Supporting the Development of Healthy Food & Drink Products using

Product Benchmarking Techniques

Interreg
Atlantic Area
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EUROPEAN UNION

AHFES

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1. An Overview of Benchmarking

What is benchmarking and why is it helpful to your business ?

What is **Benchmarking** ?

Benchmarking is an ongoing process in which you measure your products, services, business processes or ways of working against other comparable examples.

By comparing and rating your offer, methods and outcomes, and in the process gathering insight into best practice, you aim to improve your own business performance.

What Types of Benchmarking Are There ?

- **External benchmarking**

  As you compare your performance or offering to your competition or a business which is acknowledged as highly successful, you build up knowledge and insight into potential new products, strategies or ways of working

- **Internal benchmarking**

  By comparing one product or other aspect of your business with another within your own company, you can establish what is best practice & implement this more widely.

Why is Benchmarking Useful ?

It forms part of your drive for continuous improvement

It increases your awareness of how your offer compares in the marketplace

It allows you to rank your processes or performance against others and highlights opportunities for improvement

It can eliminate the need for costly and time consuming trial and error – you don't need to "reinvent the wheel" !

It can speed up your innovation, reformulation and NPD projects through improved focus

The improved insight you gain may improve the chances of your action plan delivering successful outcomes
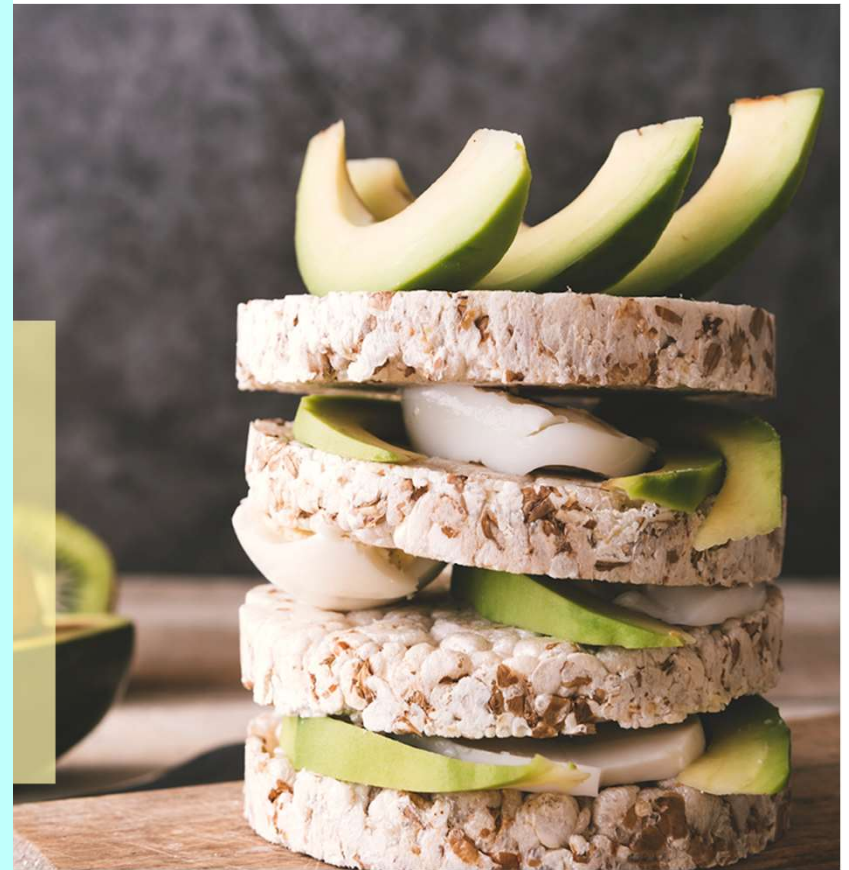
How can Benchmarking help with Healthy Product development ?

It doesn't matter how strong the health credentials of your products are, if they don't taste good, you will not trigger repeat purchasing by customers.

Therefore, ensuring that your products compare favourably to their competitors is essential.

This training module will suggest various ways that you can use benchmarking to understand how you equate in

- physical attributes & composition of products in the sector

- their organoleptic properties (those aspects of the product which customers will experiences with their senses)

- any health credentials, key ingredients and claims being made

Where & What To Benchmark ?

This decision will depend on your own situation, budget, timeframe and product sector.
It may be a narrow focus because you have one or two very specific products in mind that you want to review in depth. Alternatively, you may need a complete sector overview, if you are entering a new market for example.
Try to keep the scope of the review focussed so that the benchmarking exercise is not overwhelming.

Think International !
If you are very familiar with your domestic market, investigating and benchmarking products from other countries can bring new ideas that you can successfully adapt for your own markets.
So maybe have this in mind if you, your colleagues or friends are planning your travels !

Are There Pitfalls To Benchmarking ?

DIFFERENT MAY NOT BE BETTER

Just because a product or process is different to yours, it may not necessarily be better or more successful

You will need you use your expertise in your specific sector, draw on your experience & exercise judgement before making changes

ANALYSIS PARALYSIS

It is easy to get overwhelmed with more information than you can assimilate – or to think that just one more piece of information will hold the answer

You have to judge when to make key decisions and move on to formulating and actioning your plans

CONFIRMATION BIAS

It can be hard to take a step back from your own opinions and to take a fresh, clear sighted view

Seeking the views of others who are consumers or have no history or vested interest in the topic can boost objectivity

Being Objective

When you are passionate about your business no doubt you will have invested a huge amount of time, energy and money in building your ranges.

You can become so close to your products, that it is very hard for you to step back and view them as other people with less specialist knowledge see them.

It can be very helpful to involve people in your benchmarking who do not have this intimate knowledge, and who can therefore represent the consumer more effectively.

You may face some uncomfortable moments or hard truths during the benchmarking, but it is important to remain open-minded and willing to listen to constructive criticism.

Only by taking a clear-sighted and objective approach can you make meaningful improvements that will drive your business forward.
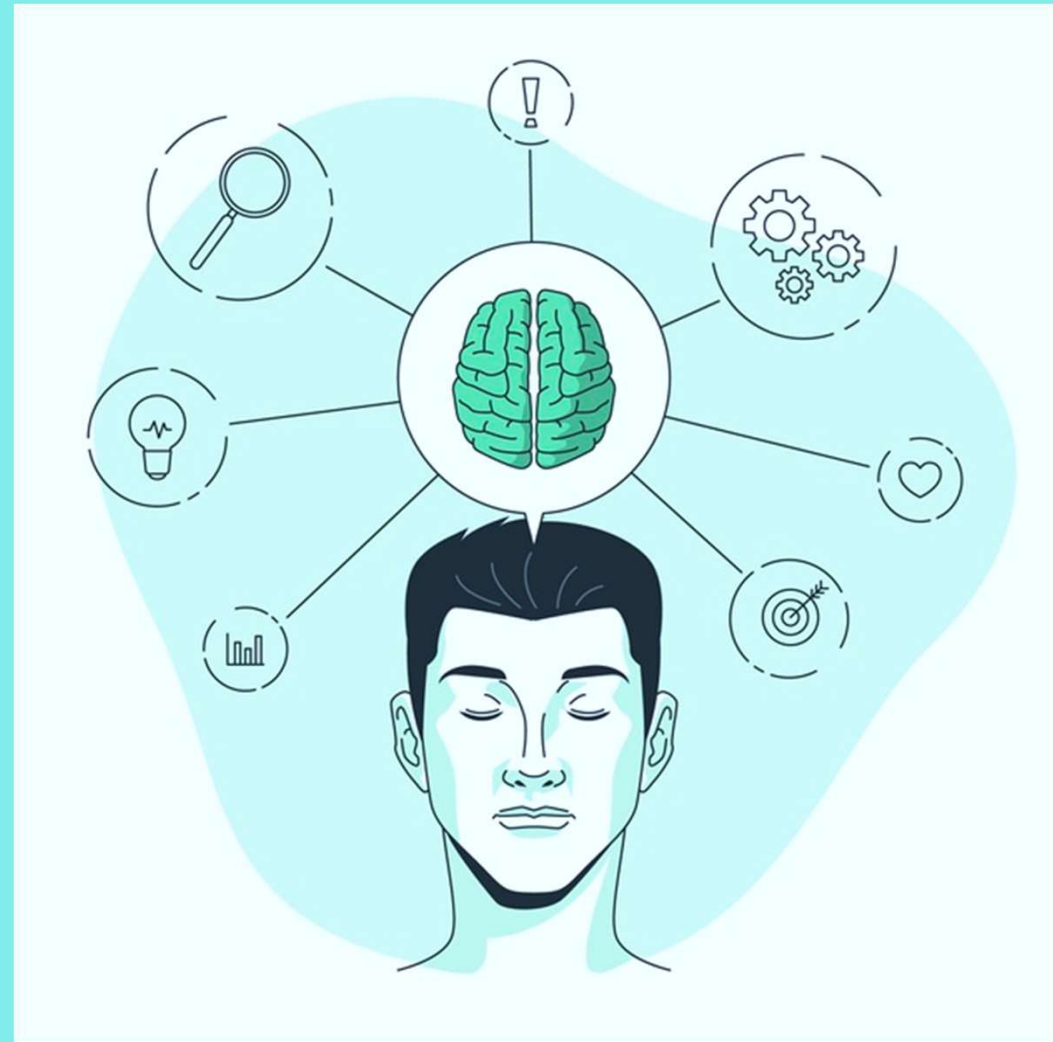
Seeking New Perspectives

Seeking views from people who are completely new to your product sector can contribute what is called "the Beginner's Mind".

By involving newcomers, who have no preconceived ideas about your area of the market, you will tap into the views of people who do not know all the difficulties, hurdles or issues associated with manufacturing your product.

They may suggest ideas from a completely new perspective that you and your experienced team might instinctively avoid, because you know all too well the complexities of your business !

Such ideas may at first seems very impractical and challenging to implement – but it can be good to debate these new ways of thinking and see whether there could be ways to act upon them.

By embracing and overcoming such challenges you may be able to create a new, unique position in the market that sets you ahead of your competition.

Of course, you must always seek consumer insight to make sure that any changes are valued by them and will not just add expense and complexity without driving improved sales and profit.

2. Choosing Benchmarking Techniques and Collating Information

Gathering and managing your benching information in a helpful and productive way

Deciding Which Benchmarking Techniques To Use

This will depend on the purpose of your panel and your objectives.

If you are innovating proactively in a new market sector, you may need to review as many products as possible and especially those within your target customers.

You may be able to research on line and gather (or even cut and paste) information into your template.

Or you may need to conduct store visits and gather information in person, use a checklist of the information you need to collect – it is easy to find out afterwards that you have missed something vital !

Make sure you set aside some dedicated time to review all the information inserted into the template.

Having more than one person undertake this review, followed by a collective discussion, is usually more helpful at pulling out learnings and sparking ideas than a single person taking on the task alone.
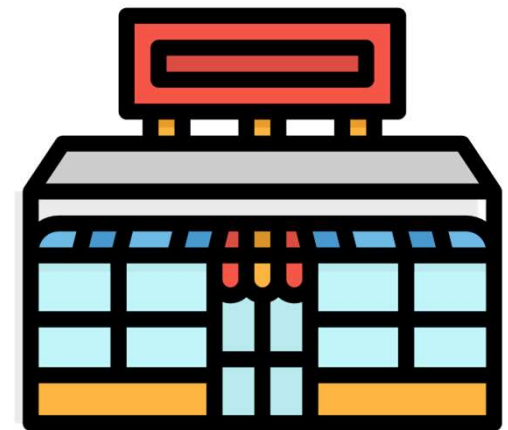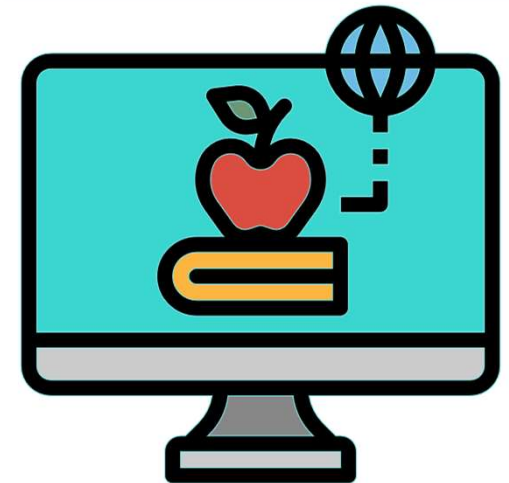
Tailoring Benchmarking Techniques

If you are undertaking product development for your own brand, you may have already developed a prototype product and now be looking to compare this to benchmarks in the market.

In this case your information gathering needs to cover all the aspects that will allow you to be confident that your product will stand out successfully in the market.
This will cover not only the recipe but the packaging, marketing statements, pricing, pack sizes, shelf life, bulk delivery format to name just a few relevant aspects.

Perhaps you have been asked by a customer to match an existing product and tender for their business?

In this case, be very clear about the brief from the customer and keep referring back to it as you benchmark and progress with development.

Ensure you understand their brand values such as provenance of ingredients or permitted additives and any technical requirements, as well as their commercial aspirations for the tender.

Collating Information

Collecting the information for your benchmarking exercise will involve

1. Selecting which products to benchmark – you may do this through an online search, visit to a store or restaurant or by attending a food show or trade exhibition.
2. Noting down all the relevant information about a product – it is helpful to include photographs.
3. Creating a template and collating the information in a methodical way creates a well-structured, useful resource for your future reference.
4. A template allows you to compare and contrast products more easily as your information will be in a common format.
5. You can use a template such as the example on the next slide and create categories to gather the information important to you.

Product Information Template

	PHOTOGRAPH IN PACKAGING	BRAND OR RETAILERs	SUBBRAND	PRODUCT NAME	SECONDARY TITLE	LEGAL TITLE	PACK WEIGHT	PACK PRICE	PRICE PER 100G / KG	INGREDIENTS & QUID	ON PACK CLAIMS OR LOGOS	NUTRITIONAL INFORMATION	COOKING / USAGE GUIDELEINE	STORAGE INSTRUCTIONS	PACKAGING FORMAT/ MATERIALS	RECYCLING INFORMATION
PRODUCT 1																
PRODUCT 2																
PRODUCT 3																

Using tables to collate your benchmarking information creates a common format which will allow you to compare products more easily. See our accompanying Product Benchmarking Template (Excel Document). The valuable, detailed work you have undertaken is now fully captured & readily available for future reference.

Sensory Benchmarking

- An important factor in benchmarking food and drink products is how they perform when consumed.

- Conducting a sensory panel and recording the panellists' views gives you insight as to the products organoleptic attributes and these have a direct impact on how much people enjoy eating a product.
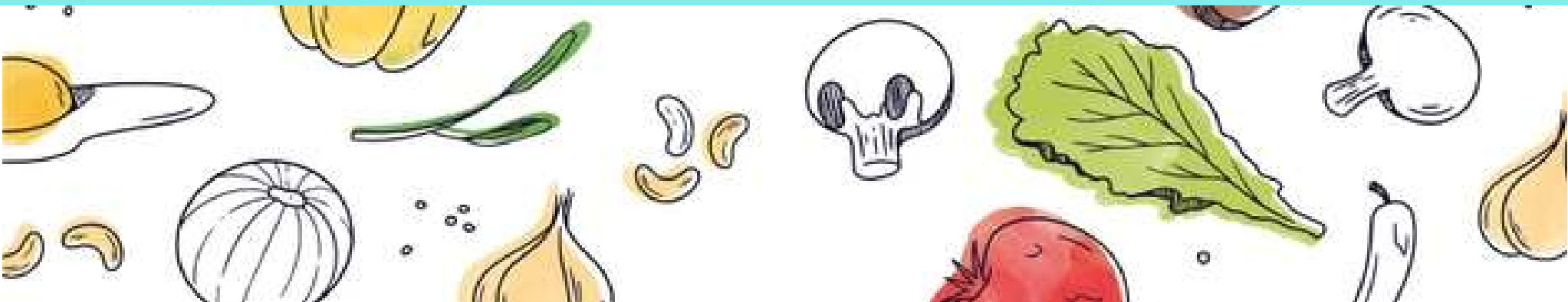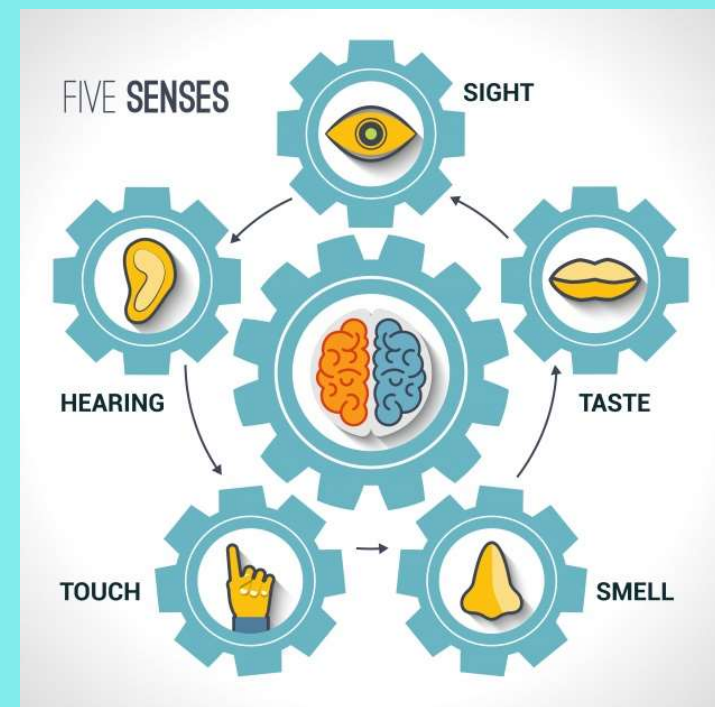
Sensory Panels

Sensory Science is a whole scientific discipline in itself, so we can only cover a few elementary concepts in this training module but these should be sufficient for a company's basic information needs.

If very detailed information is needed there are specialist companies and academic organisations who can provide food and drink businesses with in-depth sensory panels where results are given by highly trained panellists with proven heightened sensory perception.

However, for many projects, a food or drink producer will find it sufficient to conduct a sensory panel within their own team.
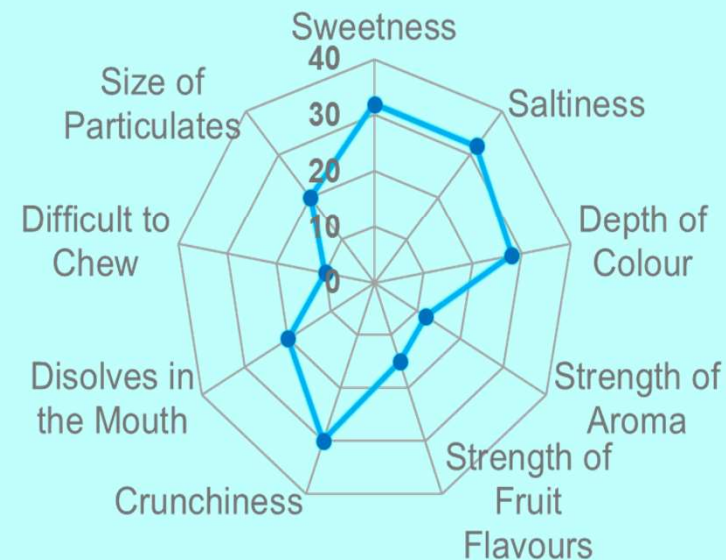
Nevertheless, to be useful this is best done in a structured way, in which the views of panellists are recorded on a form, from which scores can be totalled to give information to compare products.

There are a number of ways in which to rate products and you can select the option which best suits your needs.

FIVE SENSES — SIGHT, TASTE, SMELL, TOUCH, HEARING

Sensory Spider Graphs are often created by specialists who offer sensory panelling services to convey complex panel results

Score Out of 40

Sweetness, Saltiness, Depth of Colour, Strength of Aroma, Strength of Fruit Flavours, Crunchiness, Disolves in the Mouth, Difficult to Chew, Size of Particulates

Sensory Panels

Using Hedonic Scales

These are scales in which the panellist can express like or dislike of a particular attribute.

You can determine the number of points in the scale, depending on how nuanced you would like the scoring to be.

For example, a 9 point scale may give you a wide range of scores across a number of panellist, whereas a 5 point scale will produce more consolidated scores.

When asking the general public to rate a product you may just want to ask if they like or dislike it.

Using a face icon or other way to express "like or dislike" can give you a simple way of scoring, which might be suitable if asking children to sample products for example.

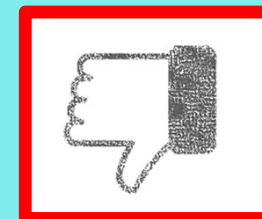| 9 Point Hedonic Scale	
9	I completely love this
8	I like this very much
7	I like this quite a lot
6	I like this slightly
5	I neither like nor dislike this
4	I slightly dislike this
3	I dislike this a fair amount
2	I dislike this very much
1	I totally dislike this

A 9 Point Hedonic scale gives you nuanced information

A 5 Point Hedonic scale will produce more scores at each level

1	2	3	4	5
Dislike Very Much	Dislike A Little	Neither Like Nor Dislike	Like A Little	Like Very Much

LIKE **DISLIKE**

A simple "Like/Dislike" may work well with children's panels

Sensory Panels

Adapt For Your Particular Product

A sensory panel can also be used to score the intensity of a particular aspect of a product.

The attribute will depend very much on the type of product which you are panelling.

Typical taste parameters might be the so called "Basic Tastes" – sweet, sour, bitter, salty and umami (savoury).

So you could ask panellist to rank on a score of any or all of these – either by level or intensity or by their views and preferences.

All manner of attributes can be scored – choose which is the most important to your product and create your scale accordingly.

So for example, for a carbonated drink it might be "fizziness", or, for meat, "succulence" is important.
For a savoury snack, "crunchiness"; for a cereal bar "chewiness" or for chocolate a "melting mouthfeel".

Sweet   Sour   Bitter   Umami   Salty

Examples of Possible Scoring Scales

	1	2	3	4
Saltiness	Extremely Salty	Quite Salty	Not Very Salty	Lacking Salt

	3	2	1
Sweetness	Too Sweet	Sweetness Just Right	Not Sweet Enough

	3	2	1
Juiciness/ Succulence	Very juicy & succulent	Acceptably juicy & succulent	Dry & lacking in succulence

Panel Practicalities

You must consider the practicalities of holding your taste panel.

Best practice in conducting taste panels is to limit the number of samples to no more that 6 or 8 products at a single panel.

More than this results in panellist suffering what is called "palette fatigue" and will not give you robust results.

Avoid an environment where strong smells, poor lighting, noisy interruptions or other distractions could be detrimental to panellists being able to give focussed options.

Consider what physical space do you need for laying out the panels samples ? Do you need to refrigerate or keep samples frozen before the panel ? Do you have sufficient storage space ?

If cooking is required, what facilities do you have and how many products can you realistically prepare and cook to their stipulated cooking guidelines at any one time ? Serving cold and congealed products will not give you meaningful results !
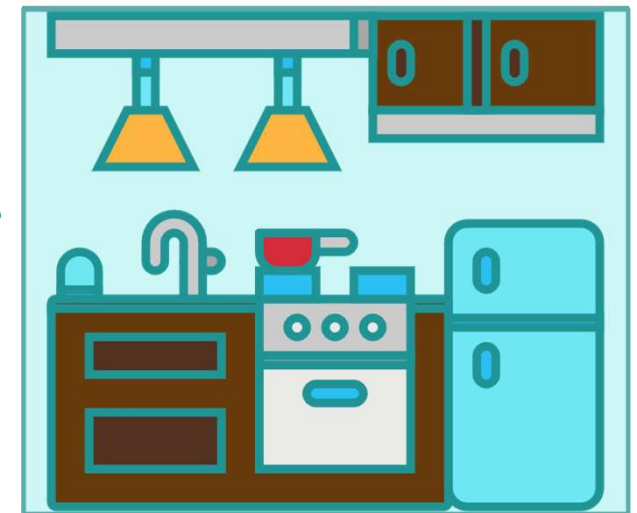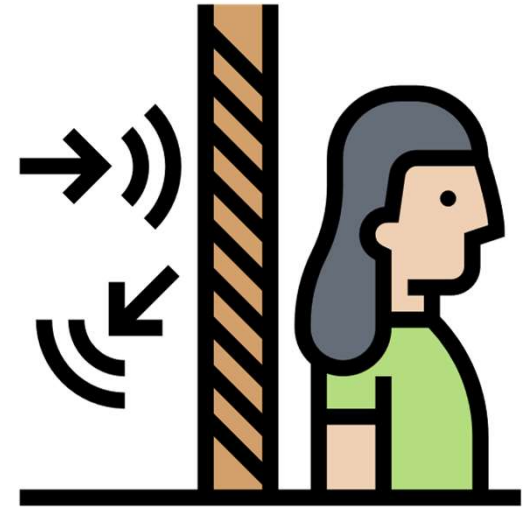
Blind Panels

Decide whether you will run what is called a "blind panel" in which the panellist taste the product without knowing any details about it.

Labelling each product with a random 3 digit code is best practice.

This can be important to avoid bias, if panellists might have preconceived ideas about a product and score based on their expectations rather than give an objective view.

For example when you want the panellists to score:
	a premium brand to a discount version
	a reduced calorie version against a standard option
	a "free from" alternative versus an original recipe

Any bias may be completely subconscious, as responses from sensory panellists are often triggered in the non-verbal area of the brain and represent a more instinctive response.
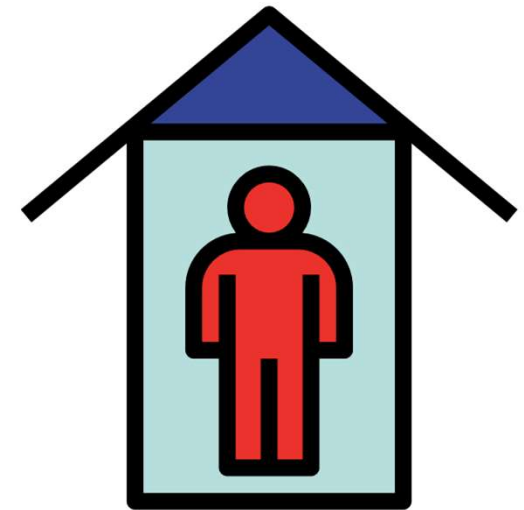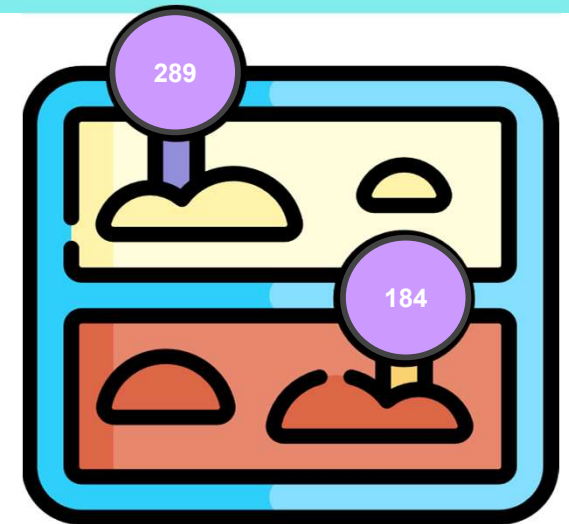
Silent Panels

Blind panels can be more effective when panellists score in silence, without discussing with anyone else.

This prevents a dominant person in the group influencing results or "herd" thinking where people feel they need to follow a majority view and do not express their true opinions.

Some panels start with silent, individual scoring but once everyone taking part has written down & submitted their scores, a discussion takes place to allow you to hear views and comments.

You may wish the panellist to conduct their sensory assessment first and then have them move to another location.
Here they could give you their views on product claims, packaging, design, marketing and other aspects where they will need to see the finished products with packaging to give you an opinion.

Discussion Panels
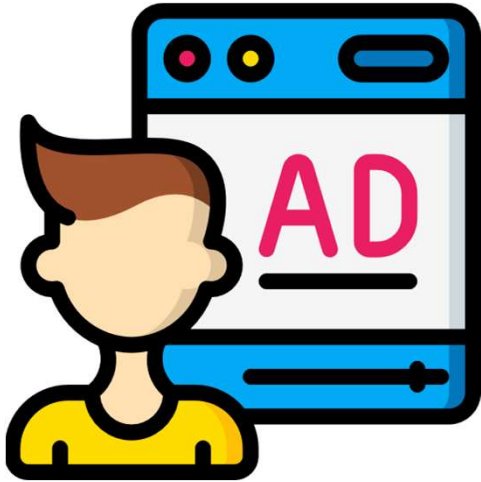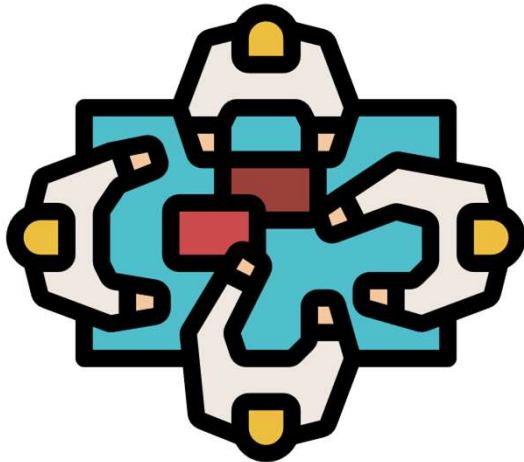
In some circumstances you may find a discussion panel helpful.

For example, when you wish to gauge:

   complex reactions to a particular issue that you are addressing

   options for your brand image

   which product claims and marketing messages resonate with your target consumers

Or you may have a cross-functional team including production, technical, finance, sales and marketing specialist when everyone putting their heads together will allow you to pool expertise and see a product or range from a broad spectrum of perspectives.

See our Gathering Consumer Insight module for more information about focus groups and consumer insight.

Eating Enjoyment

- Whilst sensory panels, conducted blind and under controlled conditions, should give you a relatively objective view about the products tested they are not the whole story.

- Consumers have many motivations when buying food and drink products, but consumer research frequently shows that enjoyment is critical to them choosing to buy the product on an ongoing basis.

- Therefore conducting panels which explore eating enjoyment, score this against an easily understood scale and allow you to rank products are as important as sensory assessments.
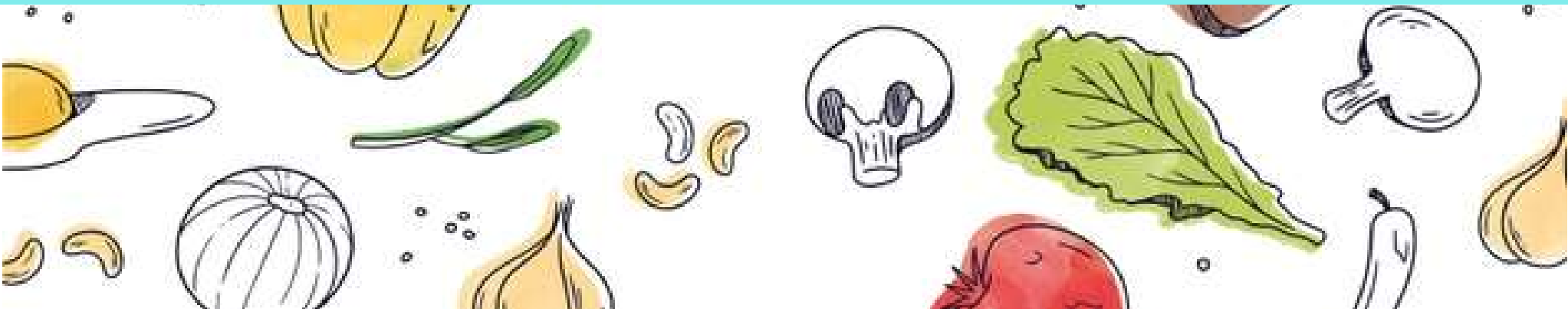
Scoring Eating Enjoyment

To sell successfully your product has to please your customers and meet their needs.

So you want to be sure which product attributes & features they truly value.

Adding attributes that have no customer value can make them more expensive, without bringing any improvement in sales.

Consumers may value many different aspects of your product and be attracted to the personality and ethos of your brand

But consumer research consistently shows that fundamentally how your product **tastes** and **consumer enjoyment** are critical to driving repeat purchasing.

Conducting a taste panel session in which you assess the eating/ drinking experience using structured scoring scale can play a helpful part in your benchmarking.

It allows you to rank your own products against similar competitor products and then create an eating enjoyment ranking which reveals your comparative position in the marketplace.

Eating Enjoyment Scoring Scale

Score	10 Excellent (9.5-10)	9 Very Good (8.6-9.5)	8 Good (7.6-8.5)	7 Fairly Good (6.6-7.5)	6 Satisfactory (5.6-6.5)	5 Acceptable (4.6-5.5)	4 Not Quite Acceptable (3.6-4.5)	3 Poor (2.6-3.5)	2 Bad (1.6-2.5)	1 Inedible
Score Context	Manufactured product rarely score this highly due to commercial & technical constraints.	Products scoring 9 will be of high quality & enjoyment due to carefully crafted recipes, raw materials and production methods. They will often command a premium price.	Products scoring 8 will have been made using carefully selected raw materials & to a compelling recipe. They are very well produced & may command a premium price.	The majority of manufactured products will have been designed to score between 5 and 7. Their ingredients and manufacturing methods will strike a balance between affordability and eating enjoyment. Consumer research may have helped them meet expectations within these enjoyment levels.			Products which score 4 are felt to be rather disappointing and fail to match consumers expectations. They may fail to live up to their product descriptions.	It is unlikely that manufacturers will knowingly have targeted products which score 3 or less. Issues may arise through trying to remove cost from a product's composition to hit a price point poor market knowledge which fails to understand what consumer's expect from a product of this nature. There may have been technical failures, manufacturing issues or product abuse during the supply chain.		
Typical Consumer Reactions	This product is amazing. I have seldom eaten food so good.	I found this product delicious. I struggled to tell it was not a restaurant or skilfully home made product.	I very much enjoyed eating this product. I found it to be of a higher quality than most products I have eaten.	I enjoyed eating this product. I would choose to buy and eat it again.	I would be prepared to buy and eat this product again. However I could suggest some minor improvements to make it more enjoyable.	This product is acceptable for its type and price. Nevertheless I feel there are a number of ways in which it could be improved.	I was not happy to eat this product. I would require some major changes in it's recipe or format before I would consider eating it again.	I would find it hard to say anything good about this product. I found a number of features in this product extremely disappointing.	This product tastes terrible and I do not want to eat any more of it. It may be off and not be safe to eat.	This product is so bad that I would not want to put it in my mouth. I do not want to taste it at all.
Possible Market References	Upmarket restaurants & food which has been prepared by experienced & talented chefs.	Premium and Speciality Retailers may market in products in their top tier ranges which can reach such scores.	Products in the Premium ranges of major supermarkets and speciality stores may achieve this score.	Supermarket and other retailers should be aiming to achieve this score for product in their standard ranges. Discounters may pitch their premium ranges at this level.	This score would be expected for all standard tier products from supermarkets, discounters & other retail food stores.	Products in the value ranges of supermarkets & discounters standard ranges should be capable of achieving this level.	The brand owner of a product scoring 4 would be wise to consider product improvements to avoid poor sales.	Any product scoring 3 consistently needs a major rethink of its recipe, manufacturing process or presentation.	This score is indicative of a serious problem with the product that needs to be addressed promptly.	There is a need for urgent action and a product withdrawal may be needed.

Sensory Panel Template – Collating A Product's Results

	Comments on Visual Appearance Prior to Preparation/Cooking	Score for Visual Appearance Prior to Preparation/Cooking	Comments on Visual Appearance at Point of Consumption	Score for Visual Appearance at Point of Consumption	Description/Comments on Aroma	Score for Aroma	Description/Comments on Flavour	Score For Flavour	Description/Comments on Texture	Score for Texture	Description/Comments on Mouthfeel	Score for Mouthfeel	Comment on Overall Product Experience	Score for Overall Product Experience	Sensory Score Total	Eating Enjoyment Score	Total Scores
PANELLIST 1																	
PANELLIST 2																	
PANELLIST 3																	

You can use our accompanying Product Benchmarking Template (Excel Document) or devise a bespoke form for your panel which explores the attributes which are important for your product.
Explain to panellists what scoring scale is to be used and allow them to note their score for each parameter. Having a space for them to add comments gives you extra insight.
Having collected your panellist scoresheets, transfer their results onto a master form so you can add up and average scores for each product being tested.
Ranking by the mean average can be useful, but also think about the range of scores given.
Was it a product that divided opinions? Such results could indicate a product with niche sales appeal.

Ranking & Scoring Can Help Decision Making In Many Areas
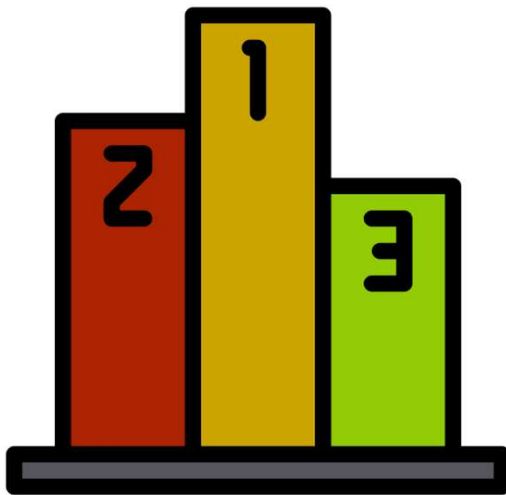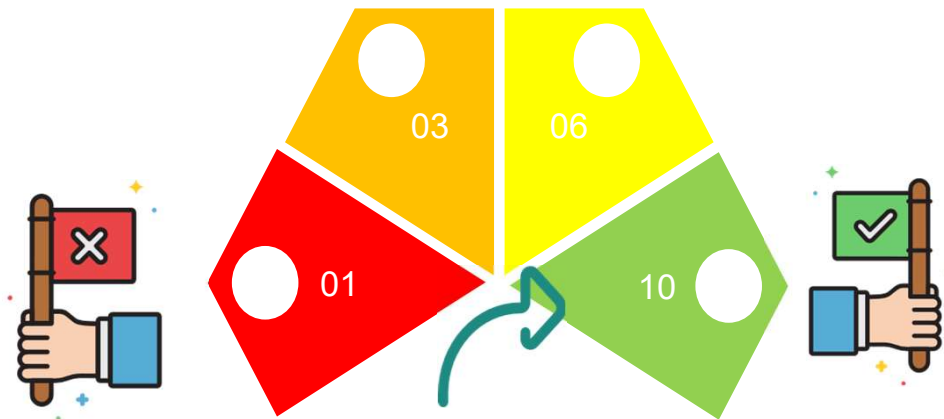
As well as collating information and creating tables of information about sensory aspects, allocating a score to each product for a variety of characteristics allows you to rank them for attributes which are important to your decision making.

So you may wish to score the product's packaging format, its design, its "eyecatching" impact on display, its price and value for money, how appealing its marketing messages are, its perceived healthiness and convenience of use and any other relevant aspects.

By totalling up scores in all areas – or those which you feel are the most relevant, you can create a ranking of the products you feel are setting the pace in your market.

3. Using Your Benchmarking To Make Informed Decisions

Translating your benching into useful insight and using it to make key product development & marketing decisions

From Data to Information

- Now you have undertaken your market sector investigation and conducted your benchmarking you will have gathered a lot of data and this can be rather overwhelming !

- You will benefit from having a systematic approach to analysing the data and converting this into useful information that in turn gives you helpful insight.

- One good way to do this can be to devise a list of questions that you would like to answer and then pull out the relevant information from your benchmarking sheet.
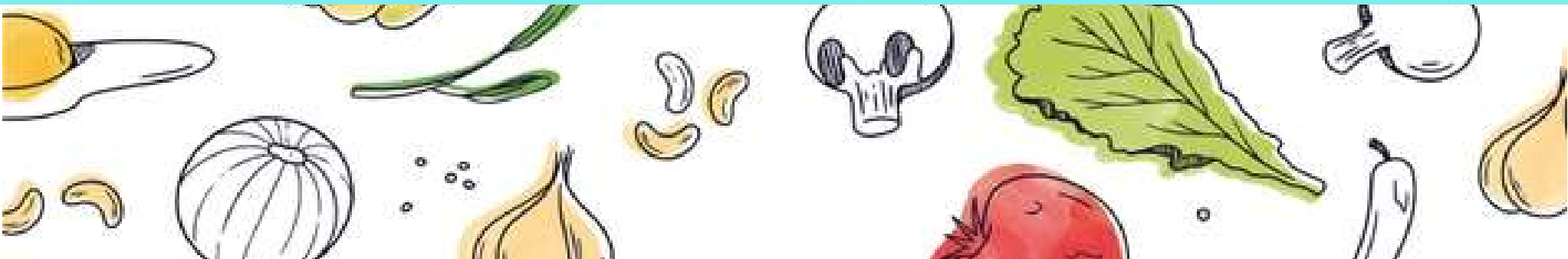
Building The Picture

By asking targeted questions you can extract relevant information to form the building blocks of your development plan.

The examples below may help to get you started … now add your own questions and use the data in your benchmarking matrix to create useful information.
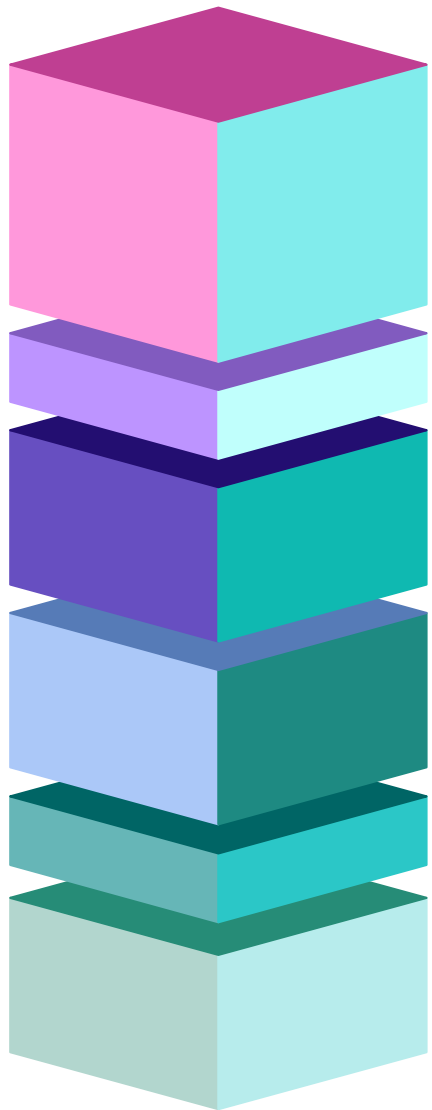
What flavour profiles are popular in this market ?

Use the product description columns and list the flavours that appear, group those that are similar and assess their frequency – do you want to mimic these ? Or have a new twist on and old favourite – or take the sector into new territory based on your target consumer ?
Should you look at what is popular in other market sectors for inspiration ?

What ingredients should I source ?

Specialist ingredients cost more – so look at the ingredients lists and marketing claims being used in your market to see if you need to include these ?
What is essential just to reach the market norm – and how can you be different yet not too expensive ?
Are attributes such as "free from", Fairtrade or organic important to your target consumers ? Should you have named origin ingredients ?
Adding cost without adding consumer value will not bring you additional sales & may erode your profit margin !

What pack sizes are in the market at what selling prices ?

Rank the data in your benchmarking matrix by pack size and selling price to find the minimum, maximum and most common – is there a gap you could fill for a new consumer group ?

What packaging format and materials are common ?

Check the packaging columns in your matrix – what is common ? Is this right for you or should you innovate to reflect your brand values more effectively ? Is recyclability important ?

Decision Making

Now you have collected together all your information, you can consider what you have learnt and what it all means for your next steps.

Have you identified a product which you consider to be the "best in class" in a relevant way ?

If so, this could be the benchmark against which you develop your new product or reformulate an existing one.

Equally you may feel that all the current products in a sector fall short in some respects ?

In this case could you create a product that outshines all the competition in meeting consumer needs – at a price that will be suitable in that market ?

Using Your Valuable Information

Remember to use your benchmarking insight when you pitch this new idea to a professional buyer.

If you present what you have learnt from your benchmarking in a logical and compelling way, it can provide convincing evidence of why your product would sell in their business.

Your insight will also help you to decide what Brand Values and "tone of voice" is right for your brand.

It will allow you to demonstrate how your product meets consumer needs and highlight the superiority of your product in your consumer marketing strategy.

Future Reference

Conducting your benchmarking will have taken, time, money and considerable effort – so it is important to save your reports and matrices safely.

Don't forget to refer back to them over time.

They will become a valuable resource, as you will be able to see how your market is evolving as time passes, which can give good clues as to future trends.

You will be able to track if competitors are making changes or improvements, when new variants or packaging formats have been introduced or if supermarket private label products have entered a previously branded market.

These insights over time will add to the depth of your market knowledge and allow you to make informed decisions as you plan your product strategy and product development schedule over the medium term.

We hope that you have found this training module a useful and helpful support to your healthy food and drink innovation.

This training module is one of a number of training opportunities, organised into themed training programmes to support SME's (small & medium sized enterprises) in the participating regions of Wales, Northern Ireland, Ireland, Spain, Portugal and France to successfully bring new and reformulated healthy food and drink products to market.

The training was created by the partners within the AHFES project
which is a quadruple helix Atlantic area healthy food eco-system for the growth of SME's
funded by the European Union under the Interreg Atlantic Area Funding Programme.

This programme promotes transnational cooperation among 36 Atlantic regions of 5 European countries and co-finances cooperation projects in the fields of Innovation & Competitiveness, Resource Efficiency, Territorial Risks Management, Biodiversity and Natural & Cultural Assets.

For more information about other training available please click here.

This project is co-financed by the European Regional Development Fund through the Interreg Atlantic Area Programme

Acknowledgements

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