



Market transformation in the food industry: Evidence from the Eataly case

Daniele Dalli
Università di Pisa



Summary

- (Food) culture and counter-culture
- Counter-culture and social movements
- Eataly as a new form of market transformation
- Eataly history
- Data
- Findings
- Discussion

(Food) culture and counter-culture



(Food) culture and counter-culture

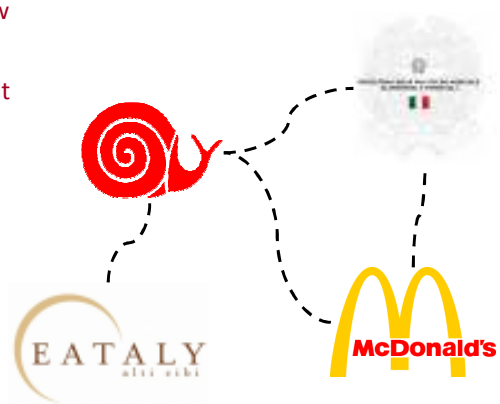


(Food) culture and counter-culture



(Food) culture and counter-culture

- Eataly can be considered the opposite of McDonald's Mcltaly as the different attitude of Slow Food demonstrates
- The very reason for discussing it here is that it emerges from a sort of ideological alliance between corporate power and social movements in a mutual effort to construct authentic products, services, shops, and experiences



Counter-culture and social movements

- Ideology and counterculture are important factors that affect consumers' choices in terms of the outlet where to buy and the kind of food to choose (Thompson, Coskuner-Balli, 2007; Kniazeva, Venkatesh, 2007) and even anti-consumption or resistance practices (Lee et al., 2009; Kozinets et al., 2010)
 - ✓ Sustainability, authenticity, local values, territory, community supported agriculture
- Resistance can be regarded a form of identity construction, but also as forms of collective action when they converge towards counter-cultures (Desmond et al., 2000; Thompson, Coskuner-Balli, 2007) or new social movements (Buechler, 2010).
- In both cases, collective action aims at criticizing extant culture and dominant ideology, giving counter-culture members a sense of new and resistant collective identity (Hollenbeck, Zinkhan, 2010). Social movements also possess transformative properties when they react to corporate market strategies, forcing companies to change their conduct.

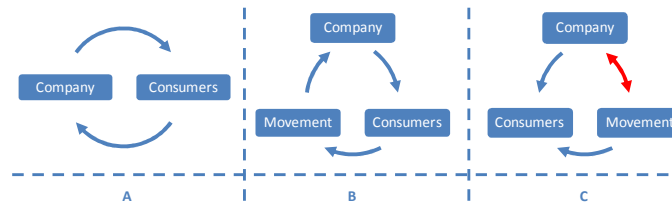
Eataly as a new form of market transformation

- Market transformation means that new corporate initiatives are developed and a new market structure (demand and supply), is created, which is grounded on a new and more responsive ethical agreement between customers and suppliers.
- Social movements mediate and direct this agreement and their role is therefore expected to change from a reactive to a more proactive stance towards the market.



Eataly as a new form of market transformation

- The literature about counter-culture, anti-consumption, consumer resistance, etc., tells us that these instances emerge as
 - ✓ Reaction against business practices
 - ✓ Detachment toward consumption
- In the case of Eataly, counter-culture operates
 - ✓ “before” and “along” business practice
 - ✓ In favour of corporate success
 - ✓ In order to increase (a special kind of) consumption



Eataly history



Oscar Farinetti



Eataly

- Oscar Farinetti developed UniEuro since the 80s and sold it for around 530 billion Euros in 2005
- Eataly (2007)
 - ✓ Slow Food as a partner/consultant: supplier selection and philosophy
 - ✓ Coop owns 40% of Eataly's equity
 - ✓ Shops in Torino, Pinerolo, Asti, Milano, Bologna, Tokyo, New York
 - ✓ 18 "kites" and 200 small producers selected according to Slow Food philosophy: good, clean, and fair products
 - ✓ Food culture and reasonable prices
 - ✓ Eataly as an intermediary between the community of consumers and that of suppliers/distributors
 - ✓ *Eatertainment*: eat (restaurants), purchase (food and food related stuff), learn (courses, books, practice, trips)



Eataly - Turin

- As part of a reclamation of Turin's industrial heritage, the new food and wine center Eataly is located in the former premises of the Carpano vermouth factory, active from 1908 to the end of the 1980s
- The symbolic connotations of the building – the association of the historic vermouth with the sphere of taste – serve as a kind of testament to the tradition of the city's food industry
- Eataly in Numbers
 - ✓ The entire surface area is around 11,000 square meters, of which:
 - ✓ 3,200 sqm of educational areas, the Carpano Museum and the conference room
 - ✓ 2,450 sqm of sales and administrative offices
 - ✓ 820 sqm of covered pathway open to the public
 - ✓ 4,530 sqm of subsidiary areas



Eataly - Turin



Eataly - Turin



Eataly - Turin



Eataly - Turin



Data

	Slow Food	Eataly	Consumers
<i>1st stage of research</i>			
Survey			300
<i>2nd stage of research</i>			
In store observations		: 22 February and 26 April, 2010 : 9 April, 2010	
Semi-structured interviews			50
In depth-interviews	2	5	10
Blogs/Forums			Over 350 discussions (60 eligible)
Secondary data	2 books, Websites (www.slowfood.com, www.slowfood.it)	2 books, Website (www.eataly.it). Internal documents	

Findings

- Eataly and Slow Food: interaction and co-design

- ✓ *We want to show that it's possible to achieve important results, merging entrepreneurship, ethics and a social perspective in our business (Farinetti, interview).*
- ✓ *I was part of a team of four members of the movement who was delegated by the Slow Food chairman board. We worked directly at the Eataly headquarters, where we could share our opinions with the management. We spent two years identifying, selecting, and choosing producers and products that were suitable for the new venture. We went to the producers' plants many times to verify the product quality and that Slow Food values, such as sustainability and the principles 'Good, Clean and Fair', are respected in the production process, (Sebastiano Sardo, Slow Food Executive, interview)*
- ✓ *Help us avoid having to call out a number to serve you. We do not want you to become a number. We would like to look into your eyes. We even want queuing to be a convivial moment. And, even then, we want to be different. Waiting in a queue is fine, if you are in good company. This could help us teach you to respect one another. There are people who do not get angry if someone jumps the queue and only complain gently. There are other people who furtively try to jump the queue and these are not welcome customers at Eataly (A sign at the counter).*

Findings

- Consumer behaviours: remaining with and purchasing at Eataly

- ✓ The problematic role of Slow Food members shopping at Eataly: they are significantly "less" enthusiast than ordinary Eataly customers

Reasons for remaining with Eataly	N*	%	Reasons for purchasing at Eataly	N*	%
Purchasing high quality products	216	72,0	Authenticity	231	77,0
Spending a pleasant time	166	55,3	Slow Food certification	184	61,3
For a meal	164	54,7	Display and product information	141	47,0
For curiosity's sake	132	44,0	Product trial	118	39,3
Gift purchasing	129	43,0	Personnel support	96	32,0
Participating in events	57	19,0	Price	55	18,3
* total count of those reporting the item as mostly (5) or very important (4) on a 1-5 scale					

Findings

- **Consumer voices: resistance and the quest for authenticity and sustainability**
 - ✓ *Besides quality, the sustainability of products is essential. It is a different form of warranty that is becoming increasingly important, primarily when you have a family (Filippo).*
 - ✓ *I want to know what I am going to eat and I don't want industrial 'bogus' goods. Here [at Eataly] I feel as if I'm purchasing directly from the original producer (Anna).*
 - ✓ *Sustainability is important for me: I participate in a purchasing group of more than 150 families and we buy products and brands according to the Kilometri zero philosophy. I often come to Eataly to buy the same products that I usually buy through the Purchasing Group (Luisa).*
 - ✓ *I regard food as a cultural element that refers to identity and tradition and to a specific relationship between the producer and the land. And I try to translate these beliefs into consumption practices that are based, on the one hand, on a kind of imagery that our parents gave us and, on the other hand, on a sort of reaction against the homogenization of tastes driven by forces like McDonald's: we react seeking variety, diversity, and, finally, identity through food consumption (Marco).*

Findings

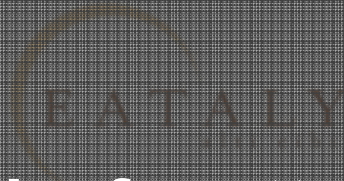
- **Consumer voices: community, compromise and transformation**
 - ✓ *I have a lot in common with those whom I meet at Eataly. I feel like I have a lot more in common with them than what happens in a supermarket (Roberto)*
- Vs.
- ✓ *I don't like it, as it seems a 'trendy' supermarket. I prefer the purchasing group formula: it is easier and less pretentious. The group is more effective because we, as members, are directly involved in the selection of products. We are not always as good as we would wish, even if some of us are responsible for the search for small producers to be helped and supported (Luisa).*
 - ✓ *Farinetti is right when he says that it is good to spend more money on good food and avoid many superfluous things, paying more attention to what we buy. But in my opinion, it seems that here at Eataly they are moving towards an elitist market, something trendy (Claudia).*
 - ✓ *Eataly is a sort of exploitation of a cultural movement. [...] I am a bit worried about the extension of this model, which exploits the commercial side of the movement: I hope that the existing coherence will never be lost. I hope that this initiative will positively impact production (Giulia).*

Discussion

- Eataly is a unique case of market transformation induced by anti-consumption
- Consumers feel committed and identify with Eataly as a form of resistance against mainstream marketing and a form of constructive involvement in the new venture (Ballantine, Creery, 2010; Cherrier, 2007, 2009a)
- Consumers resistance strategies are complementary and integrated dimensions of anti-social and pro-social behaviors (Cherrier, 2009a)
- Consumers like the new business while there is a group of consumers who dislike it that can be considered an expression of counter-counter-cultural instances (Thompson and Coskuner-Balli (2007)

Discussion

- A strong mutual commitment is a prerequisite for this type of market transformation
 - ✓ firstly, the intrinsic properties of the goods and the production and delivery process
 - ✓ secondly, the process of consumer involvement in creating authentic consumption and shopping experiences (Arnould, Price, 2000; Beverland, Farrelly, 2010; Grayson, Martinec, 2004)
- The process of creating authentic experiences is a critical, deconstructive dimension in which some of the customers criticize certain aspects of the initiative. Contrary to other cases considered in the literature (Thompson, Coskuner-Balli, 2007), only individual detachment occurs, while the movement as a whole is still well integrated into the new venture.
- The questions that still need to be answered are related to the medium and long-term effects of this kind of criticism within the community: will dissatisfied Slow Food members question their participation in and support of Slow Food? Will they quit? Will they reduce their involvement and turn their attention towards other forms of collective action?



Thanks for attention

Market transformation in the food industry:
Evidence from the Eataly case

dalli@ec.unipi.it

Daniele Dalli
Università di Pisa

