

## EIT Food RIS Consumer Engagements Labs - benefits for scientific organisations

*Consumer Engagement Labs* are co-creation workshops for the food industry. It is an innovative form of cooperation between food producers and consumers — in case of the 2019 pilot Labs, the Labs participants were seniors, consumers aged 65+, and local companies representing different segments of the food industry: retailers, producers and innovative start-ups. The consortia also included scientific institutions and NGOs. The goal is to jointly create a new, exciting food product that would meet the requirements of target consumers.

*“As the project name suggests, it is a laboratory for consumers, a social experiment offering opportunities to explore behaviours, perceptions and decision-making processes. It draws on insights from ethnography, psychology, sociology and innovation management. Through participation, we are able to stimulate creativity of senior consumers, who develop ideas for new food products”* — explains Magdalena Zatorska, an expert in the field of cultural anthropology at University of Warsaw, one of the designers of CEL workshops. This is the first and the most important benefit for the participating scientific institutions: they were granted access to a new, inspiring methodology that could be used in consumer research.

*“Our methodology is indeed very innovative and unique. Some of external experts, reviewing workshop scripts prepared by us, did not believe that we could actually succeed in implementing it. But we’ve made it, and a great part of this success is due to the professional approach of our local partners, scientific organisations implementing workshops in each country”* — says with excitement Prof. Krzysztof Klincewicz from University of Warsaw, coordinator of CEL.

What are the unique aspects of CEL methodology? Qualitative insights into consumer preferences and behaviours tend to be restricted to interviews or focus groups, meetings of 2-3 hours involving 5-6 consumers on average. CEL was completely different: a deeply engaging, intensive process, which lasted two days, separated by an interval used for homework assignment, and resulting in deeper insights about consumer behaviour and preferences. *“We designed a process which generated a feeling of genuine psychological attachment to the project among participants. The consumer groups were also large for industry standards: 15-20 persons in each country”* — says Prof. Klincewicz.

Participants loved the workshops — as the designers and implementing organisations repeatedly say. People were meeting new friends, exchanging phone numbers and later befriending them on social media (yes, surprisingly many seniors were using smart phones, social media accounts and instant messengers!). When the workshops were finished, some consumers were asking the organizers if they could not come again next week — they wanted this inspiring process to continue further.

The researchers implemented sophisticated projective techniques. For example, workshop participants did not talk about themselves, but rather about imagined personas from the photographs that researchers had shown to them. A nice lady from the picture was

assumed to keep a cat in her house and spend a lot of time buying cat food. Through careful moderation of the group process, the participants were able to unleash their creativity and talk freely about expectations and challenges faced by elderly consumers. The design of the workshops had to be fine-tuned for seniors. „*The description of the tasks we asked them to do had to avoid all forms of technical jargon. The communication should be easily understood and shouldn't block the will to speak*” — explains Magdalena Zatorska. The researchers had to walk a very narrow path: on one hand, they had to avoid being paternalistic and treating seniors like children. On the other hand, the tasks could not be too difficult or technical. The goal was to engage the participants, enabling them to unleash their creative potential. The outcome was an astounding success. The numbers and quality of new product ideas proposed in each workshop prove that the researchers made the right methodological choices.

Cultural differences between countries in which pilot workshops were held in 2019 became very apparent. Consumers in each country reacted differently to the same set of tasks. The Spaniards appeared to have a lot of fun with serious games designed by researchers. The Polish seniors also seemed to be content with them, while the Lithuanians were rather quiet and least eager to speak. „*Of course, we are going to analyse this aspect of consumer behaviours. The sense of humour and concepts of fun are directly related to the broader cultural context*” — Prof. Klincewicz explains.

Another unique aspect of CEL was that it aimed to create a connection between representatives of private companies and their consumers. “*We expected this interaction to create a new quality through the so-called co-creation process, when value is created jointly by consumers and producers*” — adds Dr. Rafał Bakalarczyk, a socio-gerontologist from University of Warsaw.

The creators believe that methodology prepared for CEL is universal and can prove useful for other researchers in the future. It can be adapted for different demographic groups of consumers, going beyond the market for seniors. While CEL is specifically tailored for elderly consumers and leverages insights relevant to this customer group, the researchers have collected valuable lessons learned about how to stimulate interactions between scientific organisations, companies and consumers. “*In 2020, we are going to further refine our conceptual model and compare data from various countries. We are thrilled that we will be able to work with 6 new science-industry consortia in 6 new countries, and yet another cohort of highly engaged consumers!*” — explains Prof. Klincewicz.

In 2020, the project continues — the Labs will take place in 6 countries of Central & Eastern and Southern Europe. “*We are constantly working on improving our co-creation methodology, testing it in new geographical contexts and applying to other consumer groups. This is a cutting edge in the innovation management research. Furthermore, we're assembling an impressive body of knowledge about behaviours of senior consumers and challenges that companies face while cooperating with consumers*” — says Prof. Krzysztof Klincewicz from University of Warsaw, leader of the project.

Find out more at <http://timo.wz.uw.edu.pl/cel>

## EIT Food RIS Consumer Engagements Labs - benefits for food retailers and producers

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There are multiple benefits that participating food producers and retailers can derive from CEL. *“The market changes constantly and everyone needs to follow the trends”* — says Dr. Adrianna Jaskanis, an expert in the field of innovation management and consumer research at University of Warsaw. CEL helps with this in a very special, unique way. Both producers and retailers need to recognize growing market segmentation and adhere to the need to fulfil the needs of specific groups of consumers. For businesses, this is an important factor in creating and retaining their competitive advantage in the extremely turbulent and crowded marketplace.

Seniors are one of the most important customer groups, and account for large shares of populations in most countries. With the “greying” of European societies, the influence of elderly consumers as buyers and influencers is growing. Retailers and producers participating in CEL agreed that the workshops opened their eyes to the needs of this important group.

*“If a product is popular with seniors, it is bound to generate an extra flow of customers in your supermarket”* — says Dr. Jaskanis. *“And they are going to buy a lot more than only products that were designed especially for them. It is crucial, then, to entice them to come exactly to your supermarket”* — she adds.

What are the specific needs of seniors which need to be addressed? CEL brought many insights, which often contradict popular industry trends. Seniors, for example, often buy baby foods in small glass jars: the portion size is right for them, they consider the food healthy and nutritious. They do not have to chew anything. The price, always a very important factor, is also right. But — as seniors in CEL workshops said — the baby food tends to have an unappealingly bland taste. This is for a reason: producers and retailers assume that parents — who buy small glass jars of baby food by truckloads — do not care much about the taste (and the infants and toddlers are not given much choice). For seniors, however, the taste matters a lot — and they would like to have a choice of food, which would be spiced up or have an original texture.

It was, then, a very interesting message for producers and retailers: older people actively look for new tastes and experiences. They like the taste of food from their childhood — and they say they remember it very well — but at the same time, they are open to new experiences in the culinary domain. This goes against the stereotype of a senior perceived as a person locked in her or his past, conservative and refraining from sampling new products.

Another surprising message from CEL (this is just an example, but there were many such insights) is about the food product packaging. The participants often spoke about the need for smaller packages. *“The industry trend is to reduce the amount of plastic waste and sell the products in larger packages”* — explains Prof. Krzysztof Klincewicz, coordinator of CEL project from University of Warsaw. *“This presents an interesting environmental challenge for producers to solve, because seniors actually wanted smaller package sizes.”*

What will the companies do with ideas co-created during CEL workshops? We have to wait and see. Every workshop yielded a set of 9 product ideas, refined and short-listed by consumers, ready to be implemented by local companies. At least one of them will go into production, based on the outcomes of co-creation processes and commercialisation planning done by the companies.

Obvious benefits of CEL, besides many insights into customer behaviours, are the very concrete ideas for new food products. They were freely shared by consumers with the participating companies. The designers of CEL prepared a unique methodology of working with customers, encouraging them to co-create new and exciting products. Both producers and retailers usually have only limited direct contacts with their end customers. They might talk to them in the context of focus groups. There is a rather narrow space for interaction, limited by a carefully designed scenario, in which participants respond to the questions asked by the researcher. CEL methodology is in turn much more interactive and lasts for multiple hours, including two days of workshop sessions, separated by an interval used for homework assignment.

*„We are going to follow up with the companies and see how they implement the insights from Consumer Engagement Labs”* — explains Prof. Klincewicz. *„We listen to the concerns of food producers and retailers, further elaborating the methodology”*.

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## EIT Food RIS Consumer Engagements Labs - benefits for start-up companies

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Start-up companies participating in CEL perceived the project as very beneficial to them and found both the process and outcomes particularly interesting. What are the potential benefits of CEL to start-up companies? They gain good market knowledge. They can get in touch with large, established companies, food producers and retailers. Most of the participating start-ups served the business-to-business (B2B) part of the market, with only limited awareness of consumer trends. Apart from the creative outcomes of the project, personal relations established with representatives of other companies were instrumental in generating new contracts or proposals for joint projects.

The flow of knowledge — about customer behaviour and expectations — was among the most important benefits brought up in the debriefing interviews with start-ups and described in internal project reports. Start-up companies already had some of their products on the market — but were not able to carry out advanced market research (or any market research at all, faced with budgetary limitations). Therefore, they had little to none knowledge about specific needs, attitudes and behaviours of their end customers.

Furthermore, seniors are very special customers — with their unique preferences, expressed during CEL workshops, by which start-up companies were often surprised. They had their imaginary target customer, but rarely could meet her or him in person. Watching seniors discussing their food preferences — real persons — was for start-up companies an extremely educational activity, an unprecedented source of knowledge and novel experience in itself.

*“Before RIS Consumer Engagement Labs, they often were not giving much thought about the people who buy their products” — says Dr. Adrianna Jaskanis, an expert in the field of consumer research and innovation management from University of Warsaw.*

*“Co-creation is very different from what food companies usually do. The typical procedure of consumer research involves giving consumers various options of the same product, with slightly different sensory experiences or serving sizes. In our project, consumers actively participated in creating new products from the very beginning of the process. It is a novel approach”* — adds Dr. Magdalena Klimczuk-Kochańska from University of Warsaw, member of the team that developed the CEL methodology.

For participating companies, CEL was a new and very informative experience — this was the common opinion of start-ups participating in the project. *“I do not know any example of a research company that works with a similar approach. The methodology was difficult to develop and implement, but gave very inspiring results. Such research is very rare”* — Dr. Jaskanis adds.

Firstly, it can help identify the under-served needs of important customer groups. The participating start-up companies thought that the CEL process itself was very rewarding. They stressed that it generated *“a real team spirit”* among participants. Seniors were asked not to talk about their needs, but about the needs of a persona, which they imagined and carefully constructed during the workshop. This research method allowed, in the opinion of start-up companies, to keep their expectations about the product realistic.

Secondly, the start-ups noted that methodology can also be applied to other customer groups. *“We think it will be very interesting to extend this product development technique to other consumer groups that identify themselves with strong growth potential or with specific needs”* — wrote for example Qualiriso, a Portuguese start-up participating in the co-creation workshop in Oeiras.

Finally, there were some specific product ideas that the start-ups found interesting and useful. For example, a Polish biotechnological start-up Cofactor, which participated in the workshop in Poznań, was surprised that seniors decided to select turmeric as one of spices used for their desired product. Turmeric is known for its well-documented anti-cancer and anti-inflammatory properties. The start-up was not expecting to see to what extent the health value of food mattered for local seniors and how much emphasis they were putting on organically grown food. *“As a start-up company we are impressed by the creativity of consumers and their co-creation of the products”* — said a representative of the Lithuanian start-up INNOFOODS, owner of AVOO brand, which participated in CEL.

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## EIT Food RIS Consumer Engagements Labs – benefits for consumers

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*“The role of seniors in the economy is going to grow. However, we feel that food producers often do not understand very well the needs of this specific demographic” — explains Dr. Rafał Bakalarczyk, a sociologist and expert in the field of socio-gerontology, working at the University of Warsaw. These insights inspired the development of CEL. Researchers from University of Warsaw wanted to include consumers — senior citizens — in the design of new food products, asking them to propose entirely new product concepts or significantly improve the existing ones. “What was unique is that we did not ask them to test the existing products” — says Dr. Bakalarczyk. The goal was clear: senior citizens deserve new, more innovative products tailored to their needs and CEL was going to help better understand and satisfy their needs. But this is easier said than done. Food producers have to solve many challenges while working on products designed for seniors. For example: when will someone become a senior? The researchers working on CEL assumed that their target participants should be at least 65 years old. Many of these consumers, however, would protest against being called „seniors”. They do not feel old and frail at all — and they are not: according to Eurostat data, men and women in the EU, who are over the age of 65, can expect, on average, to live almost 10 years in a good health. The situation is different in various countries: the elderly Swedes can expect to live healthy almost 18 years, while for the elderly Slovaks — this period lasts only for 3–4 years on average.*

Food producers and retailers tend to have a rather stereotypical, uniform image of this consumer group. They assume that seniors are dependent, have low disposable income and their health is failing. Some of senior consumers certainly fit this stereotype. Many others, however, remain fit and independent for a long time. Their “cognitive age” — the age they identify with — is lower than their biological age. They feel younger than they are. A smart company cannot successfully target this demographic relying only on simplistic assumptions. For example, food companies have to be careful with the wording they use. The terms „for seniors” on the packaging are likely to scare off many potential buyers. On the other hand, most of us sooner or later are going to lose some of the fitness qualities of the youth. *„Their eyesight is poorer, so the typography on the packaging should acknowledge that”.* The lettering should be large and readable enough.

Another important finding, valuable both for companies and consumers, was that seniors are (unsurprisingly) very health-focused. In consequence, they care a lot about the health value of their food. This actually contradicts a popular stereotype of older generations, which are often portrayed as less attentive to the nutritious aspects of their culinary practices. The insights into consumer preferences will now be shared with companies participating in CEL and used to develop better food products and pursue scientific research. Better understanding of senior consumers will bring genuine benefits to the consumers — after these insights become internalized in the practices of the European food industry.

The unique methodology of the project was opening up possibilities for companies to create new, better products for senior consumers. *“The design thinking method inspired us to collect a lot of information about peoples’ needs and was very inspiring. Its accurate use helps reveal needs that people themselves might not even be aware of”* — explains Dr. Adrianna Jaskanis, member of the CEL team from University of Warsaw, who was one of the creators of the workshops methodology. *“The whole methodology was unique to this project and specially created for running co-creation workshops with seniors, making it attractive and encouraging people to come back for another session. We had to keep in mind that we do not work with people who only got their university degrees two years ago, but consumers with a baggage of lifetime experiences and wisdom”* — she smiles.

The idea was simple: food companies usually do not start new product design processes from scratch by asking the consumers what they want. They rather test the previously prepared prototypes, for example present various sensory options. During CEL, participants were actively co-creating entirely new products, unravelling their own needs throughout this process. The result: new products which perfectly fit the needs of target consumers. *“Senior citizens are an overlooked group, hardly explored by food producers and market researchers, and still rather little is known about their attitudes, purchasing and consumption habits. Thanks to the pilot Consumer Engagement Labs workshops in 4 countries, we know a lot more about this important target segment, food companies are able to develop more suitable products for them, and more countries will follow with their local workshops in 2020”* — explains Prof. Krzysztof Klincewicz from University of Warsaw.

In 2020, the project continues — the Labs will take place in 6 countries of Central & Eastern and Southern Europe. *“We are constantly working on improving our co-creation methodology, testing it in new geographical contexts and applying to other consumer groups. This is a cutting edge in the innovation management research. Furthermore, we’re assembling an impressive body of knowledge about behaviours of senior consumers and challenges that companies face while cooperating with consumers”* — says Prof. Krzysztof Klincewicz from University of Warsaw, leader of the project.

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## EIT Food RIS Consumer Engagements Labs – experiences of University of Warsaw

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University of Warsaw — the leading public university in Poland — developed the concept of EIT Food Consumer Engagement Labs, coordinated the development of the methodology of the project and managed it. *“It was a huge success — we designed innovative research tools and we proved that they worked”* — says Prof. Krzysztof Klincewicz from Faculty of Management, University of Warsaw, leader of the CEL project.

For the University, the project was an impressive achievement in two dimensions — scientific and institutional. EIT Food RIS Consumer Engagement Labs project was, first and foremost, a scientific innovation. There is still little research about consumer behaviours of seniors. Most of our knowledge about this consumer group was so far based on questionnaires, often distributed online. This could be problematic considering the target group. The elderly are not digital natives. A significant percentage of them does not feel comfortable online or does not use the internet at all.

*“We have found a surprisingly small number of qualitative studies about behaviours of senior consumers in the scientific literature. For an international study of this type, the recruitment of senior participants was often a problem in itself. And yet we have managed to engage seniors as old as 85!”* — says Prof. Klincewicz. The results? Publications in prestigious scholarly journals and conference presentations will hopefully be coming soon. *„We have gained unique insights into consumer behaviours of this severely under-researched group. Almost everybody talks about the silver economy these days. The need for information is huge”* — the project leader adds.

If ranked among sovereign nations, the European silver economy — the share of economic activities related to senior citizens— would make Europe the third-largest economy in the world, just behind the USA and China. It is poised to experience a further grow. Adapting the economy to the needs of seniors is the top priority of the European Commission and one of the key tasks of the European innovation policy. EIT Food RIS Consumer Engagement Labs project makes University of Warsaw an important contributor to the European Union research activities targeting this important sector.

The project rests upon a cleverly designed social experiment. How do companies react to ideas coming from consumers? Co-creation is often described in the management textbooks. However, in business practice, a consumer's voice is often ignored. Producers assume that their customers do not always know what they want or what is good for them. According to project partners representing the European food industry, CEL was an important learning experience for them, enabling them to better see the hidden benefits of co-creating new products with their future consumers.

What will the University gain from this project as a scientific institution? It is a prestigious success for the Polish academic institution. Only a few grants from European Union's HORIZON 2020 program in the field of social sciences were awarded to Polish-led consortia. *„In 2019, we managed to create a powerful consortium of 27 entities — companies and research institutions, partners and subcontractors from multiple countries — and our proposal for project roll-out in 2020 got sterling reviews from independent evaluators”* — Prof. Klincewicz is brimming with pride. *„It was one of the highest rated projects in the whole EIT Food”* — he adds.

The project was also an opportunity for University of Warsaw to expand its international standing. One of the key project partners was University of Aarhus, a world-class centre of research on consumer behaviour in the food sector. CEL is also an excellent example of cooperation between research institutions and private companies. In Poland, this is still a rarity. One of the consortium partners was Maspex, the leading Polish food company with more than 1 billion euro in revenues (2018) and 7,500 employees. Other partners included Pepsico, the global food industry giant, and Sodexo, the largest European food services company. Local consortia including scientific organisations, food companies, start-ups and non-governmental organisations were appointed to carry out pilots of the Consumer Engagement Labs in 4 European countries: Lithuania, Poland, Portugal and Spain.

In October 2019, University of Warsaw was awarded a prestigious status of “research university” by Poland's Ministry of Science and Higher Education, recognizing its scientific excellence as the top higher education institution of the country. From the University's perspective, CEL is an excellent example of turning its academic mission into reality — pursuing world-class research while bringing genuine economic and societal benefits to the European companies and consumers.

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