for, who with, who for.

Consumer decision making is hard to understand, simply because the factors that influence choice may not be apparent to the consumer. The process includes that the consumer identifies their needs, collect information, evaluate alternatives and make the purchase decision. These actions are determined by cultural, psychological and lifestyle factors. [12]

Consumers food decisions influence the success or failure of food products in the marketplace today, but to know which factors or combinations of factors that influence consumer food choices are difficult to know without proper research on consumer behavior. This statement is an interesting insight and makes it tempting to conclude by referring to Thomson [7] on the view of consumer decision making, that consumer behavior is what decides whether or not a product becomes successful. However, there are several factors regarding consumer behavior that is necessary to investigate before drawing any conclusions, and these will be discussed next.

Consumer purchase decision process

Before purchase:
In order to make purchase decisions consumers form quality expectations. The pieces of information used to form quality expectations are usually called quality cues. It is common to distinguish between intrinsic and extrinsic quality cues.

After purchase:
When preparing and consuming the product. Experienced quality is influenced by many factors. Such as the product itself, the way the product has been prepared and integrated into the meal preparation process, situational factors like time of day and type of meal, the consumer's mood, etc. A products quality expectations and quality experience can determine a consumers satisfaction. Thus, it is said that both expected and experienced quality, and hence consumer satisfaction with the product, are only partly under the control of the producer, because both are affected by numerous other factors. [14]
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**The Consumer Buying Process**

![Diagram of the consumer buying process]

**Consumer buying behavior**

“The process by which individuals search for, select, purchase, use, and dispose of goods and services, in satisfaction of their needs and wants”. [13]

Consumer buying behavior and insights into the 'whys' of consumer behavior can be based on a set of factors. Purchase decision making pattern is a complex combination of needs and desires, and is influenced by factors such as consumer’s:

1. Societal role (parent, spouse, worker, etc.)
2. Social and cultural environment and norms
3. Aspiration and inhibitions [10]

Consumer purchasing can further be developed into three main categories:

1. Internal – attitude, knowledge, personality, lifestyle, roles, perceptual filter involvement
2. External – culture, groups, situation

All these factors work together and influence and form consumers and how they behave.

Most theories of consumer behavior assume that the consumer's choice among alternative products are based on comparison of products in a choice set. Evaluating multiple products versus a single product affects the consumers different. When consumers evaluate very different kind of products, they compare them at a higher level of comparison. For example, in this way a consumer is able to compare two dissimilar alternatives (such as dvd player and tickets to the ballet) on abstract values (such as potential for fun and enjoyment). Where products have to be compared that are more similar, concrete and comparable attributes like price tend to be more important. In contrast, when individual products are evaluated, the importance of attributes (creaminess, flavor) is influenced by the ease of evaluating each attribute by itself. [21]

To be able to answer this it will be necessary to take a deeper look into what the consumers base their food choices upon.

**Consumer needs or wants?**

Consumers buy products to satisfy basic functional needs. Satisfying these needs and the manner in which this is achieved, impacts on emotions. Beyond these basic needs, most of what the consumers purchase actually serves to satisfy desires rather than true needs. Thomson [7] points out that satisfying need is about protecting and nourishing the body. Satisfying desires is about protecting and nourishing the soul. So, what exactly are consumer needs? Needs are more general as they refer to basic human requirements like food, air, water, and clothing. Wants are much more specific and related to concrete objects that might satisfy the need. For instance, a consumer needs food, but wants a hamburger, apple or sandwich. Needs can originate from either an internal or external source. An internal perceived state of discomfort of the consumer, for example feeling hungry or bored, may arouse needs. Also external information may lead consumers to realize that they have a need. For example, an advertisement of multivitamins or the sight of the bakery with the fresh-baked bread can all serve as external stimuli that arouse the recognition of a need. [21]
So, does this imply that we can conclude that wants rather than needs are what driving consumer demands in the food industry?

Emotional consequences of products are obviously very important to consumers, perhaps even more than they are aware of themselves. For that reason Thomson [6] means that we would need to know about the emotional state of the individual at the start of the process; we would need to know where this individual wants to get emotionally in a particular set of circumstances (destination); we would need to know whether or not the brand or product has actually taken them there and, if not, where, if anywhere, it has taken them (the journey).

After getting an overview of factors related to consumer food decisions, we will next take a look at reactions and factors driving consumer responses to new products in the marketplace.

The voice of the consumer
The literature is filled with the recognition that the voice of the consumer is paramount. However, the voice of the consumer is only one of many considerations. Other considerations in a company can be sourcing, technological capabilities, competitive threats, etc. Some points of view that innovation means incorporating the consumers needs and wants into products. At the same time there are viewpoints that says that the consumer really does not know what is wanted and only react to what current 'is', and therefore suppresses true innovation. The understanding of marketplace success by listening to the consumer is not necessarily proven. First, a consumer typically know what is 'today', and do not know what will be tomorrow. They can evaluate, but this presupposes that the developer has already created something. Second, are macro-trends in the environment such as health. Third, there is the micro-economic climate of the company and competitive activity - are other companies marketing similar products? All influence product success. [20] But at the same time when it comes to successful new products it is the consumer who is the ultimate judge. Therefore, in order to develop successful new products, companies should gain a deep understanding of 'the voice of the consumer' and conduct consumer research to raise the odds of success in the market. Even though consumers may not always be able to express their wants, it is important to understand how they perceive products, how their needs are shaped and influenced and how they make product choices based on them. [21]

Consumer responses
In the marketplace a new product, or a product that appears as new, is judged by its appearance through its packaging rather than the actual product itself. The appearance of a product can be used as a means to induce novelty and a first-time purchase. Packaging is one of the extrinsic attributes that consumers tend to apply when relevant intrinsic attributes cannot be evaluated before the purchase of the food product. It can not be possible for customers to perceive a certain level of satisfaction, service quality and commitment before they actually experience a product.

Van Kleef, Van Trijp and Luning [21] argues that market researchers often assume that preference and perceptual judgments are closely linked. Market researches means that the rational for this is that if two products are perceived as very similar, they are similarly preferred. Perceptual differences when comparing different products can typically evoke visual salient and distinctive attributes that can be useful information when deciding how a product should look. Finding consumers preferences requires another approach because it includes other aspects of the products considered as important (the benefit the product will deliver them). This information is seen as valuable when developing new products,
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as consumer needs arising from preferences have a higher predictive validity for purchase than consumer needs arising from perception.

6. DISCUSSION

Fundamentally, the scientific research on food innovation is conducted to make an overview over and detect important factors that can influence product success. The most common approach for food companies is to include the consumer in the research phase where they listen to their needs and wants. However, this approach does apparently not work sufficiently when it comes to creating breakthrough products that is differentiated in the eyes of the consumer. Therefore it was conducted some research on the scientific field of consumer buying decision process. Research shows that consumers food decision making influences the success or failure of food products in the marketplace. Does not that indicate that this type of information and research is highly relevant to utilize more frequently by food companies when developing new products? The optimal approach to food innovation might be combining factors that influence consumer decision making into the consumer research process to get a greater understanding of consumer behavior and to be more able to meet consumer expectations more sufficiently. So, can we then conclude that food companies should incorporate consumer behavior when developing new products, to be able to create more successful products?

Consumer influence
Consumers establish relationship to products and that is highly relevant for a food company to achieve when launching new products to the market. Consumers influence play a big part in the product development process which is exactly why consumer research is so important. Consumer-oriented product development has gained increasing interest the last decade. Several researchers have presented how to include consumer research to the food development process and described factors affecting the consumer with the interest that companies will have a greater possibility to develop successful products. Yet, the high product failure rate suggests that maybe this information must be overlooked or underdeveloped.

In general, it appears like consumer research is well used in the new food product development process for most food companies. But note that although they conduct consumer research it seldom lead to product success. For a food company it is important to acknowledge and understand the major components of consumer behavior, not only consumer needs and wants. The success of a product relies on a proper understanding of the consumer benefits, choice processes and decision making. The understanding of how people link products to cultural, psychological and lifestyle factors in their choice process are valuable and vital information when developing new food products.

Categorize food products?
Food companies should aim to develop food products that is seen as valuable in the eye of the consumer to evoke and establish a long-lasting emotional relationship between person and product. Valuable products enrich a persons life and can increase the general experience of well-being and therefore lead to the crucial aspect to achieve product success, namely repurchase of the product. Considering the literature on food innovation they do not actually distinguish between different food types. It would be interesting to see if it would be possible to decrease the failure rate if dividing products in different categories and then approach them more directed. One can say that food is seen as one group and approached more or less in the same manner. Milk as meat, cheap as exclusive, everyday as special occasion products and so on. Maybe that is too simple and one of the reasons for creating unsuccessful products? If so, are there any specific ways that one should approach each food category? This might be an aspect that could be interesting to address in the future.
Consumer behavior
Many companies think that if they can provide the perfect product to the consumers, they will buy it. However factors influencing consumer behavior is not only the product itself but also internal, external and marketing factors. To create breakthrough products food companies must go beyond liking in the research phase and instead focus more and understand why people buy certain food products and also how a product is appreciated.

Taste is an important factor when we talk about food development, but can be misleading when it comes to product success. Taste is only one component of a products evaluation. People do not buy a product for its taste alone. They are buying intangibles assets as well which are not easy to identify unless the company makes behavioral research. It appears to me that companies are relying too much on the information available about the market and consumers at present time, instead of focusing on the future. Where do you want to take the consumer? Their future destination. By this statement I basically suggest that food developers in the identification stage should do research on consumer behavior for the purpose to explore consumer benefits. Explore what kind of benefits the consumers search for when consuming food. Behaviors are influenced by personal, social and cultural factors, by uniting these aspects they might represent a guiding principle that goes beyond what current is and reveal new types of consumer insights that can lead to more viable food products.

How approach consumer research?
To develop new food products are apparently not as easy as before. The consumers increasing expectations to quality and efficiency demands continuous innovations. Which means that if a company wants to develop viable products it will be necessary to offer products that goes beyond the functional characteristics to a product. This is to some extent, as I see it, the main problem that holds companies from developing successful products. Therefore I will in this paper propose that companies direct their focus more against developing user friendly products that simplifies the consumers everyday, and that adds an increased value and consequently creates great consumer satisfaction. Furthermore, another problem might be that developing products is not just all about creating a physical and concrete product any more, but also concerned about creating overall good experiences for the consumers. A product based on human experiences might be able to increase user satisfaction, and continuously make sure of improved consumer relationship, which again might increase the chances for product success. So, maybe this is the ideal approach that will to a greater extent make sure of product success?

How approach food innovation?
Investment into innovation and product development is apparently not an easy key to success in the food industry. So how should a food company approach the product development process? It has been pointed out that consumer research and insight is crucial to achieve product success. But how?

To better understand consumers it might be an idea to first uncover consumer segments in terms of combinations of food-choice motives. The question regarding which combinations of motives matters for which type of consumer seems to be of central relevance. After all, food choices are not made in isolation, but are likely to fit in a broader set of general values and life choices through which consumers create and maintain a consistent self-image. Second, a differentiated product should be developed to meet the experience and commercial requirements which collective achieve reach in desire for consumer and repeat of the experience across the purchase. In order to make this possible its necessary to identify the specifications for the product that will deliver the experience that changes behavior required for success reaching the consumer target. Consumer-oriented innovation is conducted in different and unique ways for every food company and it may not be correct to assume
that there will be only one exact way to approach this for an optimal effect and to achieve product success. Nevertheless, there are factors in consumer behavior that is meaningful to examine and that perhaps even assures the development of successful products.

Despite my best efforts in identifying indicators of product success, it is difficult to define objectively whether a company should be more innovative or not - and how exactly they should approach consumer insights. There are different opinions in the literature and among myself as to whether and how companies should approach this. Regarding success, many of the methods available and utilized today apparently is not working or are not utilized in its proper way. Either way, further research is needed to be able to answer whether or not differentiated products will lead to a higher success rate among food companies.

7. CONCLUSION

The aim of this paper is to increase the understanding on how a company can create breakthrough food products that becomes differentiated in the eye of the consumer. As seen from this paper, there are certain aspects regarding how to create breakthrough products that a food company might benefit from including in the development process. Such as:

- Combining factors that influence consumer decision making into the consumer research process
- Incorporate consumer behavior into the process
- Offer products that goes beyond the functional characteristics to a product
- To a greater extent base the product on human experiences

Determining the suitability of consumer research for innovative new food products is after all a challenge. Insights are not only needed in the early phase of idea gathering, it is also critical in later phases, and insights should be included in the total process. To rely exclusively on the research phase might be a bit risky if the goal is to create viable products. I will, however, suggest that they take into consideration the above-mentioned bullet points to be able to a greater extent lead a product towards success.
REFERENCES


