



Funded by the European Union's
Seventh Framework Programme



trafooon

Traditional Food Network to improve the transfer of knowledge for innovation

**Marketing strategies - importance of labelling
and trust in the supply chain**

Sociedade Portuguesa de Inovação (SPI)

Francisco Rocha | franciscorocha@spi.pt



Traditional Food Network to improve the transfer of knowledge for innovation

Content

- **Marketing**
 - The idea, the product/service and the market
 - 7 P's of Marketing
 - Supply Chain
 - Labelling and Trust
- **Good Practices**

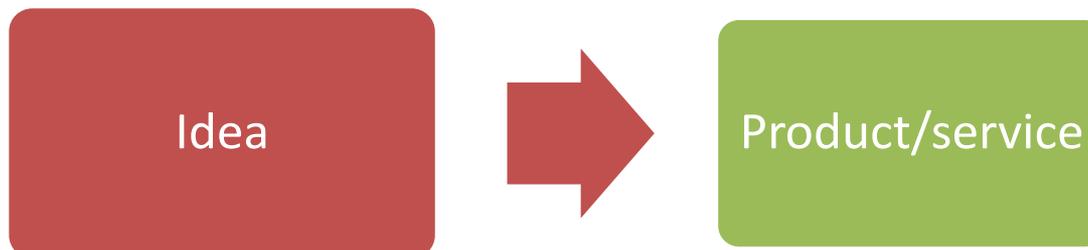


Funded by the European Union's
Seventh Framework Programme



MARKETING

The idea, the product/service and the market



In terms of marketing the products can be defined in two basic classes: Market pull and Product push.

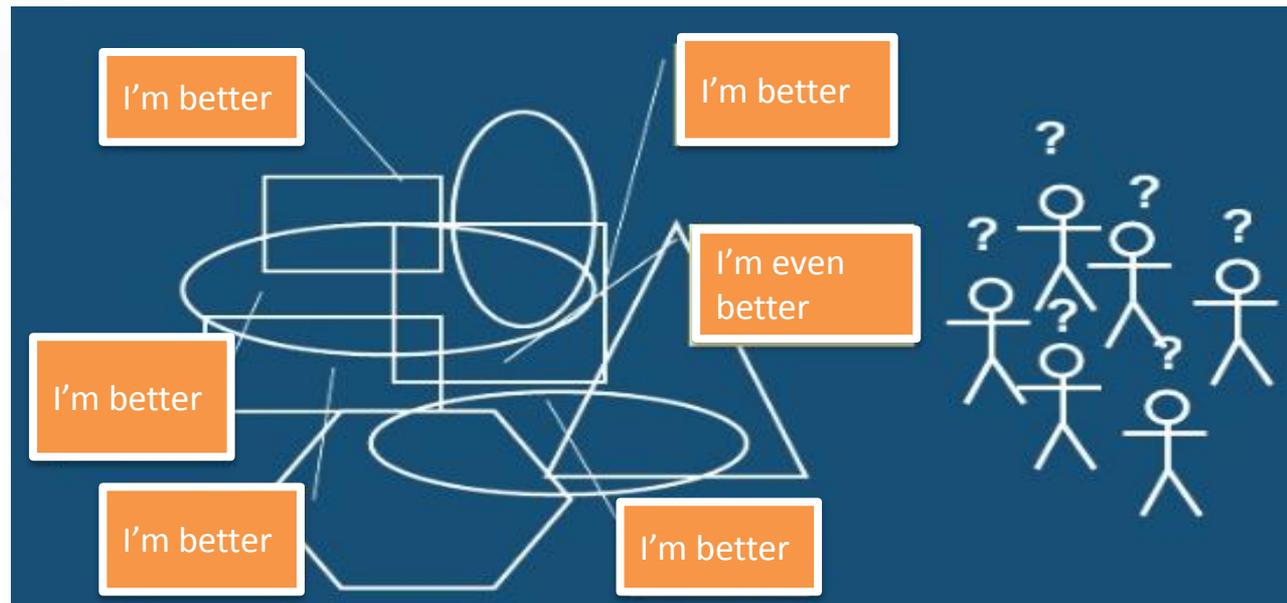
Market pull
<ul style="list-style-type: none">• Result of an unmet market need

Product push
<ul style="list-style-type: none">• Result of an invention or from the development for which it seeks to find an application.• Usually comes from company's research

The idea, the product/service and the market

When developing a new product, it can be totally new for the company or just similar to a product that already exist but in decline.

Business Model and Value Proposition: Why should someone buy my product?



The idea, the product/service and the market

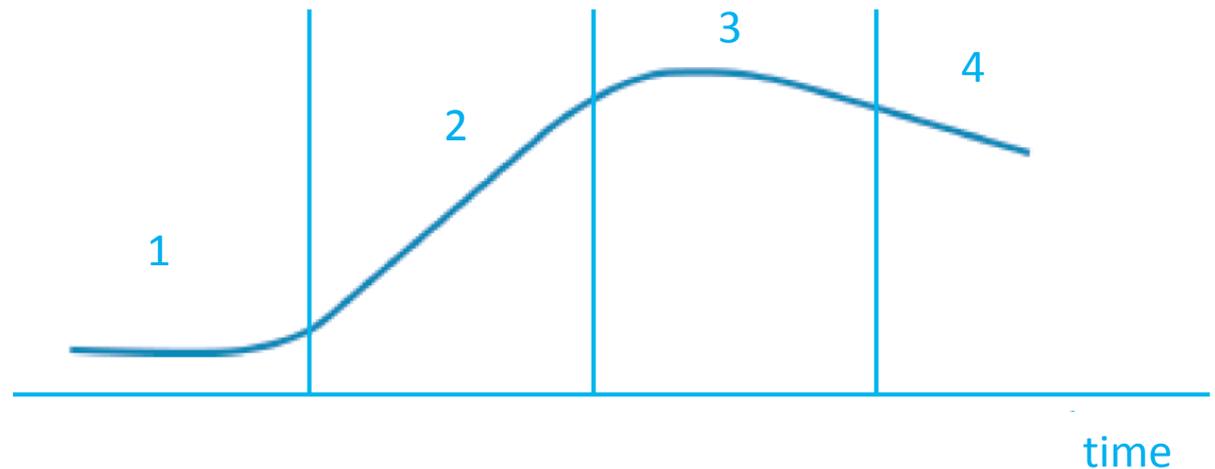
Analysis of underlying market: Description of the current situation, in order to understand the existing problems. The objective is to understand how the market works and what the most likely development scenarios.

- Analyze the surrounding environment of the company (contextual and transactional environment);
- Determine the current size and potential of the company;
- Segment the market: *What is the market share that the company aims to achieve? | Based on what criteria is made the division of the actual and potential market? | How are these segments quantified ?*

The idea, the product/service and the market

Alongside the size of the market, it is important to consider its development state. The typical steps are :

1. Introduction / Development
2. Growth
3. Maturity
4. Decline



7 P's of Marketing

There is a formula for the successful marketing. It is called, the **7 P's of Marketing**: product, price, promotion, place, packaging, positioning and people.

As products, markets, customers and needs change rapidly, you must continually revisit these seven Ps to make sure you're on track and achieving the maximum results possible for you in today's marketplace.

7 P's of Marketing

Product

To begin with, develop the habit of looking at your product as though you were an outside marketing consultant brought in to help your company decide whether or not it's in the right business at this time. Ask critical questions such as, **"Is your current product or service, or mix of products and services, appropriate and suitable for the market and the customers of today?"**



7 P's of Marketing

Prices

The second P in the formula is price. Develop the habit of **continually examining and re-examining the prices of the products and services** you sell to make sure they're still appropriate to the realities of the current market. Sometimes you need to lower your prices. At other times, it may be appropriate to raise your prices.



7 P's of Marketing

Promotion

The third habit in marketing and sales is to **think in terms of promotion all the time**. Promotion includes all the ways you tell your customers about your products or services and how you then market and sell to them.

Small changes in the way you promote and sell your products can lead to dramatic changes in your results. Even small changes in your advertising can lead immediately to higher sales. Experienced copywriters can often increase the response rate from advertising by 500 percent by simply changing the headline on an advertisement.



7 P's of Marketing

Place

The fourth P in the marketing mix is the place where your product or service is actually sold. Develop the habit of **reviewing and reflecting upon the exact location where the customer meets the salesperson**. Sometimes a change in place can lead to a rapid increase in sales.



7 P's of Marketing

Packaging

The fifth element in the marketing mix is the packaging. Develop the habit of **standing back and looking at every visual element in the packaging** of your product or service through the eyes of a critical prospect. Remember, people form their first impression about you within the first 30 seconds of seeing you or some element of your company. Small improvements in the packaging or external appearance of your product or service can often lead to completely different reactions from your customers.

7 P's of Marketing

Positioning

The next P is positioning. You should develop the habit of **thinking continually about how you are positioned in the hearts and minds of your customers.**

How do people think and talk about you when you're not present? How do people think and talk about your company? What positioning do you have in your market, in terms of the specific words people use when they describe you and your offerings to others?



7 P's of Marketing

People

The final P of the marketing mix is people. Develop the habit of **thinking in terms of the people inside and outside of your business** who are responsible for every element of your sales and marketing strategy and activities.



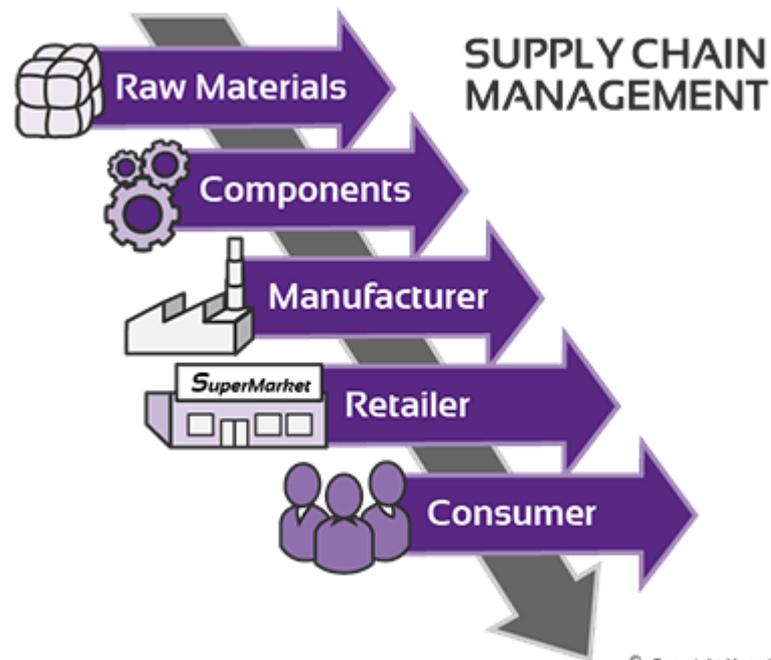
Supply Chain

A **supply chain** is a system of organizations, people, activities, information, and resources involved in moving a product or service from the supplier to the customer.

Supply chain activities involve the transformation of natural resources, raw materials, and components into a finished product that is delivered to the end customer. In sophisticated supply chain systems, used products may re-enter the supply chain at any point where residual value is recyclable.

Supply Chain

Supply chains include every company that comes into contact with a particular product. For example, the supply chain for most products will encompass all the companies manufacturing parts for the product, assembling it, delivering it and selling it.



Labelling and Trust

Product packaging goes beyond a box, playing a key part in everything from product handling to brand representation. For most companies this affects more than sales, most importantly supply chain management and product traceability.

Packing and the supply chain affect quality, dependability, speed, flexibility and even the cost of a product, while also having an impact on the product life cycle.

For companies looking to optimize all of these factors and place a larger responsibility on their supply chain, **labeling may be the answer.**



Labelling and Trust

One of the key improvements businesses can make in their supply chain management is **enhancing product traceability**. Traceability takes transportation, inventory and manufacturing into account while playing a role in overall cost (**through packaging**).

Maintaining control over labeling has become an even greater issue as supply chains have become increasingly more global and as contract manufacturing has become a standard way of doing business.

Source:

www.loftware.com/resources/Article-Promoting-Brand-Labeling-Across-Supply-Chain.cfm

Labelling and Trust

*Supply chain competitive advantage is highly connected with **establishing and nurturing trust** among the involved organizations (Barney, Hansen, 1994)*

Trust can improve the chances of a successful supply chain relationship among the organizations; if not, transaction costs can rise through poor performance.

Trust in a supply chain evolves based upon commonalities among the partners and can take patience and time to develop.

Verification through supplier certification or internal verification testing is also a good approach.

Labelling and Trust

In order to credibly support gluten-free claims, companies must control gluten at every step of the supply chain → this could involve assessments of processes and sub-ingredients, supplier certification and an internal monitoring program, pre-shipment verification testing and certificates of authenticity.

Gluten-free products, ingredients, and processes must be segregated. This includes separate ingredient storage, product warehousing, distribution, preparation, and processing as well as personnel, equipment, and smallwares dedicated only to gluten-free processing.

Labelling and Trust

Gluten-free - Labelling Regulation

European Commission Regulation No 41/2009 concerns the composition and labeling of foodstuffs suitable for people intolerant to gluten.

To use the term gluten-free on its label, a **food must meet all of the requirements of the definition**, including containing less than 20 parts per million (ppm) of gluten. The rule also requires foods with the claims “no gluten,” “free of gluten” and “without gluten” to meet the definition for gluten-free.

Labelling and Trust

Gluten-free - Labelling Regulation

Some regions allow more than one level of “gluten-free” claim. In **Europe**, foods containing less than 100 ppm can bear the term “very low gluten” and in **Australia and New Zealand**, food containing less than 200 ppm of gluten can be labeled “low gluten.”

Products that *can* use “gluten-free”

- Foods that inherently do not contain gluten (e.g. raw carrots or grapefruit juice)
- Foods with ingredients that are gluten-containing grains that have been refined to remove the gluten as long as the food contains less than 20 ppm gluten (e.g. wheat starch)

Products that *can't* use “gluten-free”

- Foods with any whole, gluten-containing grains (e.g. spelt wheat) as ingredients
- Foods with ingredients that are gluten-containing grains that are refined but still contain gluten (e.g. wheat flour)
- Foods that contain 20 ppm or more gluten as a result of cross-contact with gluten-containing grains

Labelling and Trust

Gluten-free - Labelling Regulation



GLUTEN FREE

Source: www.snacksense.com



Gluten free

Source: www.foodrecallmonitor.com



Source: www.prevention.com



Source: www.bakeryandsnacks.com



Source: www.takepart.com

Labelling and Trust

Gluten-free - Product Differentiation

- Relevance of the meaning of gluten-free has across the food industry, and particularly the consumers.
- For a product to **use the term gluten-free on its label**, a food must meet all of the legal requirements.
- Consumers are now trying to avoid gluten-based products for healthy reasons.
- Focus on a **specific market niche (gluten-free)** that is growing rapidly.



Funded by the European Union's
Seventh Framework Programme



GOOD PRACTICES

SCHAR

SCHAR was founded in 1922 with the aim of making products to support a healthy diet. In 1981, the company launched first comprehensive gluten-free product line in close collaboration with doctors and celiac support groups. In only a few years, the company succeeded in becoming Italy's gluten-free market leader.

The company also guarantees the highest of safety standards in the manufacturing of its products.



SCHAR

“Our quality is not simply based on a monitored raw ingredients chain. Every single stage of the production process is also monitored. Our highly specialized industrial processes are based on complex production techniques we have mostly developed ourselves.”

Schar built the strong relationships that exist with its business associates and partners. The trust underlined with the consumers, customers and employees is the key to the company’s success.

Schar is now a market leader in gluten-free food products.





Funded by the European Union's
Seventh Framework Programme



trafooon

Traditional Food Network to improve the transfer of knowledge for innovation



trafooon

Traditional Food Network to improve the transfer of knowledge for innovation