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# **INNOVATIVE APPROACHES TO BRAND VALUE AND CONSUMER PERCEPTION: THE EATALY CASE**

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## **ABSTRACT**

This study centres on an analysis of the brand in all its forms. The main purpose is to verify the importance of having a strong and consistent brand with a corporate image and, consequently, the consumer's recognition of the brand.

These assessments are then considered in relation to a specific sector, namely the food sector, in which the brand holds particular connotations both from an economic point of view and in relation to the consumer's perception.

These questions are examined through the concrete analysis of a highly successful Italian company, Eataly. Eataly is the subject of a case study that is based firstly on the knowledge gained in the first part of this study, but which adds to the question as a whole. It focuses mainly on the consumers and their purchasing behaviour to determine whether, and to what extent, the brand actually is capable of manipulating market choices.

## **INTRODUCTION**

Over the past forty years companies have been investing heavily in branding with the aim of improving the image and value of their brand.

Branding means that a product or service has been given an organization's mark (Keller 2003). The American Marketing Association (1960) defines a brand as a "name, term, design, symbol, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from competitors." In other words, whenever a new name, logo, symbol or package design is produced, a brand is built (Kapferer 1992). However, a brand comprises more than these material brand elements, such as brand name and design. Markers of a product without history are empty (Holt et al. 2004). According to Keller, a brand has to create awareness, reputation and esteem in the market. The essential core of branding is that consumers with the same needs perceive differences among brands in a product category. These distinctions may be related to the product performance of the brand or linked to what the brand represents from the emotional angle (Keller 2003). After Kapferer (1992), brands are a direct implication of the strategy of market segmentation and product differentiation. It needs plenty of skills and resources as well as a corporate long term contribution to build a strong brand (Kapferer 1992).

Once built, the latter can be seen as a strategic asset and a company's primary source of competitive advantage that facilitates the firm to create an identity for its brand in the market and develop a clientele (Aaker 1996). Generating a clear value proposition involving tangible (functional) benefits in terms of product attributes and intangible (symbolic) benefits that represent the brand values, establishes a relationship between the brand and the customer that helps them to choose products more easily (Aaker 1996).

There also exist brands that have both at their disposal, strong rational motives as well as strong emotional motives, like the Porsche brand, for instance (Halliburton 2012).

Consequently, branding is essential for successful business and a necessity for growth.

As a consequence of recent changes in the competitive market, the brand has come to constitute a major topic of modern literature. This is related to the increasing difficulty which modern firms are experiencing in order to satisfy the complex demands of an increasingly mature consumer who, when making a purchase, is driven more by a search for new sensations and experiences than by an instrumental and determined analysis of their needs. In such a context, the brand establishes itself as a reference point, the focal centre of a stable relationship which, for the consumer, reduces the risks involved in the act of purchasing and, for the firm, offers a possible source of support in the competitive arena.

In conclusion, the main purpose of this research is to illustrate the importance of having a strong brand that is coherent with the product offered to the customers, and which is capable, in the most successful cases, of providing the company with a lasting competitive advantage. More specifically, we intend to verify whether a firm in the food sector should invest in the message and protection of its brand more heavily than in other sectors, in that it carries a more consistent message involving not only the characteristics of the product, but also its place of origin, quality, healthiness, as well as the consistency of all these elements.

## **LITERATURE REVIEW**

One single definition of brand has not been identified yet, as the literature offers a plethora of meanings associated with the term. According to the definition provided by the American Marketing Association (1960), *“the brand is a name, a term, a sign, a symbol or any other characteristic that is intended to identify a seller’s goods or services, and to distinguish them from those provided by other sellers”*. This definition is now be seen as reductive (Brondoni, 2004) and other scholars have offered a definition of the brand which focuses more closely on the end consumer’s perception of the product or service, and which is therefore characterised by subjective connotations and elements of an incorporeal nature (Bernstein D., 1988; Semprini A., 1992; De Chernatony & McDonald, 2000; Fabris G., Minestrone L., 2004; Colin B., 2005). After analysing the different definitions available today, let us consider the components that constitute any brand. These can be classified according to three categories: identification, evaluation and trustworthiness (Parck C.W., Jaworski B.J. & Macinnis D.J., 1986; Busacca B. & Trollo G., 1992; Botton M., Cegarra J.J. & Ferrari D., 1992). Given the multitude of parties with whom the brand enters into contact, these components can be ascribed to the various functions of the brand, which relate to two categories: functions for the consumer, and functions for the brand. In the first category, the following functions can be identified: identification, orientation, guaranteed personalisation, playfulness, practicality, and ethical considerations (Roselius T., 1971; Sena G., 1989; Kapferer J.N. & Thoenig J.C., 1991). In the second category, however, three main functions can be identified: positioning, capitalisation, and legal protection (Kapferer J.N. & Thoenig J.C., 1991). After analysing the

brand from a structural and static point of view, we will then proceed to undertake a more exhaustive, dynamic analysis: to this end, the company needs to adopt a long-term outlook and implement branding processes.

In concrete terms, this strategic brand management process can be analysed through three stages: the definition of the values and positioning of the brand; the planning and implementation of marketing programmes; and the development and support of brand equity (Cote J.A. & Henderson P., 1998; Kapferer J.N., 2000; Keller K. L., Busacca B. & Ostillio M., 2006). The first stage must be well-structured and directed at pursuing a definite strategy involving the positioning and identification of the brand values. Once this stage has been established, the firm can then concentrate on the second stage, which involves the practical implementation of the actions identified during the first phase. To this end, the firm should choose the crucial aspects of the brand and integrate the brand into its marketing activities and programmes. Finally, during the third stage, the concept of the brand is established as a synthesis of the resources associated with company trust in a strategic approach that supports the process of economic evaluation. In other words, a financial value is added to the basic concept of the brand, thus leading to the notion of 'brand equity'.

According to the classic definition, brand equity is "the set of associations and behaviour on the part of a brand's customers, channel members and patent corporation that permits the brand to earn greater volume or greater margins than it could without the brand name, and which gives the brand a strong, sustainable advantage, distinguishing it from competing firms" (Marketing Science Institute). Other scholars have provided further definitions of the concept of brand equity, such as Farquhar (1989), who defines it as the added value bestowed upon the product by the brand, for the benefit of the firm, commerce and the consumer. Srivastava e Schocker (1991) stress that the concept of brand equity includes the strength and value of the brand. By this, they mean the set of associations and behaviour of the brand's customers, channel members and patent corporation, which provide the brand with sustainable and unique competitive advantages. The value, on the other hand, constitutes the financial results of management's capacity to leverage the strength of the brand through tactical strategies that increase current and future profits and reduce the risks.

Once a sufficiently solid brand equity has been established by positioning the brand on the market and strategically planning and implementing marketing programmes, the firm must be able to manage the results obtained efficiently. The company must have a complete understanding of its own brand at all times: to this end, it must continuously monitor economic and competitive performance results, customer and market demands, the external environment as well as opportunities which have not yet been fully taken advantage of. While it is an important factor in all spheres of its application, the brand has particular significance in relation to different product categories such as food products.

To be precise, according to a now standard definition (ISMEA, 2006), food products boast certain unique, experiential characteristics which increase the significance of the brand. Food products can be described as "experiential" goods in that their quality standards and intrinsic characteristics can only be evaluated through a direct experience.

In relation to the agro-food sector, specifically, one should note that the function of the brand can be immediately understood: it provides additional information about the product which could have a decisive

effect on the consumer on the point of making a purchase decision. The type of brand, together with the information presented on the product label, constitute the modern proof of a guarantee, replacing the guarantee associated with personal relationships in the past, and, more recently, with simple non-compulsory advertisements.

The phenomena analysed in relation to the depersonalisation, internationalisation and globalisation of trade, have all led to a different perception of the associated economic risks and to the increased difficulty and complexity of formal and/or institutional controls. This illustrates the importance of integrated control, guarantee and communication systems, including brand control, which serves to establish a relationship and reputation of trust that is crucial in ensuring that quality is appreciated. The first step towards achieving specific recognition for the protection of brands in the agro-food sector came with the first International Convention in Lisbon, in 1958, which is currently in force in the version adopted in Stockholm in 1968.

In the early 1980s a number of sanctioning mechanisms were introduced to encourage the concept of community farming based on qualitative rather than quantitative criteria: traditional production methods were rediscovered in connection with the local territory in order to ensure a greater protection of typical products using designations of origin and geographical region. Such approach is still valued today.

## **RESEARCH METHODOLOGY**

With the aim of examining the practical implications that the brand might have, we carried out an empirical analysis structured as follows: literature review and definition of the sector in question; identification and analysis of a case study (Eataly).

The research methodology used was of a qualitative nature. When selecting the research method, preference was given to the qualitative method over the quantitative method (Thompson 1965; Hancock & Algozzine 2006; Chiuichi 2012) because it allows for a more scrupulous delineation of the observation context, considered from multiple perspectives. The analysis of a single case study is ideal when exploring present-day phenomena and their contexts, in any situation in which the boundaries between a specific phenomenon and its context are blurred. Moreover, the strategy of using a single case study is suitable when that case study presents a number of variables, the observation of which requires diverse though interrelated data sources to be taken into account. Last but not least, the single case study method of analysis has been contemplated in previous theories, in which it plays a crucial role in relation to the collection and analysis of data functional to understanding the case itself (Yin, 2003). Therefore, when analysed through a qualitative methodology, research based on a single case study can provide significant results (Yin, 1984). However, a methodology based on a single case study is reliable provided that the case study chosen is “extreme, unique, revealing, and pioneering”. In this case study we aim to analyse whether interviewees connect the brand with the quality typical of “Made in Italy” or, generally speaking, with higher quality standards and reliable guarantees than with other competing brands.

In conducting the case study, we choose to adopt a dual tool, which generated several information sources (Eisenhardt, 1989). Firstly, we used the information sources made available by the company, both through the website and other information materials. We also consulted various databases from financial newspapers and marketing magazines, which brought to light a series of information about the case study.

Secondly, we used the following tools for the data collection process:

- An *interview*: an interview was held with Eataly's press office contact in order to analyse the producer's perspective. The interview was of a qualitative, semi-structured nature (Potter e Wetherell, 1987; Alvesson e Deetz, 2000; Corbetta, 2003) and was prepared by all the authors. The interview was structured as follows: the first part was of an introductory nature, in order to identify the specific characteristics of the sector in which the company operates, its background and organisational structure; in the second part, we focused on the concept of the brand for the company itself;
- A *questionnaire*: this method was selected in order to focus on the consumer's perceptions. We chose to use self-completed questionnaires based on an individual survey, with a fixed return (Corbetta, 1999; Gobo, 2004). Specifically, the aim of the questionnaire was to check whether the consumer perceives the brand to be more significant in the agro-food sector, in relation to the information message concerning the product characteristics that it incorporates. The questionnaire was structured around a logical series of decisions: firstly, it identified the type of offering. We opted for the questionnaire method because, of the various methods available for carrying out a survey, it is the most direct and efficient. What is more, its strong point lies particularly in the fact that, as it is not invasive, the consumer is free to choose how much time to spend on it, which can make it less forced (Corbetta, 1999). Secondly, a model questionnaire was prepared, which was trialled with a sample of consumers (Chiucchi, 2012). The purpose of this second stage was to analyse how efficient and clear the questions were, so as to adapt the language to the target addressee and test the usefulness of the responses in relation to the survey that was to be carried out. Moreover, we endeavoured to choose the most suitable type of response (multiple, open, etc.) for each individual question to the survey. The questionnaire was then sent to the consumers through various channels. It was either sent via the Internet, through various means such as e-mail, social networks, and sending the questionnaire link to consumers' mobile phones, or by the paper method. The latter was adopted to reach age brackets that are less familiar with the use of technologies, so as to interview a more comprehensive range of consumers. The questionnaire was prepared in such a manner as to avoid the risk of falsifying the results, especially in relation to the Eataly brand, which was not mentioned until the final dedicated section, to avoid inducing the consumer to cite it in an implicitly forced manner. For the paper method, we sought to avoid any implicit falsification by not supplying the questionnaire in the premises of the above-mentioned brands. The questionnaires were therefore supplied in casually selected places, through a direct face-to-face approach.

## **ANALYSIS OF THE RESULTS: Eataly Case Study**

In order to gather empirical evidence for the importance of adopting a strong, communicative brand in the food sector, we studied Eataly, one of the most successful wine and food companies in Italy, created to a project by Oscar Farinetti in the early 2000s.

We started with the identification of a brand in the food sector with a unique, innovative message capable of going beyond the simple function of company recognition and that could also modify and develop consumers' attitudes to consumption and their relationship with food. In this sense, the Eataly brand is unique in its genre: not only does it offer guaranteed quality and certified origin for its products, but it also encapsulates a new, healthier and more natural lifestyle approach, in accordance with nature and seasonality.

We decided to subdivide the Eataly case study into two sections: the first is descriptive, and the second presents an analysis of the interview held with Eataly's press office contact and the questionnaires completed by Eataly customers.

### *Descriptive Analysis of the Eataly Case Study*

*The idea of Italy* was created first of all through the great passion of its founder, Oscar Farinetti, for Italian gastronomy, good food and wine, and his passion for always seeking out restaurants and inns suited to his taste for good quality. His idea was clear from the start: he wanted to create a supermarket offering excellent, fresh, authentic foods at sustainable prices. To achieve this objective, he needed to streamline the chain by cutting out the intermediaries, and offer up high-quality foods through the use of typical consumer product techniques, such as variety, informality, reasonable prices and special offers.

His asset is illustrated by a table by ISTAT (Italian national statistical institute), which showed that only 10% of the population consistently ate high-quality foods. Convinced that he would be able to capture the target market making up the remaining 90% of the population, he was therefore confident of his future success. The project was also supported by Farinetti's collaboration with a close friend and colleague, Carlo Petrini, the founder of the Slow Food movement.

Slow Food is an international non-profit association that was established in the city of Bra (in the province of Cuneo). Its objective is to promote the enjoyment of meals, and food and wine in general, as an experience of pleasure.

Founded by Carlo Petrini, the association presents itself as a "rival" alternative to the logic of so-called fast-food, which is increasingly synonymous with the frenetic character of modern life, the uniformity of tastes and a lack of interest in seeking out fresh products: the main objective is therefore to defend the agricultural and food and wine traditions of each part of the world.

The first Eataly store was opened in Turin on 26<sup>th</sup> January 2007 and organised into a number of specific areas: products are divided into cold cuts and cheeses, meat, fruit and vegetables, fish, pasta and pizza, bakery, wine shop, café and ice cream parlour, each of which has its own small, themed and informal restaurant. As well as

catering and distribution, there is a space dedicated to education and learning, which is a key aspect of Oscar Farinetti's original idea.

Following on from the huge success of the first store in Turin, Eataly has since continued to spread its message, firstly across Italy and then in various countries worldwide: Milan, Bologna, Rome, Genoa, Pinerolo, Asti, New York, Tokyo and many more.

The focal points on which the brand strategy is based are, essentially:

- 1) Buy: inside Eataly stores, you will find a series of thematic areas dedicated to the sale of high-quality foods and drinks. While there are various kinds of foods on offer, a particular focus is placed on carefully selected Slow Food products, which are hard to find in standard large-scale supermarkets. Throughout the store, there is a particular focus on seasonality, which incorporates a message of excellence and authenticity as well as a clear sign of affordability.
- 2) Eat: the division into thematic areas is also reflected in the catering area, which comprises various restaurants offering dishes prepared with the best local, seasonal ingredients. Meals at Eataly are characterised by a seeming antithesis of informality and authoritativeness. Their authoritativeness derives from the serious, careful selection of tried and tested raw materials, guaranteed quality and well-trained staff, while their informality derives from the homely atmosphere that characterises the store, and a series of techniques that establish a genuine and authentic relationship between the customer and the brand. Thanks to this policy of cooking what it sells and selling what it cooks, Eataly is able to generate such high turnovers as to avoid surplus stock and throwing products away. To take an example provided by Farinetti himself, as customers are reluctant to buy fish that is not completely fresh, it is transferred to the catering section, where it is prepared the following day and hence served when it is at the height of its flavour.
- 3) Learn: the real innovation of Eataly's strategy lies in its didactic aspect, which it considers to be crucial for encouraging the correct approach to diet and establishing a real relationship of trust with its customers. The courses take place within the store itself, and are characterised by a high level of variety both in terms of the target range (there are courses for primary schools alongside courses for adults and pensioners) and in terms of the area of study. Indeed, you can attend courses on cooking, pastry and dough making, as well as taking part in aperitifs with the producers of the foods on sale, or food and wine tastings. Everything is characterised by one key objective: to satisfy your appetite, while you learn.

## *Analysis of the interview and questionnaire results*

### *The producer's point of view: analysis of the interview*

The results of the interview illustrated that, in the food sector, the brand is fundamental both for guaranteeing a relationship of trust with the customer, and for attaining a competitive advantage over competing companies.

The main message transmitted by the Eataly brand is to make informed, quality dietary choices, and Eataly's objective is to accompany its customers along a journey through experience.

Moreover, through the adoption of good legal protection the company is able to offer the public guaranteed, consistent quality and to build up loyalty: the Eataly brand is registered and protected under legal rules established by the Italian State and the company is supported by a legal firm that deals specifically with brand protection.

Lastly, the interview illustrates that the message incorporated by brands in the food sector is more important than in other sectors, because it directly involves people's health: the message must communicate concepts such as "clean, fair, good". And indeed, as well as respecting all the regulations relating to product quality guarantees, Eataly also adopts internal procedures that apply to all its suppliers, in order to constantly monitor product quality.

### *Consumer's point of view: analysis of the questionnaires*

The data collected through the questionnaires were inserted into a single database and analysed in relation to the specific research requirements through an electronic programme.

For the practical analysis, each response was matched to a numerical index that was duly weighted in relation to the number of users that gave that response, using the following simple indexing table: 1) Very little; 2) Little; 3) Average; 4) A lot; 5) A great deal.

The first analysis to be carried out involves establishing who actually took the questionnaire. There were a total of 202 interviewees, who were distinguished on the basis of sex, age and income. There were 83 male interviewees (41% of the total), slightly less than the number of female interviewees, which came to 119 (59%). As regards age, we tried to create groupings that included people who would, as a general rule, have a similar lifestyle. The first group of people, probably students, do not yet have an income of their own and still live with their parents, corresponding to an age range of less than 29 years. The second grouping consisted of people with a family and a more stable lifestyle, which corresponded to the age range 30/59. And lastly, the final group comprises individuals, mostly retirees, who no longer have children in their charge, corresponding to an age range of over 60 years. The questionnaire was taken by 138 individuals under 29 years of age (68%), 46 aged between 30 and 59 (23%), and 18 individuals aged over 60 (9%).

Lastly, we drew a distinction on the basis of income, an approximate indication of which was offered by the interviewees: 74 people defined their income as low (37%), 113 as average (56%), and the remaining 15 as high (only 7%).

### *The interviewees and their relationship with the brand*

The first thing the interviewees were asked to do in the questionnaire was to rate, on a scale of 0 to 3, the importance that they attribute to the brand when choosing which product to buy, without referring to any sector in particular. Over the course of the questionnaire, the same question was then repeated, but specifically in

relation to the food sector. Through this comparative method, we therefore set out to analyse the consumer's relationship with the brand, especially in relation to different types of sectors, in order to establish whether different products have different consequences from a behavioural perspective.

The results of the grade weighting hovered around a value of 1.7, a result which is very close to the response "I often pay attention to the brand". It is therefore clear that consumers are increasingly aware of being in some way guided in their purchasing decisions (directly or indirectly) by the affixing of one particular brand as opposed to another.

As regards the comparison between sectors, however, it should be noted that there is no significant difference between the influence perceived by consumers in another non-specified sector and that of the food sector.

A slightly higher brand importance was however identified in a generic sector.

In the second stage, consumers were specifically asked to identify in which the sector the brand has a greater impact on their consumption choices. With this question, we therefore set out to identify the sphere in which greater importance is given to the brand by consumers, in order to assess the influence it actually has in its various contexts.

In order to verify the results, we first of all took a general, comprehensive look at the responses. The sector in which consumers attributed greatest importance to the brand was without doubt the technological sphere, which reached a value of 4.01, corresponding to the response "Very". The next sector was that of motor vehicles. The food sector came in third, with a value of 3.5, followed, in order of magnitude, by the pharmaceutical/cosmetics sector, the clothing sector, and the sport/free time sector.

This therefore supports the previous response: there are sectors in which the brand has greater significance.

However, in order to conduct a more in-depth analysis, it was necessary to subdivide the responses, by comparing them in relation to the different consumer categories identified at the beginning of the study. This subdivision was specifically geared at understanding certain trends related to both economic factors, such as income, and demographic factors, such as age and sex.

By carrying out a more specific analysis, it is therefore interesting to note that some of the aforementioned values are staggered in relation to the target in question. For example, it is interesting to note that the food sector is more significant in the over-60s age segment than it is for other ages: this phenomenon is probably due to the increased attention that people of a certain age need to pay to which products they eat and the diet they follow (Fig.1). In the same age bracket, one can also note that the value relating to the clothing sector drops considerably, and this too can be attributed to the fact that adolescents are more interested in this product category than adults.

Another differentiation factor connected with age is technology, which has a higher value in the under-29s age range. This is testimony to the highly current trend among young people of always acquiring the best products on the market in this sphere.

A second important differentiation relates to the distinction between the sexes (Fig.2), wherein it is clearly visible that the pharmaceutical/cosmetics sector holds a decidedly more dominant position than other sectors in question, and in which the difference reaches almost one point in five.

Lastly, as regards income (Fig.3), it should be noted that the values are generally higher than for the lower income bracket, which is symptomatic of the fact that the brand is often combined with a higher price tag. In line with the above, it can be noted that low income earners do not recognise the importance of the brand where this can easily be set aside, namely in relation to sectors which are considered to be non-essential, such as clothing and sport/free-time.

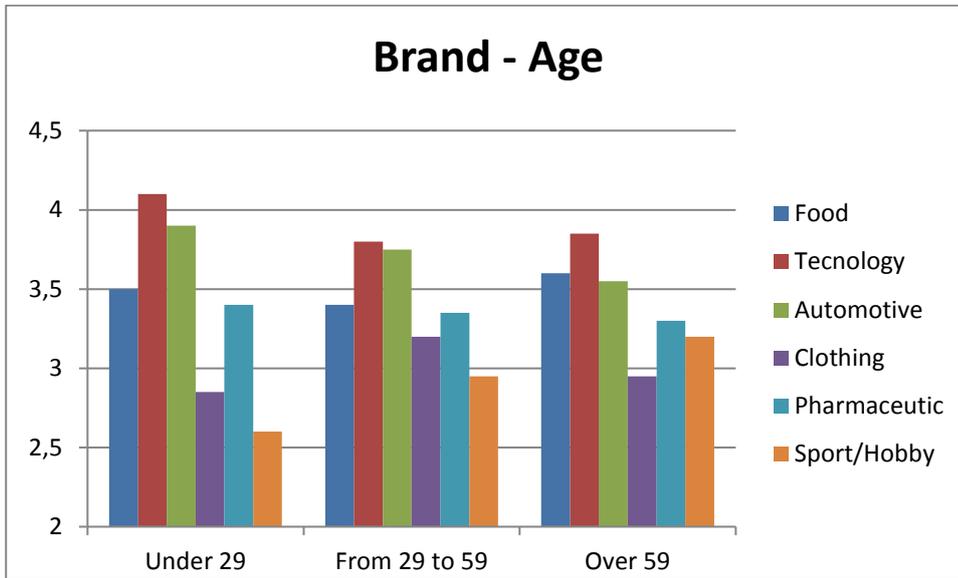


Figura 1: The importance of the brand in relation to age

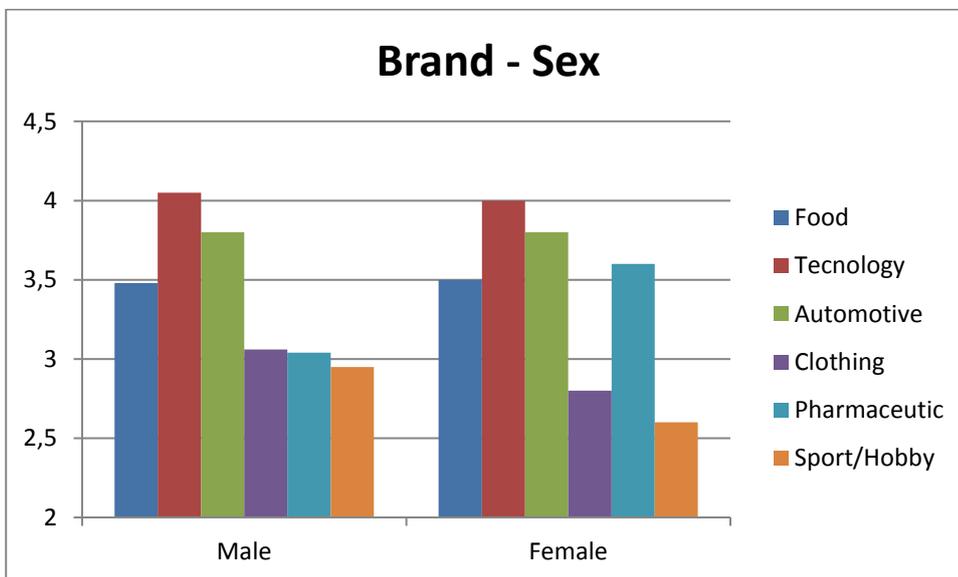


Figura 2: The importance of the brand in relation to sex

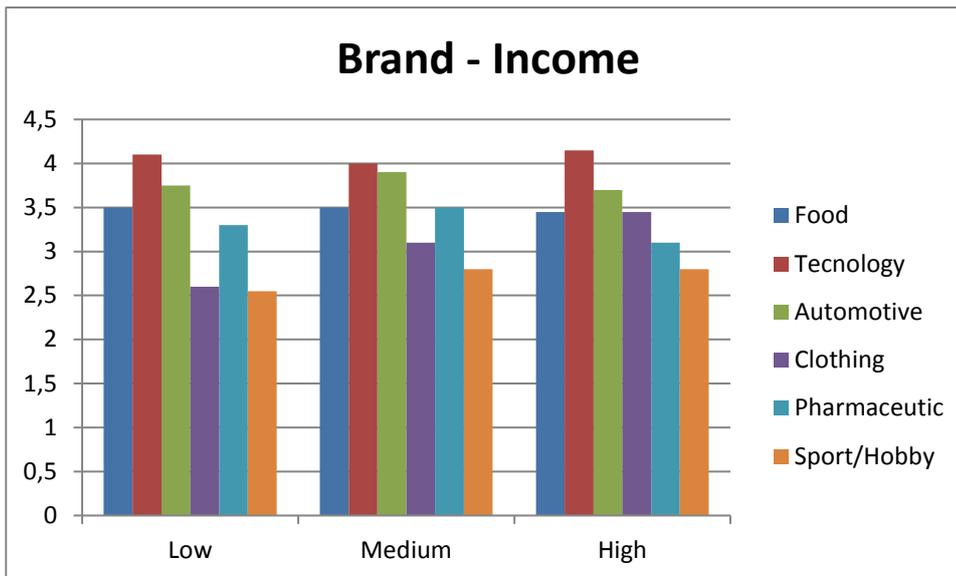


Figura 3: The importance of the brand in relation to income

### *The consumer and Eataly*

The final part of the questionnaire related specifically to the brand of the case study in question: Eataly. Firstly, we asked how many of the interviewees actually knew the brand, or whether, on the contrary, they had never heard of it, in order to establish its level of recognition. There were 188 affirmative responses, making up 93% of the total interviewees, while there were only 14 negative responses, amounting to 7% of the total. It is therefore clear that the brand is extremely well-known, especially in the city of Turin, which is a reference point for the company and home to its very first store.

The last analysis that needs to be conducted in this sphere is a study of the segment of interviewees that gave a negative response to the question, stating that they did not know the firm. Who is represented by this 7% that has not heard of Eataly? Is this a segment characterised by certain characteristics or comprising different types of people? From the data analysis, by weighting the number of negative responses with the number of interviewees it became clear that more women than men knew of the brand (8.43% of the negative responses were given by men compared with 5.88% by women), and, above all, there were more positive responses from those in the high income bracket (only 6.67% of such individuals had not heard of Eataly) than from the low income bracket (almost one in every ten people that defined their income as low gave a negative response). The most substantial result, however, related to the distinction by age: of the over-60s, not one person responded that they knew the brand; of the middle age bracket only one person did, while all the remaining negative responses were given by under-29s, 9.42% of whom had not heard of Eataly. One might therefore conclude that the brand has not reached certain specific categories of people, and that it therefore needs to develop in that direction, by endeavouring to also persuade and earn the trust of target markets such as the very young and individuals with lower financial resources.

In the following section, the respondents who had heard of the brand were asked if they had purchased one of its products on at least one occasion. In this case, too, the responses leaned heavily towards one response: 76%

of the interviewees (188 people) responded that they had purchased a product/service from this company at least once.

The most interesting factor in relation to this question regards, without doubt, the breakdown of the negative responses in terms of income: in particular, it came to light that a large percentage of the individuals that claimed never to have purchased anything from Eataly consider their income to be low.

Specifically, it became clear that while for the medium and high income brackets the percentage of non-purchasers was around 15-20%, this percentage was almost doubled among low income earners, reaching a total of 32.43%.

The question specified that the distinction between the various services offered by Italy did not matter, or rather than it was not important for the purposes of the survey whether the purchase related to catering, retail, or any of the other services offered.

However, the result was not so significant as to allow us to ascribe the lost sales to overly high prices: in fact, in the subsequent parts of the questionnaire, we endeavoured to investigate the reasons why consumers chose not to buy at Eataly; interviewees could respond either by choosing from a selection of multiple choice answers, or by adding a reason not included in the previous ones.

53% of the respondents that had never made a purchase (more than half), claimed this was due to the store being difficult to reach for them, while the price factor was only secondary, affecting 33% of the interviewees. Another interesting fact relates to the response "I don't recognise its higher quality": in fact, only 7% of respondents chose this option.

On the strength of these results, we can affirm that the main reason for people not approaching the brand falls outside of its qualitative character (which is the very basis of the firm's proposal) and that the message incorporated into the brand itself nonetheless carries a clear message which is almost univocally picked up on by the consumer.

### *Eataly's services*

Through the inclusion of a further survey area about the Eataly brand, moreover, we were able to expand the analysis of the responses: in particular, consumers were asked to indicate which of the services offered by Eataly they knew about, and which they had used at least once.

The most well-known services, with a considerable difference, were catering and retail, which boast widespread recognition rates of 70% and 62% of the interviewees, respectively (out of a total of 188 people). In this case, almost everyone that had heard of the brand had also made use of it, in that the percentages differences varied by only 6-7% (Fig.4).

In this case, on the other hand it can be observed that the services which Farinetti considered to be fundamental have not yet reached maximum diffusion, since although they are fairly well-known (31% and 14% of people responded that they knew about them), they are still not being exploited sufficiently, given that only 10% and 4% of the respondents claimed to have used them.

Specifically, it is interesting to note that the most well-known services related to catering and retail, especially if one takes into account only the results of those who have made at least one purchase at Eataly: if only those results (143 individuals) are counted, the percentages relating to catering and retail are as high as 88% and 73%; which proves that, of the people who have made at least one purchase at Eataly, almost three out of four have made use of the themed restaurants and the supermarkets at the store (Fig.4).

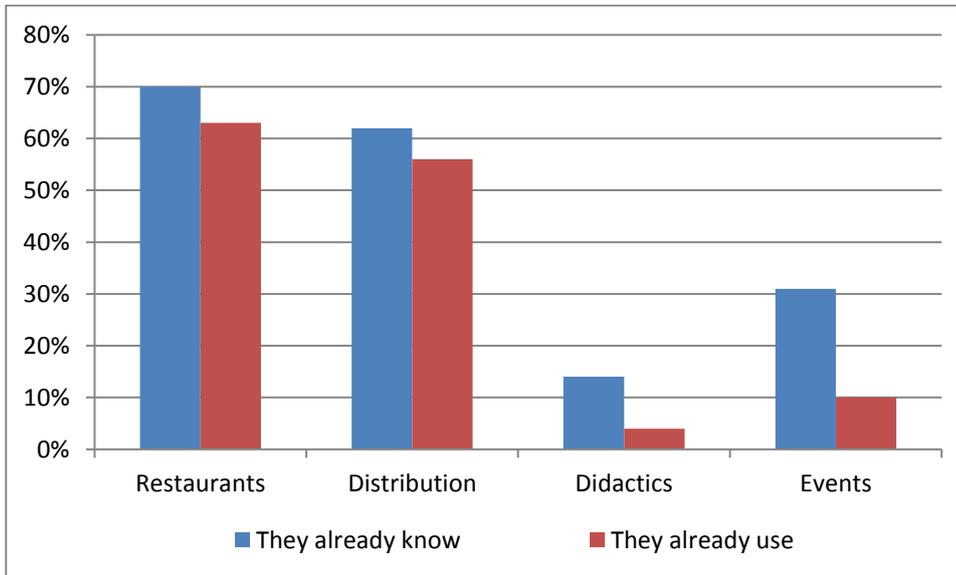


Figura 4: Eataly's service

#### *The characteristics of Eataly according to the interviewees*

In this part, the consumer was asked to indicate, on a scale of 1 to 5, which of these characteristics was, in their opinion, the most predominant of the company's offering.

The characteristics most noted by the consumers were firstly the high quality of the products and secondly the guarantees provided in relation to their quality and place of origin.

In order to carry out a complete critical analysis of these data, it is necessary to call upon the indications given by consumers in relation to the elements that are indispensable when making a purchasing decision in relation to food products. From the above examination, it became clear that these characteristics were, namely, quality and the guarantees offered in this regard. In this sense, Eataly is a brand of undisputed excellence, which clearly responds to the demands of the modern market and the need for reassurance as to the quality of the products on offer. It is therefore clear that the consumer is able to pick up on this higher quality standard, and feels encouraged by the company's choice of suppliers.

#### *The positioning of Eataly*

In the final parts of the questionnaire, the consumer was asked to respond to some generic questions about certain brands that could be seen as direct competitors of Eataly, in order to trace out a map positioning the firm in relation to the global market.

It should nonetheless be specified that there is currently no other firm in Italy with the same offering as Eataly, and it is therefore difficult to make comparisons which might be considered to be completely exhaustive. On the one hand, in fact, the brand could be set alongside distributors, including supermarkets and large hypermarkets. However, as it also offers a catering service, the brand could also be compared with an innumerable series of firms and well-known multinationals that play a highly prominent role in the agro-food sector.

To deal with this issue, we tried to focus the comparison more on how well-known the various brands were, and how they were perceived by customers, trying to avoid focusing on the differences between each of the firm's various offerings.

The combination of these two variables brought to light a specific situation: the brands that most resembled Eataly's offering in terms of attention to quality and seasonality are also the least well-known, as is the case, for example, for brands such as Exki and Lentini's. However, the brands which were extremely well-known (i.e. almost all the interviewees knew of them) did not achieve optimal levels in terms of their quality/price ratio, as is the case, for example, for McDonald's or Lidl. However, the brands that did come close to Eataly's offering were Ipercoop, for distribution, and M\*\* Bun, for catering.

It is clear, nonetheless, that the predominance of the Eataly brand is currently unmatched in Italy, and its offering is clearly identified by consumers as being optimal in terms of quality and, especially, in terms of the quality/price ratio and the guarantees it provides.

## **CONCLUSIONS**

The relationship between this research and previous researches is ambivalent: while on the one hand it embraces many propositions and concepts, considering them from an up-to-date perspective, it also seeks to provide a more in-depth study of the question by introducing some new factors as well as to offer an original contribution. The latter includes the attempt to give greater attention to consumer perceptions and to the influence that these could have on managerial decisions.

The brand has particular significance in the agro-food sector as a result of the greater implications of its products for people's health. The agro-food sector presents certain brand features that, in other sectors, remain largely unknown or are at least considered to be less important. The agro-food industry market is developing in precisely that direction, and consumer demands are being increasingly met by firms who are making concerted efforts to maintain the high standards required for a healthy diet.

The empirical analysis illustrated that, in relation to the brand, greater significance is given to aspects such as quality and the guarantees provided by the brand itself. The research showed that the consumer is aware of the specific features of the brand within the potentially risky context of the agro-food sector. It is therefore clear that, following recent developments in food market-related trends, consumers are increasingly intent on seeking high safety levels, an intangible element that firms need to support through the creation of a brand

which is highly distinctive and communicative, i.e. expressing the values promoted by the firm, and which must be supported, defended and constantly updated.

Bearing in mind the importance of the customer's perceptions, the company's strategic implication concerns the need to have a perfect knowledge of their own brand, which is of course intended not only as a mere graphic symbol, but as an idea lodged in the consumer's mind. One cannot expect to achieve excellent branding strategies without an excellent knowledge of the set of perceptions that constitute the brand. Studies have consistently shown that coherence is a key factor, both in relation to the strategy itself and to the characteristics of the product offered on the market, and it is therefore clear that it is crucial for the company to be fully aware of the associations drawn by the consumer in relation to the firm itself. Otherwise, the company runs the risk of managing a simple brand, the significance of whose concept would be either diminished, or completely effaced.

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