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# **Towards to the Future Success in the European Markets: Highly Innovative Food Products from Slovakia**

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**Abstract.** *Internationalisation and international linkages between producers, marketing partners and customers in various geographical areas has become an everyday reality for contemporary firms. The core area of this paper includes the process of internationalization of the small and medium enterprises and the role of the trends at the food market, particularly those which may be a potential stimulator for the internationalisation process and the most efficient way to segment markets. The study represents a qualitative process-based research. The strategy of the study is descriptive and explorative. Interviews, questionnaires, panel discussions and analysis of documents form the basis for the research material. The main emphasis is on 7 small and medium enterprises in Slovakia, specialized in production of cereal products and sweets. Present position at the market, market trends, product quality, process of innovation and relationships of these firms to their business networks are taken into account. The research process explores the opportunities for further expansion in the segment of highly innovative products in the Europe and worldwide.*

**Keywords:** innovative product, market segmentation, internationalisation, healthy food products

## 1. Introduction

Due to the increasing competition in the business world the issue of internationalization has become apparent to most firms regardless of size and maturity. Companies operating at international markets are continuously changing their marketing strategies and altering their organizational structures. Their goals are to enhance their competitiveness and to ensure proper positioning in order to capitalize on opportunities in the global marketplace.

On the other hand, global competition is placing new emphasis on some basic tenets of business. It is shortening product life cycles and focusing on the importance of quality, competitive prices, and innovative products. The power in the marketplace is shifting from a seller's market to customers, who have more choices because there are more companies competing for their attention. More competition, more choices, puts more power in the hands of the consumer and that, of course, drive the need for quality and innovation as any idea perceived as new by a group of

people<sup>[1]</sup>. Due to a critical factor of the newness of a product that is its effect on established pattern of consumption and behavior the role of market research is of great importance. Analyzing the characteristics of the innovative products can assist in determining the rate of acceptance or resistance of the market to a product.

The main purpose of this paper is to investigate the opportunities for further expansion in the segment of highly innovative products in the Europe and worldwide. Our Slovakian sample does not give definite guidelines for producers in other countries but it would seem that can inspire to rethink the role of the marketing strategy, targeting and positioning and finally shifting the purpose of innovative product that could cause the changes in consumer perception. The results are at this stage not conclusive, suggestions for further research are discussed at the end of the paper.

## **2. Methodology**

Our research method is based on a survey. The main emphasis is on 7 small and medium enterprises (SME) in Slovakia (and one Czech enterprise operating at the Slovak market) specialized in production of cereal products and sweets. In the same time, these companies represent the most important players in breakfast cereals and muesli bar market segments in Slovakia with features of technological versus marketing driven innovations.

Two kinds of questionnaires were developed by the research team. The first one was developed as a guideline for managing interview in the target group of SME's. All interviewed SME's had generally started their exporting activities to the neighboring markets (Czech Republic, Hungary, Poland) and some of them have already expanded to another markets in Europe and the world. All SME's reported that they have had very regular and continuous export activities during 2003 – 2005. Interviewed firms belong to the top 10 companies operating at segment of breakfast cereals and muesli bars in Slovakia. Based on official market survey (e. g. Gfk Slovakia, 2005) we could find also the international company Nestle and the private labels in the rank of "Top 10" but they are not involved in our survey.

The evaluator of the innovative product must remember that it is the perception of product characteristics by the potential adopter, not the marketer, that is crucial to the evaluation.<sup>[1]</sup> Therefore the second questionnaire was sent out to 1 500 respondents – potential consumers of searched products. A total of 962 of consumers responded leading to a response rate of 64 %. Such high response rate is due to personal interest of interviewed managers in this kind of research and consequently their support related to the distribution of questionnaires in local areas. We

have chosen to divide the respondents in two different ways in order to try to capture the elements of consumer perception of healthy and innovative products at the market. Since the issue of healthy and innovative products is such a challenging issue, we opted to use the criteria of age (assuming higher potential in younger generation) and place of residence (assuming higher potential in cities). In this stage we have interviewed only Slovak customers, but for the further territorial expansion also interviewing the customers at target foreign markets would be inevitable in order to get the foreign user's frame of reference.

The study represents a qualitative research. The strategy of the study is descriptive and explorative. The research process explores the opportunities for further expansion in the segment of highly innovative products in the Europe and worldwide.

### **3. Analysis and results**

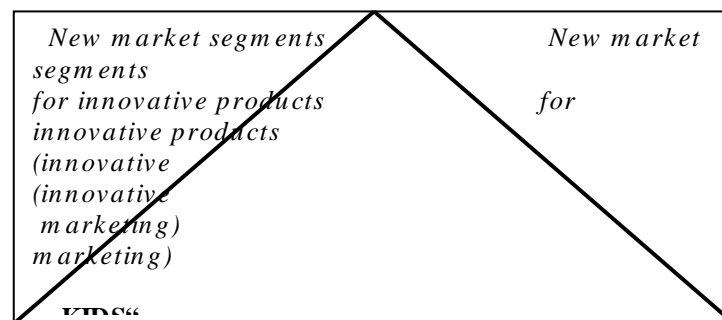
What is meant by successful innovation processes? Which product consumers consider as a highly innovative? And finally, what is meant by successful internationalisation? What kind of results do firms have to achieve in order to be apprehended as successful? Success could vary depending on when and in which way it is measured. For instance, at the early stages of internationalisation, establishing good contacts abroad could be considered as success, while product innovation could be another measure of success<sup>[2]</sup>. In our study we devote attention both to the processes of internationalisation of small and medium enterprises operating at the food market and product innovation in relation to consumer perception and evaluation. Innovative product could contribute to the competitiveness of the company in case the product is offered at the right place, in the right time and of course, at the right target market. It could be any idea perceived as new by a group of people. Whether or not a group accepts an innovation, and the time it takes to do so, depends on the product's characteristics.

#### **3.1. Highly innovative products: re-positioning as a challenge**

There are several variables that affect the rate of diffusion of an innovation: the degree of perceived newness, the perceived attributes of the innovation, and the method used to communicate the idea.<sup>[1]</sup> Each variable has a bearing on consumer reaction to a new product and the time needed for acceptance. The more innovative a product is perceived to be, the more difficult it is to gain market acceptance.<sup>[3]</sup> By analyzing an innovative idea or product, a marketer can identify the target market for which the product would be developed. The high rate of innovation can lead to the changes of the product purpose and to the re-positioning the

product or eventually to shifting from one target segment to another one. It is a question of very innovative ideas and products that lead also to the transformation of the market, distribution channels and the firm's mission, targeting and positioning in some cases.<sup>[4]</sup> In the medium of the lateral innovation the marketer may be able to accelerate product acceptance. From this point of view marketers must know the relevant and perspective "consumer insight" to create the right "buyer benefits" and to deliver the consumers the right "reason why" causing them to buy the product. There is still innovative potential in the food business in the EU. The innovative product has to have so called "unique selling propositions."<sup>[5]</sup> What is of great importance it is a result of innovation that is attractive for customers. The customers could buy the innovative products because of different reasons. Quality of products becomes more important, the food-related lifestyle, health, taste, price, emotional factors or convenience orientation are also important in determining a consumer's preference towards food-related behaviours.<sup>[6]</sup> Product safety, quality and HACCP-based management belong to a number of opportunities for providing the consumer's product confidence and a significant added value.<sup>[7]</sup>

Within the group of interviewed SME's we have found several products with certain features of the innovation as it is described further. By analyzing the innovative products we have taken into consideration their "level of newness", effect on established patterns of consumption and behaviour and finally marketing strategies including targeting and positioning the innovative products. Such criteria have led to the determining "the highly innovative products" with either innovative product features or re-positioning the innovative products and targeting them to the new market segment. Change of the product purpose is evident also and using the lateral marketing the product is shifted to another market segment (figure 1)



**Figure 1:** Targeting innovative products using vertical versus innovative marketing

(adopted from Kotler and Trias de Bes<sup>[4]</sup>)

Examples of such innovative products are following:

- *Cereal snack bar JUICY BAR and CREAMY BAR*. It is absolute novelty among cereal snack bars from the company TEKMAR SLOVENSKO. The bar offers portion of both healthy energy and refreshment. Under glittery chocolate or yoghurt cover (25 %) the consumer will find crunchy cereal corpus and layer of jelly or chocolate-hazelnut filling (30 %). Juicy Bar with orange jelly dipped in a milk chocolate has ambition of catching kids, young people, but also earlier-born consumers. This bar is from our point of view more taste than healthy. 100 grams content 424 kcal/1782 kJ, 66,87 grams of total carbohydrate, 14,40 grams of fat and only 1 gram of the dietary fibre. Because of such reasons JUICY BAR and CREAMY BAR are good examples of re-positioning and changing the original purpose of cereal snack. Traditional cereal snack bars are replaced with the new one that are the right choice that satisfies all senses.
- *Gingerbread CELI HOPE* from the company PECIVARNE LIPTOVSKY HRADOK as a gluten free product. This company started to produce products for people suffering from celiac disease since 2004. These products are made from gluten-free raw materials. The assortment of biscuits and wafers under the name CELI HOPE is made from maize and buckwheat flour. We use the example of CELI HOPE gingerbread because there are several gluten free biscuits and wafers on the global food market but the gingerbread as a gluten free product we consider as the product with “unique selling propositions.” Regular customers evaluate this new product at “gluten free product line” very much.
- *Muesli bar Fruitik* from the Czech company USOVSKO is a good example of finding a new market segment for the innovative product. This product is positioning as a suitable for children both because of healthy food composition and taste in the same time. Marketing communication (print advertisement, banners on the web, TV shot) has the typical features of the communication channel “producer – a child as customer” using the idea of the hedgehog bearing plenty of fruits on its back, muesli bar FRUITIK included. There is, of course, no doubt the parents have to be sure about advantages of muesli bar FRUITIK against traditional sweets, biscuits and wafers offered at the market. The company USOVSKO trusts the view on the proper nourishment have already become established in the majority of families.

### **3.2 Survey results from target group of SMEs**

Based on the survey results from target group of SMEs we are trying to identify patterns behind successful innovation process related to the successful internationalisation. Results of managed interviews and panel discussions are summarized in table 1.



**Table 1.** Indication of present market position and areas for perspective development

No.	Questions	Answers (7 companies in total)
1.	Please, estimate the situation at market with cereals and muesli products.	Growth (all companies agreed)
2.	Please, estimate development of your total sales within period of years 2003 – 2005.	Number of companies agreed: <ul style="list-style-type: none"> <li>• Growth (3)</li> <li>• Stagnation (2)</li> <li>• Decline (2)</li> </ul>
3.	Please, estimate the development of the share of your sales abroad upon total sales.	Number of companies agreed: <ul style="list-style-type: none"> <li>• Growth (5)</li> <li>• Decline (2)</li> </ul>
4.	Please, estimate the development of the share of the private label sales upon total sales.	Number of companies agreed: <ul style="list-style-type: none"> <li>Growth (3)</li> <li>Stagnation (2)</li> <li>Decline (2)</li> </ul>
5.	In which market segments do you consider the supply as an insufficient one?	The first market segment in the rank represents the most problematic one (ranked by the frequency of answers): <ol style="list-style-type: none"> <li>1. gluten free products</li> <li>2. products for diabetics</li> <li>3. functional products</li> <li>4. wholegrain products with fibre added</li> </ol>
6.	Which market segment do you consider at the most attractive one?	Ranked by the frequency of answers: <ol style="list-style-type: none"> <li>1. breakfast cereals</li> <li>2. muesli bars</li> <li>3. chocolates and sweets, chocolate bars</li> </ol>
7.	Can you describe in which way you drive innovations in your company?	Ranked by the frequency of answers: Marketing driven innovations: <ol style="list-style-type: none"> <li>1. new/innovative design or packaging</li> <li>2. new/innovative concept of promotion</li> <li>3. changes in price</li> <li>4. value added (sweet + toy, 2 in 1)</li> </ol> Technologically driven innovations: <ol style="list-style-type: none"> <li>1. new product/product line</li> <li>2. new technological procedure</li> <li>3. new ingredients, flavour, taste</li> </ol>
8.	Which market segments do you supply with your products?	Ranked by the frequency of answers: <ol style="list-style-type: none"> <li>1. middle income segment</li> <li>2. premium segment</li> <li>3. discount segment</li> </ol>

9.	Can you use some of your products as an example in the following categories:	
	<ul style="list-style-type: none"> <li>Product and experience in one</li> </ul>	JUICY BAR, SNELA YOGURT SNACK
	<ul style="list-style-type: none"> <li>Product and lifestyle</li> </ul>	SLIM BAR, MISS FIT, SNELA SLIM FIGURA, CORN FLAKES
	<ul style="list-style-type: none"> <li>Extraordinary innovative product</li> </ul>	JUICY BAR, MUESLI MIX in TETRA REX, CREAMY BAR, MUESLI SNACK, CELIA HOPE GINGERBREAD
	<ul style="list-style-type: none"> <li>No. 1 at the home market</li> </ul>	MUESLI MIX, BREAKFAST SNACKS WITH CHOCOLATE FLAVOR, MUESLI BAR IN YOGURT
	<ul style="list-style-type: none"> <li>No. 1 at the foreign market</li> </ul>	BREAKFAST SNACKS WITH CHOCOLATE FLAVOR, MUESLI BAR IN YOGURT, MUESLI MIX with contents of fruit 40 %
	<ul style="list-style-type: none"> <li>Product and the highest expectations</li> </ul>	JUICY BAR, CREAMY BAR, SLIM BAR, MUESLI SNACK, MUESLI BAR for kids, CELIA HOPE as a product line, private labels
	<ul style="list-style-type: none"> <li>The most perspective markets</li> </ul>	Serbia and Montenegro, Czech Republic, Russia, China
10.	At which foreign markets do you operate in present?	Ranked by the frequency of answers: Hungary, Czech Republic, Poland, Croatia, Slovenia, Latvia, Lithuania, Estonia, Romania, Bulgaria, Portugal, Israel, Greece, Malta, Russia, Morocco, Brazil, China, USA, Azerbaijan, Jordan, Iran, SAE
11.	Please, define your main reasons for territorial expansion.	<ul style="list-style-type: none"> <li>growth of sales</li> <li>using know-how from import activities</li> <li>compensation of home market sales</li> <li>decline due to private label penetration</li> <li>diversification of business activities</li> </ul>
12.	Please, compare the situation at home and foreign markets.	<ul style="list-style-type: none"> <li>Purchasing power is higher at foreign market (all agreed)</li> <li>Healthy products are being more successful at foreign market (6 agreed)</li> <li>Competition is stronger at foreign market (6 agreed)</li> <li>Managers have not been able to compare the attitude of home and foreign customers to the innovative products.</li> </ul>

All interviewed companies expressed the same opinion regarding the growth of market with cereals and muesli products. Unfortunately, the situation is not so simple in case of estimating their current market position. Only 3 of them stated the growth of their sales in total, 2 stated the stagnation of sales and 2 of them stated the decline of sales. They argued with a strong competition of private labels. That is why some of them look for the market potential abroad as a challenge for sales compensation. In despite of the growing tendency at cereal and muesli market producers pointed at current insufficient supply mostly at gluten free product category and product lines for diabetics. On the other hand most of them consider the market of breakfast cereals and muesli bar at which they have been operating already at present as the most attractive one.

Segment of chocolate products and sweets has been considered as a very attractive, too, but it does not account the target segment of the interviewed companies. Important finding of our research is a rank of different ways of innovations. We can distinguish between marketing driven innovations versus technological one. Marketing driven innovations deal with product features that affect the consumer perception in stage of purchase decision making process (directly from the shelf or promotional tools) and in practice of interviewed companies have been most often applied in the way of new/innovative design, packaging, promotion and price (price decline). Technologically driven innovations require more investments into the process of the new/innovative product or process development and they are resulting into a new product line, new technological procedure, new qualitative feature that could shift the original product purpose to the new one. All companies states they supply “middle market segment” and just a few of them supply also premium or discount segments. These answers lead us to the conclusion the producers try to behave as “a very ordinary” and “good for everyone” and do not take into consideration the specific features of different market segments in targeting and positioning their products. Reasons for a such “generalized marketing strategy” we could find in their answers related to current market position and consumer low interest in innovative and healthy products (also related to findings in questionnaires for consumers).

Another important finding is that producers consider their innovative products as a very perspective ones in despite of fact their share on sales is low in present. Using the terminology of the Boston Consulting Group Matrix<sup>[8]</sup> “a milking cow product categories” are represented by ordinary products as chocolate breakfast cereals, mix muesli and muesli bars are. Such “ordinary” products are for very low price offered at the international retail chains as Kaufland and Lidl are. Private labels of retail chains in generally have gained a great market share in the 2005 (table 2)

with further tendency of growth (mainly due to perceiving “low price” as “the unique buying proposition.”

Managing directors of the interviewed companies are highly interested in internationalization. There exists a foreign demand as a push factor for the successful international firms’ products as well as a pull factor from the firm’s side as it is mentioned also in other researches [2]. In the same time managing directors are aware the ability to engage in international activities has become very important for the survival and growth of firms. Territorial expansion of participating SMEs has been focused on mostly neighbouring markets (Hungary, Czech Republic, Poland) and new member states of the EU. During panel discussions the importance of long-term partnerships and relationships was emphasized. However, in the context of internationalization, new relationships are established. Another determinant for success is the evolution of foreign market penetration activities and consequently their adaptation to the certain local market environment.

Market share at muesli bar market in Slovakia (in %)<sup>91</sup>

**Table 2**

<b>Producer - Brand name (country of origin or international brand name)</b>	<b>1. – 6. 2004</b>	<b>7. – 12. 2004</b>	<b>1. – 6. 2005</b>
TEKMAR (SK)	21	11	7
NESTLE (International)	29	32	16
ZD USOVSKE – FIT (CZ)	22	12	6
VLARA – FAN (SK)	12	7	3
IDC – EGO (SK)	5	2	3
Liptovský Hrádok (SK)	-	-	3
Corny (International)	2	2	0,2
Jednota Coop – private label (SK)	2	2	1
Lidl (International)	-	15	46
Kaufland (International)	-	8	7
Other private labels	-	-	0,8
Other brand names	7	9	10

Mutual interest and the active participation of both business partners are seen as pre-conditions for future success<sup>[10]</sup>. Of course, in our survey we tried to identify the reasons for focusing on Central, Eastern and Southern European markets. Based on the responses we found out this is “the easiest way of doing business abroad.” Managing directors argued with similar economic and politic development, similar history and culture (in some cases), similar position within the enlarged European Union and less competition at those markets. Operating at Western European Markets they consider as the most difficult one mainly due to the strong competition. Using the piggy-backing and private labels they evaluate as the easiest way to enter the EU-15 markets. The respondents were also asked to determine the most perspective target markets for the future. In their answers we can find Czech Republic, Serbia and

Montenegro, Russia, Baltic States and China that is a confirmation of research findings already mentioned above.

In the last question the respondents were asked to compare the situation at home and foreign markets. All interviewed managers evaluate the foreign markets as the markets with higher purchasing power but, of course, on the other hand they are aware of stronger competition at those markets. Most of them also think the healthy products are more successful at foreign markets, but they are not sure about comparing the consumer attitude to the innovative products at home and foreign markets.

### **3.3. Survey results on consumer perception**

The evaluator must remember that it is the perception of product characteristics by the potential adopter, not the marketer, which is crucial to the evaluation. In this stage we have interviewed only Slovak customers to get the first reference criteria for evaluating product characteristics. The objective of this study were also to investigate consumer's attitudes to diet, health and health enhancing foods, to examine the health – related factors perceived to be most important in healthy product choice. Value of such research is in practical market segmentation and also in identifying marketing strategies within the healthy foods sector. <sup>[11]</sup>

Based on the survey results we can state very low awareness of the term “functional food” (11 %). Awareness of village people is even worse (only 5 %). The future of the functional foods will therefore depend on regulations that are flexible enough to protect the public health, encourage research and development of innovative food products and communicate the benefits of those products to the public. <sup>[12]</sup>

Consumers consider as the most healthy food products (processed, fruit and vegetable excluding) yogurts (absolutely agreed 83 %, partly agreed 17 %), breakfast cereals (76 %, 17 %), muesli and cereal bars (67 %, 25 %), low fat products (53 %, 28 %) and finally soy- bean products. Results are equal to the effort of marketing communication in those fields. New product launch and a great marketing communication are typical for international players. <sup>[13]</sup> In case of very low marketing budget the company has to rely on its loyal consumers, positive informal references and former personal experiences. <sup>[14]</sup>

Only 51 % of respondents have known the innovative product JUICY BAR. There is interesting finding on product features that attract customers (taste 57 %, packaging 27 %, price 14 %, and advertising 2 %). Respondents evaluated this product “more tasty as healthy” (39 %), tasty (26 %), healthy (15 %) and “more healthy as tasty (20 %). Ranked by the frequency of answers the taste as the product feature is the most important in this

case (57 %), followed by packaging and graphical design (22 %). Evaluation of “ordinary” muesli bars is different: respondents consider them healthier in generally.

Awareness of the innovative product NESTLE – Wholegrain breakfast cereals is higher, of course, marketing communication is more frequent in this case. 80 % of respondents know this product (knowledge in younger market segment is even higher: 91 % in age category up to 25, differences between village and city respondents are not significant). What is the most attractive product feature of NESTLE Wholegrain breakfast cereals? Ranked by the frequency of answers: well known brand name and packaging (41 %), advertisement (33 %), higher contents of fiber (22 %), interest of children as the initiators of purchase (4%).

There is following from research results that the awareness of the brand names of breakfast cereals, muesli and cereal bars and healthy/functional biscuits of the Slovak origin is not very high (18 – 45 %), but the awareness of the trade name of the Slovak producers is even lower. There is no doubt that people like the products of the Slovak origin with reasonable price and high qualitative level but due to lack of marketing communication the awareness is not adequate to the consumer interest.

The respondents were asked to indicate the features of healthy product that are the most important to initiate the purchasing decision. Ranked by the frequency of answers the most important characteristics is “.... healthy, tasty and for reasonable or low price” in the same time, follows the unique buying proposition in terms of healthy effects and then “labeling” in terms of reliable information on nutrition facts, targeting and health effects. Village people consider lower price and taste as very important factors, too. Respondents of age category up to 25 introduce such factors as “brand name related to the trends,” “attractive design,” “value- added in terms of enjoyable marketing” are.

In last question the respondents were asked to mention their health problems (if they have any) or health problems of their relatives. The reason to put such question to the questionnaire is to identify the new market opportunities and “the niche market segments.” In most cases the respondents suffer from “diabetic’s problems”, “cholesterol,” “high blood pressure,” “celiac disease” and “digestive problems.” If we would consider the illnesses mentioned above as the opportunities for food- processing industry, the products with reduced amount of salt (meat products, canned products, snacks, cheese) are still absolutely missing at the food market in Slovakia.

#### **4. Conclusions and implications for further research**

Internationalisation is a very risky venture and also rewarding adventure in the same time. For successful internationalization (within Europe or worldwide) seems to be important to ask at least the following questions:

- Does the company know the environment (economic, social, cultural, networks) of target market and understand the consumer behaviour of local consumers?
- How good is the company at identifying and satisfying local consumer needs?
- What kind of entry mode will the company use and how strong is the support of local business partner or staff?
- Is foreign market prepared for the new/innovative product and which kind of adaptation will be required to meet the local preferences?

Success in one market does not guarantee success in another market. The concept, product or service often has to be adjusted when introduced into a new market.

The problems of adapting a product to sell abroad are similar to those associated with the introduction of a new product home. Analyzing the innovative product can assist in determining the rate of acceptance or resistance of the market to a product. The evaluator must remember that it is the perception of product characteristics by the potential adopter, not the marketer, which is crucial to the evaluation.

This study provides a little insight into the internationalization processes of the Slovak SMEs, particularly in relation to the innovative and healthy food products penetration using the vertical versus lateral marketing approach. Our Slovakian sample does not give definite guidelines for producers in other countries, but some implications for the food industry, in particular for the healthy and functional cereal food manufacturing sector are outlined below.

The current development of the world economy depends on simultaneous integration and globalization tendencies. In this cross-pressure, businesses about to expand their territory by entering new markets are also facing the competitive environment on foreign markets<sup>[15]</sup>. Our results indicate that the Slovak firms consider themselves more successful on the markets of Central, Eastern and Southern Europe and other transforming countries. In many cases they use the advantage of similar economic, political and historical development with those countries. Anyway, managing directors of the interviewed companies are highly interested in internationalisation. They are aware the ability to engage in international activities has become very important for the survival and growth of firms.

Using the lateral marketing approach in the product innovation there exist the possibilities to penetrate to the new market segments.

Innovations of cereal products offer many opportunities for such expansion. Within the group of interviewed SMEs we have found several innovative products using the lateral marketing approach (JUICY BAR, CREAMY BAR, gingerbread CELI HOPE, muesli bar FRUITIK and some others that are not mentioned in the paper). By analyzing the innovative products mentioned above we have found some very important features:

- the products meet very high qualitative standards,
- producers are aware of fact the consumer basic “needs” of getting enough food are fulfilled <sup>[5]</sup> and they start to use emotional approach at product targeting and positioning,
- the packaging components reflect also emotional approach and lifestyle trends,
- there is the change in original product purpose and utilities the market receives from use of product,
- the innovative product platform shifts the product targeting to other market segments, different from original ones, so the innovative products attract new market segments.

Another important finding is that producers consider their innovative products as a very perspective ones in despite of fact their share on sales is low in present. A set of in-depth case studies from within the sample could illustrate these issues further.

All companies state they supply “middle market segment” and just a few of them supply also premium or discount segments. These answers lead us to the conclusion the producers try to behave as “a very ordinary” and do not take into considerations the specific features of various market segments. In despite of fact that the medium market segment is the most important one in present we would recommend to consider a certain differentiation and modification of marketing mix in order to meet various requirements of other market segments (premium segment, discount segment, niche market).

There is following from research results that the awareness of the brand names of breakfast cereals, muesli and cereal bars and healthy/functional biscuits of the Slovak origin is not very high. More intensive marketing communication in this field could be helpful. Of course, the producers have to consider the effectiveness of using different tools how to communicate with customers. Practice of merchandising and promotion in point of purchase can be also helpful just because the purchase of biscuits, bars and other sweets is impulsive one in many case.

Lateral marketing approach, particularly in relation to the innovative and healthy food products, is very perspective and challenging from long-term point of view. As it is following from our research there still exist uncovered opportunities there (e.g. low salt contents). Further expansion in the segment of highly innovative healthy/functional products in the Europe and worldwide will require a set of in-depth interviews with potential foreign adopters in order to get the foreign user’s frame of



reference that is crucial for evaluating product characteristics and marketing strategies proposed for those foreign markets.

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