“We may see something but if we fail to notice, we are essentially blind.”

- A study of what methods companies use when analysing the surrounding world
PREFACE

This thesis would not have been possible without our cooperative respondents within the food supplier industry and the consultant companies specialised at business intelligence. Therefore, we would like to present our greatest appreciation to Inga-Lena Fridheimer at Arla, Agneta Augustsson at Santa Maria, Thomas Hedberg at Polarbröd, Georg Kittel at Pågen, Louise Eriksson at Unilever, Anne Hägglund at Procordia Food, Fredrik Johansson at United Minds, Albert Lindemalm at Observer and Gustav Gorecki at Docere Intelligence.

Per Frankelius and Bengt Wahlström inspired and guided us during the initial phases of the study and for that we would like to thank them.

We would also like to thank our supervisor Anders Isaksson at Umeå University, who has contributed with helpful guidance during the thesis process.

It has been a long term process which has been enlightening and motivating.

Umeå University 2007

Lisa Andersson          Hanna Sörensen
The conditions on the market are rapidly changing and businesses in Sweden need to seize signals of change in time, in order to have a strong market position. The ability to make the right decisions and react in time is vital due to the increasing competition and a mistake can have devastating consequences for a company. The aim of this thesis is to investigate what tools and methods businesses use to analyse the surrounding world, which has lead to following research question:

*How do businesses analyse the surrounding and predict trends and what factors in the society should a company be attentive to while performing an analysis?*

Analyses of the surrounding heritage from a term called Business Intelligence, which consist of internal and external factors. This thesis focuses of analyses of external factors, in other words the surrounding. These external aspects enrich the understanding of the internal factors and together they are the foundation that strategic planning originates from. An analysis can be performed in many different ways for instance with collaborations with consultants or by observing the society. A World Mapping method can be used to chart trends or important changes and a company can also try to identify unpredicted events by using the factor X-model. Theories by Bengt Wahlström have also been used in the study to display how trends can be analysed.

This study will analyse large food producers who have established brands on the Swedish market. A qualitative approach has been conducted where six food supplier companies and three consultant companies specialised in analysing the surrounding have been interviewed. The method has been deductive where the empirical findings has been analysed with the theoretical framework. The outcome of the research shows that collaborations with consultants is a commonly used instrument and practical methods such as scenario planning and in real life scanning are preferred as visualising factors simplifies the managing of them. Media plays a significant role, both as a tool to search and track trends but also as a tool that can increase the affect of trends and unforeseen occurrences.
1. INTRODUCTION

1.1 BACKGROUND

1.1.1 BUSINESS INTELLIGENCE

1.1.2 GLOBALISATION

1.1.3 TECHNOLOGY

1.2 PROBLEM

1.3 PURPOSE

1.4 FOCUS AND DELIMITATIONS

1.5 LAYOUT OF THE STUDY

2. THEORETICAL METHOD

2.1 CHOICE OF SUBJECT

2.2 PERSPECTIVE

2.3 PRECONCEPTIONS

2.4 OBJECTIVITY

2.5 EPISTEMOLOGICAL APPROACH

2.6 COLLECTION OF SECONDARY SOURCES

2.6.1 REFLECTIONS OF SECONDARY SOURCES

3. THEORETICAL FRAMEWORK

3.1 BUSINESS INTELLIGENCE

3.1.1 BUSINESS INTELLIGENCE CYCLE

3.1.2 INSTRUMENTS TO ANALYSE THE SURROUNDING

3.1.3 RESOURCES FOR ANALYSIS OF THE SURROUNDING

3.1.4 BLIND SPOTS

3.2 FORECASTING

3.3 SCENARIO PLANNING

3.3.1 WORLD MAPPING METHOD

3.3.2 FACTOR X-MODEL

3.4 TRACKING TRENDS

3.4.1 TREND WATCHING

3.4.2 CONSUMER BEHAVIOUR

3.4.2.1 THE FASHION SYSTEM

3.4.2.2 TRICKLE – DOWN THEORY

3.4.2.3 MEDICAL MODEL OF FASHION

3.4.2.4 FASHION LIFE CYCLE

3.5 FUNDAMENTAL MODELS

3.5.1 PORTER’S FIVE FORCES

3.5.2 THE PEST- MODEL

3.5.3 THE SWOT- MODEL
4. PRACTICAL METHODOLOGY .................................................................................................................. 31

4.1 LINE OF ACTION .................................................................................................................................. 31
  4.1.1 CHOICE OF METHOD ..................................................................................................................... 31
  4.1.2 DATA COLLECTION ....................................................................................................................... 32
4.2 PRIMARY SOURCES ............................................................................................................................. 33
  4.2.1 SELECTION OF RESPONDENTS ................................................................................................... 33
  4.2.2 THE CONDUCTION OF INTERVIEWS ............................................................................................ 34
  4.2.3 OUTLINE OF DATA COLLECTION ................................................................................................. 35
  4.2.4 ETHICAL PRINCIPALS ................................................................................................................ 36
  4.2.5 REFLECTIONS OF CONDUCTION ................................................................................................. 36
4.3 TRUTH CRITERIA ................................................................................................................................. 36
  4.3.1 TRUSTWORTHINESS .................................................................................................................... 36
  4.3.2 AUTHENTICITY ............................................................................................................................. 37

5. EMPIRICAL DATA ..................................................................................................................................... 38

5.1 PRESENTATION OF FOOD SUPPLIER COMPANIES ......................................................................... 38
  5.1.1 POLARBRÖD AB ............................................................................................................................ 38
  5.1.2 ARLA FOODS AB ........................................................................................................................ 38
  5.1.3 PÅGEN AB ................................................................................................................................... 38
  5.1.4 UNILEVER SVERIGE AB ................................................................................................................. 38
  5.1.5 PROCORDIA FOOD AB ................................................................................................................... 39
  5.1.6 SANTA MARIA AB ......................................................................................................................... 39
5.2 RECAPITALISATION OF FOOD SUPPLIER COMPANIES ................................................................. 39
  5.2.1 THE IMPORTANCE OF ANALYSING THE SURROUNDING ............................................................... 39
  5.2.2 PROCEDURE TO ANALYSE THE SURROUNDING ......................................................................... 40
  5.2.2.1 SIGNIFICANT FACTORS .......................................................................................................... 40
  5.2.2.2 DEVELOPMENT OF THE PROCEDURES ................................................................................. 41
  5.2.3 PROCEDURE TO ANALYSE TRENDS ............................................................................................ 41
  5.2.3.1 SIGNIFICANT FACTORS WHEN TRACKING TRENDS ............................................................... 42
  5.2.3.2 THE CREATION OF TRENDS .................................................................................................. 43
  5.2.4 UNFORESEEN OCCURRENCES .................................................................................................... 43
  5.2.4.1 ACTIONS TOWARDS UNFORESEEN OCCURRENCES ............................................................. 44
  5.2.4.2 PROCEDURES TO PREDICT UNFORESEEN OCCURRENCES ............................................... 44
  5.2.5 MOST EFFICIENT METHOD WHEN ANALYSING THE SURROUNDING ...................................... 45
5.3 PRESENTATION OF CONSULTANT COMPANIES .............................................................................. 46
  5.3.1 UNITED MINDS SAMHÅLLSANALYS AB ....................................................................................... 46
  5.3.2 OBSERVER SVERIGE AB .............................................................................................................. 46
  5.3.3 DOCERE INTELLIGENCE AB ........................................................................................................ 46
5.4 RECAPITALISATION OF CONSULTANT COMPANIES ....................................................................... 46
  5.4.1 PROCEDURE TO ANALYSE THE SURROUNDING ........................................................................ 46
  5.4.2 PROCEDURE TO ANALYSE TRENDS ............................................................................................ 47
  5.4.3 MOST EFFICIENT METHOD WHEN ANALYSING THE SURROUNDING ...................................... 48
6. ANALYSIS

6.1 THE IMPORTANCE OF ANALYSING THE SURROUNDING

6.2 PROCEDURE TO ANALYSE THE SURROUNDINGS

6.3 PROCEDURE TO ANALYSE TRENDS

6.4 UNFORESEEN OCCURRENCES IN THE SURROUNDING

6.5 MOST EFFICIENT METHOD WHEN ANALYSING THE SURROUNDING

7. SUMMARISING DISCUSSION

8. CONCLUSIONS

8.1 COMPILED MODEL

8.2 SUGGESTIONS FOR FURTHER RESEARCH

9. REFERENCES

10. APPENDIX

10.1 INTERVIEW GUIDE – FOOD SUPPLIERS

10.2 INTERVIEW GUIDE – CONSULTANTS

10.3 INTERVJU GUIDE – LIVSMEDELSFÖRETAG

10.4 INTERVJU GUIDE – KONSULTER

Figure 1. Business Intelligence

Figure 2. Funnel of Problem

Figure 3. Two Different Epistemological Approaches

Figure 4. Outline of theoretical framework

Figure 5. Business Intelligence Cycle

Figure 6. Three Forecasting Modes

Figure 7. World Mapping Method

Figure 8. Factor X-Model

Figure 9. Fashion Life Cycle

Figure 10. Porters’ Five Forces

Figure 11. SWOT

Figure 12. Compiled Model Based on Outcome of the Study
1. INTRODUCTION

An introduction of what Business Intelligence is and factors that can influence the business surrounding, as well as the main problem and purpose of the study is presented in this chapter.

1.1 BACKGROUND

“If you know the enemy and know yourself you need not fear the victory. If you also understand the importance of the terrain, the victory will be complete.” – Sun Zi

The term business intelligence originates from the intelligence service, a subdivision of the military. Although, the importance of knowledge about your surroundings and your opponents arose about 2500 years ago when a victorious Chinese warrior named Sun Zi wrote a description of his war strategies in a book called the Art of War. In his book Sun Zi stressed the significance of information in order to succeed. These fundamental ways of reasoning is as vital today as it was 2500 years ago. Leaders still implement Sun Zi’s strategies when creating business tactics.

Djingis Kahn brought these thoughts to the West during the eleventh century. When Europe developed into more organized states, the tools to analyse the surrounding were evolved. When the largest commercial towns in Europe began trading globally, competition arose and the need of business intelligence was a fact.

1.1.1 BUSINESS INTELLIGENCE

The term Business Intelligence (BI), is a fusion of a number of factors which together gather information that simplifies and improves a company’s decision making and strategic planning. Working with Business Intelligence is a constant process that contains assembling information and analysing occurrences that affect the company. Business Intelligence is a very complex subject with numerous amounts of methods and sources, from academic to practical. BI strives to mediate refined information products that allow decision makers to see and influence the future:

- What has happened is history (data)
- What is happening is news (data)
- What will happen is intelligence.

---

The circles shown in figure one are the synergy of processes called Business Intelligence. Having knowledge about all of these components is vital in order to make efficient decisions and gain a strong market position. This study focuses on the left circle which analyses external factors, in other words the surrounding. The analysis contains for example information about consumers, customers, competition, markets, product development, trends and lifestyles. These external aspects enrich the understanding of the internal factors (the right circle) and together they are the foundation that strategic planning originates from. Awareness of the external factors are necessary for a company in order to understand the internal strategies. As previously mentioned, analysis of the surrounding is not a synonym of the term Business Intelligence. Since our society is altering in a more rapid pace today, is the importance of the surrounding world increasing. The structure of the business surrounding and future scenarios is becoming more important than tactical questions. The main purpose with business intelligence is to improve a strategy and to predict what the future will bring for a company. Today, the conditions on the market are rapidly changing and a company needs to seize signals of change in time, in order to have a strong market position. The ability to make the right decisions and react in time is vital due to the increasing competition and a mistake can have devastating consequences for a company.

An example of what lack of action can cause is the flour and flakes group, General Mills, whose profit was extremely affected by the carbohydrate trend. (A few years ago a trend arose, where it was claimed that consuming less carbohydrates led to weight loss). The profit decreased and ended near the minimum of the financial prognoses. According to the Managing Director Steve Sanger, the company did not recognise the signals from the consumers in time.

This example shows how important it is for a company to be aware of their customers and their surrounding. A company’s interpretation of a situation is not necessarily the same interpretation that their consumers have. This problematic situation makes it even more

---

8 Ibid., p. 21, 55.
9 Ibid., p. 11.
important for an enterprise to recognise how their customers act and react in their natural environment.

1.1.2 GLOBALISATION
Globalisation has lead to the integration of previously separated markets and created a new business environment. This construction of worlds and rules alters frequently which makes it difficult for companies to gain knowledge of and adapt to their market. The companies have to be one step ahead of the society and know how to acclimatize their business to the current trends and paradigms. In a publication from the Government Offices of Sweden the authors recapitulate a growing trend in our society, that the lack of boundaries is distinctive for our world. For the first time we are living in a society where everything can influence us.11

1.1.3 TECHNOLOGY
The Swedish government mentions in a report that a number of large enterprises are mainly focusing on the technological environment, where products and markets evolve, and neglecting the social environment where these events take place.12 The increasing access of information and new possibilities to send and receive information, has simplified the process where companies attain knowledge about their business environment, their markets, customers and competitors. Consumers also have a growing access to information through the Internet and other media and it helps them to be influenced by foreign cultures and trends. Media plays a central part when it comes to the development of trends by creating awareness among people who give a great deal of attention to it.

Research shows that for instance, reports about provisions are commonly truthful. According to Michael Dahlén, docent in consumer behaviour at the business school in Stockholm, it is not the content of what the media reports that matters but the amount of information that affects individuals. For example, the outbreak of the mad cow disease radically diminished the consumption of meat although the risk of being infected was minimal.13

1.2 PROBLEM
The constant intensification of information and knowledge increases globalisation, which leads to convergence between markets and cultures. Due to this development our environment and the conception of it alters frequently. Enterprises have implemented business intelligence as a strategic tool for decades; however, the intensity of the usage has augmented in the past years. During the last decades a number of consulting companies specialising in business intelligence, which facilitate the search of information, have entered markets worldwide.14 Because of technological evolution and integration, information has become more accessible, which increases the opportunity for companies and industries to observe the business- and social environment. At the same time, our infrastructure has created a very complex society, which makes it complicated to identify essential factors and trends that affect the perception of surroundings. According to an investigation made by Kairos Future in 2003/3004 are analyses of the surrounding getting an increased importance for businesses in Sweden as a majority of companies and public organisations are investing in more resources within the

12 Ibid., p. 64.
area. The research also shows that the systematisation is increasing and the process is growing from being reactive to proactive. Another interesting aspect that Kairos Future explains is that it is no longer sufficient to understand the surrounding world, an analyst must also be aware of the internal business environment.\textsuperscript{15}

Since consumers often choose to adopt new trends that arise on the market, trends and innovations are an important part of the business environment. \textit{“If we are to get to grips with these trends then we need to concentrate on interpreting consumer needs; forecasting advances in technology and building an appropriate science base; and developing methods to transform scientific invention into successful marketable products.”}\textsuperscript{16} To gain competitive advantage and a strong market position, an enterprise needs to be aware of and be able to predict the development of trends. Many of the recent dominant trends that have affected our society have focused on appearance and health.\textsuperscript{17} Several industries have been compelled to modify products to bring them into line with consumer needs. This leads to the research question of the study, which is:

\textit{How do businesses analyse the surrounding and predict trends and what factors in the society should a company be attentive to while performing an analysis?}

1.3 PURPOSE

The aim of the research is to investigate what tools and methods are used to navigate in the surrounding and an attempt will be made to see if any factors can be improved to gain a more successful and efficient method.

1.4 FOCUS AND DELIMITATIONS

Faith Popcorn, a prosperous trend analyst states that most trends originate from food habits and that observing changes in eating habits is one of the most successful procedures in order to find new trends.\textsuperscript{18} \textit{“The production, processing and consumption of food has made the greatest progress in this century than probably in the previously recorded history of human kind. It is likely that the pace of change will be even greater in the twenty-first century.”}\textsuperscript{19} Due to these two statements and the fact that food is one of human beings’ fundamental needs\textsuperscript{20}, food was found to be a captivating issue to inquire into. The food supplier industry was chosen to be analysed in the investigation. Since it becomes easier to compare and conclude what methods are used and why, only one industry was included in the study. The reason for observing this industry is that the implemented business strategies are found to be quite homogenous; the companies have similar factors that influence them.

This study will analyse large food producers who have established brands on the Swedish market. Although they have similar market positions, the companies produce differentiated products within the food supplier industry. None of the organisations have a shop with their own products, but they are positioned in the largest chain stores in Sweden. The primary customers of the respondents are companies within grocery trade and the purchasing consumers are the secondary. A choice was made to narrow the thesis to the food industry as it gives more depth to the research and is easier to compare the gathered data. The choice to

\textsuperscript{15} <http://www.affarsdata.se/kairo/Paradigmskifte_omvarld1.pdf>, 2006-11-14, 15:55.
\textsuperscript{17} Ibid., p. 18.
\textsuperscript{18} Popcorn, F. (1992), \textquotedblright Popcorn rapporten\textquotedblright, Bokförlaget Trevi, p. 170.
study the food supplier industry was conducted to be able examine a more homogeneous group. This means that the result can perhaps not be generalised to the entire food industry. The study is not supposed to compare methods or differences between large and small companies but to understand what types of methods are implemented in the food supplier industry. Although both international and domestic companies were studied, only Swedish headquarters and Swedish employees were considered, possibly limiting the result to the Swedish market.
1.5 Layout of the Study

Chapter 1. Introduction
An introduction of subject, problem and purpose of the study is introduced as well as delimitations and definitions.

Chapter 2. Theoretical Method
This chapter presents the theoretical viewpoint that is fundamental for the study. Information about the choice of subject, perspective, epistemological approach and choice of method is also discussed.

Chapter 3. Theoretical Framework
In this chapter are essential theories for the thesis that will increase the understanding for the research introduced.

Chapter 4. Practical Method
Procedures of methods implemented in the thesis are presented here. A discussion about the choice and quality of these procedures is made. Finally is the truth criteria for qualitative methods analysed.

Chapter 5. Empirical Data
In this chapter are assembled data from the interviews presented as well as a presentation of the observed organisations.

Chapter 6. Analysis
In this chapter will the connection between empirical data and theoretical framework be analysed.

Chapter 7. Summarising Discussion
A summary of the analysis and suggestion of a model based on the outcome of the study is discussed.

Chapter 8. Conclusion and Suggestions for Further Research
This chapter presents the conclusions from the analysis in relation to the purpose of the study. Discussion of suggestions for further research will also be presented.
2. THEORETICAL METHOD

In this chapter is the reason why the subject for this thesis was chosen and also the authors’ preconceptions discussed. Furthermore, the view of knowledge of the research is included and an understanding and reflection of literature selection.

2.1 CHOICE OF SUBJECT

The problem and research subject arose from a genuine interest about analysis of the surrounding and tracking trends from the authors. Business Intelligence and analysis of the surrounding has been an imperative part of strategic business planning for a long time, however, the importance and the perspective of the analysis have altered recently. The surrounding seems to be an increasing factor to contemplate and to some extent, a compound aspect to interpret. Hence, the authors believe that this is a captivating matter to investigate. Both authors find trends and fads to be interesting occurrences in the society and therefore, trend analysis was a natural alignment to focus on. When selecting the observed industry, the authors aspired to use an industry which could be sensitive to trend changes and had been affected by such occurrences. After assembling information and discussing appropriate businesses the food supplier industry was selected to be included in the research. The decision was amongst others based on the fact that the food supplier industry is an essential part of an ongoing debate which deals with health and the content of provisions. This debate has led to decisions that have affected many producers and consumers and this type of trends and fads are something that many can recognise and relate to. Consumers can read about what food is healthy or good to eat everyday. The debate can affect what products consumers choose to purchase and eventually are the food supplier companies affected by the debate as well.

When narrowing a subject down to a specific problem, issues such as relevance and ethics may arise. A fundamental condition is that the problem should contribute to the development of theory and be possible to use practically. Another criterion is that the problem ought to create attention and curiosity.21 The authors had limited knowledge about the subject before beginning with the investigation and therefore the problem was modified as more knowledge about the subject was gained. The fact that there are many existing methods to analyse the surrounding became apparent when gathering information about the subject and became an issue that was perceived as interesting to analyse.

Eventually a descriptive research was chosen to be performed, which means that the purpose of the research is to provide an accurate description of the researched object22, in this case, how food supplier companies analyse their surrounding.

---

22 Ibid., p. 23.
2.2 PERSPECTIVE
The perspective of a research is synonymous to the visual angle of the research. The perspective is like a pair of glasses, which the author uses when observing and interpreting reality. Unlike the epistemological approach, can the authors choose what type of perspective they want to implement. The perspective is an aid when it comes to selecting a problem and finding a solution. However, it can also hinder a researcher from gaining a broadened view and finding alternative ways to approach a problem. The perspective of food supplier companies was considered to be most appropriate for the study, since organisations are the major users of business intelligence and analysis of the surrounding.

2.3 PRECONCEPTIONS
Experience, social background, upbringing, norms and education are all factors that influence our beliefs and values. The authors do not have any perceptible previous experience within analysis of the surrounding that may have affected the opinion. One of the authors has earlier attended a guest lecture, which dealt with trend analysis and it was at this lecture the interest for analysis of the surrounding arose. The only preconception that might have influenced the study is that both of the authors are interested in trends and are well aware of the existing trends within the food industry. It is however unlikely that this preconception would have affected the study to any noticeable extent since the authors do not have any subjective opinions about trends When commencing the study, the authors were aware of the fact that most companies utilise analyses of the surrounding, however there was no knowledge about to what extent the analyses were utilised.. When commencing the study, the authors were aware of the fact that most companies utilise analyses of the surrounding, however there was no knowledge about to what extent the analyses were utilised.

THEORETICAL METHOD

There are both advantages and disadvantages with having no previous experience. One advantage is that when examining the subject the perspective was large and the perspective did not influence the choices. This allowed the authors to be open to all available information. However, having no previous knowledge about the subject can be a disadvantage since gaining information and knowledge becomes complicated. Even though the process to find literature and gain knowledge about the subject was relatively complex, the data needed to perform the investigation was found. The widespread search for information led to interesting contacts and knowledge that may not have been found otherwise.

2.4 OBJECTIVITY
There are three main categories regarding valuation and knowledge:

1. Absolute objectivity is feasible and should be endeavoured.
2. Complete objectivity is not possible, although the authors should strive for complete accuracy.
3. Conscious subjectivity is defensible in social science coherences since it is impossible to distinguish objectivity and subjectivity according to this approach.26

The second approach is the most suitable for the research. Absolute objectivity is hard to achieve since research within social science is a very compound matter. However, this study concentrates on accuracy, which can be done by presenting the authors’ assumptions and perspectives. Objectivity can be implemented in various contexts and it is frequently stated that objectivity means the separation of fact and valuation.27 Having limited previous knowledge about the subject facilitated the process of being objective in the collective data.

Impartialness is an important factor of research and indicates that the outcome of the research has not been manipulated or distorted in any way. As this study has a hermeneutic approach, which implies that sentiments display factual information, it is impossible to be completely impartial. However, the study aims at being as impartial as possible in order to not manipulate the outcome. The authors have also striven at not having preconceived prejudice about assumptions or results. However this is difficult to attain, since a person’s norm, preconceptions and values will be reflected in the research.

Stereotyping and prejudice often originate from having too little relevant information about a subject. A stereotype image is created due to generalisation of the perceived minute data.28 This might have occurred during the study as a result of the authors little experience with the subject at hand.

2.5 EPISTEMOLOGICAL APPROACH
Each individual has a conception of the reality, which is based upon a variety of known and unaware norms and beliefs. These conceptions are also known as paradigms and they shape our thoughts and actions. However, it is not possible to choose a conception; an individual’s paradigm evolves with experience and knowledge. It is immensely important for a researcher to be aware of their own paradigms since they contribute to the outcome of a research.29

27 Ibid., p. 75, 76.
Both positivistic and hermeneutic perspectives are a vital condition for the existence of our society. On one hand the positivism generates objective information about connections and relations.\(^\text{30}\) On the other, the hermeneutic produces interpretations of texts and actions. In other words, a positivistic approach means reproducing knowledge and showing what exists whereas a hermeneutic approach means interpreting and stating meanings. Hermeneutics is the assembled conception for research methods, whose main purpose is to interpret and understand. The hermeneutic aspect focuses on the social science and their researched objects; the human being and its institutions. Due to this perspective the research method has a different angle than the positivistic perspective. A hermeneutic researcher strives to discover the meaning of an analysed text from the originators perspective.\(^\text{31}\) Unlike positivism, the hermeneutic approach has a limited possibility to be generalized, and an intimate relation to the research and the observed object is preferred. This is due to the belief that emotions can mediate unaware knowledge and according to the hermeneutic perspective it is impossible to perform an impartial research. Another vital factor that affects the outcome of a hermeneutic research is that personal experience is a necessity in order to gain knowledge.\(^\text{32}\)

Figure 3. Two Different Epistemological Approaches\(^\text{33}\)

The authors’ epistemological approach and perspective is primarily hermeneutic. They have a similar upbringing, experience and ideologies and therefore are the conception of reality is comparable. Both of the authors have a belief that emotions and understanding are a vital part of science and since the research focuses on society and institutions created by human beings, an interpretive approach comes naturally. The purpose of this study is to understand and discover the meaning of an occurrence which makes it important to have a relationship with the research objectives. To successfully understand food suppliers’ procedure when analysing the surrounding, the researchers had to recognise the philosophy and strategy of the organisations. By conducting interviews a hermeneutic approach was the most suitable in this case, as it gave the study a contingency to interpret the attitudes of the respondents and try to understand from where the attitudes originate. Connections were established with the respondents by having continuous communication throughout the study.


\(^{33}\) Johansson-Lindfors, M-B. (1993), p. 44.
2.6 Collection of Secondary Sources

Different types of tools have been utilised in the research in order to gain knowledge about the issue. To be able to locate relevant theory to create an interesting conclusion literature, articles, scientific reports and web pages on the Internet have been used as main sources.

When searching for literature for the theoretical framework, the database “ALBUM” of the library of the University of Umeå and the library of Umeå city have mainly been used. Scientific articles have been searched for in the business economic database at the library of the University. Emerald Full Text and Business Source Premier (EBSCO) were the most utilised databases. Search engines such as AltaVista and Google were used to locate the remaining sources. Previous course literatures from Umeå University have been used as sources for theory and methodology. The authors have also deepened the information of referred sources like authors, references and models to increase the credibility.

Mixtures of different keywords were used to facilitate the finding of relevant information for the theoretical framework. Both Swedish and English words were used when searching for information. The keywords used to find theories in forms of literature and scientific articles were:

- Business Intelligence
- Globalisation
- Market intelligence
- Trend/trendanalysis
- Marketing
- Food
- Consumer Behaviour
- Innovation
- Omvärldsanalys
- Forecasting + methods
- Blind spots
- Consultants

The keywords used when searching for methodology literature were:

- Metod
- Kvalitativ metod
- Methodology
- Qualitative
- Vetenskaplig metod
- Scientific methodology

As the authors’ previous knowledge about this subject was limited, individuals specialised within the research subject were contacted in order to receive advice regarding relevant literature. E-mails were sent to persons at www.trender.net and Stockholms School of Business and Economics. Telephone contact was also established with Bengt Wahlström and Per Frankelius, prominent researchers within trend analysis and analysis of the surroundings. They provided the study with further information about the subject and where interesting data could be found.
The search for secondary sources was terminated when the authors felt that they had achieved theoretical saturation. This means that the gathering of data reached a point where further collection would not result in new information.\textsuperscript{34}

\subsection*{2.6.1 Reflections of Secondary Sources}

Secondary sources consist of literature, articles, scientific reports and web pages on the Internet. Many of the sources used in this study are secondary sources, hence, based on other literature. Some of the original sources were unfortunately unavailable in the accessed libraries and therefore could some facts not be verified.

Three authors have been used as an inspiration to the study and many theories from their books have been used. Per Frankelius is a professor who is specialised on analyses of the surrounding and his books, “Omvärldsanalys” and “Kirurgisk marknadsföring”, were used to find relevant theories and as an inspiration to what other theories could be used. Bengt Wahlström is one of Sweden’s most successful trend analysts and his book named “Ordning & Oreda” was used as a foundation of the theory chapter about trends. Sven Hamrefors writes about Business Intelligence and different ways to conduct analyses. Frankelius and Wahlström are renowned for their models on how to analyse the surrounding and therefore are their work considered to be important for the study. Even though these authors have provided the study with many theories, they have been reviewed critically and supported by other authors and theories.

One criticism of the secondary sources is that little literature on analysis of the surroundings was found. This can be due to the limited previous knowledge or that there are few existing books within the area. However, there is much literature about Business Intelligence and as analysis of the surroundings is a vital part of Business Intelligence, the authors chose to implement those sources. The information used in the study is considered to be up to date since most of it has been written during the years 1990-2002. Problems that have occurred when searching for the information are that some wanted books were not available at the library. This was probably due to the fact that many students write their thesis during this period. The main problem with the secondary sources is that it was difficult to find relevant scientific articles about the research question. Yet again this could be a result of the lack of previous knowledge or the fact that the focus on analysis of the surrounding is a relative new research area. Many of the interesting articles and reports found were inaccessible as they were expensive. Some of the theories used in the theoretical framework may be viewed as old or not current, however, they were chosen to display that many organisations still base their analysis and strategies on these fundamental models.

Restricted amount of data was collected from the Internet as it is difficult to guarantee the sources and the reliability of those sources. The information used from the Internet is mainly information about the researched companies. Articles about trends and its affects have been used from the daily press to point out the influence of trends on our society; reports from the Swedish government were used for the same purpose.

\textsuperscript{34} Bell, E., Bryman, A. (2005), p. 351, 449-450.
3. THEORETICAL FRAMEWORK

This chapter presents and discusses established theories from some of the most well-known researchers within Business Intelligence, trend tracking and analysis of the surrounding. Other relevant theories are also included to complete the theoretical framework. The chapter initially introduces an outline of the structure of the framework to give the reader an understanding of how the theories are compiled.

![Figure 4. Outline of theoretical framework](image-url)
3.1 BUSINESS INTELLIGENCE

This first section explains different procedures to gain information, instruments and resources of the surrounding. Some common mentioned authors are Per Frankelius, Sven Hamrefors, Björn Sandström. Their theories have been used in the framework since they are considered to be prominent and reliable researches within this area. These theories were chosen as they display and examine the procedure of analysing the business environment.

3.1.1 BUSINESS INTELLIGENCE CYCLE

The cycle of Business Intelligence consists of five constant processes which are:

- Direction of information
- Gathering of information
- Processing the information
- Analysis of gathered information
- Enlightening of refined information products

![Business Intelligence Cycle](image)

Figure 5. Business Intelligence Cycle

All of the components work in a synergy at the same time and the core of the cycle is the vision of the business.

**Direction of Information**

The need for new information arises from already available information. Hypotheses of possible developments and scenarios are made from the existing information and generate new process of information gathering.

**Gathering of Information**

Gathering information requires a broad knowledge about the specific industry and its surrounding. The sources for gathering information are very diverse, from databases, catalogues, exhibitions, consultancies to customers and suppliers. Databases are a common method to implement since it allows a fast and vast amount of information. A disadvantage

36 Ibid., p. 32.
with databases is that they are relatively complicated to use and require knowledge about the programs. Since the sources are secondary, the quality of the information can never be guaranteed. External aid such as consultancies is another common method and it gives the company a possibility to view the surrounding from an objective point of view. The consultant company generally performs market research, which is a complex process and demands a close collaboration with the client.  

**Processing the Information**

It is vital to have a clear estimation of what the assembled information will be used for once one begins processing. However, it is just as important to be open to new and unexpected information that can affect the company. Reliable and interesting information is assembled before analysing the reaction towards the new information.

**Analysis of the Information**

The analysis is important in order to create practical products that can be implemented in a strategy. The time aspect is an essential part to contemplate, for instance, what are the long-term goals and trends? Short-term occurrences often originate from long-term goals. The extent of the analysis alters depending on the strategic plan, however, it is important to analyse every possible occurrence. For example, what is the most dangerous course of event, the most probable event and what can affect us fast and surprisingly.

**Enlightening of Refined Information**

The most important thing after going through the BI-cycle is that the refined information can be used practically. If the participants do not feel that they can implement the given result into their strategy, the process is inadequate. The refined information needs to be valuable to the company and implemented rapidly since the surrounding alters very frequently and new information becomes outdated fast.

### 3.1.2 INSTRUMENTS TO ANALYSE THE SURROUNDING

Sven Hamrefors, the author of “Den uppmärksamma Organisationen”, mentions three common methods used when analysing the surrounding and possible disadvantages.

**The Case of the Generalist**

The management believes that the personnel can perform the analyses for themselves, as long as they have the correct instructions. The outcome of this is generally that the analyses become a sideline and it does not receive the required resources. The lack of resources may lead to a confirmation of existing knowledge and be devastating in a long-term perspective.

**The Case of the Computer**

When an organisation trusts technological inventions to perform the analysis there is a risk that the technique becomes more essential than the information it generates.

40 Ibid., p. 69.
41 Ibid., p. 80, 82.
44 Ibid., p. 110-111.
The Case of the Specialist

Employing a specialist or a consultant usually originates from internal deficiency. Hamrefors believes that the first problem is that the management does not solve the internal problem and the second dilemma is that the consultant is inexperienced and lacks knowledge about the organisation. Since there is a deficiency within the organisation and the previous analyses has been inefficient, it will be a difficult project for the specialist to perform an efficient analysis. The company may find it complicated to understand and apply a new strategy and the specialists’ purpose might be questioned.45

Hoecht and Trott states that “Outsourcing entails a considerable degree of “openness” and hence carries a high exposure to the risk of information leakage.” 46 Some other aspects about external consultants are that they might not be deficient of understanding the surrounding of the client and be more costly than internal consultants. 47 In contradictory, Gattiker and Larwood states that clients hire experts in order to gain “new ideas, proficiency, and impartiality/objectivity”.48 Other statements are that external consultants are experts of dealing with problems and situations as well as being cost effective. 49 McKinsey & Company declare some implications to utilise external specialists:

- “they provide competence not available elsewhere;
- they have varied experience outside the client;
- they have time to study the problem;
- they are professionals;
- they are independent; and
- they have the ability to create action based on their recommendations”50

The most common failure with these cases is that the management does not understand the importance of spontaneous observation and awareness. Hamrefors states that an organisation should not implement a tool to analyse the surrounding before the internal observation is functioning successfully. He believes that it is vital to execute tasks in the right order; however, when there is a problem within the organisation it is easy to test new methods instead of repairing the dysfunction. The organised analysis of the surrounding, in other words the external observation, should work as a complement or a linkage to the internal observation and visualise the invisible concerns.51

The collaboration between spontaneous searching for information and organised analysis has to converge efficiently in order to create a successful tool. If a company mainly focuses on spontaneous observation on different levels within the organisation is it likely that the external observation will be separated from the organisation and the organisation will unlikely obtain new perspectives. Hamrefors claims that the ideal collaboration for an organisation with an

---

organised observation tool is if the instrument is “integrated but not involved”. This means that outsourcing is impossible and the close convergence with the organisation is due to the deep knowledge needed to understand the surrounding. Not being involved is essential since the purpose of the instrument is to gain new perspectives and strategies. The external observation tool must be able to identify the invisible information and this is not possible if they have the same perspective as the organisation.52

3.1.3 RESOURCES FOR ANALYSIS OF THE SURROUNDING
Performing an analysis of the surrounding is extremely complex and Hamrefors mentions therefore that there are certain features that are preferred when working with this type of analysis.

A Sense for Searching
The perfect manager within analysis of the surrounding is efficient and innovating. For example, when receiving a report an efficient researcher overlooks the report and contacts the author for more information instead of revising it carefully.53

Experience
Generally all employees that work with analysis of the surrounding are consultants and therefore it is necessary to have enough experience to be able to advise the clients in different projects. A person is only aware of things they have experience of; this makes it hard for a young inexperienced person to observe unknown territories. However, having much experience can also be a disadvantage since the person can become quite narrow-minded and no longer have a wide perspective of the surrounding.54

Social Intelligence
Working as a consultant or analyst involves interaction with a variety of individuals and consequently it is important to have social skills and be able to interpret social environments. The analyst has to understand individuals’ needs, behaviour and reaction in order to make a correct analysis of an occurrence.55

Positive Management
Like all businesses it is important to have an enthusiastic and interested leader to set the example for the employees. A positive manager encourages employees and gives them a genuine interest for analysing the surrounding. Given that this is a complex matter it is important to gain information and new perspectives from persons with different ideologies.56

3.1.4 BLIND SPOTS
For an enterprise it can be critical to have the right employees that can view the surrounding as for the first time. In other words, it is important to be able to ask the right question at the same time. Similar to a child the employee needs to be curious and not take everything for granted.57

53 Ibid., p. 126.
54 Ibid., p. 127.
55 Ibid., p. 127.
56 Ibid., p. 127.
According to Michael L. Neugarten, having a good eye sight is not enough when viewing the surrounding, since only having a straightforward view can cause tunnel vision which leads to the denial of items not worthy of paying attention to. This means that we choose what information we want to implement into the organisation and what to ignore. To become a market leader and gain competitive advantage a company needs to notice what others merely look at. It is hard to gain a new point of view when we are used to a particular prototype of the surrounding. Once an organisation has developed a view of the surrounding, it becomes less able to notice other interpretations of the society. The human eye has a blind spot, which we are not aware of. By changing our view and discovering new paradigms we can overcome this particular blind spot, but the new paradigm brings about new angles that we are unable to see. An analyst has the possibility to visualise these blind spots and explain the possibilities they bring to the organisation. In order to do this, the analyser has to be acquainted with the perspective of the decision makers and be able to perform an observation with a different perspective than theirs.

To gain knowledge about another individual’s perspective it is necessary to create a close collaboration with the client, according to Hamrefors. During the collaboration the analyst must map out the clients relation to the surrounding and locate possible “grey areas”. It is also significant to understand where unforeseen occurrences generally arise. These “grey areas” and occurrences are the blind spots of the client. A problem with the blind spots is that the unknown can be difficult to identify and apply to the known perspective.

Being able to see this blind spot can be significant for the development of a business. Each individual has their personal vision of the world and if you are able to broaden this view and notice trends and ambiguous signals of the market you will gain a competitive advantage. Frankelius, the author of “Omvärldsanalys” also mentions that the human being has limitations and Blind Spots. To explain the phenomenon he mentions a theory by Herbert Simon that states that if we are standing in a cave and view the surrounding environment, we will only see a small part of the world and each individual will interpret the view differently. The cave represents our limitations and the unseen area around the cave represents for example missed business opportunities. One example of businesses failing to see the whole picture is American railway companies, which assumed that they were operating in the railway industry when they were actually a part of the transporting industry. This meant that the companies failed to notice existing competitors, for instance boats and airplanes. Referring Simon, Frankelius highlights that implementing analysis of the surrounding to the business strategy would have the same effect as if holes would be made in the cave and create a wider visual angle.

---

60 Ibid., p. 136
3.2 FORECASTING
This model was included to give a clear picture of what forecasting means and how it can be implemented by a company.

“Forecasting is anticipating, projecting, or estimating some future event, series of events, or condition which is outside the direct control of the organisation.” The importance has grown for organisations in the last decade, since organisations and its environment are becoming progressively complex. Hence, managers find it more complicated to consider all the factors in a specific situation without any explicit support. Managers should keep in mind that a forecast need to be adjusted due to changes in the environment, for instance external factors like the political climate and the state of the economy.64

Senior managers regard forecasting as one of the most essential part of their roles according to Raspin and Terjesen. An assortment of various proceeding is applied when forecasting. Several managers espouse a formal and systematic procedure while some exercise more informal methods from ad hoc to intuitive. In accordance to an investigation made by the authors are the two foremost forecasting methods formality and breadth.65 Three forecast approaches are exposed from the two mentioned methods:

1. Formal Forecasting
Formal forecasting obtains information from external secondary sources and is driven by the budget process of the organisation.

2. Focused Forecasting
This approach is alike formal forecasting but it is focused on special tasks and executed by devoted individuals.

3. Intuitive Forecasting
Intuitive forecasting includes information gained from informal and ad hoc data as well as personal sources, both internal and external.66

![Figure 6. Three Forecasting Modes](image)

66 Ibid., p. 117-119.
3.3 Scenario Planning

Scenario planning is an essential part of analysing the future and therefore was the theory chosen to be a part of the theoretical framework. World mapping method might not be a well known method of scenario planning but was included as it brings a new perspective to the subject. The factor X-model is part of the World mapping method and it shows that unpredicted factors are essential to locate as they can be devastating for organisations.

Scenario planning means that an organisation creates a future scenario to understand how they should proceed to follow trends and developments. Scenario planning often occurs from a change that brings uncertainty to a company and it is used to find a path away from uncertainty. There exist many different methods to conduct a scenario planning and these methods are helpful when observing changes in consumer needs, products and markets as well as creating scenarios. Raspin and Terjesen explain a common process:

- “Scan the external environment to develop a profile of the business environment
- Identify external factors most relevant to scenario development
- Develop three to four discrete scenarios that describe substantially different future states
- Consider the impact of each scenario on current strategy
- Assess the outcome of various strategic choices under each scenario
- Review strategic decisions that are sensitive to alternative scenarios
- Prepare contingency plans.”

Conducting scenario analyses enhances the capability to understand current actions and recognise problems in time. The planning is also important to be able to comprehend the future in different perspectives and be able to judge the meaning of the possible prospects. Some difficulties might arise when conducting scenario planning, according to Bengt Wahlström. The planning might sometimes be used as an excuse to not perform necessary modifications as it is difficult to leave the present and create a future that is not based on current activities.

3.3.1 World Mapping Method

There are many different methods on how to execute scenario planning and the World mapping method by Per Frankelius is one type that can be implemented internally in an organisation. Frankelius’ model differentiates itself from many other scenario models as it stresses the importance of knowledge when analysing the future.

The global surrounding should be seen in various perspectives and the World mapping method takes this into consideration. The method is different from traditional methods of analysing the surrounding world as it is not a generalised model that can be implemented on every company. The core concept of the model is that group activity should take place as all

---

72 Ibid., p. 117.
73 Ibid., p. 38-39.
individuals think differently and can therefore give a variety of perspectives.\textsuperscript{75} The variety of perceptions of the reality makes each organisation unique and as the World mapping method takes the distinctiveness into consideration it cannot be generalised. The model consists of eight elements which reveal how the surrounding can be analysed from the view of a company.\textsuperscript{76}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{world_mapping_method.png}
\caption{World Mapping Method\textsuperscript{77}}
\end{figure}

The World mapping method has certain characteristics that distinguish it from other methods of analysing the surrounding.\textsuperscript{78} The method separates the meaning of important factors and the existing knowledge about them, it also emphasises on the ocular language as a part of the analysis. Group work and a vision of a dynamic world are other features of the model and gathering information is an essential part of the analysis.\textsuperscript{79}

**Element 1, Review of Perspective**

The analysis in World mapping method is based on the business concept of a company and the concept also works as a frame for gathering of information. Therefore it is essential that all individuals within the organisation are completely aware of the business concept before the group can analyse the surrounding and their capacity. However, the vision of an organisation can cause narrow-mindedness as they might be constrained by the obvious goals and therefore overlook less noticeable opportunities. During the initiating phase the group also reviews traditional methods of analysing the surrounding. This is done to create awareness about the fact that reflections and assumptions about how to act are often influenced by models. Ultimately, a new perspective of the company is created to show that what is least expected is often the most important.\textsuperscript{80}

\textsuperscript{75} Frankelius, P. (2001), p.26-27
\textsuperscript{76} Center for Information Technology in Northern Sweden (CINS), (2003), "Omvärldsanalys för affärsutveckling – Aktiviteter och Erfarenheter", Solfjädern Offset AB, Umeå, p. 11.
\textsuperscript{77} Frankelius, P. (2001), p. 28.
\textsuperscript{80} Ibid., p.29, 39-38.
Element 2, Brainstorming
The aim with this phase is that the group should think of ideas and aspects that are relevant for the activity of the company. It is important that the participants are creative and do not discard any ideas. Frankelius believes that making lists and visualising thoughts are essential in order to be inventive.\textsuperscript{81} Creation of mind maps can “[...] enhance creativity, memory and cooperation, and make it easier for people to envision goals, change habits, monitor progress, improve learning. The mind map also allows for an immediate leap in clarity and quality of thinking.”\textsuperscript{82}

Element 3, Analysis I: Importance
Previous facts that occurred during brainstorming is analysed to determine the most important factors for the company and its business concept. The factors are graded according to whether they are of great or little importance.\textsuperscript{83}

Element 4, Analysis II: Knowledge
This phase analyses the same factors as the previous element, however the importance of the factors are disregarded. The group focuses instead on the amount of knowledge the group contains about the different issues. The factors are graded into high-quality knowledge, lack of knowledge and mediocre knowledge.\textsuperscript{84}

Element 5, Merge
The analysis of importance and knowledge are combined to be compared and get an overview of the torrent of information. This is done to see whether there is a lack or abundance of information in comparison with the degree of significance.\textsuperscript{85}

Element 6, Search for Information
After analysing the torrent of information, more information is gathered to fill the possible vacuum. Different sources can be used to facilitate the collection, both external and internal such as Internet, participant’s personal network, databases and media.\textsuperscript{86}

Element 7, New World Map
A new perception of the company and its concept is created at this stage. A new image of the reality is also created from all conditions of the business. This element is difficult and demands a lot of effort. Therefore, it is essential to know what should be part of the new World map as it is the foundation to the last element. Photographs can be used in order to get an overall picture and to understand the surrounding world. The factor X-model is recommended due to its capacity to observe a multitude of factors and describe processes of change.\textsuperscript{87} More information about the Factor X-model can be found in the next section.

Element 8, Action
The final element implies that the gained knowledge should be applied to the organisation and lead to new and improved strategies. The new perspectives allow the company to influence, adapt and interact with the surrounding in an efficient way. One important aspect of World

\textsuperscript{81} Frankelius, P. (2001), p. 120.
\textsuperscript{82} “Mind maps chart the way to business efficiency”, (1998), Education + Training, Vol. 40, No. 4, p. 173.
\textsuperscript{84} Ibid., p. 30-31, 132.
\textsuperscript{85} Ibid., p. 31, 135.
\textsuperscript{86} Frankelius, P. (2001), p. 32, 139-147.
\textsuperscript{87} Ibid., p. 31, 32.
mapping method is that it is a continuous process that requires frequent contemporising and adaptation to suit the changeable society.\textsuperscript{88}

\textbf{3.3.2 FACTOR X-MODEL}

The factor X-model is a central concept in the World mapping method that emphasises on visual tools to illustrate coherences and occurrences in the surrounding world. The model is three dimensional and it views the organisation as a process, hence, a time axis is a vital aspect of the model.\textsuperscript{89} The factor X-model has its theoretical foundation in a theory named CAT which stands for contacts, activities and time. CAT is about how to manage and take advantage of different processes in the surrounding and different types of mechanisms that are represented in the economic theory.\textsuperscript{90} Time is the foundation of the model and the company and its surrounding should be seen as processes rather than structures. The activities are divided into internal and free processes, where internal factors are such as customers and business-to-business relationships. Free processes are external factors that the company does not take into account and that is not directly associated with the company.\textsuperscript{91} Examples of this are the mad cow disease, terror attacks and The National Food Administration alarm about hazardous substances in crisps that could lead to cancer.\textsuperscript{92}

The factor-X model has many components that are visualised by symbols and used to describe and analyse course of events in the reality. None organisations has the same amount or type of components. Some fundamental fractions that a firm should observe are activities; important, interesting and unusual occurrences that may affect the company. An activity may also trigger a process to change direction and lead to new processes. Catalyst is another component that expedites an activity and may create opportunities. An example of a catalyst is how the Internet worked as a trigger for many companies and allowed them to reach many new markets due to on-line shops.\textsuperscript{93} An activator works as a powerful initiator of a new activity and an inhibitor decelerates the process. A restriction factor is similar to an inhibitor except that a restriction completely terminates a process, for instance laws and permissions.\textsuperscript{94} There are a number of factors surrounding a company’s processes that initiates the interest for a phenomena, product or trend. These factors can be media, the Internet, exhibitions or even a private person discussing an issue with friends or in a blog.\textsuperscript{95}

To understand what process is of most significance, a map of the surrounding be created, which is a description of present processes in the surrounding at a certain point in time.\textsuperscript{96} An advantage with the factor X-model and charting the surrounding is that it can describe both intrinsic and latent processes. A latent process is something that exists in the surrounding but has not yet been linked to the activity of the company. The company has in other words, not yet realised that the occurrence can affect their business. After identifying different processes the organisation should analyse the relationship between the processes and the business. The company has created a static model that explains the surrounding. When reflecting on the time

\textsuperscript{89} Ibid., p. 150.
\textsuperscript{90} Frankelius, P. (1997), p. 112.
\textsuperscript{91} Frankelius, P. (2001), p. 150.
\textsuperscript{92} Center for Information Technology in Northern Sweden (CINS), (2003), p. 20-21.
\textsuperscript{95} Frankelius, P. (2001), p. 163-164.
aspect and analysing the processes with a long-term perspective the company has generated a dynamic model.\(^{97}\)

![Figure 8. Factor X-Model\(^{98}\)](image)

### 3.4 TRACKING TRENDS

This section establishes various methods for identifying and describing trends. Mentioned authors’ are Bengt Wahlström, Faith Popcorn and Michael R. Solomon who are well known researchers within their areas. A procedure of trend watching was included as one of the purposes of the study is to see what methods are used when analysing trends. Theories about consumer behaviour and its effect in trends were considered vital as the behaviour of the customers is determining how trends will develop.

#### 3.4.1 TREND WATCHING

When performing an analysis of the surrounding there are apparent factors that the company can identify and follow. These factors are usually monitored by the Business Intelligence sector. There exist more diffuse elements that are not clearly connected to the business and more difficult to predict but still affect the company. These factors must be recognised by performing trend watches.\(^{99}\) According to Popcorn the best way to spot new trends is to monitor the development of old trends.\(^{100}\) Wahlström explains that trend analyses focuses on the unknown and that it generally deals with finding what you did not know you wanted and only realising the importance when stumbling on it. The analysis is unstructured and complex, as one has to discover the unknown. The purpose of a trend analysis is to create competitive advantages and gain new market positions. These positions often come from an ability to

---

98 Ibid., p. 151.
think creatively and combine different trends and products. Wahlström has assembled a model from theories about tracking trends that is applicable when performing a trend watch:

1. **Choosing Field of Surveillance**
   Trend watching is as mentioned before, a complicated and diffuse procedure and since one cannot know where to find the essential information, a wide perspective is needed. One single societal change may not be strong enough to track a powerful change; therefore it is vital to observe many different fields within the surrounding. A deepened modification of the PEST-model (see page 28) can therefore be appropriate to initially scan a large area before narrowing the observation. Some elements that might be interested to inquire into are: economical, political, demographical and social trends, technological and environmental trends and consumer behaviour trends. Certain key industries may also be significant to observe as well as ethical questions and influential informal organisations.

2. **Gathering of Material**
   Information about the chosen fields can be gathered in different ways, a few of the most common ones are Media scanning, IRL scanning (in real life scanning) and cultural observation. The media scanning is often divided into Internet-, paper- and ether based. Popcorn who works at BrainReserv often studies articles about food, product launchings, changes in the family- and work structure and the economy. While using this type of observation it is essential to identify what matters are discussed most frequently and keep track of the development of these subjects. In real life scanning deals with interaction and behaviour of people. It can be as simple as photographing people on the street in order to create awareness about existing and arising trends. Interesting aspects to contemplate might be technology, pace of life, atmosphere and styles. Many trends originates from different expressions of culture, hence can observing different culture help to identify rising trends.

3. **Assortment of Gathered Information**
   In this phase it is vital that the collector is aware of diverse perspectives and sort unfamiliar and unexpected data as well as more obvious information.

4. **Interpretation**
   A difficult aspect of trend watching and analysis is as mentioned before, that a trend generally arises in different areas at the same time. The purpose of an analysis is therefore to gather traces of a trend from many areas and efficiently interpret the signals and, if necessary, adjust to the trend. When analysing a trend it is also important to notice if it is a long lasting trend or a fad, in other words, if it is worth investing in the trend.

5. **Distribution of Result and Analysis**
   According to Wahlström are intranets and e-mails efficient channels to utilise when distributing trend analyses as all employees can view the report. After executing a trend watch and analysed the outcome the management must decide if and how to react towards the trend.

---

102 Ibid., p.115-117.
105 Ibid., p. 122.
Just like scenario planning is trend watching a continuous process that requires assessment and modification to suit the rise and fall of trends and fads.\textsuperscript{107}

\subsection*{3.4.2 Consumer Behaviour}

Knowing your customers and the way they act is crucial when it comes to surviving as a corporation. The field of business behaviour is vast and it is defined as \textit{“the study of the process involved when individuals or group select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires”}\textsuperscript{108}. Globalisation has led to cultural homogenisation which may mean that cultural diversifications play a smaller part when it comes to market positioning.\textsuperscript{109} At the same time it has led to an integrated market, which makes it harder to identify and analyse customers and lifestyles.

\subsubsection*{3.4.2.1 The Fashion System}

\textit{“Fashion is the process of social diffusion by which a new style is adopted by some group(s) of consumers”}.
\textsuperscript{110} Fashion Systems are dominant features of a culture that tend to be featured in a number of items and individuals and corporations that generate products with symbolic meaning and in that sense create cultural goods.\textsuperscript{111} From now the terms fashion and trends will have the same context in the study.

\subsubsection*{3.4.2.2 Trickle – Down Theory}

The trickle-down theory presumes that there are two existing contradictory forces, which generate trend changes. Our society can be looked upon as a ladder where the subordinate groups in the society are influenced by those with higher ranking on the ladder and implement their status symbols in order to climb up the ladder of social prominence. However, the subordinate group does not want clusters with even lower status to imitate their trends and the effect of this is that the subordinate group alters their fashion again.\textsuperscript{112}

The theory claims that trends initiate from the high status clusters of the society such as the upper class and celebrities. This presumption works efficiently when implemented in a society with a constant class structure. Since our society has become more integrated in many ways it has become harder to recognise clusters and trends.\textsuperscript{113}

\subsubsection*{3.4.2.3 Medical Model Of Fashion}

Many trends seem to appear from nowhere and influence the entire population overnight. In order to explain this phenomenon Michael R. Solomon, the author of \textit{Consumer Behaviour - Buying, Having and being}, uses the term Meme theory, which applies a medical view of the occurrence. Resembling a virus the trend begins diminutive and gradually cultivates until it becomes an epidemic. A few individuals use the product or idea initially but when the trend reaches the critical mass and becomes an epidemic the fashion grows uncontrollable and the trends that survive are often memorable, for instance whole-grain products.\textsuperscript{114}

\begin{itemize}
\item \textsuperscript{107} Wahlström, B. (2004), p. 126, 127.
\item \textsuperscript{109} Ibid., p. 17.
\item \textsuperscript{110} Ibid., p. 571.
\item \textsuperscript{111} Ibid., p. 570.
\item \textsuperscript{112} Solomon, M., R. (2004), p. 575.
\item \textsuperscript{113} Ibid., p. 575
\item \textsuperscript{114} Ibid., p. 576.
\end{itemize}
3.4.2.4 Fashion Life Cycle

The fashion life cycle resembles the product life cycle with a slow rise before it reaches its peak and eventually descends. In the beginning a few trendsetter uses the product, during the acceptance stages the trend grows and becomes fashionable. When reaching the regression stages the popularity of the trend seems to fade and the demand declines when newer fashions arises. The time aspect of this occurrence alters for individual trends, although the process is always equivalent.\textsuperscript{115}

![Figure 9. Fashion Life Cycle\textsuperscript{116}]

To identify a trend one need to focus on the acceptance stages, which are the periods where a trend is born. During the acceptance stage the fashion becomes socially accepted and part of the culture. By analysing the relative duration of the fashion acceptance cycle you can classify different categories of fashion. Prolonged trends with extended stages are called classics and are renowned for guaranteeing stability and a low risk for the consumers. Fashions with a momentary cycle are called Fads. A minority of individuals, often from the same subculture in the society, adopts a fad. A Fad rarely trickles-down the social hierarchy as a trend does, occasionally it trickles- across the subculture.\textsuperscript{117}

A company that is able to recognise a trend and take advantage of it will benefit from it and maybe become a market leader, however it can be difficult to know whether the fashion is a trend or a fad. There are a number of factors that can indicate if the fashion will be long-lived or not. For instance, who has implemented the change, is it a new trend or a side effect from a different tend, are there any benefits and what other changes have occurred on the market?\textsuperscript{118}

\begin{footnotesize}
\begin{itemize}
\item\textsuperscript{115} Solomon, M., R. (2004), p. 577.
\item\textsuperscript{116} Ibid., p. 577.
\item\textsuperscript{117} Solomon, M., R. (2004), p. 577, 578.
\item\textsuperscript{118} Ibid., p. 579.
\end{itemize}
\end{footnotesize}
3.5 **FUNDAMENTAL MODELS**

There are numerous amounts of theories and models concerning business economics and the development of the society. Below is some models illustrated, which according to the authors is among others found to be the foundation of many strategic plans. The models are included in the theoretical framework to show that even fundamental models play an important part when conducting analyses of the surrounding today.

3.5.1 **PORTER’S FIVE FORCES**

According to Michael E. Porter there are a number of forces that shape the characteristics of competition in the industry. Each industry has an informal organisation that these forces originate from. To be successful on the market an organisation needs to find an untouchable market position where it can use these forces in a way that creates competitive advantage.  

---

**Figure 10. Porters’ Five Forces**  

**Threat of New Entrants**

New entries to the market can bring new capacity and in innovations. These newcomers want to get their share of an already existing market, which creates rivalry. The existing organisations may not desire new entries to the market and because of this they can create different barriers that the newcomers have to cross before entering the market. If the obstacles of entering are intense a smaller amount of newcomers will entry.

**Bargaining Power of Suppliers and Bargaining Power of Buyers**

Choosing suppliers is an important aspect of a company’s strategic positioning, since a powerful supplier has the ability to control a company’s financial situation and strategy by diminishing the quality of their goods or modify the prices. A buyer can have the authority to bargain with a company by claiming higher quality products or lower prices. A powerful consumer group can in that sense increase the competition and play competitors against each other. A company that finds a market position where suppliers and buyers have a weak position will gain competitive advantage since the company can control the consumers instead.

---

Threat of Substitute Products or Services
Technology improvements and price reductions are some factors that cause stronger competition and create substitute products.\endnote{123}

Rivalry among Existing Firms
An intense market competition causes limited market positions and to gain a strong position the company has to have the ability to take advantage of new market opportunities.\endnote{124}

3.5.2 THE PEST- MODEL
The PEST-model focuses on macro environmental factors and it stands for Political, Economic, Social and Technological analysis. It is also known as STEP analysis. This model allows the company to focus on the customer and evaluate how different factors in their surrounding influence their behaviour. There are numerous of models that originate from the PEST-model, for instance PESTLE, which includes Political, Economic, Socio-cultural, Technological, Legal and Environmental analysis. Scientist Veekay Narayanan divides the main categories into diverse sub-factors. The social surrounding is divided into lifestyle, social values and demography, while the political category is split into political environment and regulating environment. Narayanan also segregates the surrounding in to a task environment, for instance customers and a competitive environment.\endnote{125}

It is uncertain from where the model originates, however Jeremy McCarthy came up with a similar model in 1960. He says that marketing does not exist in a vacuum and because of this we have to take external factors into consideration. The cultural, political, legal and economic factors are called uncontrollable considerations, which mean that the enterprise cannot control these factors but they have to be attentive towards them.\endnote{126} These categories and their diversity may affect the business most of all factors, although, by acknowledging them the companies get the opportunity to adapt to the changes relatively fast. In other words, you have to expect the unexpected and understand that what you least expect may cause you the most problems.

3.5.3 THE SWOT- MODEL
SWOT stands for strengths, weaknesses, opportunities and threats and is a non-complex tool of strategic and marketing analysis to evaluate the environmental factors that are essential of an organisation. The model can be divided into two main factors: Internal; strengths and weaknesses and External; opportunities and threats. Strengths are attributes of the organisation that help to achieve the objective and weaknesses are attributes of the organisation that hinder to reach the objective. Opportunities are external conditions that help to achieve the objective and threats are external conditions that hinder to reach the objective. Hence, an organisation can ask and answer itself how it can apply the strengths, stop the weaknesses, take advantage of the opportunities and defend against the threats to generate a unique strategy against the competitors.\endnote{127}

There are some disadvantages with the model, for instance it can be difficult to define threats and opportunities as factors that can be depending how the company operates in a situation. A

\begin{footnotes}
\item[124] Ibid., p. 28, 30.
\item[126] Ibid., p. 51.
\item[127] Ibid., p. 92-93.
\end{footnotes}
threat can also turn into an opportunity as factors are constantly changing which results in a not so dynamic analysis.\textsuperscript{128} The model does not consider the differences between perceived and real world.\textsuperscript{129} Advantages are an uncomplicated model which “lend a hand” to an organisation to reflect over already known factors in the surrounding.\textsuperscript{130}

\begin{table}[h]
\centering
\begin{tabular}{|c|c|}
\hline
\textbf{Internal} & \textbf{Helpful to achieving the objective} \\
(attributes of the organisation) & (attributes of the environment) \\
\hline
\textbf{Strengths} & \textbf{Weaknesses} \\
\hline
\textbf{Opportunities} & \textbf{Threats} \\
\hline
\end{tabular}
\caption{SWOT\textsuperscript{131}}
\end{table}

\textit{Figure 11. SWOT}\textsuperscript{131}

\begin{footnotesize}
\textsuperscript{130} Ibid., p. 54.
\end{footnotesize}
4. PRACTICAL METHODOLOGY

This chapter will explain how the practical collection of data and selection of respondents for the interviews was conducted. Finally the truth criteria such as trustworthiness and authenticity are evaluated.

4.1 LINE OF ACTION

A brief overview of the line of action is shortly described in this section. Initially, a deductive approach was considered to be most appropriate in consideration to the resources and the purpose of the study. In order to reach the aim of the study, to investigate what tools are used to analyse the surrounding, was a qualitative methodology chosen. Semi-structured interviews were used to interview six food supplier companies and three consultant companies. Before conducting the interviews were a template made with the major subjects that were to be discussed. More information about the accomplishment of the study can be found in this chapter.

4.1.1 CHOICE OF METHOD

A fundamental decision when performing an investigation is if the process should be quantitative or qualitative. Generally it is stated that if the purpose of the study is to know how many or how often, a quantitative method is preferred and if the purpose is to understand something, a qualitative method should be implemented. However, the choice of method should reflect the problem and the theoretical perspective of the research.132

Having a qualitative perspective means believing that social occurrences originate from social convergence between individuals and the connection between theory and practice are far more complicated than the quantitative method. An essential element of the qualitative perspective is empathy and that interaction is vital in order to gain understanding about an individual’s conscience. The intimacy can lead to a problem called “going native”, which means that the researcher identifies himself/herself with the interviewed object and overlooks the meaning of the research. A qualitative approach is less structured than a quantitative and the researcher has a possibility to alter the used method during the process. The approach is subjective and in many cases it is hard to replicate a qualitative research. The observed object is likely to be affected by the process and this also affects the interpretations of the result.133

Quantitative research is commonly converged with natural science and the positivistic perspective. It has generally a deductive approach which means that the purpose is often to trial different theories. Qualitative methods usually have an inductive approach, where theories are the result of the research and the focus is on how individuals comprehend their surrounding environment.134 Even though a deductive approach is commonly used in a quantitative approach, was a deductive perspective chosen for this study. Performing an inductive research is very complex and demanding and the resources are too little to execute an inductive research. A deductive research is considered to be a closed approach; however, today it is common to implement more open researches than strict closed approaches. This allows the researcher to modify the research if new usable information arises during the

134 Ibid., p. 40.
process. The deductive approach in this study is more open than closed in a sense that the research are more open to new information that could contribute to the study.

A qualitative approach can be conducted in several ways and as mentioned before is interviews the most common method. An interview can alter from being unstructured and letting the respondents develop the interview by themselves to being structured with given options of answers. Another qualitative method is focus groups, which means that a group of individuals are interviewed at the same time. An advantage with focus groups is that it saves for the researcher as all interviews are done at once. However, this method is not considered to be appropriate for this study as the respondents are located in different places in Sweden. During focus groups it is always a risk that the respondents influence each other and only answer what is seemed to be an appropriate or correct answer, which is another reason for nothing choosing this method. Ethnographic observation means that a researcher becomes involved with the researched environment and observes the behaviour and reactions of the participants. This technique would have been a good choice for the study as the aim is to investigate what methods different companies use. It might be difficult for the respondents to put their actions into words and explain their conductions and in that case would an observation give more accurate answers and a deeper understanding. However, due to the limited financial resources and time aspect was this method not an option for the study. One can also question if a company would allow a researcher to observe this type of actions, in other words, take part of their market strategies. When all different aspects of the study had been considered interviews were chosen to be the appropriate method.

4.1.2 DATA COLLECTION

When performing a qualitative method, different types of interviews are the most used method. An interview gives a possibility to change and develop the gathering of information during the interview. The interviewer can formulate and change the questions depending on the given answers and the behaviour of the respondent. Even though the qualitative approach initially had an inductive viewpoint, scientists have recently commenced testing of theories and this approach is a fundamental part in the grounded theory. A qualitative method was implemented in the research since it is believed to be the most efficient way to attain the needed information. The purpose of the thesis is to understand how an analysis of the surrounding is performed and therefore, performing qualitative interviews is the essential method to achieve this. The researchers need to be familiar with the respondent and their beliefs in order to interpret the information correctly. To receive truthful answers from the participants an unstructured and natural collection process was perceived to be the most suited procedure to use.

A qualitative interview can be organised in various approaches, such as unstructured, semi-structured and structured. To focus on the issue of this study, and secure that relevant areas are being covered, a semi-structured interview was chosen. A semi-structured interview means that a list of the most essential topics is established. It is used as a flexible support which means that other questions can be asked during the interview. Before the interviews

---

137 Ibid., p. 303, 317.
were accomplished an interview guide was established and it was practiced by asking the questions to each other.

Personal interviews are usually performed face to face or by telephone. Face to face interviews generally enhance the personal contact between the respondent and the interviewer and the behaviour of the respondent is evident. Thus, this approach is costly regarding both money and time and with diminutive resources the telephone interview is considered more suitable. For that reason the performance of the interviews were done by telephone. Except for minimal expenditure the supposed effect from the interview, answering the question in a way to please the interviewer, can be reduced due to avoidance of physical appearance.  

The study is performed from the perspective of the companies as a semi-structured interview by telephone. This method was most appropriate as the collection of primary data consists of few elements and the focus was on the opinions and interpretations of individuals for specific phenomenon.

Occurrences that may cause difficulties when interviewing by telephone is, for instance that the interviewer is unable to see and interpret the facial expression of the respondent. These signs can be taken into account when conducting a face-to-face interview and in that way clarify the questions for the respondents. Visual tools such as models and photos cannot be used to clarify the problem and it is also difficult to know if it is the actual respondent that is interviewed. It is easier to manage the differences when several interviewers are involved for instance if the interviewer asks a follow up question or reformulate the questions. Another problem that might occur during a telephone interview is that the respondent feels distanced from the interviewer, which makes him/her less willing to talk open and expose information about themselves. On the contrary does the risk of interviewers’ facial expression or demographic background affecting the respondent reduce with telephone interviews. However, the lack of physical contact does not appear to have affected the shared information to any extent.

4.2 PRIMARY SOURCES

In this study the primary sources consist of respondents from food supplier companies and consultant companies who of are specialised within analyses of the surrounding. The respondents have contributed with direct information and opinions about the subject of the study.

4.2.1 SELECTION OF RESPONDENTS

Food supplier companies who possess well-established brands on the Swedish market were structurally selected. E-mails were sent out to ten selected companies with the aim of having their participation in the study. The selection of respondents was based on a convenience sample by only contacting those who had replied and six respondents were managed to book a time with for a telephone interview. By performing this type of sampling was the non-respondents the companies which did not answer the initial e-mail. However, as these companies were not used in the study, is the influence of them non-existing. All the respondents had a positive attitude to participate in the study. When the interviews were completed it was founded that most companies use consultant companies specialised on

---

business intelligence to a great extent. Hence, interviews by telephone were performed with
three consultant companies to gain a deeper insight on how they work with business
intelligence and how they cooperate with their customers. The decision to only interview
three consultant companies was made as their opinions were to be used as a complement to
the food suppliers. It is also an advantage to be able to see and analyse the same problem from
different perspectives. These three companies were structurally selected out of nine e-mailed
companies.

Eventually nine interviews satisfied the need of data and further interviews were considered to
not provide any additional information for the study, also called theoretical saturation.143

4.2.2 THE CONDUCTION OF INTERVIEWS
Before the interviews, a list of questions were analysed, planned and performed and a test of
functionality was also performed on the telephone and the tape recorder. The performance of
the interviews was divided between the authors. As the interviews were not conducted by the
same researcher one can argue that the content of the interviews will be different. However,
that is not believed to be the case in this study, as the interviewers practise the interviews
together before conducting them and the same template was used as well. Three of the
respondents, Procordia Food, Polarbröd and Pågen, requested the purpose of the study and
overall questions before the interview in order to be more prepared. This might have resulted
in some respondent being more prepared for the questions than other, which can both be seen
as positive and negative. A positive aspect is that the respondent can give deeper and more
declaring answers but on the other hand it could also result in narrow mindedness as they only
see the received questions.

During the interviews were a certain amount of questions used as a foundation to guide the
respondent into the right topic. The main topics in the interviews were business intelligence,
trend tracking and unforeseen occurrences. The respondents were for instance asked which
methods they utilise, opinions of importance and what they focus on. The questions were
mainly based on the theoretical framework and broad and open questions were chosen to
allow the respondents to lead and develop a discussion. Besides the theoretical framework,
were questions about the company’s/respondents attitude towards these types of analyses and
the respondents’ background asked. The questions for the consultant companies focused more
on the collaboration with their clients and what methods they use to analyse the surrounding.
Sometimes extended questions were used if they were significant for the study. (The
interview guide is available in the appendix)

A tape recorder was used during the interview to allow the interviewer to completely focus on
the respondents and be able to interpret the answers correctly. Recording and transcribing the
interviews helps the interviewer to make an accurate analysis of the answers of the
respondents and also to repeatedly review the material. The behaviour of the respondents is
complex to define during a telephone interview, however, when transcribing the interviews
were no behavioural aspects that could have affected the data verified. Transcription can also
be used as evidence to rebuff accusation about the analysis. Transcription is a time demanding
process and the respondent can feel inhibited by the recording.144 Although it might be
difficult to surely know if the respondents felt withdrawn by the tape recorder, it did not seem
to be the case. All of the respondents were willing to be recorded and appeared calm during

the interviews. The interviews were transcribed afterwards in order to analyse the content of the material. In addition to the analysis was a transcription sent to the specific company to obtain conformity of the content. All respondents approved to the content and no major modifications were necessary. The quotations in the empirical data have been translated from Swedish to English and an exact replica of the Swedish sentence can therefore not be guaranteed as the sentence constructions differ between the two languages.

4.2.3 OUTLINE OF DATA COLLECTION

Six individuals, who are employed at six large provision companies in Sweden such as Arla Foods, GB Glace/Unilever, Procordia Food, Santa Maria, Pågen and Polarbröd were interviewed. Three of the interviews were accomplished in the morning and the remaining in the afternoon, all by telephone. The figure below presents an overview of the interview occasions regarding respondent, date, place, time and method used when conducting the interviews.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Date</th>
<th>Place</th>
<th>Time</th>
<th>Method of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louise Eriksson, Consumer and Market Insight, GB Glace/Unilever</td>
<td>2006-12-04</td>
<td>Telephone</td>
<td>40 min</td>
<td>Telephone interview, Semi structured, Tape recording</td>
</tr>
<tr>
<td>Agneta Augustsson, Concept Marketing Manager, Santa Maria</td>
<td>2006-12-05</td>
<td>Telephone</td>
<td>25 min</td>
<td>Telephone interview, Semi structured, Tape recording</td>
</tr>
<tr>
<td>Inga-Lena Fridheimer, Marketing Analytic Manager, Arla</td>
<td>2006-12-06</td>
<td>Telephone</td>
<td>40 min</td>
<td>Telephone interview, Semi structured, Tape recording</td>
</tr>
<tr>
<td>Anne Hägglund, Research Manager, Procordia Food</td>
<td>2006-12-07</td>
<td>Telephone</td>
<td>40 min</td>
<td>Telephone interview, Semi structured, Tape recording</td>
</tr>
<tr>
<td>Thomas Hedberg, Export Manager, Polarbröd</td>
<td>2006-12-07</td>
<td>Telephone</td>
<td>25 min</td>
<td>Telephone interview, Semi structured, Tape recording</td>
</tr>
<tr>
<td>Georg Kittel, Information Manager, Pågen</td>
<td>2006-12-08</td>
<td>Telephone</td>
<td>40 min</td>
<td>Telephone interview, Semi structured, Tape recording</td>
</tr>
</tbody>
</table>

Subsequently three consultants employed at United Minds, Observer and Docere Intelligence was interviewed. The interviews were performed in the afternoon. The figure below presents an overview of the interview occasions regarding respondent, date, place, time and method use when accomplish the interviews.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Date</th>
<th>Place</th>
<th>Time</th>
<th>Method of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fredrik Johansson, United Minds</td>
<td>2006-12-11</td>
<td>Telephone</td>
<td>15 min</td>
<td>Telephone interview, Semi structured, Tape recording</td>
</tr>
<tr>
<td>Albert Lindemalm, Observer</td>
<td>2006-12-11</td>
<td>Telephone</td>
<td>15 min</td>
<td>Telephone interview, Semi structured, Tape recording</td>
</tr>
<tr>
<td>Gustav Gorecki, Docere Intelligence</td>
<td>2006-12-11</td>
<td>Telephone</td>
<td>15 min</td>
<td>Telephone interview, Semi structured, Tape recording</td>
</tr>
</tbody>
</table>
4.2.4 ETHICAL PRINCIPALS

Fundamental requirement for an examination is that it should fulfil informed consent, the right for private life and to be correctly retold.145 People taking part in a research should give an approval for their participation and have the right to be anonymous and protect their integrity and dignity. The respondents are able to interrupt whenever they desire and do not need to answer sensitive issues.146 It is important that the researcher does not manipulate the respondents and distorts the purpose of the study, as well as it is vital to not disfigure the assembled data.147 This aspect is critical as the respondents should feel secure about their participation and reduce the fear of being misinterpreted. Before the interviews the respondents were informed about the purpose of the study and that information about person could be treated confidentially. The participation was voluntary and they could refrain from answering questions, which they considered delicate. All the respondents chose not to be anonymous in the study.

4.2.5 REFLECTIONS OF CONDUCTION

Primary sources consist of nine interviews with provision companies and consultancy firms. Telephone interviews were considered to be suitable and provide the study with trustworthy information to be able to solve the research question even though one might argue that an observation would have resulted in a deeper understanding of the problem. The interviews with the consultant companies might appear to be short but as mentioned before are they used as a complement to the other interviews. The purpose of these interviews was to see how the consultancies work, as many respondents choose to employ their services. Therefore were longer interviews not necessary to gain the needed information.

Problems that can occur when interviewing and processing the data is mainly fault of interpretation. These mistakes can occur if the respondents interpret the questions incorrectly or if their answers have been incorrectly interpreted. A way to avoid these faults is to let the respondent read and confirm the assembled data, which was done.148 Another problem that can occur is that the respondents are more considerate of their replies due to the use of a tape recorder. More critical reflections about the conduction of interviews can be found in the previous sections.

4.3 TRUTH CRITERIA

When evaluating a qualitative research it is essential to consider a various numbers of criteria to distinguish the trustworthiness and authenticity of the observation.

4.3.1 TRUSTWORTHINESS

Trustworthiness can be divided into four categories; credibility, dependability, transferability and conformability.

Credibility means how acceptable the results are for uninvolved persons. To guarantee the credibility it is fundamental that the researcher follows the rules that exist and also obtain an affirmation by the respondents that the reality is correctly interpreted.149 Before the interviews were performed the authors’ practiced the questions on each other in order to increase the

148 Ibid., p. 375.
149 Ibid., p. 307.
credibility. A template was made for the interviews and three of the respondents asked for some basic information about the themes of the interviews, which increased the credibility for those interviews. In addition the interviews were recorded on a tape recorder and the result was transcribed word by word.

Dependability means that uninvolved individuals are examining the assembled data from the qualitative research but as it requires much time the technique is not used that often. This possibility has not been used since any resource was available.

Transferability means that the result is transferred to another environment and situation. Since qualitative researches focus on a small part of the social reality detailed descriptions should be given. The result gained is from nine different sources that cover a significant part of the food industry on the Swedish market and therefore it is believed that the result is representative. A detailed description of the collection of data and also how the respondents behaved has been done.

Confirmability means that the researcher unconsciously operates from his/her own opinions, values and theoretical approach. Objectivity has been attained to the extent it is possible. Since the authors have not been in contact with business intelligence previously, except during a guest lecture, they have no predetermined opinions of the subject. The brands are familiar to the authors, although there is no deeper insight or understanding of the companies and their strategies.

4.3.2 AUTHENTICITY

Authenticity can be divided into diverse categories such as fair picture, ontological, pedagogical, catalytic and tactical. The criteria include among other things if the research has influenced the people involved in the study to approve their social environment and social situation and also if it has contributed to any change. The study has conveyed the authors to achieve a deeper insight about the procedure of business intelligence and the thoughts the respondents got towards the issue. It is impossible to say with any certainty if the study has contributed with anything to the respondents so far.

---

151 Ibid., p. 307.
152 Ibid., p. 307-308.
153 Ibid., p. 308-309.
5. EMPIRICAL DATA

In this chapter a description of the companies within the food supplier industry and consultant companies specialised within business intelligence will be presented as well as the assembled data from the interviews. A thematic model has been chosen for the empirical data, which means that data will be put together from the nine interviews and be divided into diverse categories. This method was preferred since it gives a perspicacious representation of the data.

5.1 PRESENTATION OF FOOD SUPPLIER COMPANIES

5.1.1 POLARBRÖD AB
Polarbröd was established on the Swedish market 34 years ago as a family business with its heritage from the northern part of Sweden. Their assortment consists of soft and dark bread as well as hard and soft flatbread. The products are characterised by its natural primary products without any preservatives and are refrigerated to preserve their freshness. Polarbröd is now the third leading company within the Swedish bread industry and has also expanded on the global market for instance in France and Norway. Polarbröd is owned by Polinova AB. An interview was conducted with Thomas Hedberg who is export manager and has worked for the company since 1998.

5.1.2 ARLA FOODS AB
Arla Foods is specialised within the dairy industry and is one of the largest businesses in Europe. The company is cooperative owned by 10 557 farmers both Swedish and Danish and was founded by the Lidholm brothers in 1881. Some of the products Arla launches are milk, juices, yoghurt, sour milk, sour cream and various kinds of cheeses. Arla is established internationally with production and sales offices. They have dairies in Sweden, Denmark and Great Britain. The respondent Inga-Lena Fridheimer has been working in the dairy industry since 1985 and is now working as marketing analytic manager at Arla Foods.

5.1.3 PÅGEN AB
Pågen is the leading company within the bread industry on the Swedish market and is part of Pågengruppen AB. It was founded 1878 in Malmö by Anders and Matilda Påhlsson. They have direct distribution to 5000 food stores in Sweden on a daily basis. Some of their most popular products are "Pågen Gifflar" and "Pågen Krisprolls". The company is one of Sweden’s leading exporters within food, especially on the French market where Krisprolls are popular. Georg Kittel has been interviewed who is the information manager at Pågen.

5.1.4 UNILEVER SVERIGE AB
Unilever generates personal care, home and food products and is one of the premier suppliers on the global market. Food Products are for instance Knorr, Lipton, Findus and GB Glace. The company Lever Brothers originated from England during the 20th century and Unilever was created 1930 when Lever Brothers in England and Margarine Unie in Holland merged. GB Glace was completely bought by Unilever during the 1990’s. An interview was

154 <www.polarbrod.se>, 2006-12-22
155 <www.arlafoods.se>, 2006-12-22
156 <www.pagen.se>, 2006-12-22
157 <www.unilever.se>, 2006-12-23
performed with Louise Eriksson who is positioned at the market department of GB Glace, where she works with Consumer and Market Insight, CMI.

5.1.5 PROCORDIA FOOD AB
Procordia Food is one of the foremost food supplier companies in Sweden and possesses some of the most well known brands in Sweden such as Ekströms, Bob, Önos and Felix. The company is market leader in slightly more than 2/3 of the 22 product categories in which they have chosen to operate and it is part of the Norwegian group Orkla that has production in various countries within Europe.\textsuperscript{158} The respondent Anne Hägglund has been working at the company for five years as a Research Manager.

5.1.6 SANTA MARIA AB
Santa Maria is specialised in the two main categories, Consumer and Food Service. Consumer assortments are for example Tex Mex, Thai, India and spices. The Food Service is for restaurants and larger kitchens, where Santa Maria launches its products and concepts to introduce new food trends on the menus. The company was founded 1946 in Gothenburg by Armin Mattsson as a family business. It is the leading company for spices in the Nordic countries and it is market leader in some European countries.\textsuperscript{159} Agneta Augustsson who has been interviewed works as a Concept Marketing Manager.

5.2 RECAPITALISATION OF FOOD SUPPLIER COMPANIES
The interviews with representatives from the food supplier companies are summarised in this section.

5.2.1 THE IMPORTANCE OF ANALYSING THE SURROUNDING
All of our respondents find it very important to analyse their surrounding. Agneta Augustsson from Santa Maria finds the analysis a natural element of her work in order to gain knowledge about what products that will be successful on the market in the future. Inga-Lena Fridheimer from Arla Foods also mentions how imperative a supervision of the environment is for the development of products. Changes in the surrounding influences consumers’ needs and Arla is endeavouring to be the first to satisfy the need of the consumers and in that sense have the strongest market position. Interpreting the surrounding is important in order to produce fast moving consumer goods that the customers want, not solely to analyse how the society is altered, says Anne Hägglund from Procordia Food. She also mentions that gaining competitive advantages is another important factor to contemplate and analyse to have a successful strategy.

Georg Kittel works at Pågen and he states that “having a deep consumer insight” is an important matter. Pågen strives to satisfy their customers and by analysing the customers’ behaviour and social environment, the enterprise increases their understanding for the consumer groups. With help from this analysis they can make a decision about expanding their assortment and as well as Procordia Foods, gain competitive advantages. Polarbröd has a somewhat different approach towards the significance of analysing a company’s surrounding. They find it important to know their environment but according to Thomas Hedberg the company has one fundamental philosophy, which is that they attempt to find markets that are mature enough for their type of products. Because of this, Polarbröd feels that it is not a necessity for them to analyse their surrounding environment in the usual way.

\textsuperscript{158} <www.procordiafoods.se>, 2006-12-22
\textsuperscript{159} <www.santamaria.se>, 2006-12-22
5.2.2 Procedure To Analyse the Surrounding

Louise Eriksson from Unilever explains that an analysis of the environment results in a profound awareness about a business’ consumers. Common methods to gain knowledge about consumer groups are web-based questionnaires. Some individuals are more willing to describe their habits and lifestyles, while other individuals need to be studied deeper. People might believe that they possess a certain kind of feature, although when studied they may show different aspects of their behaviour. According to Georg Kittel from Pågen, there are many different ways to go when analysing the surrounding and some methods are more structured than others. Most of the respondent companies collaborate with consult businesses, which assist the provision companies to find pertinent information. Unilever founds their analysis on external proficiency which they purchase. Louise Eriksson explains that their consultants invite Unilever to seminars, where subjects such as health, sugar content or fibre, and how these factors influence consumers’ behaviour are discussed. These seminars result in reports that Unilever later presents on an internal database which all the employees can take part of. She cannot explain any of the methods used, it is mainly up to the consultancies to implement the methods and present the outcome to Unilever.

Arla has an information system, which is a tool to analyse the surrounding. An external company distributes this tool. The company identifies subjects such as spices, food habits, milk and butter, which the consultant examines by searching for signs of change worldwide. The results of the examination are presented once every six months to Arla. Procordia Food has also collaboration with external experts that help them structure their analysis. Santa Maria purchases statistics from Nielsen to gain knowledge about different categories and measure market shares. They have cooperation with enterprises that observe consumers behaviour and reactions towards different products or topics.

Polarbröd does not implement consult companies as a part of their method to interpret the surrounding. However, Thomas Hedberg explains that the company performs investigations in consultation with organisations, such as the export council, to find new market positions and analyse their existing markets. All of our respondents consider observing the surrounding a natural part of their business- and social life. There is no concrete or structured process our respondents implement when interpreting the society. The attributes most believe to be essential within their profession are an analytic capability and a common sense.

Georg Kittel from Pågen explains that their company attends seminars, studies different types of media, for instance, TV, magazines and the Internet to receive information about current debates. Pågen also observes how consumers behave and respond to different factors. This can be done by studying how individuals behave in their natural environment, for example in shopping malls; what people wear or tend to put in their trolleys.

Inga-Lena Fridheimer states that Arla possesses a database where tracking of media, brands and attitudes are constantly gathered in the system. Based on this information Arla can perform an analysis. Brainstorming is applied at Procordia Food when developing new or existing products. Procordia views the connections between current trends and their products to see how or if they can accommodate their assortment to satisfy the customers.

5.2.2.1 Significant Factors

Agneta Augustsson from Santa Maria, claims that there are too many parameters to consider in this very complex industry, in order to identify significant factors. Consumers are easily
influenced by elements in the surrounding and because of this Arla have chosen to focus on social structures and development to reduce the complexity.

Bread consumption and consumer behaviour is Polarbröds’ main focus when interpreting the market. Pågen agrees with Polarbröd that the consumers are the essential factor to analyse, however, the customer perspective is also crucial. Pågens’ customers are for instance Ica and Coop and their development or business relations are relevant aspects that affect Pågens future strategies. Anne Hägglund from Procordia Food also mentions that grocery trade is their main customer and that the competition against such chains as Ica, Coop and Axfood has become stiffer. All of these enterprises have their own private labels, which they often choose to promote more intensive than Procordia Foods products. Due to this, grocery trade has evolved into an essential factor to consider when analysing the surrounding.

5.2.2 DEVELOPMENT OF THE PROCEDURES
Unilever views the surrounding through external collaborators and when the company changes associates they receive a different perspective of the environment. The globalisation has created a possibility to be able to observe a larger part of our world with different tools. Because of this, Unilever can now receive information about trends and products from other parts of the world, and not solely from the Nordic market. Louise Eriksson gives an example; “[...] I saw that in Japan a Pumpkin ice-cream has been launched and we should try it here. An idea can arise in that way.” Inga-Lena Fridheimer informs that Arla has tested a number of methods and she believes that the experience within the company influences how the methods are implemented. Polarbröd contributes that the procedure evolves rapidly due to influences such as trends and behaviour on various markets.

5.2.3 PROCEDURE TO ANALYSE TRENDS
All of the respondents consider their industry and companies to be affected by trends and their consequences. Inga-Lena Fridheimer mentions that how, where and what consumers eat affects Arla enormously. Polarbröd gives an example of when a trend has affected them; when the wholegrain craze hit the Swedish market, white bread was suddenly considered unhealthy. The company had to evolve a new strategy where they informed the consumers that their assortment was healthy despite its appearance.

Pågen strives to be the market leader and to be successful they have to react on changes and development in the surrounding before the competitors. Pågen receives an amount of food magazines in order to see the new indicators, for instance gourmet food, health food, exotic food with flavours from different countries and low fat meals. On the basis of these indicators Pågen performs continuous analysis and make decisions of the outcome. The decisions can for example be what type of products will be developed and to whom the trends will be addressed as well as the probability that the products will attract enough consumers to be suitable in their assortment. It is essential to note that the decisions will not last for several years ahead. The analysis is a constant process which are continuously reviewed and developed according to Georg Kittel from Pågen.

Trends occur at different periods on diverse markets and Polarbröd aspires to be updated on modifications in the world. The product development department at Polarbröd handles trends and Thomas Hedberg expresses that they “attempt to have a package of non-launched products”, which they can introduce to markets when they have a suitable trend.
Brainstorming is a fundamental element at Unilever when reacting to trends. New products originate during consultations about influences from other cultures and trends. If the outcome of a trend that focuses on sugar makes individuals crave an ice cream with a low content of sugar, Unilever tries to create a product that satisfies that need. Before the products are launched Unilever tests the concept and the flavour on consumers to see how attractive they find the product. Alike Unilever, Procordia Foods performs frequent research before introducing a new concept to the market. These researches generally results in refined and innovating products.

Procordia Food cooperates with consultant companies to receive a structured view on upcoming trends that will have an effect on the market within three to five years. The external experts introduce the trends that will influence Procordia Food and their consumers to the largest extent. The results and how Procordia Food can gain advantages from these trends are discussed in an internal workshop. Anne Hägglund attends seminars, purchases reports and read magazines to receive information and to keep herself updated. She also has a tool to scan different types of media such as newspapers and the Internet. In this program she has implemented Procordia Foods’ brands and she searches for categories such as sugar and health. A compilation of the material is later placed on the intranet. Agneta Augustsson from Santa Maria also attends trend seminars and exhibitions to spot trends. Input from consumers, TV-shows and debates in newspapers facilitate to analyse trends. Employees at Santa Maria visit various markets and cultures to receive influences and ideas. If the company finds a trend to be prolonged Santa Maria usually follows it. Agneta Augustsson points out that knowing whether or not a trend will be prolonged is a combination of intuition and observing the competitors and consumers.

Inga- Lena Fridheimer from Arla purchases reports about trends from trend gurus and trend analysts. Although, Arla also searches for diminutive symbols that can be confirmed by the extensive reports and help the company to develop new products at an early stage. Inga-Lena says that it is important to follow the trends and assure that Arlas products satisfy the need that arises from trends. She mentions that the company has followed the health trend for many years and that this trend is very diverse depending on what individual you address and in what stage of life they are. Health has for long been intensely associated with appearance, eating light products and weight loss and recently there has been a link between wellbeing and spirituality, yoga and new wave. Now there is a strong connection between health and authenticity, originality and naturalness according to Inga-Lena Fridheimer.

5.2.3.1 Significant Factors When Tracking Trends

Louise Eriksson from Unilever clarifies that the focus varies depending on what category of product will be launched, for instance if it is an ice-lolly or a “big pack”\textsuperscript{160}. She also explains that trends can be universal and influence a number of industries, the flavour of Pomegranate can be implemented in many different products. Competitors and their launchings are an obvious factor that Unilever observes. If a competitor introduces an appealing product, Unilever strives to exceed them and their launching. Polarbröd considers the consumer behaviour and other Swedish bread exporting companies to be the most important factors to observe. Foreign bread producers are not considered as being competitors, since Polarbröds’ assortment is generally considered to be unique on the international markets.

\textsuperscript{160} Big Pack is a product from GB Glace, which contains 2 litres of ice cream.
5.2.3.2 THE CREATION OF TRENDS

Santa Maria does not generate own trends, however, Agneta remarks that consumers may believe that some trends originates from Santa Maria. One example is the wholegrain tortilla, which is a product from the company. Santa Maria received inspiration from the bread industry and reactions towards the trend from consumers and producers. The company acquires ideas and concepts from miscellaneous businesses, for instance, "It can be everything from textile, interior design, for instance when we launched the India concept [...] the timing was good, we came exactly when there was the big hype or trend around Indian in general", says Agneta Augustsson.

Georg Kittel points out that he can not for certain claim that the company is viewed upon as innovators within the bread industry; however, there are some tendencies that their inventiveness inspires other businesses. Pågen introduced a new market communication for about five years ago, where they chose to have an emotional message associated with bread and their company; "Pågen bakes with love". Compared to five years ago, Georg feels that several companies apply emotional claims today.

Unilever introduces flavours to the Swedish market, which they discover on foreign markets, and in that sense they create trends. Louise Eriksson mentions, consumers may believe that Unilever are trendsetter on the domestic market, when they in fact merely transfer trends from foreign markets. Although, Unilever has innovations on the local market as well, for example “Sandwich Lussebulle” and “Sandwich Pepparkaka” from the brand GB Glace. Thomas Hedberg expresses that when Polarbröd enters new markets, they bring a new category of bread and creates an opportunity for new trends to arise. Arla does not initiate new trends, though, some trends “fits their products like a glove” which makes it easier to reach the consumers. Anne Hägglund from Procordia Food believes that in order to create a trend, a fundamental need has to exist. Introducing a new product can be complicated when the consumer has no need for it in the everyday life. She does not think that Procordia Food generates new trends; however, the company can augment already existing mega trends such as the health trend.

5.2.4 UNFORESEEN OCCURRENCES

All the respondents have the same opinion about unforeseen occurrences. They cause profound debates and have an impact on the industry. Consumers may choose to avoid certain products, which can have a devastating result on companies and their brands as Louise Eriksson from Unilever explains. Trans Fats is one example of when a debate has affected the demand of products containing Trans Fats. Georg Kittel points out that Pågen is a large company, which can be affected by many surrounding factors such as political decision and medical discoveries. Georg mentions that acrylamide raised public opinions when the Swedish National Food Administration alarmed the public. During the first weeks acrylamide created gigantic headlines in the media and the businesses was worried that the matter would have immense consequences for the industry. However, the issue turned out to be exaggerated and after a while it diminished. During the alarming period the experts within the subject at Pågen contacted the Swedish National Food Administration and tried to gain knowledge about the occurrence. Agneta Augustsson mentions that during the acrylamide debate, many consumers contacted Santa Maria and expressed their concern. The quality department at the company had already conducted research on this subject and therefore Santa Maria was prepared to handle the situation and could reduce the customers concern.

161 GB Glace is a part of the Unilever Group
It is difficult for companies and industries to predict the outcome of the unforeseen occurrences. Furthermore, Anne Hägglund from Procodia Food discusses the problem with interpreting the expansion of unpredictable trends. The results of product tests are usually uncertain but the effect is comparatively short-term, for instance Anne mentions if Sverker from the Swedish TV show “Plus” throws an item in his trashcan.\textsuperscript{162} On the other hand the health, sugar and fat trend was fairly predictable but Procodia Food could not foresee the huge impact it would have on the market. Santa Maria has adapted to the sugar trend and launched a taco sauce with no added sugar. Arla was recently affected indirectly by an unpredicted incidence which had tremendous consequences for the company. Caricatures of Mohammed were published in Denmark and six months later this occurrence created distrust in Saudi Arabia, which had a negative effect on Arla since they have a factory there. Inga-Lena Fridheimer declares “So there is an immense connection on how media deals with it but this was one occurrence that was not connected to our company.”

Political decisions and its effects create new conditions on the market. An example Inga-Lena Fridheimer from Arla gives is if Swedish children would suddenly be forced to purchase lunch in school. Alike Arla, Anne Hägglund mentions that political decision like an increase in value-added tax, VAT, on food would affect the business. Although, she points out that political settlements can have a positive effect, such as investments in nourishment and health. Conclusively she says that Procodia Food is susceptible to unforeseen occasions and that they strive to predict such events, however, she finds it hard to foresee political decisions.

5.2.4.1 ACTIONS TOWARDS UNFORESEEN OCCURRENCES
Arla performs own researches in order to see if headlines in newspapers are trustworthy or not. The company finds it essential to be aware of current studies within the field of food. The fat and sugar debates have resulted in products with low fat and low sugar content. \textit{"Within the food business there are new discoveries each and every other week about what is dangerous or not and so on [...]"} says Inga-Lena Fridheimer.

The Public Relations department at Unilever deals with situations when they are affected by unpredictable occasions. Lousie Eriksson claims: \textit{"It is important to follow the debate and if you notice that there is a change in legislation or if an ingredient would be banned [...] then must one absolutely plan to be able to adjust the production or react in time, so to speak"}. Pågen has a crisis organisation that handles crisis, for instance, a fire in a bakery can result in a damaged production capacity or if the products from Pågen would injure a consumer. Georg Kittel explains \textit{"It is hard to predict unforeseen matters, but we try to have preparedness in order to be alert [...]"}

5.2.4.2 PROCEDURES TO PREDICT UNFORESEEN OCCURRENCES
Georg Kittel says that it is complicated to predict these types of events. However, one can minimize the risk of unforeseen occurrences by having control systems and quality limits. Pågen has also developed recall systems to be able to retrieve products that may be harmful for the consumers. Santa Maria quality department has an insight in the Swedish National Food Administration as one of the employees is a member of the board. Possessing a network is a vital tool to gain knowledge. The variation in consumer behaviour is something to contemplate when analysing the local and international market.

\textsuperscript{162} The show performs product tests and products that fail the tests are thrown in a trash can.
5.2.5 MOST EFFICIENT METHOD WHEN ANALYSING THE SURROUNDING

Anne Hägglund, Procordia Foods says that keeping an eye on the surrounding world and having the ability to concretise the information into innovating products is her main method. She also mentions that although she sometimes wishes that they could work even more with trend analysis at Procordia Food, many of the employees contribute on a daily basis in the analysing of the surrounding. Georg Kittel, Pågen states that a systematic, analytical and open mind combined with intuition and an entrepreneurial spirit are probably key factors for discovering and understanding future trends and successfully transforming them into new products, concepts and communication. It is a combination of intellect, soul and gut-feeling. It is important not to become complacent; a current success is no guarantee for future success. The strategy must always be up for scrutiny and revision.

Agneta Augustsson, Santa Maria believes that the most efficient method is being keen and capturing diminutive signals, that together ultimately creates an entirety. Attending exhibitions, noticing symbols at restaurants or in the Media can capture these signals. She finds it vital to always keep an eye open, not solely during working hours. Louise Eriksson, Unilever believes that the best way to predict trends is to have several diverse collaborators as it gives a broadened perspective of the surrounding. Thomas Hedberg, Polarbröd mentions that sensing the surrounding together with international partners and gather new information is his best method. Inga-Lena Fridheimer, Arla finds analysing the development of the society and the consumers’ attitudes towards changes to be the most important aspect when forecasting trends.
5.3 PRESENTATION OF CONSULTANT COMPANIES

5.3.1 UNITED MINDS SAMHÄLLSANALYS AB
United Minds is a Swedish consulting company within business intelligence and is owned by Prime International AB. They assist companies and organisations on a global basis with analyses of the business- and social surrounding. The company observes trends, social- and human behaviour. An interview was conducted with Fredrik Johansson.163

5.3.2 OBSERVER SVERIGE AB
Observer is active on both the Swedish and the international market. The company is specialised within media and business intelligence. The company has developed from being an advertisement department at the Swedish telegram office in 1892 to becoming the market leader in Europe and North America. Their customers are both the private and public sector. The respondent Albert Lindemalm was interviewed. 164

5.3.3 DOCERE INTELLIGENCE AB
Docere Intelligence was founded 1988 and is specialised in analysing strategies, the future and the surrounding. The company performs analyses of for instance industries, competitors, trends and benchmarking where they make conclusions about external factors and its effects on the clients business. An interview was performed with Gustav Gorecki. 165

5.4 RECAPITALISATION OF CONSULTANT COMPANIES
In this section the information from dialogues with businesses that specialise on interpreting the surrounding has been gathered.

5.4.1 PROCEDURE TO ANALYSE THE SURROUNDING
An elementary component in the respondents work is to obtain as much knowledge about their customers as possible. Fredrik Johansson from United Minds mentions that the most important element is to have an analytic depth and be acquainted with what paradigm the customer possesses.

Before performing an analysis, Docere Intelligence has a conversation with their customers where they notify the consultants about significant factors that they would like Docere Intelligence to observe. These categories might be the adjacent surrounding, called the company’s arena, which includes for instance competitors, or the context, which are “more political factors and so on, more external factors” according to Gustav Gorecki from Docere Intelligence. He also claims that information about their customers is not a necessity, since the interpretation mainly focuses on the surrounding; however he adds that the more information they obtain the better.

Observer focuses on press-analysis and their primary alignment is to aid companies and organisations to evaluate their own media appearance. Albert Lindemalm explains that Observer strives to help their customers improve their image and gain knowledge from competitors, previous mistakes and achievements. Before commencing cooperation, the client presents their aspiration with the collaboration and the consultant gives appropriate

163 <www.unitedminds.se>, 2006-12-22
164 <www.observer.se>, 2006-12-23
165 <www.docere.se>, 2006-12-23
propositions. This demands a close collaboration with their clients, where the consultants and the customer discuss for example the outcome from different analyses and previous introductions on the market.

Fredrik Johansson claims that United Minds are pragmatic when it comes to methods that are utilised when analysing the surrounding. The company has no benchmark; they utilise both qualitative and quantitative techniques, from observing reality TV to interviewing politicians. United Minds clients’ main concern is generally the behavioural pattern of the inhabitants or their target group and how the products can be implemented in their environment. Another essential aspect is that the analysis can be used practically. A common problem with interpretations of the surrounding environment is that the outcome is: “Nice to know and not need to know”, according to Fredrik Johansson. As United Minds, Docere practise both quantitative and qualitative methods. On the basis of research the company uses both external and internal databases, where they store significant information for their clients and generally they also perform qualitative interviews.

Observer composes an observation of the press based on their clients and their competitors. Observers’ clients find target group analysis and how visible their products are in the Media important factors to contemplate when analysing the surrounding. The information is frequently gathered from the web, newspaper or from the radio and TV. The company also works with encoding on the basis of various variables, such as different products, industries, brands and negative or positive publicity. There are also several publications to observe in order to find trends and other decisions that will affect companies and organisations, for instance parliamentary bills, says Albert Lindemalm from Observer. He also mentions that performing a profound interpretation of the press is expensive; hence, companies usually prefer a less extensive analysis.

5.4.2 Procedure To Analyse Trends

Analysing trends is much about performing research within the current subject and come to conclusions from the results of the research, according to Gustav Gorecki from Docere Intelligence. He also claims that the focus alters from for instance, customers to the participating companies within the industry, depending on the analysed subject. Fredrik Johansson from United Minds explains that the company uses both quantitative and qualitative methods when observing trends, from focus groups, profound interviews, study visits, and seminars to phone- and web surveys. He notes that generally it is not a question about “rocket science” methods when interpreting trends; it is about keeping up to date and having a wide periphery. Fredrik Johansson gives an example of when he went to Shanghai on vacation for a couple of weeks ago and took numerous amounts of photographs to collect influences and interpretations of the surrounding. Observer has no literal recipe when it comes to performing a trend analysis; however, Albert Lindemalm gives some examples of significant material to contemplate when observing the surrounding environment. He says that “blogs can be a fine substitute to focus groups, where the participants might be uninterested to take part in the investigation”. The inventors of blogs are genuinely involved in the subjects they write about and the writing is commonly uncensored. However, blogs might be more efficient when the discussed matters are fashion or technology rather than the food industry.

Albert Lindemalm elucidates that trend analysts observe a large part of the surrounding by travelling and they examine more factors than the media, which Observer specialises on. Generally, the subjects exploited in the media are already established on the market and he
EMPIRICAL DATA

believes that it is hard to find the leading trend in the large existing media selection. Although, Albert gives an example, that if a client would have wanted a trend analysis when the sugar debate arose, Observer would unquestionably have recommended the client to adapt to this trend.

Fredrik Johansson from United Minds explains that analysing a trend is mainly about observing an upcoming trend and consulting with the customer about how they can benefit from the trend. The development of the trend is something you strive to take control over. Docere Intelligence has different processes when analysing trends, for instance, they observe the progress of trends, the society’s perspective on trends and they also have a project called scenario analysis. “There we attempt to perform forecasting analyses and how the future can look like in different scenarios”, explains Gustav Gorecki.

5.4.3 MOST EFFICIENT METHOD WHEN ANALYSING THE SURROUNDING

Albert Lindemalms from Observer says that the paramount method when observing the surrounding for the food supplier industry would be monitoring the competition and observing ongoing research within health and provisions. He says that discussions and parliamentary bills from Brussels and Stockholm are good factors to contemplate and conclusively he states that there is no uncomplicated prescription to use when performing this type of analysis. Fredrik Johansson from United Minds believes that if you strive for a successful outcome of the observation, you need to implement several various methods in the analysis. One example could be performing both quantitative and qualitative investigations, trend spotting and travels. The result of the analysis is recapitulated in an analysis, which can be applied practically by the client. Gustav Gorecki from Docere Intelligence says that the purpose of interpreting trends and the future development is to acclimatize the business approach in order to gain advantage within the industry. Gustav Gorecki mentions that the procedure to analyse the surrounding environment is time demanding and he believes that a vast financial statement is an elementary kernel if you want to adapt your business strategy to the outcome of the analysis. This subject is very important and therefore time and other resources, like internal personnel and the possibility to execute both qualitative and quantitative investigations is a prerequisite according to Gustav Gorecki from Docere Intelligence.
6. **ANALYSIS**

The empirical data will in this section be compared with the theoretical framework and an analysis of possible similarities will be made.

6.1 **THE IMPORTANCE OF ANALYSING THE SURROUNDING**

The purpose of analysing the surrounding is to understand and interpret the occurrences and development of the society. All of the observed businesses found analysing the surrounding an essential fraction of their strategy and they also believe it to be a natural part of the work. Observing and paying attention has become converged with their work and everyday life. The most significant reasons for analysing the surrounding seems to be gaining competitive advantages and increase the understanding about consumers. Attaining knowledge about consumers need and behaviour simplifies the production of attractive and satisfying products.

Due to analyses of the surrounding has the observed companies identified a need for healthier products and the companies have launched various products and concepts that satisfy this new need. Adapting to this new trend shows that the companies are aware of the lifestyles of their consumers, which has also given them a strong market position. Approximately every company on a market strives to be the market leader and in that way shape the conditions on the market. In order to be successful on a market, it is necessary for companies to find a perfect position, where external forces cannot harm them, according to Porter. The forces that can threaten the positioning of a company are new entrants, powerful buyers and suppliers, similar products or services and the competition between existing firms. In order to locate an untouchable position, a company must have knowledge about the different threats and their features. They must understand the meaning of objects others simply look at. The fact that many of the respondents finds competitive advantages and understanding of the market essential reasons confirms the statement that fundamental models like Porter’s five forces and SWOT can be used to analyse the surrounding. However, in the ever more complex society, one cannot solely rely on these basic models.

To understand the strategy and attributes of factors within the surrounding, it is a necessity to view the world from the perspective of external objects. This can be exceedingly complicated, since a perspective or paradigm heritages from for instance, experience, beliefs and norms. That fact makes it intricate to revise the perception of the surrounding. Neugarten claims that once an organisation has established a perspective, the ability to interpret other paradigm diminishes. An individual’s paradigm influences decisions and what is believed to be important. In other words, occurrences seen as essential for the organisation will be interpreted and others will be disregarded. The unseen objects in the surrounding are called blind spots and the human being is oblivious of their existing. Blind spots are both physical and psychological phenomena; the human eye consists of a blind spot, which limits our periphery. The authors of the study believes that the psychological blind spots originate from finite experience and can be diminished by practise and development of the mindset. Analyses of the surrounding facilitate the creation of awareness about the existing blind spots and broaden the consciousness. It is believed that it is impossible to surmount all blind spots,

---

167 Ibid., p. 23-33.
169 Ibid., p. 896, 897.
170 Ibid., p. 899.
171 Ibid., p. 899.
since making one blind spot visible creates other blind spots. If individuals broaden their view and surmount the existing blind spots, they generate a new perspective. This new perspective influences the individuals’ decisions and causes ignorance of trivial objects, in other words; creates new blind spots. Even though a human being will never understand all aspects of the surrounding, experience and practise will lead to an expanded consciousness. This means that observing and gaining experience of the surrounding will create new possibilities for organisations.

6.2 Procedure to Analyse the Surroundings

The companies have different instruments, which they implement when performing analyses, to increase their consciousness about their surrounding. The methods range from media scanning, databases, in-real-life scanning to cooperation with consultants.

Most of the observed companies collaborate with consultant businesses and let specialists assist them with analyses; however, the extent of the collaboration differs between the respondents. The collaboration contains for instance seminars, which the companies attend, and current subjects and debates are discussed, for instance health. The outcome of the seminars is later presented in a report that the company introduces internally. External information systems are another tool used to analyse the surrounding. The company classifies different topics that they want to interpret and a database searches for changes and developments throughout the world. The company receives the results of the exploration once every sixth month. The authors think that attaining the results of researches needs to be a constant process since the environment alters very frequently. Receiving updates a few times each year is not enough if a company strives to be pioneering and market leader. However, if the companies perform internal observations as well, in order to remain up to date, it might be enough to receive external information as a complement a couple of times each year.

Hamrefors believes that cooperation’s with specialists generally derives from internal deficiency.\textsuperscript{172} If the management does not feel that they have enough internal competence or resources, they turn to external tools for guidance. The fact that hiring consultants can be cost effective\textsuperscript{173} can also increase the reason for the collaboration. This could be a problem since it does not solve the internal problem; however, they receive a well performed analysis. Employing an external consultant when the internal observation is not efficient may cause problems when the result of the analysis is implemented into the internal strategy. If the personnel do not know how to utilize analyses and observation on their own, it will be difficult for them to understand and apply the new information. The authors of the study agree with Hamrefors that the external instruments should work as complements to the internal investigation, in other words, provide the company with objective perspectives of the surrounding world.\textsuperscript{174} A negative aspect of collaborating with consultants might be a lack of trust.\textsuperscript{175} A company might not be willing to provide the consultant with information about their strategy or weaknesses as they fear that the information will be leaked. This means that the consultant company may not receive the data it needs to perform an efficient and trustworthy analysis. This is a problem that probably only can be solved by a long-term relationship between the two companies, however, as the conditions on a market alters fast, must an analysis be conducted fast and changes must be made quickly as well. An

\textsuperscript{172} Hamrefors, S. (2002), p. 110.
organisation has to balance the need of fast information and being able to trust their consultants.

Collaborations can however be an excellent way to see the surrounding with an objective perspective. A consultant can guide the company and help them discover new possibilities and see the market with new perspectives, which also Gattiker and Larwood states.\textsuperscript{176} By having a close relation with the client, an analyst can locate the company’s blind spot and hopefully visualise them. In other words, a consultant firm can drill a hole in the cave the company is standing in and create a broader visual angle for them.\textsuperscript{177}

The observed consultant businesses consider the relationship with the client to be a fundamental factor of the analysis. In order to observe the surrounding, the consultant needs to be acquainted with the perspective of the customer and the vision and structure of the organisation. Before performing analyses, the consultancies discuss the structure of the observation. The external organisation must identify possible grey areas or undiscovered aspects of the surrounding and be able to execute an objective interpretation of the world.\textsuperscript{178} It does not seem to be any general method that is implemented by the consultancies when performing analyses for food supplier companies. The structure of the process originates from dialogues with the clients where they identify their need and preferred investigated subjects. It would probably be impossible to use a general method for every client, since each organisation is unique and every perspective has different features. If the analyses are based on dialogues about needs and wants one can wonder how close the relationship between the consultant firm and client must be. Many discussions and observations are probably required in order to understand the vision of the company and its needs.

The study shows that databases are a commonly utilized tool to analyse the surroundings. Tracking of Media, brands, attitudes and changes are performed and constitute the foundation of analyses. Consultant firms usually gather significant information in both internal and external databases, which the clients can use to view developments and tendencies. Databases distribute a fast tool with a large amount of information but for some individuals it might be difficult to learn how to operate the programs. The usage of databases simplifies the process of the gathering of information, however, since databases are a secondary source, the accuracy of the data cannot be guaranteed.

The researched businesses do not have any specific or structured method when analysing the surrounding. They feel that observation and paying attention is a natural part of their lives and features such as intuition and analytic capability is a necessity in order to interpret the world. Social skills and a sense for probing are also attributes that helps when interpreting the surrounding.\textsuperscript{179} Attaining knowledge about consumers and their actions demands paying attention to their behaviour and the ability to have a dialogue about their beliefs. Consumer groups react differently towards researches about their behaviour. Some of the respondents find that individuals may believe to posses a certain feature, however when interpreted they act differently. This shows the importance of interpretations and the ability to notice what others only see.

\textsuperscript{179} Ibid., p. 126-127.
Some companies choose to perform observations of the surrounding solely by themselves. Polarbröd does not perform analyses in the common way, however, they strive to find new markets positions. Polarbröds strategy can be compared to what Hamrefors calls “the case of the generalist”, where the management thinks that the employees can perform the analyses on their own as long as they have the right instructions. This way of thinking is good if the company has the required resources. But if that is not the case there is a huge risk that the analyses loose its importance and opportunities are therefore missed. Observing the surrounding by yourself can be unproductive since the surrounding probably only will be viewed from your perspective. Performing an analysis is also very demanding, it requires both financial resources and personnel. To get a compound analysis with different aspects of the society, experience is also a required feature. Experience and knowledge widens our perspective and allows us create new realities. An advantage with working with specialists is that they have much experience of the proficiency and will be more able to identify blind spots and know where to search for relevant information than an inexperienced individual. Having too much experience can have negative consequences, since observing and interpreting the same environment for a long time may cause narrow-mindedness. Frequent collaborations and renewing of procedures is a good method to improve the existing procedure.

Pågen has a practical approach when analysing the surrounding world. They study different media, like TV and Magazines and receive in that way information about current debates. This is referred to as Media scanning, something Faith Popcorn also used when searching for changes in the society. Media scanning seems to be one of the most common methods used when analysing the surrounding, an example is Observer who focuses only on the media when analysing trends and changes in the society. However, according to Albert Lindemalm is media expensive to analyse, which is probably due to the fact the amount of media increases daily in different forms, like TV-shows, blogs, magazines and forums on the internet. Another practical method used by Pågen is in-real-life scanning, where they observe for instance shopping malls and what consumers buy. Using IRL-scanning is according to the authors believed to be a good way to create an understanding of their customers and at the same time learn where to search for changes in the society.

Regardless of method used is the most significant aspect of the collaboration that the client must be able to use the result practically. As Fredrik Johansson mentions is a common problem that the outcome of the analysis is “nice to know and not need to know”. This means that the food supplier companies are unable to utilize all the potential of the result. This problem might have different causes; the consultant companies may have a complicated explanation of the result, in other words, use many expressions distinctive for their profession. Another reason could be that the client lacks knowledge about the procedure. If they do not understand the process of analysing the surrounding, the management will probably not know what to do with the given results. Here one can question if the client needs lectures about how to take actions after being handed the result or if it is enough to be more accessorial of the entire procedure, in other words, following and participating in the analyses step by step will give the client a greater understanding of the surrounding and the ability to take action will come naturally. Hamrefors agrees with the consultants that the practical outcome of the

analyses is vital. This is also the last phase of the Business intelligence cycle. There is no need to perform an analysis if the information can not be used.

6.3 Procedure to Analyse Trends

The analysed companies apply extensively the same methods for analysing trends as for analysing the surrounding. Although, it can be more imperative to be sensitive and attentive of the environment since trends changes consistently in our society and to keep up with the alterations, our observed companies, focus on signs both national and international. The sugar trend and wholegrain trend aroused a lot of attention in media, which made it very difficult to not acknowledge and adapt to them. One can wonder how, what and where the companies should have operated in order to have recognised the trend before it became obvious. Due to the intense interactions between markets it has become more compound to categorize individuals and to satisfy their necessities. A theory is that trends appear from celebrities and nobilities. However, since the society is getting more and more united is distinguishing trends complicated.

A trend has different stages of life and can arise from various directions. For companies it is important to be aware of if they should adhere to the trend and also consider if the trend is just a fad or long lasting. According to Wahlström it is essential to gather information from different areas and identify signals in order to amend to the trend. A combination of intuition and study competitors and consumers is a way to see whether a trend is long-lasting or not in accordance with Agneta Augustsson. Some food supplier companies’ reproduces trends from other markets, which may make their consumers believe that they are trendsetter on the domestic market. Inga – Lena Fridheimer declares that some trends “fits their products like a glove” and therefore they do not have a need to create their own trends. It is believed by the authors that there must be an existing need among the consumers in order to be able to create a trend. It is of course not impossible to create new needs but enormously difficult and demanding. It is probably due to this fact that many of the studied companies do not generate their own trends but choose to follow existing needs and trends.

Some of the companies do not actively search for trends; Polarbröd has for instance a package of non-launched products which they can launch if they find an opportunity on the market. This means that they do not create new products to adapt a trend to a large extent. This is probably cost-effective but as many other companies choose to adapt their products to new trends, it could in some cases be devastating to not renew their assortment. Polarbröd was affected by the whole-grain trend and one can question if the effect would have been smaller if they actively would have scanned the market for the trend and then quickly changed their products as many other food supplier companies did.

The companies can obtain inspirations from various places such as other cultures, countries and businesses, for instance when Santa Maria launched their India concept they looked into other categories than the one they were operating in. This demonstrates how a company has broadened their perspective and overcome some of their blind spots. In contrast seems Polarbröd to have its main focus on the bread industry and consider foreign bread consumers

---

185 Ibid., p. 575.
186 Ibid., p. 577.
not a substantial threat since they regard their products to be unique. The author believes that
to overcome blind spots, adapt to trends and create their own trends, companies have to focus
on other industries than their own. As Wahlström mentions, does a trend rarely arise from
solely one place or market. Usually it is many vague signs that together create a new trend.189
These aspects go hand in hand with broadening ones perspective and understand that the
company might be operating indirectly in different sectors than originally believed. This is
also what the first phase of the World mapping method deals with.190 The authors agree with
Frankelius that in order to be able to broaden a perspective must a company first be
completely aware of the existing concepts.191 This means that a company must review its
vision and the existing market before they successfully can scan the surrounding world.

Most of the respondents attend seminars to be updated with oncoming trends. However, it can
be difficult to identify attractive trends but by observing and test for instance new products
and concepts on consumers they can attain feeling of if it will be successful or not on the
markets. Pågen gather information mainly by media scanning192. They purchases magazines
about food from other countries to gain inspirations to their business. Arla also purchase
reports about trends from trend gurus and trend analysts in order to analyse significant factors
when creating new products. However, Albert Lindemalm at Observer regards media
scanning not to be very sufficient when discovering new trends as subjects discussed in media
are generally already established on the market. To determine the imminent trends in real life
scanning is an approach where the reality is observed. This can be done by reading blogs,
observe people on the streets, taking photograph. Frankelius regards documenting the reality
important too, as he stresses the usage of visual tool such as pictures in the World mapping
method193. It is always easier to understand or interpret something if you can connect it to an
image. A different version of in real life scanning is travelling and getting influences from
foreign markets. Fredrik Johansson explains that he went on vacation to Shanghai and during
the visit he gathered photos and other influences. This is also a good example of how the
analyses should be a natural part of life. Santa Maria performs this type of observations as
well. The researchers regard real life scanning to be a sufficient way in order to find
indications of new trends.

The observed companies have collaboration with consulting firms which performs analyses
by doing researches within the issue they desire to gain more information about and also how
they can utilize the trends. The consultants achieve quantitative and qualitative observations,
make interviews and travel around the world to observe significant signs and interpret the
surrounding which can be implemented on the domestic market. Blogs, which ordinary people
write are an uprising alternative to observe as people usually write their opinions uninhibited.

Analysing trends is an ongoing process which is vital for the companies in order to satisfy its
consumers and to achieve a strong market position. It can be difficult to interpret if a trend is
long lasting or just a fad, but by doing as Fredrik Johansson mentions, keeping up to date and
having a wide perspective and in that way being prepared, will the effect of shattering trends
diminish.

191 Ibid., p. 37-38.
6.4 Unforeseen Occurrences in the Surrounding

Unexpected discoveries, decisions within influential institutions for instance political, the National Food Administration can influence a company in various means. What a company believes to be the least expected is often the most important to reflect upon. Political, cultural, economic and legal factors are external factors for a company to considerate according to the Pest model. Being attentive and recognising signals in order to be prepared for unpredictable factors is believed to be vital in order to succeed on a market.

Solomon declares that trends can spread like a virus and influence individuals unexpectedly. As the acceptance of an event can be so fast it is important to know where to search for indicators. Media seems to be the essential factor to scrutinise in order to predict unexpected factors. The effect media has on unexpected happenings and businesses becomes obvious when Arla explains what the company was exposed to. A newspaper in Denmark published caricatures of Mohammed, which spread across the world. Even though Arla had nothing to do with the pictures, they were affected and negative emotions against the company arose (mainly in Islamic regions of the world) as the company is partially Danish.

The extent to which an unpredicted factor influences a business is dependent on how prepared a company is for these occurrences. Most of the observed companies have specialised people which handles occurrences that has affected the business. Pågen has for instance a crisis group, which deals with unforeseen happenings. The Public Relations department deals with these occurrences at Unilever. This could be due to the fact that media plays an important part in the acceleration of these types of events. Using media to broadcast calming statements and declarations to the society is probably one of the most efficient methods to deal with these unpredictable occurrences. The size of a company could be another factor that the impact of the happening depends on. A large, well known company might be attacked more by the media than a small company. The respondents are well aware of this fact and many of them perform therefore their own research or follows current research made by institutions to be able to respond to different statements.

One way to try to localise possible occurrences is by implementing the factor X-model. The X-factors are all the components that could potentially be dangerous or advantageous to a company, although the companies are not aware of them. By using visual aids a company can create a map of happenings that might trigger an influential occurrence. The model is also used to track different accelerators, for instance media and rules, factors that the respondents also find vital to observe. The authors believe that creating a map is a good guide to know where to search for indicators, however if using this must a company update the map frequently. The risk of becoming narrow-minded and only search for obvious factors increases otherwise. One negative aspect of the factor X-model is that it may appear as very complicated to understand, as it takes many factors into consideration. It is therefore believed that a simplified model can firstly be implemented in order to locate fundamental factors and later broadened with less obvious factors.

Scenario planning is also a god method to use when trying to find possible unexpected occurrences. Even though it is difficult to predict something that you are not aware of, can a company by creating scenarios with extreme and unbelievable events get a small hint and be

prepare of what might happen. Forecasting methods are also used to identify the future but it focuses on the real future instead of created scenarios. When forecasting unpredicted occurrences should the method be intuitive, which means that personal sources and dialogues are important.\textsuperscript{197}

It is complicated to forecast occurrences and factors that a company is not aware of due to its blind spots. The respondents endeavour to be well prepared and forecast occurrences in the surrounding but found it to be a compound area to analyse. Hence, the companies cannot influence the occurrences or change their course but by being attentive and keen on issues that may arise they can diminish the effect of the happenings.

**6.5 MOST EFFICIENT METHOD WHEN ANALYSING THE SURROUNDING**

Key factors for interpreting, discovering, and analysing the surrounding and future trends in the society are to be analytical, intuitive, open minded and to have a common sense, according to the respondents in the food supplier industry. However, it is vital to have an incessant surveillance of the surrounding and not be convenient and satisfied with the present position since the environment alters frequently. This opinion is also shared by the authors, being curious and actively searches for indicators and changes are essential for an analyst. Not only during working hours but as some respondents’ mention, observing and taking pictures when travelling or spotting something that is interesting during a walk on the town. This type of observation called in real life scanning is also believed to be the best method by some of the respondents. They mention that attending seminars and exhibitions gives a good hint of upcoming events and trends. Louise Eriksson from Unilever believes that having many collaborators provides different and broad perspectives, although this might lead to contradicting or misleading results from each consultant and result in a lack of action.

The interviewed consultants state that performing analyses of the surrounding demands a large financial contribution in order to gain a high-quality analysis and competitive advantages. It is therefore vital for companies to understand the importance of the analyses and be willing to invest both monetary and physical resources in the observations. One can question if an insufficient analysis that might display misleading results is better than not performing an analyses. According to Fredrik Johansson and Gustav Gorecki are many different methods required to get a trustworthy outcome, both quantitative and qualitative. The authors believe that it is becoming more and more important for companies to invest in analyses of the surrounding world as it is both a long-term and short-term business strategy.

7. **SUMMARISING DISCUSSION**

*After analysing the results is a concluding discussion presented here.*

The most important part of performing analyses of the surrounding is to broadening the perspective and becoming aware of the surrounding. A company has to overcome its blind spots and by gathering as much knowledge as possible about the surrounding world, diminish the uprising of other blind spots. Collaborating with consultants is one of the most common methods used when performing analyses. The consultants conduct both quantitative and qualitative research. Databases are a commonly implemented quantitative instrument. Implementing gathered information about changes in the surrounding in databases and analyse it may present a bias outcome, as emotions and thought are difficult to interpret in quantitative measurements. Attitudes alter very fast and it is a compound subject to explain, therefore might databases and other statistic measurements not be an adequate tool for an analysis of the surrounding. Scenario planning and in real life scanning appears to be popular and reliable qualitative researches that are preferred by both food supplier companies and consultants. Media is considered to be one of the most influential instruments in the society and it affects trends, attitudes towards products and companies and the behaviour of consumers.

The importance of knowing the surrounding is believed to continue to increase rapidly and therefore, might the process of performing an analysis become more compound. This means that in order to gain relevant information in a more complex society and infrastructure, the process will have to become more efficient. It is therefore extremely important for companies to be acquainted with the process, where the information is obtained. As the process is expensive and demands a lot of resources it is important that the information is not ineffective, hence is the aspect if understanding stressed. If a company uses external consultants must the company become integrated with the process and learn what the procedure really means and not only take part of the results. If a company collaborates with consultants must the employees of the company become involved in the analyses and perform parts of it by themselves. This is vital not just for understanding how an analysis is performed but to be able to use the outcome in an efficient way. As mentioned previously must the result of an analysis be need to know and not nice to know.
8. CONCLUSIONS

The outcome of the study results in a number of conclusions, which are discussed below. Followed by a compiled model that is displayed to visualise important phases of analyses of the surrounding. As this subject is an interesting and uprising research area, are further research suggestions recommended by the authors in the end of this chapter.

How do businesses analyse the surrounding and predict trends and what factors in the society should a company be attentive to while performing an analysis?

Collaborations with consultant companies are a usual occurrence when analysing the surrounding world. To what extent the cooperation should be is a difficult question. An excellent scenario is when the consultant is integrated but not involved, in other words must the consultant be aware of the business concept and strategies in order to know where to search for information. The consultant should not get too integrated on the other hand as the internal analyses are just as vital as the external. When a company has learned how to analyse the surrounding by itself, can a cooperation work in the ultimate way, as an objective complement to the internal resources. Databases are a commonly used tool, although qualitative research as scenario planning and in real life scanning results is better and more trustworthy information. Media is one of the most important factors to observe as it is tremendously powerful and the result of statements in media can be devastating for any company. In excess of practical methods are psychological aspects of analysing the surrounding important as well. Much of being able to localise trends and spotting opportunities has to do with personality and experience. Knowing where to search for information and being able to widen a perspective can be taught and it increases with experience. One should however be careful as experience may lead to narrow-mindedness. In that case could a consultant be a good alternative to receive guidance and overcome blind spots. Analysing the surrounding has much to do with resources and ability and one can question if an inadequate analysis with fallacious results is really better than not performing an analysis at all.

8.1 COMPILED MODEL

After analysing the results of the study and the theoretical framework is the World mapping method and the Business Intelligence cycle considered to be the methods that are most suitable to the companies’ existing operation method. The two methods are good instruments to use when visualising the existing knowledge within the organisation and to see if external guidance is necessary in order to receive a trustworthy picture of the surrounding world. By modifying the phases of these two methods with features of other methods could an implementation of these processes improve the conductions of analyses of the surrounding world. Even though the observed companies seems to utilize methods that are similar to the World mapping method and the Business Intelligence cycle, must one be aware of the fact that many other methods influence these models. The SWOT and PEST models for instance, are probably utilised as well but perhaps to a less extent or in a less obvious way.

The method contains a number of fundamental aspects, the procedure is a continuous process and the phases interact over time. When a consultant is involved in the performance must the collaboration be efficient and the clients must become more involved in the procedures. The consultants should be a complement to the internal observations. A recommended process for analysing the surrounding will be presented below. This model is not a generalised model that can be used by all businesses, the procedure of analysing the surrounding must be customised.
for each company to fit the unique strategy, need, vision, market, customers, and products and so on. The compiled model is the authors opinion of how an analysis should be performed based on the outcome of the study.

**Review of Perspective**
This initiating phase is one of the most essential as a company must be completely aware of their existing perspective before they can generate new, broadened views of the surrounding world. This phase is executed to overcome possible blind spots and using consultants to get an objective view and new ideas can be used as guidance.

**Brainstorming**
Many companies perform brainstorming, either within the company or at seminars. What and how much knowledge does the company possess? Is the existing knowledge important or useless? The company must recognize the need and type of information. The authors would like to stress the importance of visualising the problem or opportunity during this process as the factors becomes more real.

**Gathering of Information**
Statistics and quantitative data are not considered to be adequate when analysing the surrounding, although it is commonly used by both consultant companies and food supplier companies. Statistics can be a good guidance to notice changes or trends but the data should always be deepened and elaborated by qualitative researches. Scenario planning is a good method to use when trying to find indicators of unexpected occurrences and planning new products. In real life scanning, in forms of travels and observations are excellent methods to find exotic and uprising trends or changes. A fundamental factor in this phase is that the company does not discard information. The information that appears to be least interesting can provide the most important facts. The significance of seeing the information is stressed here as well; influences of new products are more likely to arise when seeing where a trend or change comes from.

**Processing and Analysing the Information**
The gathered information is scrutinized either internally or with external guidance. When analysing the outcome of the analysis a company must try to have a wide perspective, which might be facilitated by using consultants. In the case of a consultant and an efficient integration of the analysis process can the specialist see the opportunities on the market and the company knows its capacity and whether they can act or not.

**Enlightening**
This phase deals with the ability to use the outcome of the analysis. A company must gain knowledge about what the results mean and how they can use them as a guide when planning future strategies. In this phase the authors would like to call attention to a learning process, in which the companies who are not aware of it learn about how an analysis is performed and what they can do with them. This would probably also result in more companies paying attention to this important business strategy.

**Creation of New World Maps & Action**
If the result can be handled in the right way and a company is ready to change their concept will a new map of the business be created. This leads to new possibilities and perhaps launchings of new products on new markets. Personality plays a significant part here as well.
The management must be daring and instinctive and wanting to change the concept in order to seize the opportunities.

Around this constant process circulate X-factors, which can be invisible or visible to the company. These factors are extremely important to try to localise in order to become prepared for possible occurrences. By scanning media, which is a trigger for many X-factors can the company localise hints that can decrease the effects of a devastating event. However, as many of the respondents mentions is it almost impossible to foresee these types of occurrences as they are referred to as unpredictable, although companies can always try to keep up with the changes by searching for them.

Figure 12. Compiled Model Based on Outcome of the Study
8.2 SUGGESTIONS FOR FURTHER RESEARCH

As the outcome of the study shows that consultants are used to a large extent when analysing the surrounding would a deeper investigation of the cooperation between consultant and client be an interesting issue to contemplate. This is due to the fact that specialised companies within analyses of the surrounding world increases on a daily basis as well as the need for this type of analyses. At the same time is the observation becoming more and more complex, which could demand a closer relationships between a client and the consultant. This aspect is interesting as the process of analysing is complicated and there are both advantages and disadvantages with hiring consultants, as mentioned in the study.

Performing an ethnographic observation would increase the understanding even more of what methods organisations use when analysing. It could be difficult for many employees to put their daily work into words and explain how they analyse the surrounding. By following the respondents in their natural environment could a researcher analyse their behaviour and see the methods by him/herself.
9. REFERENCES

LITERATURE
Bell, E., Bryman, A. (2005), "Företagsekonomiska forskningsmetoder", Malmö, Liber AB.

Center for Information Technology in Northern Sweden (CINS), (2003), "Omvrärldsanalys för affärsutveckling – Aktiviteter och Erfarenheter", Solfjärdn Offset AB, Umeå.


Sandström, B. (1988), "Business Intelligence-Företagets underrättelsetjänst", Liber AB.


REFERENCES


SCIENTIFIC ARTICLES


REFERENCES

VERBAL SOURCES
Augustsson, Agneta, 2006-12-05
Eriksson, Louise, 2006-12-04
Fridheimer, Inga-Lena, 2006-12-06
Gorecki, Gustav, 2006-12-11
Hedberg, Thomas, 2006-12-07
Hägglund, Anne, 2006-12-07
Johansson, Albert, 2006-12-11
Kittel, Georg, 2006-12-08
Lindemalm, Albert, 2006-12-11

WEBSITES
2004-03-18, "Low carb" sänkte livs-medelsjätte, Karin Henriksson,

2004-10, ”Tänka om världen - Rapport från Omvärldsanalysutredningen” , Ds 2004:46,

2006-03-01, ”Människor är sällan rationella”,

<www.arlafoods.se>, 2006-12-22
<www.docere.se>, 2006-12-23
<www.observer.se>, 2006-12-23
<www.pagen.se>, 2006-12-22
<www.polarbrod.se>, 2006-12-22
<www.procordiafoods.se>, 2006-12-22
<www.santamaria.se>, 2006-12-22
<www.unilever.se>, 2006-12-23
<www.unitedminds.se>, 2006-12-22
10. APPENDIX

10.1 INTERVIEW GUIDE – FOOD SUPPLIERS

• BACKGROUND
  o Presentation of the respondent as well as position within the company.
  o How long has the respondent been working at the company?

• ANALYSES OF THE SURROUNDING
  o Does the company use analyses of the surrounding?
  o How long has the company used analyses of the surrounding as a part of their strategy?
  o How does the company use analyses of the surrounding?
  o How important does the company consider analysing the surrounding to be?
  o What does the company focus on?
  o How has the method for analyses developed from the beginning until now?
  o How has the integration on the market, due to globalisation, affected the performance of the analysis?

• TREND TRACKING
  o How does the company use trend analysis?
  o Is the company/industry affected by trends?
  o Does the company create trends?
  o What does the company focus on when analysing trends?
  o How much information does the company provide the consultant companies?

• UNFORESEEN OCCURRENCES
  o In today’s society the torrent of information has increased enormously, news is spread rapidly. This can lead to unforeseen factors and occurrences that can be devastating for the company/industry, for instance, political decisions, mass media.
    - How is the company sensitive for these types of occurrences?
    - Has the company been exposed for these types of occurrences?
    - How does the company work to handle these situations?
    - How does the company forecast unforeseen factors?

• BEST METHOD
  o What method does the company consider to be the best way to analyse the surrounding?
10.2 **INTERVIEW GUIDE – CONSULTANTS**

- **BACKGROUND**
  - Presentation of the respondent as well as position within the company.
  - How long has the respondent been working at the company?

- **BUSINESS INTELLIGENCE**
  - How does the consultant conduct an analysis of the surrounding?
  - How much information about the client does the company obtain before an analysis is conducted?
  - How often does the consultant meet the client?
  - If the client gives the consultant keywords, which are the most common?
  - What factors are in focus when an analysis for a food supplier industry is conducted?
  - Which methods and tools does the consultant utilise?

- **TREND TRACKING**
  - How does the consultant perform a trend analysis?
  - What methods are utilised when analysing trends?
  - What factors are in focus when analysing trends?
  - Does the consultant forecast trends?

- **BEST METHOD**
  - What method does the consultant consider to be the best way when performing an analysis of the surrounding?
  - How does the consultant believe that the performance of analyses can be improved?
10.3 INTERVJU GUIDE – LIVSMEDELSFÖRETAG

● BAKGRUND
  o Presentation av respondenten samt roll inom företaget.
  o Hur länge har respondenten jobbat inom företaget?

● OMVÄRLDSANALYS
  o Använder ni er av omvärldsanalys/bevakning?
  o Hur länge har företaget använts sig av omvärldsanalys som en del av sin strategi?
  o Hur använder ni er av omvärldsanalys?
  o Hur viktigt anser företaget att det är med omvärldsanalys?
  o Vad fokuserar ni er på?
  o Hur har metoden för analyser utvecklats från när ni började?
  o Hur har integreringen på marknaden på grund av globaliseringen påverkat er i utförandet av analysen?

● TRENDER
  o Hur använder ni er av trendanalyser?
  o Påverkas ni/branschen av trender?
  o Hur skapar ni egna trender?
  o Vad fokuserar ni på när ni analyserar trender?
  o Hur stor insikt har konsultföretag i företaget?

● OFÖRUTSEDDA HÄNDELSER
  o I dagens samhälle har informationsflödet ökat enormt, nyheter sprids väldigt snabbt. Leder till att oförutsedda faktorer och händelser kan slå hårt mot företag och branscher, ex, politiska beslut, massmedia
    - Hur är ni känsliga för dessa typer av händelser?
    - Hur har ni varit utsatta för dessa typer av händelser?
    - Hur arbetar ni för att hantera dessa situationer?
    - Hur försöker ni förutse oförutsedda faktorer?

● BÄSTA METOD
  o Vilket anser ni vara det bästa sättet att arbeta för att analysera omvärlden?
10.4 **INTERVJU GUIDE – KONSULTER**

- **BAKGRUND**
  - Presentation av respondent samt roll inom företaget.
  - Hur länge har respondenten jobbat inom företaget?

- **OMVÄRLDSANALYS**
  - Hur går ni tillväga när ni genomför en omvärldsanalys?
  - Hur mycket information får ni om företaget som ska ha analysen?
  - Hur mycket samarbetar ni med företagen?
  - Om företagen själva ger er sökord, vilka är de vanligaste?
  - Vilka faktorer fokuserar ni på när ni genomför en analys för ett livsmedelsföretag?
  - Vilka metoder och verktyg använder ni av?

- **TRENDER**
  - Hur genomför ni en trendanalys?
  - Vilka metoder använder ni av när ni analyserar trender?
  - Vilka faktorer fokuserar ni på när ni analyserar trender?
  - Arbetar ni med att försöka förutse trender?

- **BÄSTA METOD**
  - Vilket anser ni är det bästa sättet att utföra en omvärldsanalys?
  - Hur anser ni att man kan förbättra utförandet av analyser?