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Traditional Food Network to improve the transfer of knowledge for innovation



**Support of Entrepreneurship and Enhancing
of Competitiveness in the Fish Sector**

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João Gonçalves - SPI
07-03-2017



General Information


- Name: **TRAFOON**
- “Traditional Food Network to improve the transfer of knowledge for innovation”
- Period: 01.11.2013 – 31.10.2016
- Project duration: 36 months
- Consortium: 29 partners from 14 European countries

Scope: TRAFOON addressed SMEs from the sector of four product groups, which play a key role in the value chain of traditional food:

- Grain
- Vegetables & Mushrooms
- Sweet Fruits & Olives
- Fish




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Multi-component approach

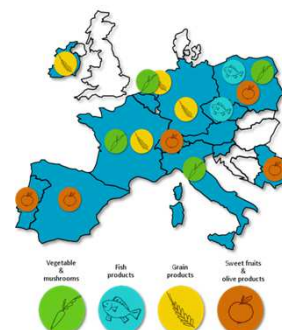
- **TRAF00N** was a network of **research institutions, technology transfer agencies and SME associations** with the aim to secure the knowledge transfer and implementation of already existing innovations regarding traditional foods to SMEs in order to establish sustainable and innovative processes and technologies thus improving the **quality, safety and environmental performance** of traditional food products.
- This was achieved via a multi-component approach



TRAF00N Consortium overview

29 partners from **14 European countries**: Austria, Belgium, Czech Republic, France, Germany, Ireland, Italy, the Netherlands, Poland, Portugal, Serbia, Slovenia, Spain and Switzerland

- 9 Universities
- 9 Research institutions
- 5 Technology transfer agencies
- 5 SMEs associations
- 1 European food industry association



Partners of TRAF00N

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TRAF00N Book

Consumer-oriented book containing information about traditional dishes from all TRAF00N food categories.

The book includes short stories or descriptions and recipes, as a measure of **raising awareness and promoting** those products.

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TRAFOON Info Shop

Available in English,
German and French at
www.trafoon.eu



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Preserving knowledge

Although **TRAFOON** has come to a close, it did not stop...

In order to preserve gained knowledge throughout the TRAFOON project, it is being transferred and applied to new projects.

This is being made by **extending the network** with partners from industry and academia that share our vision.

trafoon
Traditional Food Network to improve the transfer of knowledge for innovation



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ISEKI Food Association

New projects

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spi Sociedade Portuguesa de Inovação

SPI (b. 1997) is an international consultancy firm with offices in Portugal, Spain, the United States, China, Brussels and operations in a wide range of countries.



SPI's mission is the management of projects which foster innovation, entrepreneurship, promote international opportunities and strategic partnerships.

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The SPI Group's structure is composed of three main pillars that enable us to provide a unique portfolio of activities and services:



INNOVATION



SCIENCE AND TECHNOLOGY



TERRITORY

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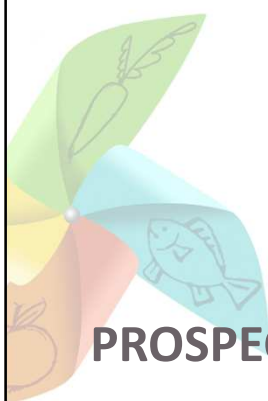
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University of South Bohemia
in České Budějovice
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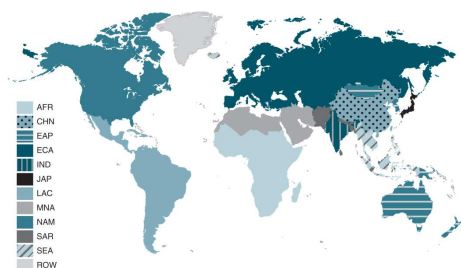
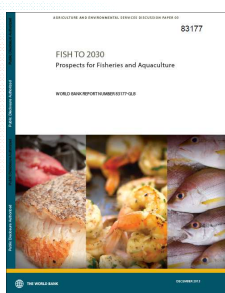


PROSPECTS FOR AQUACULTURE



FISH TO 2030 – World Bank Report

- The “Fish to 2030” FAO & World Bank* report offers a global overview and makes projections of fish supply and demand by 2030
- The study employs a global, multimarket predictive model (IMPACT model), developed by the International Food Policy Research Institute



IMPACT covers the world in several model regions for a wide range of agricultural and fish products

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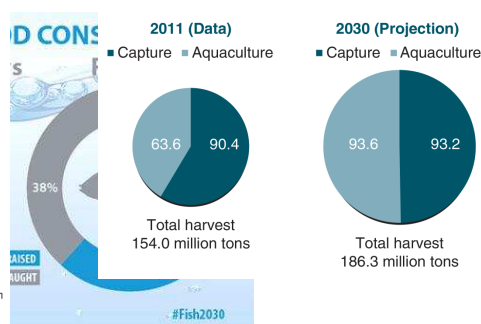
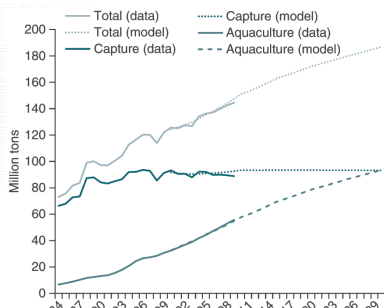
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*actually the International Food Policy Research Institute (IFPRI), the FAO, the University of Arkansas at Pine Bluff, and the World Bank

Production by 2030

- Aquaculture share in global supply will expand to the point where capture fisheries and aquaculture will be contributing equal amounts by 2030
- Aquaculture is projected to supply over 60% of fish destined for direct human consumption



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Consumption by 2030

- 80 % of the fish produced globally is consumed by people as food and it is not expected to change into 2030

	DATA (KG/PERSON/YEAR)		PROJECTION (KG/PERSON/YEAR)			ANNUAL GROWTH RATE	
	2000	2006	2010	2020	2030	2000-06 ^a	2010-30 ^b
Global average	15.7	16.8	17.7	18.2	18.2	0.3%	0.3%
ECA	17.0	18.5	17.7	18.2	18.2	0.2%	0.2%
NAM	21.8	24.3	22.2	22.2	22.2	0.7%	0.7%
LAC	64.7	63.7	62.2	62.2	62.2	-2.2%	-0.2%
CHN	25.9	25.9	25.9	25.9	25.9	0.7%	0.7%
JAP	8.5	11.4	11.4	11.4	11.4	1.8%	1.8%
IND	4.5	5.0	5.0	5.0	5.0	0.8%	0.8%
SEA	8.7	8.7	8.7	8.7	8.7	0.0%	0.0%
MNA	7.0	7.0	7.0	7.0	7.0	-1.0%	-1.0%
AFR	7.0	7.0	7.0	7.0	7.0	0.1%	0.1%
ROW	7.0	7.0	7.0	7.0	7.0	0.1%	0.1%

Increasing trend in Europe and Central Asia

The trend is diverse across regions

Fish consumption is projected to increase from 17.7 kg in 2010 to 18.2 kg in 2030

Highest grow is expected in South Asia

Asia is expected to represent 70% of global fish consumption

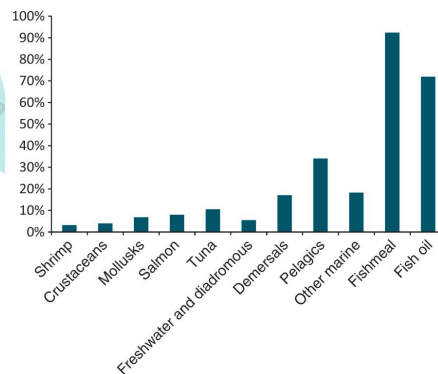
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Note: ECA = Europe and Central Asia; NAM = North America; LAC = Latin America and Caribbean; CHN = China; JAP = Japan; EAP = other East Asia and the Pacific; SEA = Southeast Asia; IND = India; SAR = other South Asia; MNA = Middle East and North Africa; AFR = Sub-Saharan Africa; ROW = rest of the world.

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Trade & Prices by 2030

- Prices of all fish and fish products are projected to increase between 2010-2013
- Prices of fishmeal and fish oil will rise substantially more than those of fish for direct consumption



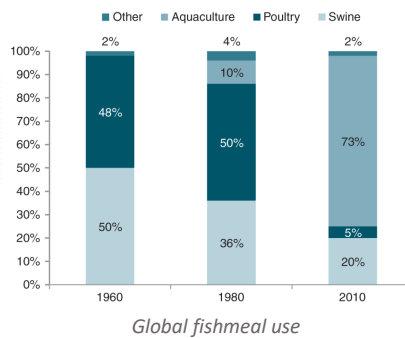
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Fishmeal & Oil by 2030

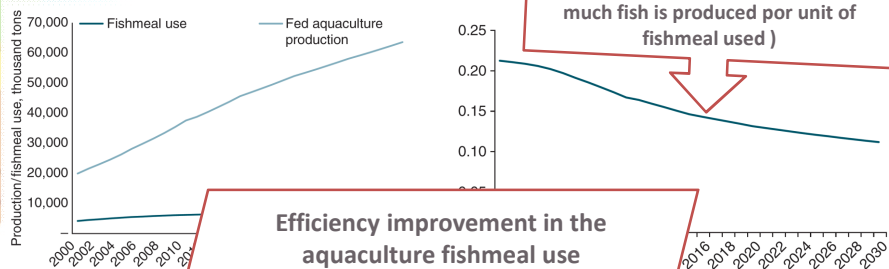
- ≈ 20 % of total fish produced is used for fishmeal and fish oil production and the proportion is expected to remain unchanged into 2030
- The importance of aquaculture in fishmeal use has grown substantially and it now represents more than 70%



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Fishmeal & Oil by 2030

- Latin and Caribbean Countries account for 40% of production while China accounts for 40% of consumption
- The projected growth in fed aquaculture is much faster than the projected growth in fishmeal use in aquaculture.



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Conclusions

- ✓ Aquaculture will continue to fill the gap between expanding demand and stable capture fisheries (and decreasing stocks).
- ✓ Beyond 2030, aquaculture will dominate the market supply.
- ✓ Investments in aquaculture must be undertaken with consideration of the entire value chain.
- ✓ Further technological innovations expected in aquaculture feeds, genetics and breeding, disease management, product processing, and marketing and distribution.



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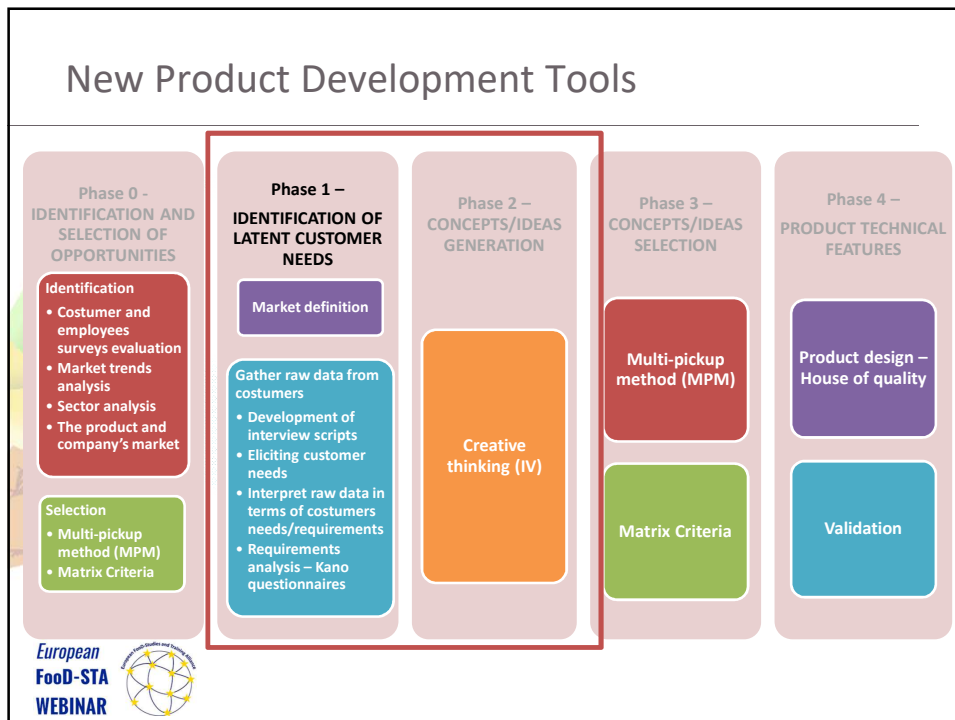
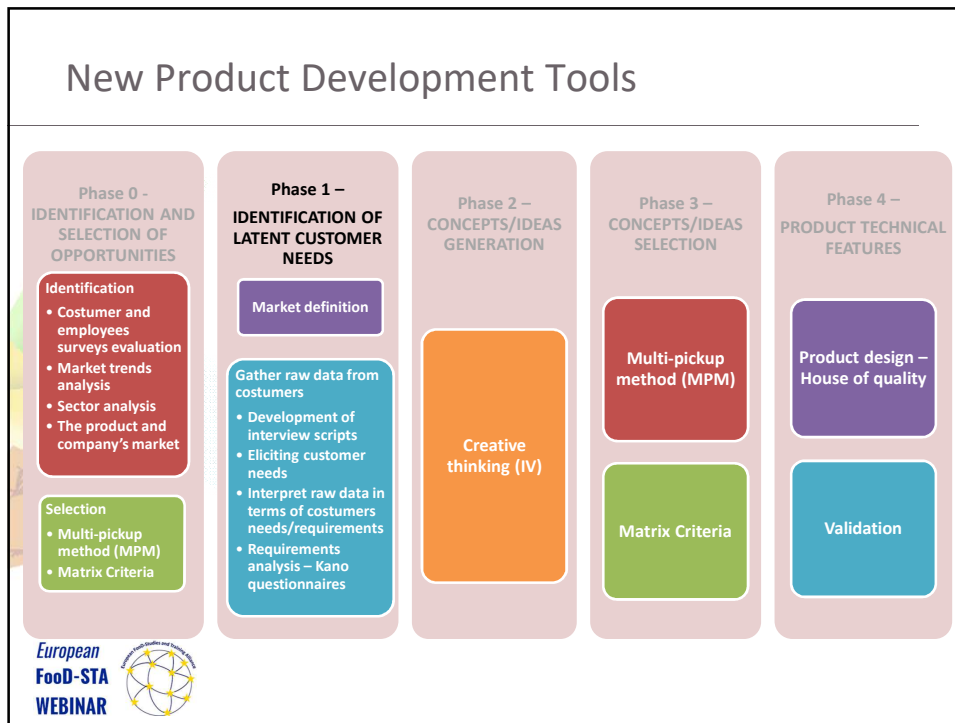


MARKET ASSESSMENT

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New Product Development Tools

1 - IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM COSTUMERS
- DEVELOPMENT OF INTERVIEW SCRIPTS

Market Segmentation

- A careful selection of a group of customers to listen establishes the starting point to define the concept of the winning product. So a group of customers to listen should be identified::
 - Direct customers or end users: direct customer of the business or end users of the products.
 - Influencers/stakeholders: People connected to the sector or to a parallel one whose opinion hits customers/market.
- Among these respondents should be preferably selected people who are "opinion makers", i.e., that have the ability to anticipate what is likely to be a major consumer product.



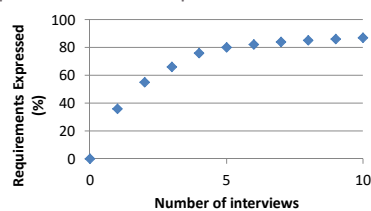
New Product Development Tools

1 - IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM COSTUMERS
- DEVELOPMENT OF INTERVIEW SCRIPTS

Market Segmentation

- The number of interviews depends on the quality of respondents/interview results, and typically a number between 20 and 30 is sufficient. The methodology states that should be conducted as many interviews as necessary, until a point where a new interview does not result in the identification of more expressed requirements for the product concerned.

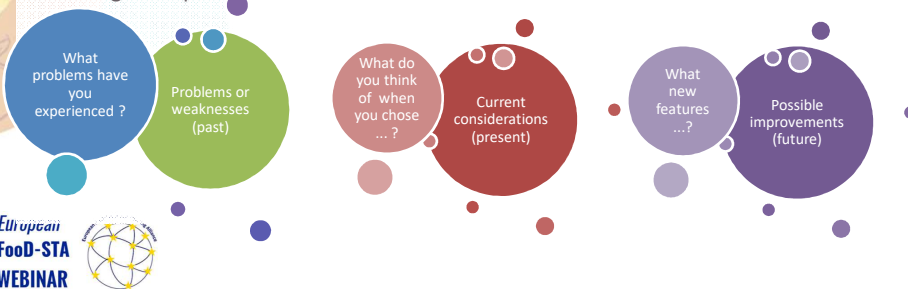


New Product Development Tools

1 - IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM CUSTOMERS
- DEVELOPMENT OF INTERVIEW SCRIPTS

Different types of scripts should be prepared for interviews, one for each type of customers to listen. Thus, distinct questions should be asked to each player in the purchase and use of products process, regarding the collection of a wide range of inputs.



New Product Development Tools

Clients	Retailers	Stakeholders
Which image is suggested by the use of ... ?	What are the customer's preferences in the field of ...?	How has the ... evolved?
Which are the problems that you have experienced ...?	Which criteria do you use to select a product?	Which are the criteria to chose...?
In which do you think when you chose ... ?	What do you value in...?	What to you think of ...?
Which new features ...?		



New Product Development Tools

1 – IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM COSTUMERS
- ELICITING COSTUMER NEEDS

The various interviews should be transcribed and analyzed thoroughly in order to extract from them the "voice of customer", expressing their manifest or latent needs or desires. The analysis of needs resulting from interviews to different types of costumers/users can be handled separately, since they often express many aspects related to the service associated with the company's own products.

New Product Development Tools

1 – IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM COSTUMERS
- INTERPRET RAW DATA IN TERMS OF COSTUMERS NEEDS

After the extraction of the 'voices of customers', key points must be defined to proceed to the definition of requirements for each item. However, it is necessary to take into account the fact that the requirements should be clear, specific, defined in the space of needs and not impose solutions. Thus, expressions such as "should", "not", "must", "and", should be avoided.



New Product Development Tools

Voices	Images	Key-points	Requirements
To learn something	Books	education	Having relevant / scientific information about fishing, etc.
To eat healthy food	Omega 3	Health	Have salubrious processes and nourishing components
Having a joint meal	group	socialize	Market group meals
The marriage of fish and wine	education	Food and wine	Pre knowledge
Visit a new country	travelling	discovering	Having cultural content

New Product Development Tools

1 – IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM CUSTOMERS
- REQUIREMENTS ANALYSIS – KANO QUESTIONNAIRE (1st step)

The Kano Questionnaire is the method to be used in order to obtain a proper categorization of customer requirements. Customer requirements that were previously extracted from the voices of customers must undergo evaluation by a group of respondents.

The Kano model is based upon the following premises:

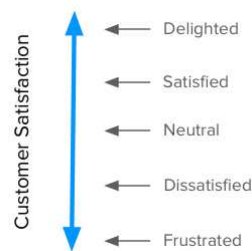
- Customers' **Satisfaction** with our product's features depends on the **level of Functionality** that is provided (how much or how well they're implemented);
- **Features can be classified into four categories;**
- You can **determine how customers feel about a feature through a questionnaire.**

New Product Development Tools

1 – IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM CUSTOMERS
- REQUIREMENTS ANALYSIS – KANO QUESTIONNAIRE (1st step)

Main Goal: **Satisfaction**. Kano proposes a dimension that goes from total satisfaction (also called *Delight* and *Excitement*) to total dissatisfaction (or *Frustration*).



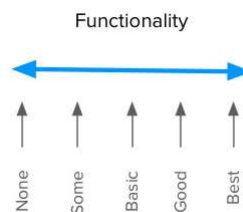
Source: <https://foldingburritos.com/kano-model>

New Product Development Tools

1 – IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM CUSTOMERS
- REQUIREMENTS ANALYSIS – KANO QUESTIONNAIRE (1st step)

Then there is **Functionality** – it represents how much of a given feature the customer gets, how well we've implemented it, or how much we've invested in its development.



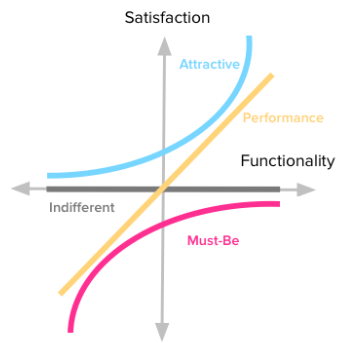
Source: <https://foldingburritos.com/kano-model>

New Product Development Tools

1 – IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM COSTUMERS
- REQUIREMENTS ANALYSIS – KANO QUESTIONNAIRE (1st step)

Kano classifies the features into four categories, depending on how customers react to the provided level of Functionality.



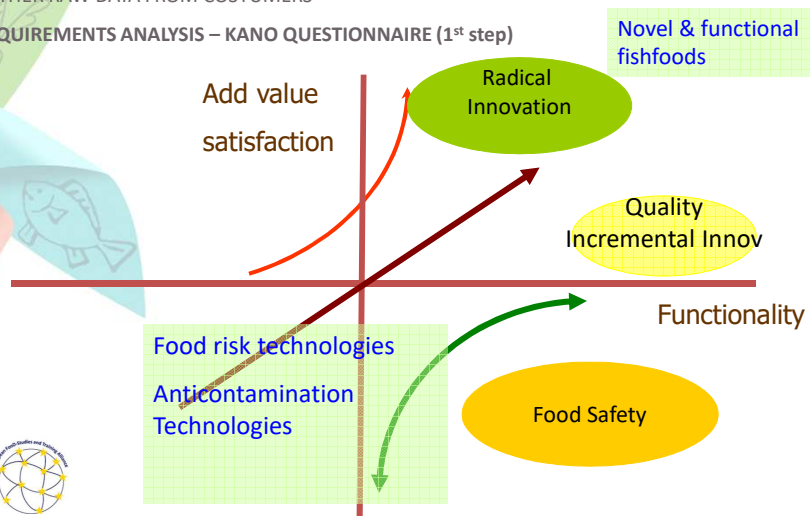
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New Product Development Tools

1 – IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM COSTUMERS
- REQUIREMENTS ANALYSIS – KANO QUESTIONNAIRE (1st step)



New Product Development Tools

1 – IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM COSTUMERS
- REQUIREMENTS ANALYSIS – KANO QUESTIONNAIRE (2nd step)

The respondents will be asked how they would feel in the absence and presence of each requirement (functional and dysfunctional analysis):

If the product ... how would you feel?

- Like it (1)
- Obligatory (2)
- Neutral (3)
- Tolerable (4)
- Don't like it (5)

If the product don't ..., how would you feel?

- Like it (1)
- Obligatory (2)
- Neutral (3)
- Tolerable (4)
- Don't like it (5)



New Product Development Tools

1 – IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM COSTUMERS
- REQUIREMENTS ANALYSIS – KANO QUESTIONNAIRE (2nd step)

The respondents will be asked how they would feel in the absence and presence of each requirement (functional and dysfunctional analysis):

	Like it (1)	It must be (2)	Neutral (3)	Tolerable (4)	Don't like (5)
If the fish product has eco-label - how would you feel?					
If the product doesn't have eco-label how would you feel?					
...					



New Product Development Tools

1 – IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM COSTUMERS
- REQUIREMENTS ANALYSIS – KANO QUESTIONNAIRE (2nd step)

After asking our customers (or prospects) these two questions, and getting their answers, we are now able to categorize each feature.

We do this through an evaluation table that combines the functional and dysfunctional answers in its rows and columns (respectively,) to get to one of the previously described categories. Each answer pair leads to one of those categories and a couple more that come from using this question format.

		Dysfunctionality (feature absent)				
		Like it	Obligatory	Neutral	Tolerable	Dislike
Functionality (Feature present)	Like it	Q	A	A	A	P
	Obligatory	R	Q	I	I	M
	Neutral	R	I	I	I	M
	Tolerable	R	I	I	Q	M
	Dislike	R	R	R	R	Q



Source: <https://foldingburritos.com/kano-model>

New Product Development Tools

1 – IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM COSTUMERS
- REQUIREMENTS ANALYSIS – KANO QUESTIONNAIRE (2nd step)

After tabulating and processing our results we should be able to categorize our features and get insights into the best way to prioritize them.

You'll end up with a table like this one:

Feature	M	P	A	I	R	Q	Total	Final Category
Feature 1	9	2	1	1		2	15	M
Feature 2	2	11		2			15	P
Feature 3	2	2	8		3		15	A
...								...



Source: <https://foldingburritos.com/kano-model>

New Product Development Tools

1 – IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM COSTUMERS
- **REQUIREMENTS ANALYSIS – KANO QUESTIONNAIRE (2nd step)**
- Once classified all customer requirements, respecting the ranking, attention must paid to Attractive, One-dimensional and Mandatory:
 - Obey the mandatory requirements (“must-be”)
 - Being competitive in dimensional requirements (“performance”)
 - "Enchant" the customer with attractive requirements.

New Product Development Tools

1 – IDENTIFICATION OF LATENT CUSTOMER NEEDS

- GATHER RAW DATA FROM COSTUMERS
- **REQUIREMENTS ANALYSIS – KANO QUESTIONNAIRE (2nd step)**

IMPORTANT NOTE

Kano Questionnaires can be divided in two, one relating to requirements for distributors/vendors and another for users/influencers. It should be circulated among the elements already interviewed and others whose opinion is considered appropriate. In the case of the questionnaire related to the requirements of users/influencers it must be submitted to a broader universe.

New Product Development Tools

2. CONCEPTS/IDEAS GENERATION

CREATIVE THINKING

- In this phase, the goal is to achieve new ideas from product requirements.
- For this you can even involve elements external to the company to come up with concepts of high potential – open innovation.
- This is a method a lot of companies are pursuing at the moment, because of a phenomenon called Satisficing.
- There is a process of conformation to early solutions to a problem.
- To counter this type of behaviour one should seek to create an enabling environment to generate ideas, using some tools of creativity.



New Product Development Tools

2. CONCEPTS/IDEAS GENERATION

Brainstorming – what product can you create fulfilling the product identified requirements?

Product Requirements	Ideas
Eco-label	1.
Sustainable processes	2.
Different qualities available	
Cheap fish	
Ready to eat	
No spines	
...	





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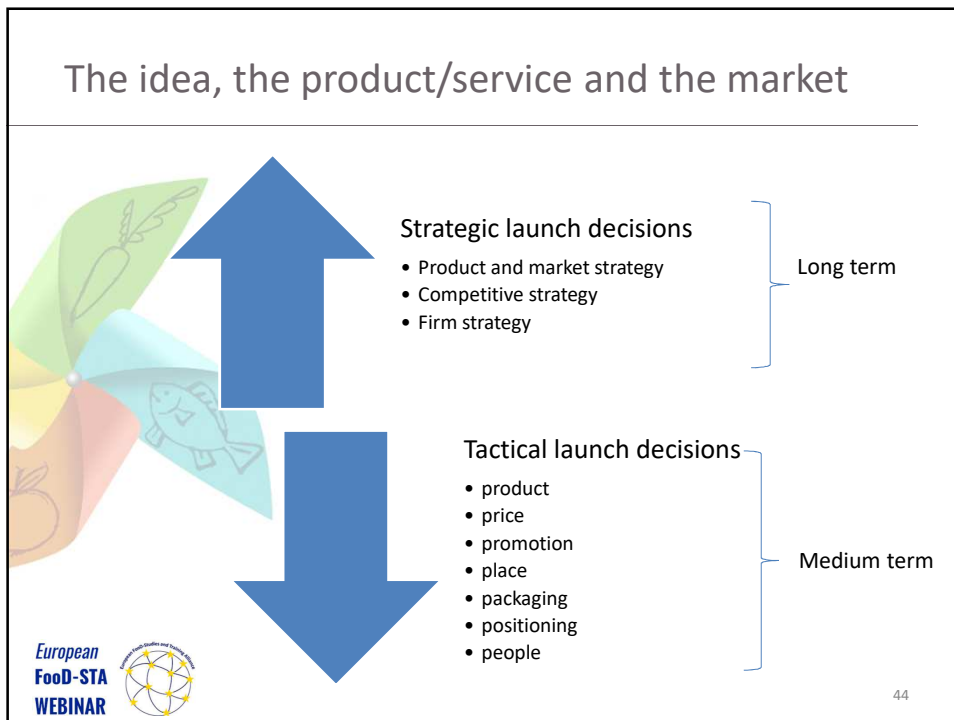
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The idea, the product/service and the market



Strategic launch decisions

- Product and market strategy
- Competitive strategy
- Firm strategy

Long term

Tactical launch decisions

- product
- price
- promotion
- place
- packaging
- positioning
- people

Medium term

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The idea, the product/service and the market

Produce what you can sell and grow the market

Marketing has been viewed as selling what you have. Modern marketing methods take a very different approach – they concentrate on producing what can you sell.

The idea, the product/service and the market

This means that you need to do some homework

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

The underlying market analysis is essential to support the viability of the idea/product in question.

- **Consumer behavior:** *Who are the consumers? | Where, when and how much they consume? | What are your motivations to consume product? | What is the psychological value they attach to the product?*
- **Purchase Behavior:** *Who, where and when will the actual customers buy? | Who are the real influencers of purchase?*

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The idea, the product/service and the market

Competition analysis: understanding the challenges

- *Identification of the main competitors (geographical location, activity and market history)*
- *Current market shares and its evolution (in volume and value terms)*
- *Notoriety of each competing brands;*
- *Strategic positioning of competition*
- *Competitors marketing-mix policy*

7 P's of Marketing

Marketing is an essential component and requires a plan

There is a formula for the successful marketing. It is called the **7 P's of Marketing**:

- product
- price
- promotion
- place
- packaging
- positioning
- 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.

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7 P's of Marketing

Example

Considering a company that sells fish.

- The **Product** itself is the fish.
- The fish (kgs?) has a price.
- The distribution company and the retailer (a supermarket) are the **Place(s)**.
- **Promotion** is the business of communicating with the customer.
- **Packaging** is about all the visual elements related to the company and the product – the fish wrapped in cellophane, the label, the colours, etc.
- **Positioning** is about how the customer perceives the product.
- **People** – the ones actually delivering the service or selling the product to customers.

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7 P's of Marketing

Product

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

Price

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.



Good Practices – AlgaPlus



Small portuguese company (b. 2012) devoted to the research and production of seaweed and seaweed based products in controlled environment and with organic certification (<http://www.algaplus.pt/>)

AlgaPlus had a problem because seaweed is a product that the Portuguese people is not used to consume on its own.

After some market research, they used a creative approach and came up with the idea of incorporating seaweed into typical Portuguese meals like cod fish.

Good Practices – AlgaPlus



"Our strategy is not to do all possible products with seaweed, but contact companies so that they incorporate the algae in their products, enriching the products they already produce (...) while promoting the ALGAplus brand, as well as associating the quality assurance transmitted by the brand..."

New Product Development: Pre-cooked meal of cod with algae

Choosing which seaweed to use

Garanting the quality of the product

Choosing the packaging

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Thank you for your attention!

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