



Consumer Trends in the FMCG Sector: A Strategic Workbook Approach

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Opinnäytetyö tarkastelee Suomen päivittäistavara-alaa, keskittyen elintarvikealan markkinaympäristöön ja siihen, miten yritykset sopeutuvat muuttuviin kuluttajatrendeihin ja -käyttäytymiseen. Elintarvikeala valittiin tutkimuksen kohteeksi, koska se edustaa yhtä merkittävimmistä ja trendiherkimmistä toimialoista päivittäistavarakaupan (FMCG) toimialalla, jossa kuluttajakäyttäytymisen muutokset näkyvät nopeasti.

Tutkimusongelma on, miten päivittäistavara-alan yritykset voivat strategisesti vastata kuluttajatrendeihin kehittääkseen kilpailukykyään ja sopeutuakseen markkinoiden muutoksiin. Tutkimus vastaa kysymyksiin: mitkä ovat keskeisimpiä kuluttajatrendejä, joihin elintarvikeyrityksien on sopeuduttava strategisessa suunnittelussa, sekä miten yritykset mukauttavat toimintaansa trendien mukaisesti. Opinnäytetyön teoreettinen viitekehys pohjautuu strategiaproessin osa-alueisiin ja työkaluihin, kuten SWOT-analyysiin, Porterin viiden kilpailuvoiman malliin ja arvolahtöisiin kilpailustrategioihin.

Opinnäytetyön tutkimusmenetelmänä on käytetty konstruktiivista tutkimusta, jossa kehitystehtävänä on ollut strategiatyökirjan luominen. Tutkimusaineisto koostui elintarvikealan yritysten vuosikertomuksista, markkinatutkimuksista ja kuluttajaraporteista. Menetelmät - dokumenttianalyysi, skenaariotyöskentely ja benchmarkkaus - valittiin, koska ne mahdollistavat systemaattisen, vertailtavan ja tutkimuspohjaisen näkökulman yritysten strategiisiin reaktioihin ilman haastatteluja. Tutkimus eteni vaiheittain: ensin dokumenttianalyysillä tarkasteltiin kuluttajakäyttäytymistä ja markkinakehitystä kuvaavia markkinatutkimuksia ja raportteja, joiden perusteella tunnistettiin keskeiset kuluttajatrendit. Tämän jälkeen laadittiin kolme tulevaisuusskenaariota (optimistinen, pessimistinen ja realistinen) näiden trendien pohjalta. Viimeisessä vaiheessa benchmarkattiin kolmen suomalaisen elintarvikealan yrityksen vuosikertomukset ja toimintaraportit, joiden avulla arvioitiin, miten tunnistetut trendit näkyvät yritysten strategisissa ratkaisuissa.

Lopputuloksena syntynyt strategiatyökirja tarjoaa työkalun kuluttajatrendien tunnistamiseen ja hyödyntämiseen strategiatyössä. Työkirja pohjautuu opinnäytetyön tutkimusosuuteen ja strategisen johtamisen teoreettiseen viitekehykseen, jonka avulla luotiin tieteellinen perusta työkalun rakenteelle ja sisällölle. Se yhdistää strategisen johtamisen keskeiset mallit ja tutkimustulokset ja auttaa yrityksiä muuttamaan kuluttajatrendeistä saadun tiedon konkreettisiksi strategisiksi toimenpiteiksi. Vaikka työkirja on kehitetty päivittäistavara-alalle, sen periaatteet ja rakenne tekevät siitä sovellettavan myös muille toimialoille, jotka kohtaavat vastaavia kuluttajakäyttäytymisen ja markkinatrendien muutoksia.

Tutkimustulokset osoittavat, että Suomen päivittäistavara-alan kilpailu on monivaiheista, ja siihen vaikuttavat erityisesti hintatietoisuus, kaupan omien merkkien kasvu, ja kuluttajien kasvava kiinnostus vastuullisuutta kohtaan. Tutkittavat yritykset vastaavat näihin haasteisiin kehittämällä kustannustehokkaita ja vastuullisia tuotteita, vahvistamalla brändejään ja hyödyntämällä digitalisaatiota. Tutkimus korostaa strategisen ketteryuden ja ennakointikyvyn merkitystä nopeasti muuttuvilla markkinoilla ja tarjoaa mallin, jota voidaan hyödyntää laajemmin muilla kuluttajatuotetoimialoilla. Työ tuottaa uudenlaisen lähestymistavan osaksi strategiatyötä, joka yhdistää teorian, tutkimuksen ja käytännön kehittämisen.

Asiasanat: Kuluttajatrendit, strategiaprosessi, päivittäistavara-ala

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The thesis examines the Finnish FMCG (Fast-moving consumer goods) sector, focusing on the food industry environment and how companies adapt to changing consumer trends and behavior. The food industry was chosen as the subject of the study because it represents one of the most significant and trend-sensitive industries in the FMCG sector, where changes in consumer behavior are visible quickly.

The research problem is how FMCG companies can strategically respond to consumer trends in order to develop their competitiveness and adapt to market changes. The research answers the questions: what are the most important consumer trends that food companies need to adapt to in strategic planning, and how companies adapt their operations in accordance with the trends. The theoretical framework of the thesis is based on the areas and tools of the strategy process, such as SWOT analysis, Porter's five forces model and value-based competitive strategies.

The research method used in the thesis was constructive research, in which the development task was to create a Strategy workbook. The research material consisted of annual reports, market research and consumer reports of food industry companies. The methods - document analysis, scenario work and benchmarking - were chosen because they enable a systematic, comparative and research-based perspective on the strategic reactions of companies without interviews. The research proceeded in stages: first, market research and reports describing consumer behavior and market development were examined using document analysis, on the basis of which key consumer trends were identified. After this, three future scenarios (optimistic, pessimistic and realistic) were drawn up based on these trends. In the final stage, the annual reports and activity reports of three Finnish food industry companies were benchmarked, which was used to assess how the identified trends are reflected in the companies' strategic solutions.

The result Strategy workbook provides a tool for identifying and utilizing consumer trends in strategy work. The workbook is based on the research part of the thesis and the theoretical framework of strategic management, which provided the scientific basis for the structure and content of the tool. It combines the key models of strategic management and research results into a practical tool that helps companies turn consumer trend insights into strategic actions. Although the workbook was developed for the FMCG sector, it's applicable to other industries that face changes in consumer behavior and market trends.

The research results show that competition in the Finnish FMCG sector is multi-faceted, and is particularly affected by price awareness, the growth of private labels, and consumers' growing interest in responsibility. The companies studied respond to these challenges by developing cost-effective and responsible products, strengthening their brands, and utilizing digitalization. The research highlights the importance of strategic agility and foresight in rapidly changing markets and provides a model that can be used more broadly in other consumer product industries. The work provides a new approach to strategy work that combines theory, research, and practical development.

Keywords: Consumer trends, strategy process, FMCG

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1 Introduction

According to Statistics Finland, in 2021 there were 1846 food and beverage manufacturing companies operating in Finland (Hyrylä 2022, 15). In addition to retail stores, companies sell their products to wholesalers, food service companies, other companies and directly to consumers, the sector is mainly driven by household consumption demand (Hyrylä 2022, 17). The food industry employs about 340,000 people, which is 13 percent of the employed in Finland, when indirect effects are taken into account, one job in the industry is estimated to create more than three jobs in other areas of food production indirectly (Hyrylä 2022, 19).

In this thesis, the food industry is examined as a representative segment of the broader Fast-Moving Consumer Goods (FMCG) sector. The focus on food companies provides a concrete and relevant context for exploring consumer trends and strategic responses, while the findings and the developed workbook are designed to be adaptable to other FMCG categories as well, such as personal care and household industries.

In recent years, the food industry has been affected by the increase in production costs and strong inflation, the economic uncertainty has also been reflected in the Finnish economy and the purchasing behavior of consumers. In 2021, it was predicted that the profitability of the industry will decrease and the volume of exports will decrease, the reason for this is the withdrawal from the Russian market due to the war of aggression in Ukraine. The business environment in the turmoil of change requires food industry companies to improve and renew their operations, take consumer demands into account and identify various trends. Consumption is divided between affordable food and products perceived to be of high quality, novelty and seasonal products also find their buyers. (Hyrylä 2022, 36-37.)

In the food industry in Finland, a company's competition can be viewed through five competitive forces: industry competition, suppliers, customers, substitute products, companies aspiring to enter the industry. Competition in the industry is increased by the free movement of goods in the EU, which increases the number of competitors. As a small country like Finland, the bargaining power of suppliers can increase if product volumes increase. Food distribution in Finland is dominated by a few large central stores Kesko, S-Group and Lidl, and with this the position of the food producer is not strong and the influence of customers on the business is big. Companies aspiring to the field can come either from within the industry or from outside, of which the competition from within is a greater threat because the players are often separated only by product categories. The increased production of stores' own brands is also a direct competition to the original supplier. The threat of substitute products must be

identified and products from other product categories that are competing solutions for the products must also be taken into account. (Heimonen & Kohtamäki 2014, 22-28.)

The importance of commercial relations is emphasized in connection with the launch of new products, in a study produced by Heimonen & Kohtamäki (2014, 50), companies say that the most difficult phase of commercialization is getting the products on store shelves, however, this is facilitated by good relations with the central store's buyers and the continuous development of sales processes. A central store-led food store can prove to be an obstacle to the company's operation and product release, as products are selected in the sales cycles, which does not allow for the quick launch of new products at the central store level (Heimonen & Kohtamäki 2014, 50-51). Some FMCG companies do not see the importance of marketing measures and believe that the products speak for themselves (Heimonen & Kohtamäki 2014, 50). According to Heimonen & Kohtamäki's (2014, 51) research, however, what successful companies have in common is the will to stand out from the competition, offer distinctive products, clear and strong brand building and, especially as the company grows, investing in marketing measures.

Recognizable consumption habits among consumers can be found, the appreciation of healthiness and sustainability is emphasized and future consumption trends are seen to have an impact on Finnish food production (Sözer, Nordlund, Poutanen, Åkerman, Heinonen, Sandell, Kolehmainen, Maunuksela, Vilkki, Virtanen & Yang 2021, 8). Sözer et al. (2021, 9) refers to the Eurobarometer consumer survey, which stated that the five most important factors guiding the decision to buy food are taste, origin, nutrient composition, safety and price. The strengths of the Finnish food system have been identified as consumers' openness to new solutions, but as a limiting factor in the Finnish food market there may be regulations that can limit development in certain industries (Sözer et al. 2021, 13).

2 Research design and methodological framework

The scope of this study is limited to the Finnish food industry as a representative segment of the FMCG sector. While the empirical data focuses on food companies, the findings are designed to be applicable to other consumer goods industries facing similar market dynamics. The study does not include primary data collection through interviews, and its results are based on document analysis and benchmarking of publicly available sources. The objective is not to develop a comprehensive strategic theory but to create a practical, research-based tool that supports strategy work related to consumer trend adaptation.

This chapter presents the overall research design and methodological approach of the thesis. It first outlines objectives, questions, and analytical and then describes the development process and methodological choices that guided the creation of the strategy workbook.

2.1 Research objective and outline

Although the thesis was not commissioned by a specific company, it was developed to serve the broader needs of Finnish FMCG and food industry organizations. The research context was therefore not limited to one organization, but to the Finnish market environment as a whole. The purpose was to create a generally applicable and research-based tool that supports companies in recognizing and responding to consumer trends regardless of their size or product category.

The food industry was selected as the focus of analysis because it represents one of the most significant and dynamic segments of the Finnish FMCG sector, where changes in consumer behavior are strongly reflected in companies' strategic and operational choices. The results and the developed workbook are designed so that they can be adapted for use by different types of organizations within the FMCG field – from small producers to large listed companies.

This broader approach ensures that the findings and the workbook contribute not only to the academic understanding of strategic trend adaptation but also provide a practical resource for businesses operating in Finland's fast-changing consumer market environment.

In this study, it was decided to utilize literature and company documents because they provide a systematic and comparable source of information about companies' strategic choices. Interviews could have highlighted individual perspectives, but annual reports and research reports represent official and publicly reported information that provides a more comprehensive picture of companies' strategic responses to consumer trends. The data of this study consists of annual reports from companies operating in the food industry. While the findings may be relevant for other FMCG sectors, the primary focus of the research is limited to the food industry due to the accessibility and comparability of available data.

The final product of the research, the strategy workbook, is intended specifically for anticipating and utilizing consumer trends in strategy work, not as a manual for the entire strategy process.

The central research problem of this thesis is how companies operating in the FMCG sector can strategically and efficiently respond to evolving consumer trends in order to strengthen their competitiveness and adapt to market changes. More specifically, the study examines which consumer trends are most essential for food industry companies to consider in their strategic planning and how these companies align their operations with such trends. In

addition, the research explores how the insights gained from the food industry can be translated into a practical tool – a Strategy workbook – that supports strategic decision-making and enhances adaptability in other FMCG sectors as well. This research and its final result is important, because consumer trends change quickly and by identifying and adapting to them, you can operate more competitively. Research is also important because it helps the food industry, as well as other industries in FMCH environment that face similar challenges, to understand how to strategically respond to trends and strengthen the market position in a changing environment.

The research method of the thesis is constructive research and the development task is a Strategy workbook, which has been developed based on the research results and the theoretical framework. Creating a Strategy workbook as a development task is a key part of the thesis, as it offers practical tools for utilizing market trends and competitive advantage in the strategy process. The workbook is suitable as part of the strategy work of food companies, but it is also applicable to other industries that face similar challenges in the changing environment of market trends and consumer behavior. The theoretical reference framework is formed from the different areas and tools of strategy formation.

The research section explores the identification of current and future market trends using document analysis. In the next chapter, scenario planning is used in order to go deeper and create three scenarios based on the collected material: positive, negative and realistic. After the scenario planning, the benchmarking method is used to delve into the annual documents of three food companies in order to identify how the studied trends are realized, followed by a comparison with previously formed scenarios, whether they have been prepared for and how. The research utilized consumer surveys that focused on purchasing behavior from 2014-2024 at the European and Finnish level, peer-reviewed research articles from 2016-2024, and annual and operating reports and financial statements from 2022-2023 of listed companies operating in the food industry in Finland.

At the end of the thesis, the results are analyzed, focusing on which trends have been identified, whether they are taken into account in the companies' strategies and whether they correspond to the scenarios formed on the basis of research data.

Although the research material focuses on the food industry, the consumer trends identified are equally relevant across the broader FMCG sector. Therefore, the insights from the food industry serve as an applicable basis for developing a workbook that can be utilized in various consumer goods contexts. To ensure the wider relevance of the workbook, the identified food industry trends were compared with insights from broader FMCG trend studies (e.g. Nielsen Consumer 2024), which confirmed similar developments across other consumer goods categories.

2.2 Research development work

The thesis was conducted as a practical development project, utilizing constructive research. The work examines the theories and implementation of strategy. Research and development work combines several data collection skills and methods, and one common area where development work is used is for the development, testing and commercialization of new business models (Ojasalo, Moilanen & Ritalahti 2015, 11-15).

In the development work, the author's expertise was integrated into the development work and combines with it the things author has learned during her studies, such as fresh knowledge of the field, the most important expert sources and the latest research in the field. In the work, theoretical and expert knowledge is combined with experience, existing practices and methods of operation, from which the author gathers additional information with the help of development work methods. (Kostamo, Airaksinen & Vilkkä 2022, chapter 1.2.)

Although the development work was not carried out for a specific organization, it was designed to respond to the practical needs of companies operating in the Finnish FMCG and food industry sectors. The purpose was to create a generally applicable and research-based tool that can be used by various types of organizations – from small enterprises to large corporations – to strengthen their strategic capabilities.

By focusing on the Finnish market context rather than a single company, the development process aimed to ensure that the workbook would remain relevant and usable across the industry. This approach also made it possible to combine theoretical knowledge with widely available data, such as company reports and market studies, without being limited by the circumstances or strategy of one specific organization.

Solving practical problems and producing and implementing new ideas, practices, products or services are common to research development work. Scientific research can be divided into basic research and applied research. Basic research means the search for new information without immediate application in practice, and applied research is research aimed at practice based on the results of basic research. Research development work and scientific research are mainly distinguished by the goal: whether the goal is to produce new solutions or a new theory. (Ojasalo et al. 2015, 19.)

Also Toikko ja Rantanen (2009, 54) state that research development work is rarely successful solely by relying on scientific research, its pursuit and application. It is thought to arise from practical connections and the key criterion is practicality.

Ojasalo et al. (2015, 36) present five different approaches to research development work: case study, action research, constructive research, service design and producing innovations. The development task defines the approach and they can also be used one on top of the other. Constructive research has been selected for the thesis. Constructive research aims to solve a practical problem by creating a new construction, i.e. a concrete output (Ojasalo et al. 2015, 37). In addition, foresight is used as support, which Ojasalo et al. (2015, 39) defines the production, acquisition and analysis of information about the future, information is produced to support decision-making, for example in strategy work.

In the development work, different data collection methods are used, in the selection of which it is important to focus on what kind of information is needed and what it will be used for. When it comes to strategy work, benchmarking, document analysis and forecasting methods are suitable for use. In benchmarking, one learns by comparing one's own development target to another target. In document analysis, various documents produced in working life, such as annual reports and web pages, are reviewed, and usable information about the development object is collected. The forecasting method cannot be described in the same way as other methods, but it can be implemented in several different ways, some examples of which are following what is happening in the world, following magazines and social media and reading various trend reports. (Ojasalo et al. 2015, 40-45.)

The results of the development work are analyzed and evaluated, whether the development has achieved its purpose or not, the key starting point for the evaluation is the goals of the development work (Toikko & Rantanen (2009, 61). Ojasalo et al. (2015, 47) according to the evaluation examines, for example, planning, clarity and achievement of goals, methods used, consistency, commitment and interaction. Criteria for success can be, for example, simplicity and ease of use.

The structure of this thesis follows a two-part approach, combining a research part and a development part. The research part consists of an industry analysis, which included a review of secondary data from sources such as McKinsey, Nielsen and other market reports, to identify key consumer trends and strategic responses in the FMCG sector. In addition, a company-level benchmarking analysis was conducted to analyze how leading companies apply strategic frameworks in practice.

The development part is based on these research results and a theoretical framework created through a literature review. The resulting workbook combines insights from both sources into a practical tool that guides companies in the strategic process of identifying, prioritizing and acting on consumer trends.

The construction of the workbook can therefore be seen as a synthesis of three main components: a theoretical foundation derived from the strategic management literature, empirical

insights from the industry analysis, and applied design choices made during the workbook development process.

3 Theoretical framework of strategic management

This chapter outlines the theoretical foundations of strategic management relevant to consumer trend adaptation. A strategy sets the course for the company's future direction and it is grounded in a deep understanding of the company's competitive position, incorporating insights into the future landscape of the operating environment, customer needs, and competitive dynamics (Haapakorva & Sutinen 2021, 42-45). Lynch (2005, 6-7) describes goals of strategy similarly: strategy tells why corporate is alive, plans and actions to achieve that purpose.

The strategy aims to identify the key actions that will yield the best input-output ratio, ensuring sustained competitiveness, creating new value for customers, and securing a competitive advantage. (Haapakorva & Sutinen 2021, 42-45.) While Lynch (2005, 6-7) splits strategy in corporate-level and business-level strategies, Haapakorva et al. (2005) look more at the strategy process from a general perspective. This target state that the strategy wants to achieve and where company wants to be can also be called a vision (Tanner 2024, 61).

Haapakorva et al. (2021, 57-59) describes strategy process through 4 questions: Where are we now, what future competition and operating environment are we preparing our company for, how we decide to operate and success in the future, how are we going to execute chosen changes. Lynch (2005, 39) adjusts the process with similar questions, which initially aim to find out the current state of the company and the competition environment and resources. After that, it moves on to look at the future environment and reconsider the choice of goal, taking it into account and proceeds to choose a strategy and implement the selected strategy model (Lynch 2005, 39). Treacy & Wiersema 1995, 8) defines strategy creation through value creation, identified three distinct value disciplines and each discipline produces a different kind of customer value.

The first value discipline is called operational excellence. Companies that pursue this are not primarily product or service innovators, and they do not seek to create deep, one-on-one customer relationships. These companies offer mid-range products at the best price and least effort. The second value discipline is called product leadership. Companies that are oriented towards this focus on offering products that break the boundaries of performance. Their offering to customers is the best product. Product leaders do not build their positions with just one innovation; they continue to innovate constantly. The third value discipline is customer intimacy. Its proponents focus on delivering what specific customers want. These companies do not pursue one-off transactions but rather nurture relationships. They specialize in

satisfying unique needs that are often only recognized by them due to their close relationships and knowledge of the customer. While all successful firms must meet basic standards in each discipline, true market leaders excel in one and align their entire operating model, culture, and management systems to support it. (Treacy & Wiersema 1995, 8-9.)

3.1 Strategy process key stages

The strategy process describes the systematic and continuous sequence of activities through which an organization analyses its current position, defines its desired future state, and determines the actions required to achieve it. A structured strategy process enables companies to make informed and coherent decisions that align with their vision, resources, and market environment (Haapakorva et al. 2021, 42-45; Lynch 2005, 39).

While the specific steps may vary between organizations, most models share the same logical progression: understanding the current situation, defining the vision, making strategic choices, identifying must-win battles, and implementing the chosen strategy. This process ensures that strategy formulation and execution are not isolated activities, but an integrated and iterative cycle where analysis, decision making, and action reinforce each other.

According to Haapakorva et al. (2021, 57-59), a well-defined strategy process helps to connect analytical insight with practical implementation by guiding the organization from situational awareness to action. Similarly, Lynch (2005, 39) emphasizes that each stage of the process builds upon the previous one, creating a dynamic framework for responding to internal and external changes.

3.1.1 Understanding the current situation

The strategy process starts with an understanding of the current situation, where are we and why we are here. At its simplest, this can be done by utilizing the SWOT (strengths, weaknesses, opportunities and threats) tool. In the process, in order to understand the current situation, information and data are collected from inside and outside the company. Things to be investigated can be, for example, benchmarking competitors, studying the realization of key figures, personnel and customer satisfaction. (Haapakorva et al. 2021, 71-83.) Also Porter (2008, 88) summarizes the similar things as starting point of strategy, but calls them five competitive forces that shape strategy: threats of new entrants, bargaining power of buyers, substitute products or services, bargaining power of suppliers and rivalry among existing competitors. Five forces reveal the most important aspects of competitive environment: strengths and weaknesses (Porter 2008, 88) as well as SWOT analysis.

Understanding the current state also includes understanding the environment. By understanding the competitive environment, including all the factors that affect the company's

operations, an opportunity is created to develop a sustainable and not easily copied competitive advantage for the company with a strategy. (Lynch 2005, 78-80.) Similarly thinks Treacy & Wiersema (1993, 158) who summarizes understanding current situation as part of creating value in three rounds, the first of which is related to mapping the current situation: personnel need to understand the current situation and what are the dimensions of value customers care about, and how the company positions itself relative to its competitors in these dimensions and environment.

3.1.2 Vision

Clearing the vision is answering the question which future competition and operating environment we are training the company for. A successful vision of the future is where the competitive situation is heading. Not where it is already. A vision can arise from intuitive insights, but it can be mapped out with the help of a process. The vision is up-to-date and never finished. (Haapakorva et al. 2021, 86-104.)

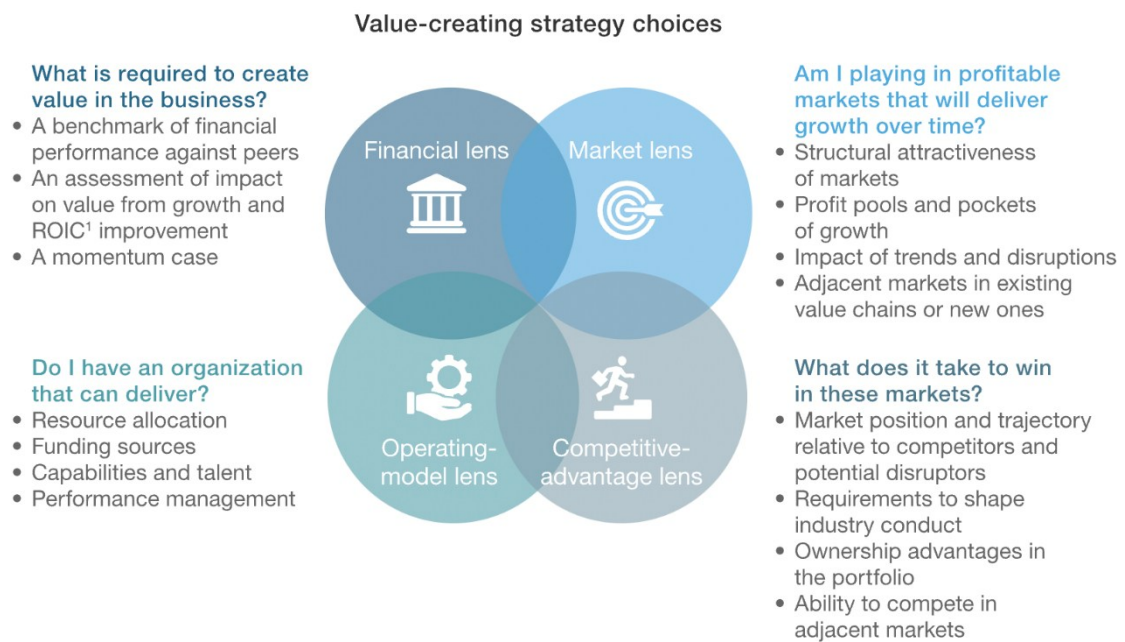
Without vision strategy does not have a goal (Tanner 2024, 61). The company's strategy and operations adapt to the changing world, they are guided by the company's constants core values and core purpose which together form vision (Collins & Porras 1996, 65-66). Both Tanner (2024, 116) and Collins et al. (1996, 66) describe values important and central and they guide decision making. Treacy & Wiersema (1995, 158) describe vision through creating value and it is included in the second round of process, it involves generating and evaluating alternative value propositions and operating models – exploring what kind of value customers would perceive as unique and how competitors might respond.

Core purpose is organization's reason to be alive (Collins 1996, 68). While Collins et al. (1996, 68) use word purpose, Tanner (2024, 121) uses word mission. Both words and descriptions represent the same thing: the company's relevance and reason for existing.

3.1.3 Choosing strategy and driving forces

With the strategic choices, company can think about what kind of subdivisions it wants to participate in the competition and how. These choices can be made through six perspectives: financial, market, operational and competitive advantage, ethical and moral social responsibility and relevance (Haapakorva et al. 2021, 120-121). Two of these strategic choices are added by Haapakorvan et al. (2021, 120). Laczkowski, Rehm & Warner (2019, 4) summarizes the strategic choices into four, but describes the importance of the choices for strategy work as well as Haapakorva et al. 2021. Treacy & Wiersema (1995, 159) on the other hand describe strategic choices in one dominant value discipline: operational excellence, product leadership or customer intimacy – and aligns its operating model accordingly.

By making strategic choices, managers identify and know how to prioritize those things that lead to new markets and create growth opportunities and that must be implemented. When these choices are combined, they form a comprehensive, clear and balanced combination that enables the company's performance to grow to a new level. (Laczkowski et al. 2019, 4-5.)



Picture 1: Strategic choices through four lenses (Laczkowski et al. 2019, 4)

Well-done strategy work produces more options as possible strategies to be implemented (Tanner 2024, 118). Different criteria can be set for choosing a strategy, depending on what the goals are and how the company operates. Lynch (2005, 498) summarizes the criteria into six main categories: consistency, suitability, validity, feasibility, business risk and attractiveness to stakeholders. The chosen strategy must be able to produce a competitive advantage and look better than other alternatives in the eyes of the customer (Haapakorva et al. 2021, 111). Similarly see also Treacy & Wiersema (1995, 159) who emphasize that successful strategy selection must ultimately translate into value creation visible to the customer. Treacy & Wiersema (1995, 159) summarizes defining strategic choices into four rules which: deliver unmatched value of one chosen kind in the marketplace, meet acceptable standards in the other dimensions of value, continuously improve the chosen value proposition, and build a superior operating model to deliver on the promise.

Tanner (2024, 122) also highlights hidden criteria that affect decision-making without being noticed. Such criteria can limit strategic choices and can drop out of the competition, because they are often followed due to tradition or custom and it is not possible to meet the changing needs of customers (Tanner 2024, 122).

3.1.4 Must-win-battles

The next step of strategic planning is identifying the must-win battles. These are the critical challenges the company must overcome to stay competitive, ideally 3 to 5 must-win battles should be identified to win to achieve its key objectives (Killing, Malnight & Keys 2005, 3). Model is described to be lean and simple as well as good tool for identifying what is the most important thing to focus by Haapakorva et al. (2021, 177-178) and Killing et al. (2005, 3). The model has been criticized as being heavy, because there are so many goals and each goal must be measurable, and this results in a large number of metrics that can be burdensome for the staff (Vuorinen & Huikkola 2023, 87-88).

A strong must-win battle is characterized by its transformative potential, alignment with market needs, inspiration, clear deadlines, concreteness and achievability (Haapakorva et al. 2021, 179-182). "If we win this battle, what difference will it make" is the key question of must-win-battles (Killing et al. 2005, 4).

Transformative potential is described as making a real difference by Killing et al. (2005, 4). Overall strategy objectives of strategy has to be found and they need to be quantitative, usually mission or vision are too broad for to be must-win-battles (Killing et al. 2005, 4).

Focusing on market needs takes away the problem, that managers are often creating must-win-battles that focus on internal battles, while concentrating on marketplace is the key for success (Killing et al. 2005, 5). Haapakorva et al. (2021, 179-180) aligns with this but suggest adding providing value for customer and suggest 80% of the goals to be focused outside and 20% focused on internal doing. Treacy & Wiersema (1995, 159) also emphasize that once strategic priorities have been defined, progress should be measured through the dimensions of value that customers actually recognize. Measurement must not only focus on internal efficiency but also on how well the company performs in its chosen value discipline relative to competitors (Treacy & Wiersema 1995,159).

Excitement creates inspired surroundings and when must-win-battles are seen as exciting and meaningful people are more likely to commit to win them (Killing et al. 2005, 6). Both Haapakorva et al. (2021, 181) and Killing et al. (2005, 7) summarize that inspirational must-win-battles are hard to achieve but not impossible, and if there is a struggle setting up clear goals and actions needs to succeed it is likely that must-win-battles are not concrete enough.

A common misconception about achieving goals is that it happens easily and the market doesn't react in any way. When setting goals, you should focus on creating achievable goals, in which case they inspire and their achievement is challenging but feasible. (Killing et al. 2005, 7-8.)

3.1.5 Implementation

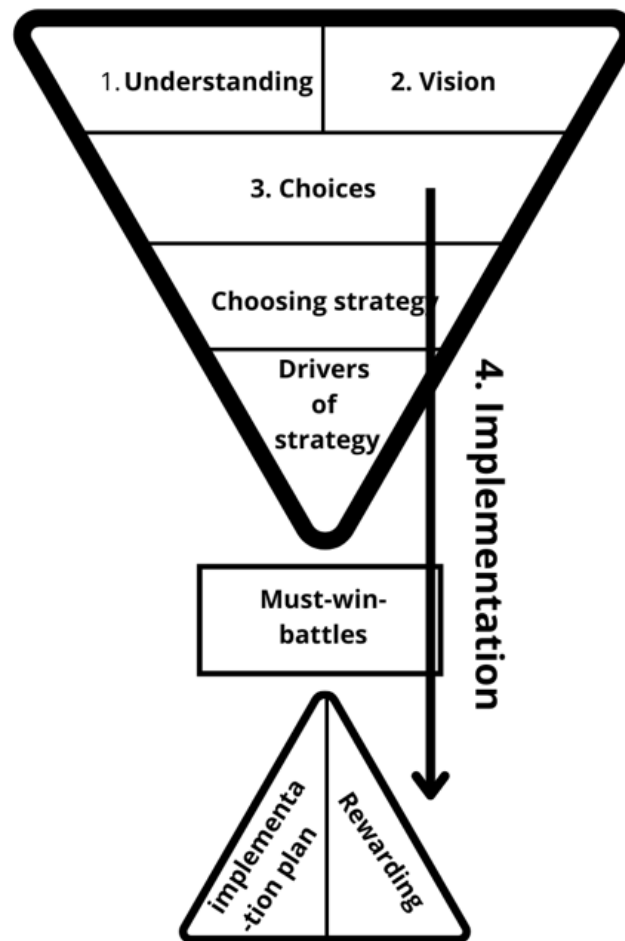
The strategy defines what kind of choices are used to reach the desired vision and what they mean in terms of daily activities (Haapakorva et al. 2021, 157). Successful strategy implementation is prioritized on daily basis and the people involved in the strategy have a clear idea of what they are doing and why (Vuorinen & Huikkola 2023, 42). Adopting new strategic priorities means adopting new ways of working, which can cause resistance to change (Killing & Fry 1990, 1). Lynch (2005, 753) calls this strategic change but describes it similarly, it is proactive management of change and primarily concerned with people and the task they need to perform.

In order to avoid pitfalls Killing & Fry (1990, 1) divide the construction of the implementation plan into a three-phase process, where it is important for the executive to be enthusiastic about the process and confident that he has the skills to carry it through. Steps are analysis of starting conditions, establishing guidelines for action and creating an action plan (Killing & Fry 1990, 2-7). Lynch (2005) also presents a three-step model according to the Lewin from the year 1950s: unfreezing current attitudes, moving to a new level and refreezing attitudes at the new level (Lynch 2005, 764).

Both models have in common a focus on implementing change and on people in the organization. Killing & Fry (1990, 2-3) summarizes the first phase of prioritizing issues, reviewing personnel's readiness for change, and the change manager's experience and relationships with other executives. In Levin's model according to Lynch (2005, 764) in order for the organization to be able to change, old behavior patterns must be seen as unsatisfied, must be frozen and the people affected by the change must themselves be able to feel the need for change.

Second phase establishes the guidelines for change as creating answers for questions: what are the priorities in action, how quickly should the change proceed and on whom should target at first (Killing & Fry 1990, 4). In Levin's model second phase investigates alternatives for implementation and the changing organization and makes information available so that the new direction is strengthened (Lynch 2005, 764).

In the third phase, an implementation plan is created based on the analyzes and conclusions, which can be divided into sub-areas: particular issue, individual targets, specific tactics and timing as what is the priority (Killing & Fry 1990, 7). Levin's model calls this stage the refreezing of attitudes to a new level, the default here is to cause no more resistance: this can include communication and positive reinforcement of the changes (Lynch 2005, 764).



Picture 2: Strategy process (Accordingly Haapakorva et al. 2021, 147)

3.2 Strategy tools

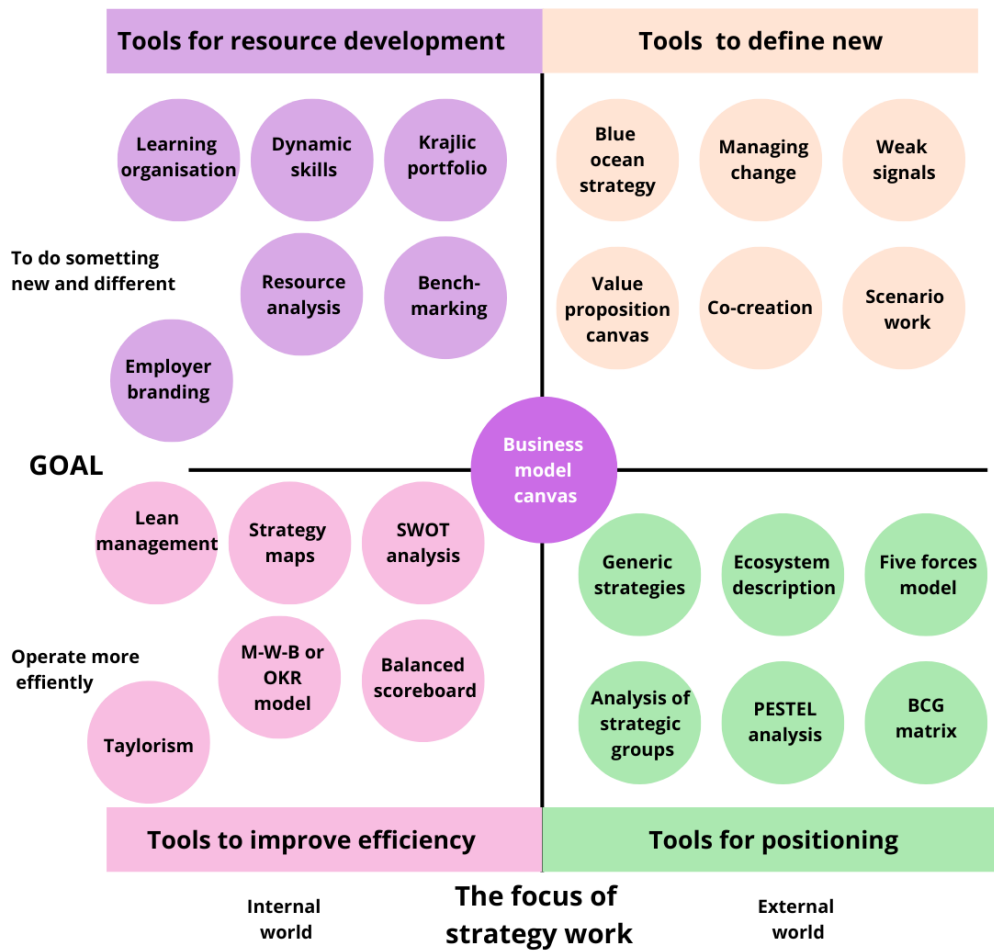
Strategy tools refer to a set of frameworks, concepts, models and methods and are called tools by the general name (Jarzabkowski & Kaplan 2015, 538). Tools can also be thought of as methods for strategic management, and they have arisen from the need for development at a certain moment (Vuorinen & Huikkola 2023, 30).

When choosing strategy tools, the need for company development and what the strategy is aiming for must be identified. When a company knows how to use strategy tools effectively, the end result is that the company understands the environment and the opportunities and threats it offers better, knows how to look into the future, understands competitors and the business environment, as well as what needs to be done and is able to achieve a competitive advantage. (Vuorinen & Huikkola 2023, 31-37.)

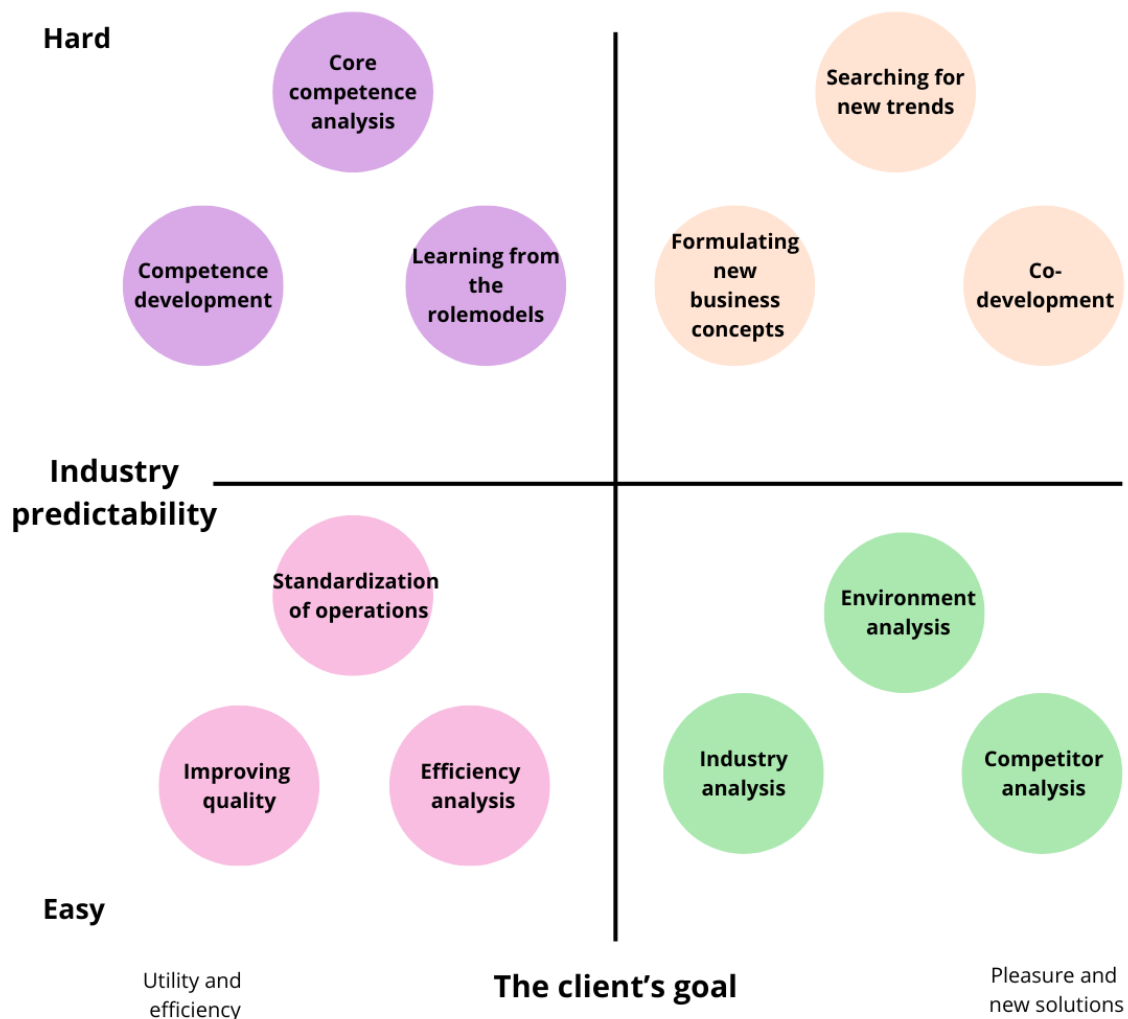
By utilizing several tools at the same time, it is ensured that the end result is realistic and usable, and that things have not been oversimplified. (Vuorinen & Huikkola 2023, 37). The people responsible for the strategy have a responsibility to use the tools honestly, if the people responsible for the strategy process use the tools to justify their own choices or ignore important variables, the end result of the strategy may be unsuccessful (Jarzabkowski & Kaplan 2015, 538).

The choice of strategy tools should be connected to the need for what it will be used for (Vuorinen & Huikkola 2023, 31). The person responsible for choosing strategy tools may end up using tools that are competent to use and use routinely, but they are not the best for the situation (Jarzabkowski & Kaplan 2015, 541). The person responsible for choosing strategy tools may end up using tools that are competent to use and use routinely, but they are not the best for the situation (Jarzabkowski & Kaplan 2015, 543). Also Vuorinen & Huikkola (2023, 37) emphasize criticality in the selection of strategy tools.

The images below are intended to outline suitable tools for each strategic development need. The upper image shows the most common strategic management efforts and tools, and the lower image uses a similar division to highlight terms that more generally describe a certain type of development work. (Vuorinen & Huikkola 2023, 31-33).



Picture 3: Various efforts and tools of strategic management (Accordingly Vuorinen & Huikola 2023, 32)



Picture 4: How to choose right strategy tool for organization (Accordingly Vuorinen & Huikkola 2023, 33)

3.2.1 Porter's Five Forces -model

Porter's Five Forces model is based on thinking where the company is positioned in an environment where competitive forces can be controlled. The model aims for a situation where industries with good profit potential have been identified and influences the improvement of one's own position by utilizing competitive forces. (Vuorinen & Huikkola, 276.)

The model examines business opportunities in certain industries, the model is not found to be suitable for fast-changing industries, but industries where weak competitive forces are identified offer companies potential opportunities (Vuorinen & Huikkola 2023, 278). According to the model, the company's competitors are not only assumed competitors directly in the same

industry, but the concept of competitors is broader and extends to include the previously mentioned areas (Porter 1980, 6).

The five competitive forces of the model are bargaining power of buyers, threat of new entrants, bargaining power of suppliers, threat of substitute products or services and rivalry among existing competitors. These five forces can be used to determine competition and profitability, and the strongest of them have a great influence on the shaping of strategy. (Porter 1980, 6.)

The model is used by going through five areas one at a time. Bargaining power of buyers is great in situations where there are only a few customers and several companies in the industry. In these situations buyers tend to push prices down, demand higher quality or more services and by making industry players compete with each other at the expense of profitability. (Porter 1980, 24.)

Bargaining power of buyers can be seen especially in situations where it is easy for the customer to switch from one supplier to another (Vuorinen & Huikkola 2023, 278). Lynch (2005, 95) also highlights the lack of differentiation of products, the company has the option of producing what it needs itself, or the selling price has no effect on the total costs.

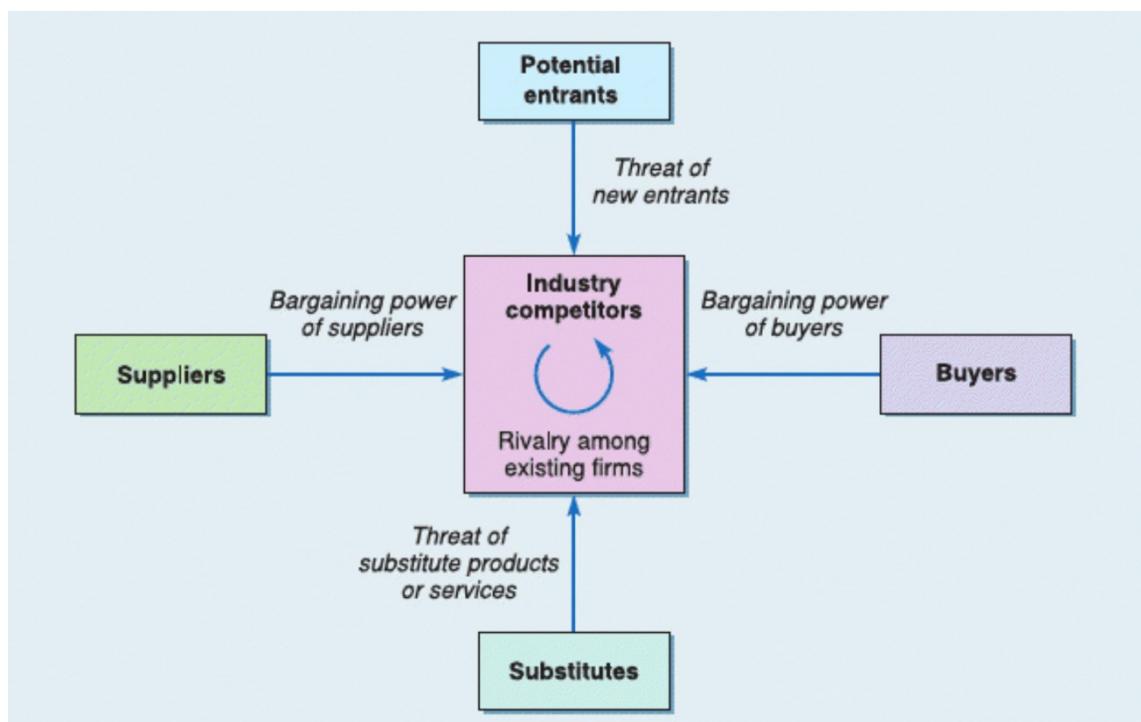
Threat of new entrants can be seen especially when the profit margins are attractive and it is easy to come to market (Lynch 2005, 95). Porter (1980, 7) points out six barriers to entry and the more these have been able to be taken into account, the smaller and more impossible the threat of new entrants is. These six barriers are: economics of scale, product differentiation, capital requirements, switching costs, access to distribution channels and cost disadvantages of independent of scale (Porter 1980, 7-13).

Bargaining power of suppliers can be visible according to Porter (1980, 27-28) when there are only few suppliers, switching costs of suppliers are high and suppliers strong brand affects the end customer.

Substitute products or services are products that can possibly replace the original product. These products are the ones that can do the same as the original product. Most attention should be focused on products whose performance is affected by trends and which are high profit industry products. (Porter 1980, 23-24.) Substitute products may not succeed in displacing or replacing an existing product, but they can bring out alternatives in the form of new technology, reduce the production costs of existing products, but also limit profits by keeping prices lower (Lynch 2005, 97). Lynch (2005, 97) advise to take the following things into account in order to reduce the risk: obsolescence of products, customers' possibility to switch to an alternative product, opportunities to provide some extra aspect to prevent switch and reduction in profit margin if prices come down.

Rivalry among existing competitors occurs when one of the players in the industry starts to want or sees an opportunity to improve their position (Porter 1980, 18). Lynch (2005, 97) summarizes possible situations when competition is equal and market shares are equal, market growth is slow and some one wishes to gain dominance, if fixed costs are high, extra production capacity is needed, differentiation of products or services is difficult, leaving the industry is expensive, new entrants seem to take a large share of the market.

Using the model provides answers to the questions: which industries to expand into, which industries to exit and how to protect the position in one's industry, and its effective utilization requires accurate business knowledge (Vuorinen & Huikkola 2023, 282). Vuorinen & Huikkola (2023, 284) and Lynch (2005, 98-99) state that the model is a good first step for strategy development, but is too static considering the rapidly changing environment. The model alone is not enough, and works best with other strategy tools alongside it (Lynch 2005, 98).



Picture 5: Porter's Five Forces - model (Accordingly Porter 1980, 4)

3.2.2 Generic strategies

Generic strategies are used when searching for the company's positioning in the external environment (Vuorinen & Huikkola 2023, 32). These three generic strategies: differentiation, cost leadership and focus, are approaches designed to establish a sustainable defendable and competitive position and outperform industry competitors over the long term. (Porter 1985, 34-35) The prerequisite for the operation of generic strategies is an understanding of the operating environment and the choice of strategic direction is based on an analysis of the operating environment and one's own weaknesses and strengths (Vuorinen & Huikkola 2023, 239-241).

The model of generic strategies has been criticized for being too general, rough in its division and only functioning as a basis for a strategy (Vuorinen & Huikkola 2023, 247). The reason for this is the inapplicability of the model in rapidly changing industries (Vuorinen & Huikkola 2023, 247), about which similarly states also Lynch (2005, 457).

Generic strategies increase understanding of positioning and when used together with various analyzes of the environment, the industry, competitor groups and one's own weaknesses and strengths, it is a functional strategic basis (Vuorinen & Huikkola 2023, 247). It is a good part of a broader analysis and for creating general strategic alternatives, as well as a useful starting point for the development of strategic alternatives (Lynch 2005, 248).

Strategy target	Strategic advantage	
	Costs	Uniqueness
Wide (Hole industry)	Cost leadership	Differentiation
Narrow (Market segment)	Focusing (based on costs)	Focusing (based on pricing)

Picture 6: Generic strategies (Accordingly Vuorinen & Huikkola 2023, 239)

3.2.3 Differentiation

In developing a differentiation strategy, a firm seeks to identify its unique aspects within the industry that are valued by buyers. Process involves selecting one or more attributes that are important to many buyers and positioning the firm to meet those needs. The strategy requires the firm to choose attributes for differentiation that set it apart from its competitors. (Porter 1985, 14.)

If a firm is able to achieve and maintain differentiation, it will outperform the industry average and it will justify a price premium and at the same time, the firm aims to keep its costs close to those of competitors by cutting expenses in areas that don't impact its differentiation (Porter 1985, 14). A company seeks differentiation only within target segment and a small group of buyers (Lynch 2005, 455).

By implementing a differentiation strategy, a company can nurture a culture that encourages innovation, individuality and risk-taking (Porter 1985, 24). Porter (1985, 153-154) describes two ways enhance differentiation: become more unique in performing existing value activities or recreate its' value chain in a way that enhances its uniqueness. Lynch (2005, 454) summarizes this as a skill to meet the needs of a customer better than others in business.

Lynch (2005, 454) points out problems associated with differentiation strategy: difficulty to estimate extra costs followed by differentiation and successful differentiation may get competitors to start copy and enter the same market segment. Lynch (2005, 455) cites Porter as pointing out that problems may arise in the implementation of generic strategies if the company fails in the implementation and remains in the middle level and does not reach the desired positions.

3.2.4 Cost leadership

When applying for cost leadership, the company wants to be in a leading position in its pricing compared to competitors (Porter 1985, 12). Typically, low-cost producers look for an advantage by selling a standard product and try to get a price advantage in different areas, if the product is not comparable to other competitors in terms of benefits or advantages, the cost leader may be forced to lower their prices very low in order to get sales (Porter 1985, 12-13). The low-cost leader has applied for a leadership position in many different areas, these include plant, equipment, labor costs and working practices, and in order for cost cutting to be possible, costs must be found and cut in all areas (Lynch 2005, 452).

A successful cost leader has reached a position where it is close to competitors in terms of features and at the same time costs are under control, so it is able to offer its products at a lower price compared to competitors and thus increase market share (Porter 1985, 13).

However, Lynch (2005, 453) points out that cost leadership does not necessarily mean the cheapest price, but when a company knows how to examine and reduce costs to a minimum, it is possible to be the most profitable in the industry and earn the best margin. Cost leadership requires a large market share, because low production costs require large investments, standardization of products and keeping the product selection limited (Vuorinen & Huikkola 2023, 240).

In order for a company to implement a cost-leadership strategy, it must be the cost leader, it cannot be one of them (Porter 1985, 13). The risk when choosing a cost-leadership strategy is that competitors can also easily choose to take this path and start lowering their prices (Lynch 2002, 455). Vuorinen & Huikkola (2023, 240) also point out that if the competitive advantage is based only on price, customer loyalty may be weak.

3.2.5 Focus

In the Focus strategy, the company chooses a segment or a group of segments from the industry and formulates its strategy just for them and ignores others, even if this means that it cannot achieve a competitive advantage compared to its competitors. Segments must have unusual buying needs or otherwise differentiate and serve the segment better than others, the central idea is that the company strives to serve a certain market or part of the market better than competitors focusing on the entire market. (Porter 1985, 15.)

Focus strategy can be divided into two: cost focus, where a cost advantage is sought in selected segments, or differentiation focus, where differentiation is sought in a selected segment (Porter 1985, 15). When implementing a focus strategy, it must be possible to earn a higher than average profit, this is done with premium pricing or a low-price product with a good margin (Lynch 2005, 455).

In a successful focus strategy, the market delimitation is done in such a way that it enables the company to have a market that is large enough in terms of sufficient demand and growth, but so small that it does not interest large competitors and they stay away (Vuorinen & Huikkola 2023, 241). Problems with the focus strategy can occur if the niche is too small, if scale is important for the vitality of the company, or if the niche is in danger of disappearing over time (Lynch 2005, 455). Lynch (2005, 457) criticizes focus strategy because Porter's Generic strategies do not offer any guidance how to identify which niche is likely to prove worthwhile. Vuorinen & Huikkola (2023, 247) also highlight roughness and generalizability.

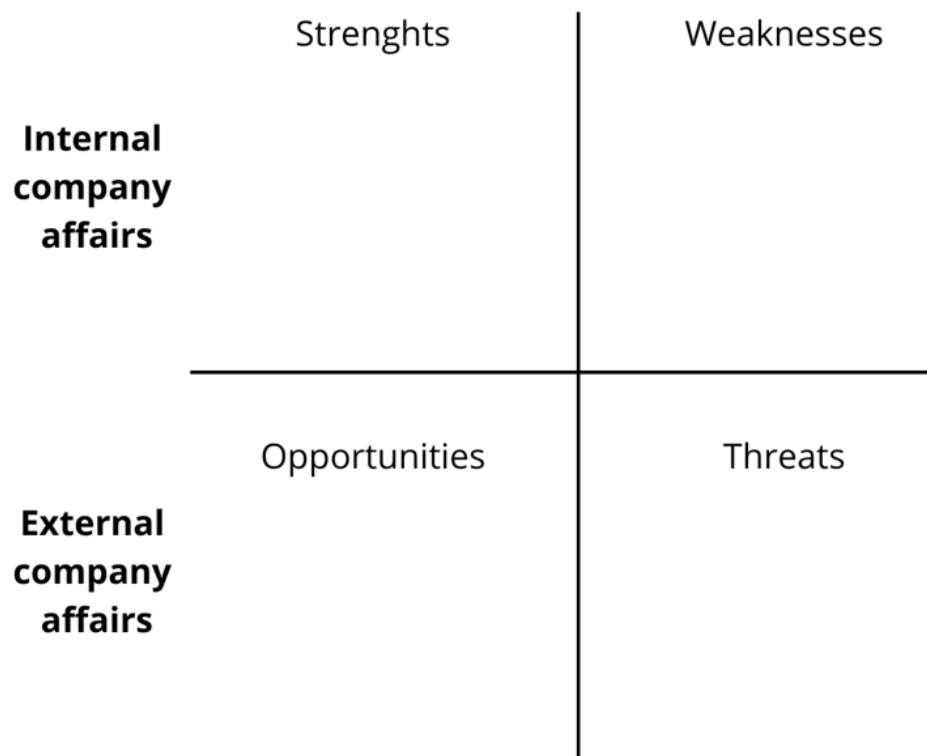
3.2.6 SWOT analysis

The SWOT analysis examines the company's internal operations in the areas of strengths and weaknesses and the company's external factors in the areas of opportunities and threats (Lynch 2005, 450). SWOT analysis enables companies to visualize their characteristics from four different areas. It can be used to facilitate decision-making and as a tool when observing the development of strategic plans (Speth & Probert 2016, 1). The tool's name, SWOT, consists of the four areas it covers: strengths, weaknesses, opportunities and threats (Speth & Probert 2016, 1).

In order to function effectively, SWOT also needs other analysis tools alongside it to describe the operating environment (Vuorinen & Huikkola 2023, 97). SWOT is a popular tool because it is easy to use, it is suitable for different situations and it simply produces information to support decision-making (Helms & Nixon 2010, 216). The most useful information is obtained from a SWOT analysis when one is realistic and in relation to the answers and is able to distinguish the company's desired state from where it can accurately find itself at the time of the analysis (Lynch 2005, 451).

SWOT is above all summarizing tool and it can easily remain superficial if other tools from the operating environment, industry or own resources have not been used before using it (Vuorinen & Huikkola 2023, 103). Similarly, Helms and Nixon (2010, 236) also state that SWOT does not provide a strategic direction or concrete means for how strengths can be utilized in practice. When using the model, it should be noted that its final results are not in any kind of priority order (Hill & Westbrook 1997, 51).

Helms and Nixon (2010, 239) recommend using, for example, Porter's Five Force model alongside SWOT to support a deeper understanding of the competitive environment. Vuorinen & Huikkola (2023, 103) and Speth & Probert (2016, 11) also highlight the use of the same model as support for SWOT. SWOT was originally developed at a time of stable markets, and the model cannot take into account the today's dynamic atmosphere (Hill & Westbrook 1997, 51).



Picture 7: SWOT analysis (Accordingly Vuorinen & Huikkola 2023, 98)

3.2.7 Scenario planning

Scenario planning is a tool that aims to visualize the future and its effects on business, by creating different scenarios, which can be, for example, achievable, threatening, probable or improbable (Vuorinen & Huikkola 2023, 133). With the help of scenario planning, the aim is to find opportunities and bring out changes that one would not necessarily know how to think about otherwise, and to avoid underprediction and overprediction in decision-making (Schoemaker 1995, 27).

There are several variations of the tool, which is influenced by the user's preferred methods and experience (Wade, Wade & Wagner 2012, 29). Wade et al. (2012, 29) include 6 stages in the work, Vuorinen & Huikkola (2023, 135) describe the process through 5 stages, Mortlock & Osiyevskyy (2023, 23-26) through eight stages and Schoemaker (1995, 28-30) examines the matter with 10 stages. Although the number of steps varies, each of these four starts with identifying the challenge, moves on to gathering information and finally creates scenarios and an action plan. Vuorinen & Huikkola (2023, 133-134) bring out two different trends for scenario planning: exploratory scenarios that look at past and future trends and continue them

into the future, and goal-oriented scenarios that are based on visions of the desired future state. Mortlock & Osiyevskyy (2023, 22) also mention scenario planning as a suitable part of strategy work.



Picture 8: Process of scenario planning (Accordingly Vuorinen & Huikkola 2023, 135)

Scenario planning begins by defining the subject to be examined, in connection with strategy work, an examination of future possibilities or a transition to a new industry may be suitable, depending on the goals of the strategy (Mortlock & Osiyevskyy (2023, 31). At the beginning of the scenario planning, it is necessary to decide what kind of time period is to be examined, this also depends on what kind of issues have been chosen to be examined (Vuorinen & Huikkola 2023, 135) The time span must be such that it takes into account the implementation of strategic solutions and plans (Mortlock & Osiyevskyy 2023, 31).

The next phase focuses on gathering information, finding drivers of change and evaluating the current situation from various perspectives such as the environment, industry, values, wishes, strengths, weaknesses, opportunities and threats (Vuorinen & Huikkola 2023, 136). To support this phase, Vuorinen & Huikkola (2023, 136) propose Porter's Five forces model. Mortlock & Osiyevskyy (2023, 32) and Vuorinen & Huikkola (2023, 136) state that the search for change drivers and information is a continuous process. Schoemaker (1995, 28) highlights the importance of identifying stakeholders at this stage, who this process touches, identifying trends and making key uncertainties visible.

In the third step, the most essential change drivers are selected. A driver of change is one that can create change for the future or has the potential to change the future, but it is dependent on other factors (Wade et al. 2012, 36). When strategically important change drivers are identified, it is possible to surround them with possible outcomes and trends (Schoemaker 1995, 29).

In the fourth step, Vuorinen & Huikkola (2023, 137) recommend summarizing 3-5 scenarios in the form of a story and evaluating the probabilities of the scenarios' realization. Wade et al.

(2012, 41) do not define the number of scenarios, but emphasize at this stage the identification of critical uncertain roads and their definition as possible or not possible. Schoemaker's (1995, 29) description of this phase includes formulating possible scenarios, identifying them, whether they are strategically relevant, and creating possible outcomes and trends around them. The produced scenarios can be divided into goal-oriented, i.e. how the organization achieves the desired goal, or exploratory, i.e. descriptions of possible futures and paths to achieve them (Vuorinen & Huikkola 2023, 137).

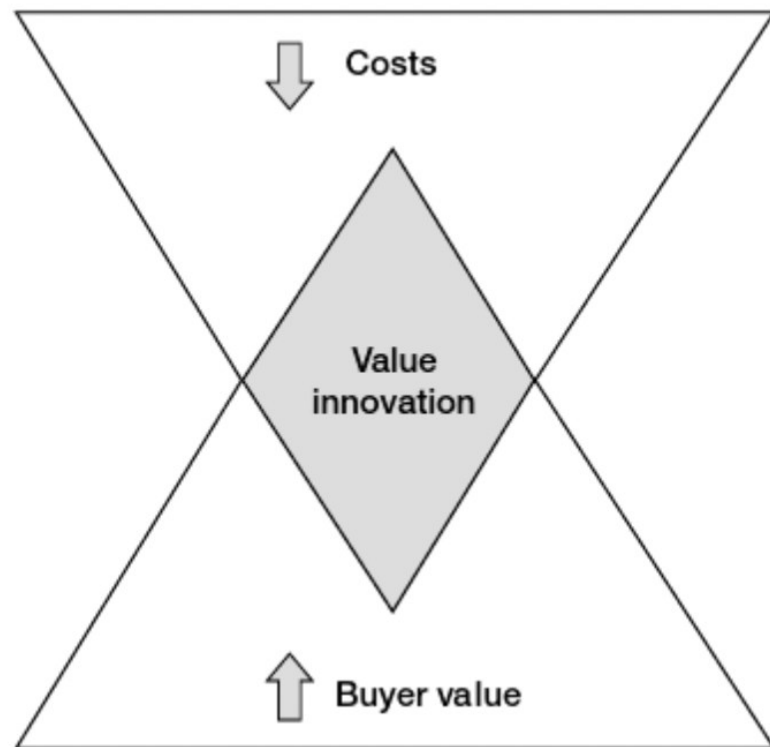
In the last step, an action plan is created and how the scenarios affect the strategy is evaluated and the most likely scenarios are analyzed and used as the basis for choices and decisions (Vuorinen & Huikkola 2023, 138). Schoemaker (1995, 30) summarizes successful scenario planning with three criteria: the end result is relevant, consistent, and it has succeeded in creating different future images. Wade et al. (2012, 53) adapt these and point out that time does not stand still and with that, monitoring and updating scenarios regularly is important.

3.2.8 Blue Ocean Strategy

The Blue Ocean refers to an area where the company has identified untapped markets, is able to create demand and utilize opportunities for profitable growth (Chan & Mauborgne 2014, 5). In creating a Blue Ocean, the importance of strategy and value creation is emphasized (Chan & Mauborgne 2014, 13). The Blue ocean strategy can also be described as a way of thinking that includes several different tools to achieve a position (Vuorinen & Huikkola 2023, 120). The purpose of the Blue Ocean is to reach a situation where competitors have been made irrelevant and it has been possible to create a position where the company is in a position where it has the advantage of differentiation and low cost (Chan & Mauborgne 2014, 17).

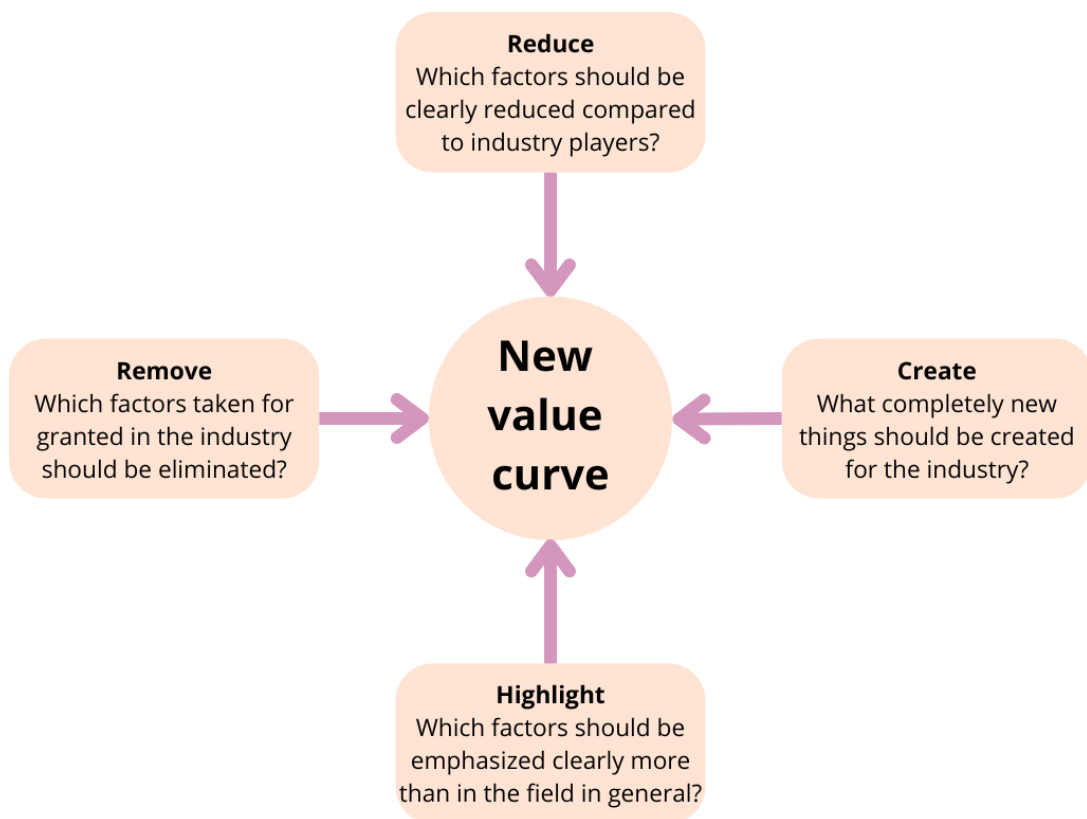
The Red Ocean refers to the area where most of the competitors operate and the competition is fierce and it is difficult to stand out from the competitors. Companies stuck in the Red Ocean are trying to be creative among companies that all have similar approaches, usually traditional ones, and the companies are trying to create a competitive advantage by benchmarking and acting in the same way as the industry is used to, such as exploiting the existing demand for which everyone else is competing. When operating in the Red Ocean, the company balances in a compromise between value and cost, and usually the strategy focuses on specialization or being the cheapest. (Chan & Mauborgne 2014, 12-17.)

A successful Blue Ocean strategy combines reducing costs and creating added value for customers (Vuorinen & Huikkola 2023, 121). Costs are reduced and eliminated where the company competes, when added value for buyers is sought where it has never been offered (Chan & Mauborgne 2014, 17).



Picture 9: Value innovation (Accordingly Chan & Mauborgne 2014, 17)

The formation of the strategy and reconstruct buyer value starts with four actions framework which is aiming to create new value curve (Chan & Mauborgne 2014, 31). Vuorinen & Huikkola (2023, 122) name these as four main questions, with which company focus on outlining the current and possible new value curves. Blue Ocean strategy aims to offer the customer exceptional benefits that have not been used to recently, through four basic questions it is possible to create a strategy profile that illustrates the differences between your own and competitors' operations (Vuorinen & Huikkola 2023, 122-123).

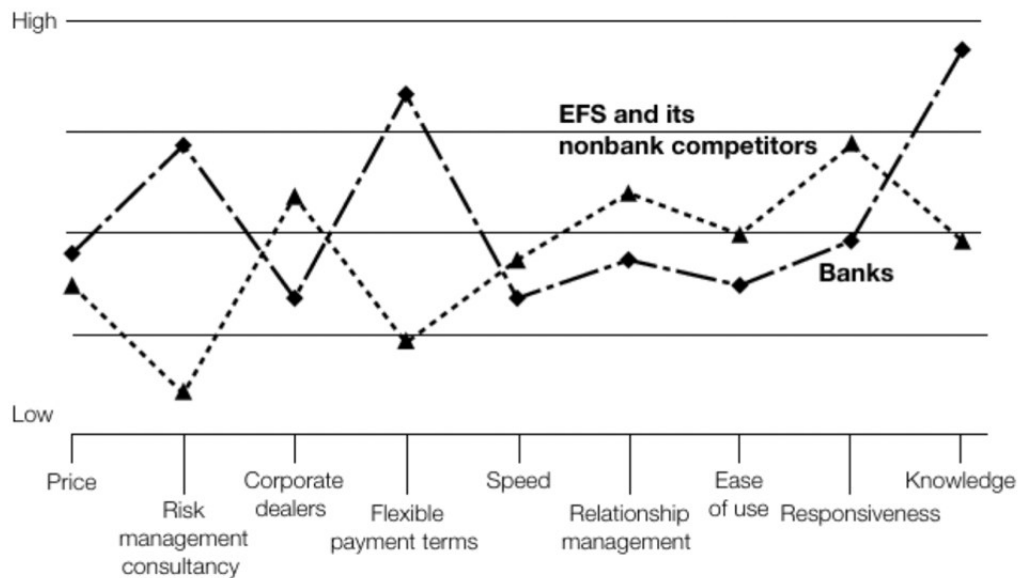


Picture 10: Four actions framework from Blue Ocean Strategy (Accordingly Chan & Mauborgne 2014, 30)

Chan & Mauborgne (2014, 51-77) present six-paths framework to find the Blue Ocean, which concentrate looking: across alternative industries, meaning to evaluate whether companies in other industries that offer similar value have efficient operating models that affect customer decisions. Second, by analyzing strategic groups within an industry and understanding why customers choose one group over another, new operational methods for established industries can be discovered. Third, examining the buyer groups and the typical purchasing process of the industry, as it can reveal that decision-makers, end-users, and payers might be distinct individuals. Fourth, looking at complementary products or services to gain a better understanding of the broader context in which the company's offering is used. Fifth, considering both functionality and emotional appeal at the same time. The sixth method focuses on examining across different time periods, meaning identifying future trends rather than merely adapting to current conditions.

When the framework is made, its results are used to create a strategy canvas, which helps to visualize the current state of the strategy and the possibilities for innovative changes and thereby the formation of a new value curve. When visualizing a strategy canvas, the emphasis is on seeing the big picture. (Chan & Mauborgne 2015, 85-88.)

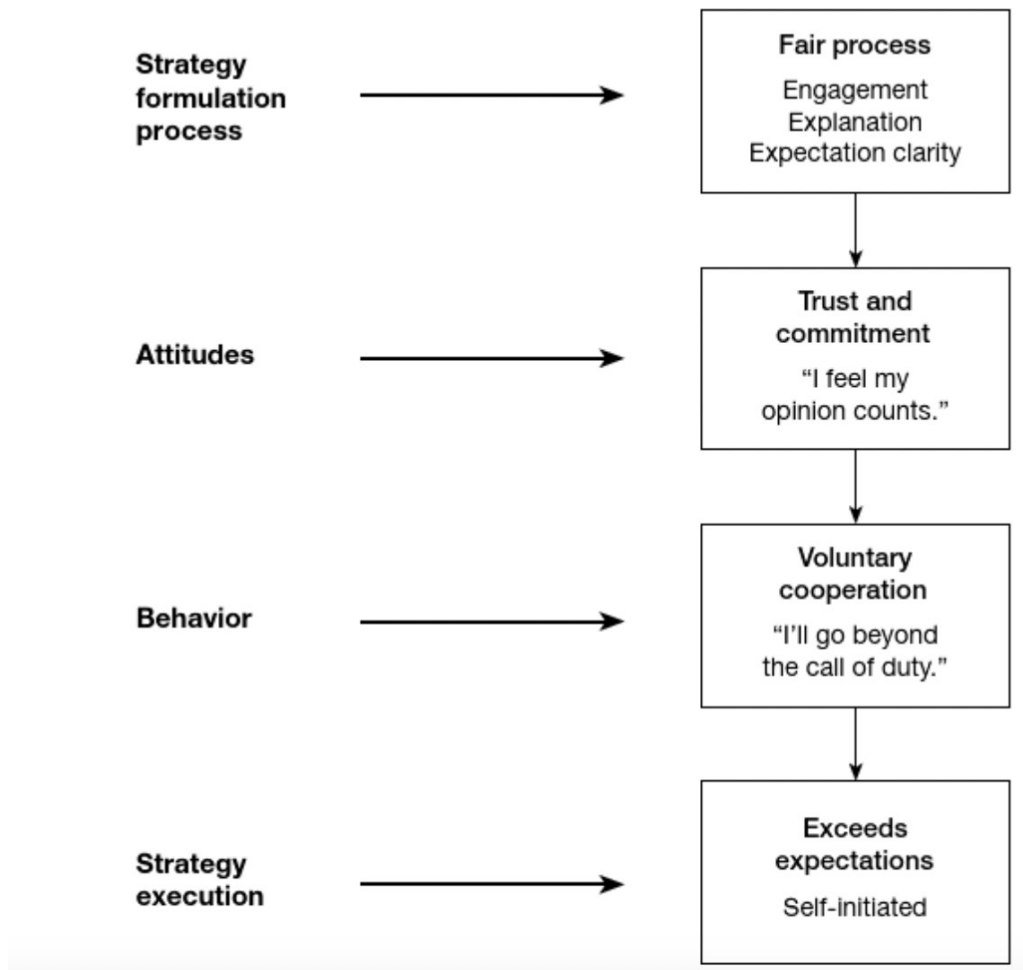
The strategy canvas of corporate foreign exchange, offline



Picture 11: Example of Strategy Canvas from Blue Ocean Strategy (Accordingly Chan & Mauborgne 2015, 88)

In order to successfully implement a new strategy, Chan & Mauborgne (2015, 147) have highlighted the four challenges. These challenges include awakening employees to the need for change, limited resources, motivation and political challenges (Chan & Mauborgne 2015, 147-148). The challenges that have been identified are similar to what Vuorinen & Huikkola (2023, 42) have also stated: successful strategy implementation is prioritized on a daily basis and the people involved in the strategy have a clear idea of what they are doing and why. Killing & Fry (1990, 1) also emphasize political challenges, because adopting new strategic priorities means adopting new ways of working, which can cause resistance to change.

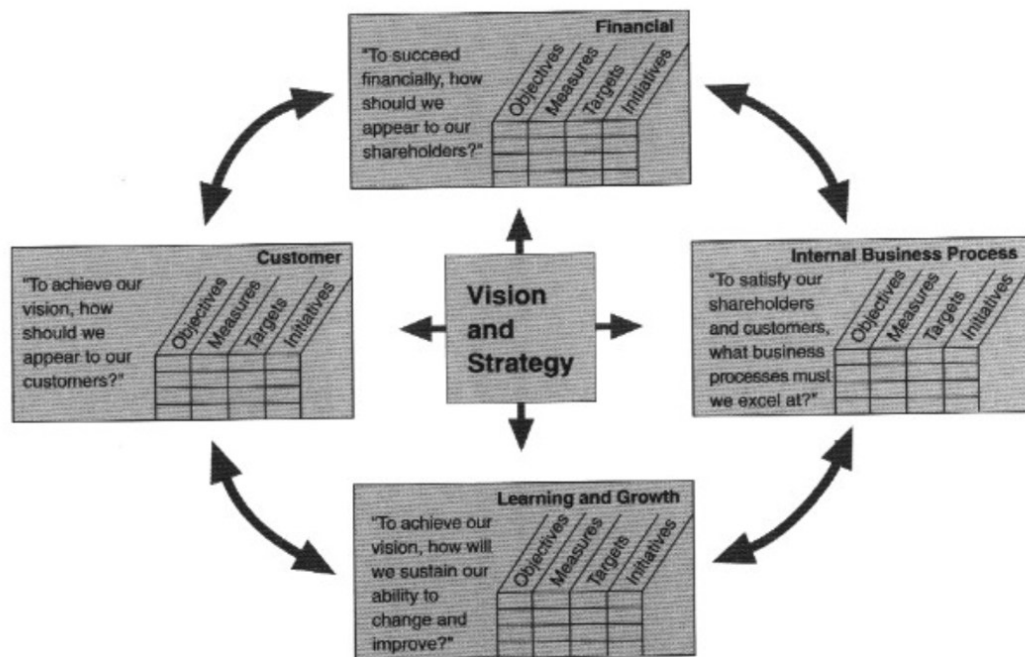
The essential thing in Blue Ocean strategy is to see things differently from others, it can be considered successful if we have managed to create a new type of value innovation that can be observed using the Strategy canvas (Vuorinen & Huikkola 2023, 127). Thinking about the implementation of a successful strategy starts from the beginning and especially includes the building of trust and commitment in the personnel, which can be used to achieve a situation where people are inspired and participate in the creation and implementation of the strategy voluntarily (Chan & Mauborgne 2015, 172). This is important for attitudes and engagement because it makes people feel that their value is noticed (Chan & Mauborgne 2015, 181).



Picture 12: How engaging from beginning affects people's attitudes and behavior from Blue Ocean Strategy (Accordingly Chan & Mauborgne 2015, 174)

3.2.9 Balanced scorecard

Balanced scorecard is a tool that is used to transform the vision and strategy created from strategy work into measurable goals that can be divided into four categories: financial, customer, internal business process and learning and growth (Kaplan & Norton, 1996, 8). Balanced score card is a concrete tool that can be used to break down the strategy into smaller parts and thereby into more easily implemented areas (Vuorinen & Huikkola 2023, 57).



Picture 13: Balanced score card and four categories (Accordingly Kaplan & Norton 1996, 9)

It is good to create metrics that employees can influence with their own actions (Vuorinen & Huikkola 2023, 52). The financial category presents the company's long-term goals, which may be different in different stages of the company's life (Kaplan & Norton 1996, 61). A successful, measurable customer perspective can be created when there is a clear picture of who is the target customer and which business segment is being operated and which are the chosen results and what is being pursued (Kaplan & Norton 1996, 85). In order to fulfill the objectives regarding the internal business process, the company's management must identify the business areas that have an impact on the shareholder's objectives and the targeted customer segments (Kaplan & Norton 1996, 115). According to Kaplan & Norton (1996, 146), learning and growth come from three sources: employees, systems and organizational alignment.

Balanced scorecard is a set of measurable things from four different perspectives and with their help you should be able to outline the things to be pursued with the strategy (Kaplan & Norton 1996, 166). The tool is well suited for industries that are not fast-moving, because in fast-moving industries the content can become outdated quickly (Vuorinen & Huikkola 2023, 57)

4 Methods

This chapter presents the research methodology and data collection methods used in the thesis. It explains how each method contributes to achieving the research objectives introduced in Chapter 1.1 and how the combination of methods supports both the theoretical and

practical goals of the study. The chapter also describes how data was collected, analyzed, and interpreted to form the basis for developing the strategic workbook.

This thesis uses several research methods together to study how food industry companies recognize and respond to consumer trends. The main approach is constructive research, which is supported by document analysis, scenario planning, and benchmarking. These methods were chosen because together they provide both theoretical understanding and practical insight. Constructive research creates the overall structure for the study, guiding the development of a practical result – a strategic workbook – based on both theory and collected data.

The research progressed in three clear phases. In the first phase, document analysis was conducted to examine consumer and market reports from 2014-2024 related to consumer behavior and market development, which were used to identify the key consumer trends. In the second phase, based on these trends, three alternative future scenarios (optimistic, pessimistic, and realistic) were created through scenario planning to describe possible future developments in the food industry. In the third phase, benchmarking was carried out by analyzing the annual and activity reports of three Finnish food industry companies from 2022-2023. The aim was to evaluate how the identified trends were reflected in the companies' strategies and actions, and to what extent they corresponded to the outcomes of the scenario planning phase.

These methods were considered suitable and sufficient for this research because they provide a broad and comparable view of strategic work in the food industry without the need for company interviews. Company reports and public documents offer reliable and standardized information that can be compared between companies. Scenario planning and benchmarking help to place these findings in a wider business context and support interpretation.

Interviews were not used, because the goal of the research was not to study personal opinions but to find common patterns and practices that can be seen in company-level actions. The chosen methods make it possible to keep the research objective clear and the results consistent, while interviews would have made the findings more individual and difficult to generalize.

Together, these methods gave a clear and structured way to examine how companies in the Finnish food industry notice, understand, and react to consumer trends. Using several methods together increased the reliability of the results and helped in creating a practical tool that supports companies in their strategic decision-making.

4.1 Data and time frame

As stated at the beginning of the thesis, the purpose of this research is to learn about consumer trends and to examine how companies in the food industry can strategically and

effectively respond to consumer trends in order to develop their competitiveness and adapt to market changes.

The research data of this thesis consists of annual reports published by three leading Finnish food industry companies during the years 2022-2023. These reports were selected because they provide publicly available, comparable, and strategy-oriented information relevant to the research objectives. The companies were chosen because they represent the largest players in the industry in Finland and act as trendsetters for consumer trends. In addition, the data included European and Finnish studies on consumer behavior and market trends from 2016-2024, so that the results could be reflected in the broader market environment and to ensure inclusion of the most recent studies while maintaining temporal comparability.

The time frame was intentionally limited to the years 2022-2023, representing the post-pandemic recovery period in which consumer trends such as price sensitivity, sustainability, and digitalization became increasingly visible. Later reports, were excluded to maintain consistency with the original research design and to ensure analytical comparability across the selected material.

The data was analyzed through a qualitative, theme-based process in which all findings from market reports, consumer studies and company annual reports were first organized into an Excel table according to recurring themes. This structure made it possible to compare observations across different sources and to identify consistent patterns in consumer behavior and market developments. Based on these repeated themes, key consumer trends were defined and examined in relation to the strategic choices described in the companies' reports. Scenario planning was then used to explore how these trends might evolve under different future conditions, while benchmarking enabled a comparison of how the selected companies already respond to these trends in practice. By combining the results of document analysis, scenario planning and benchmarking, the study formed a coherent picture of how consumer trends shape strategic decision-making in the food industry and provided the analytical foundation for creating the Strategy workbook.

Although the research material focuses on the food industry, the identified consumer trends are widely relevant across the broader FMCG sector. Therefore, the insights derived from this dataset can be considered applicable to a wider range of fast-moving consumer goods companies.

4.2 Data analysis process

The data collection followed a structured and systematic process to ensure that the research material was comparable, reliable and relevant to the research objectives. The material consisted of annual reports from three major Finnish food industry companies (years 2022-2023)

as well as consumer and market reports published between 2016-2024. These sources were chosen because they are publicly available, comparable across companies, and represent official and documented information about consumer behavior and strategic decision-making.

All documents were first gathered and organized into an Excel table, where the content was categorized into predefined themes such as consumer behavior, market development, sustainability, pricing, product categories and digitalization. This phase ensured that the material was easy to navigate and analyze systematically. Notes were written for each document, describing relevant findings and their potential implications for strategic decision-making.

The purpose of this phase was to build a coherent dataset that supports the research objective of understanding how companies recognize consumer trends and how these trends appear in their strategic communication. The structured preparation of the material enabled subsequent analysis phases to be carried out efficiently and consistently.

4.3 Constructive research

The goal of constructive research is to develop a concrete, research-based solution that generates new knowledge. The end result can be, for example, a plan, metric or model, the development of which requires both theoretical background information and practical empirical data. The research method is particularly suitable when the purpose is to produce some new, practical solution. (Ojasalo et al. 2015, 65-66.)

Ojasalo et al. (2005, 67-68), the preparation of a constructive research solution requires theoretical reasoning, careful documentation of the stages of the research process, and justification of the methods used and why certain methods have been used in certain stages. The functionality of the research solution can be assessed on the market or within the organization with a three-level market test, of which weak performance is sufficient if the solution works in the target company, medium strong performance is sufficient if the solution is implemented and strong performance is when other similar organizations also adopt the solution (Ojasalo et al. 2015, 68). In some cases, constructive research reports do not show how the solution has worked in practice, and it has not been possible to test it, this is common in the thesis when the schedule is tied to something other than the organization's schedule (Ojasalo et al. 2015, 68).

The development of the workbook followed the logic of constructive research as described by Ojasalo, Moilanen & Ritalahti (2015). In this approach, the goal of research-based development work is to create a practical construction that addresses a real problem while being grounded in both theory and empirical evidence. According to Ojasalo et al. (2015, 36-45), methods such as document analysis, benchmarking, and scenario planning are central tools for collecting and structuring knowledge that can be transformed into actionable outcomes.

The final output of this thesis is a Strategy workbook (see Appendix 1), which was developed by integrating theoretical models with the research findings. The workbook serves as a practical example of constructive research, where theoretical and empirical knowledge are integrated to create a concrete and usable tool for strategic decision-making and utilize consumer trends.

Following this perspective, the workbook was developed iteratively through four main phases:

The first step was to identify relevant strategy tools from the literature and review existing strategy frameworks. Then select those most applicable to consumer trend analysis. Tools such as SWOT analysis, Porter's Five Forces, scenario planning, and value discipline models were identified as particularly suitable for capturing both external market dynamics and internal strategic responses.

The second step was analyzing consumer trends from the research findings and synthesize insights from the research phase. Document analysis and benchmarking of company reports revealed three dominant consumer trends: price sensitivity, sustainability, and digitalization. These were chosen as the primary inputs for the workbook because they consistently appeared across all cases and were confirmed in the broader literature.

The third step was to integrate theoretical models with empirical findings to form practical templates. Scenario planning was developed around optimistic, realistic, and pessimistic scenarios of these trends. The integration ensured that the workbook is not a generic tool, but one grounded in both academic research and industry data.

In the end, the workbook was refined by structuring it into a logical flow: identifying trends, analyzing business impact, exploring future scenarios, making strategic choices and setting clear and measurable KPIs. At this stage, the author's own expert judgment was applied to simplify, adapt, and frame the templates so that they would be practical for managers to use in workshops or planning sessions.

The constructive approach provided the methodological foundation for developing the Strategy workbook. The theoretical basis of the workbook is summarized in Picture 1, which presents the strategic frameworks that guided its structure and content.

Theoretical foundations of the workbook

Workbook phase	Applied tool or framework	Purpose in the workbook
Identify trends	Porter's Five Forces, SWOT	Understand market dynamics and internal capabilities. Identify drivers of change.
Explore the future	Scenario planning	Anticipate alternative futures and test strategic assumptions.
Decide and act	Porter's Generic Strategies (Cost Leadership, Differentiation, Focus), Blue Ocean Strategy	Define strategic priorities (Must-Win Battles). Choose where and how to compete.
Monitor and adapt	Balanced scorecard	Translate strategy into measurable objectives and monitor progress over time.

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Picture 14: Overview of the theoretical foundations of the workbook (Huotelin 2025).

Identify Consumer Trends is based on Porter's Five Forces and SWOT analysis. These models provide a structured way to understand both external market dynamics and internal capabilities. They help users identify the drivers of change and assess the organization's readiness to respond.

Explore the Future draws upon Scenario Planning frameworks widely applied in foresight and strategic management literature (e.g., Schoemaker, 1995). This phase enables workbook user to anticipate alternative futures, test assumptions, and build strategic flexibility.

Decide and Act integrates Porter's Generic Strategies (cost leadership, differentiation, focus) and Blue Ocean Strategy by Kim and Mauborgne (2014). The purpose of this phase is to guide decision-makers in defining their strategic priorities – the so-called must-win battles – and aligning actions with long-term competitive advantage.

Monitor and Adapt is grounded in the Balanced Scorecard framework by Kaplan & Norton (1996), which translates everything that has discovered into measurable objectives and continuous improvement. This theoretical lens supports the idea that strategy is a dynamic process, requiring constant learning and adaptation.

When defining the theoretical framework of the thesis, author have also studied the schools of strategic thinking. One of these was Mintzberg's (2017) ten schools of strategy. Mintzberg's (2017) schools describe different ways in which strategy can emerge in an organization and offer different orientations to strategic thinking. However, since the aim of this study was not to analyze the formation of strategy or a theory about it, but to develop a practical tool for

strategy work to support decision-making and the identification of consumer trends, a more detailed discussion of Mintzberg's schools was excluded from the work. Instead, the framework was compiled from theories that support process-based and applied strategy work.

Based on the theoretical framework and research results, the development task Strategy workbook of the thesis is formed, which offers practical tools for utilizing market trends and competitive advantage in the strategy process. The workbook is suitable as part of the strategy work of food companies, but it can also be applied to other industries that face similar challenges in the changing environment of market trends and consumer behavior.

4.4 Document analysis

Document analysis was selected as the most effective method for this data collection process to identify current and future market trends that appear in consumers' purchasing behavior. This method was selected because it provides comparable and standardized data that aligns with the research objective of identifying broad and industry-wide consumer trends. Interviews were excluded because they would have produced subjective and company-specific viewpoints rather than consistent, documented information.

Document analysis can be divided into two parts: content analysis and content breakdown. Content analysis focuses on describing the material and identifying meanings, while content breakdown examines the material quantitatively and analyzes selected documents. There are three stages in document analysis: preparation of the material, analysis and reduction, and finally interpretation and drawing conclusions. Document analysis is considered successful when the researcher is able to synthetically combine observations and partial results and answer the research questions. The material produced by the content analysis can be managed, for example, with the help of a theme card, where the issues of a certain subject area are marked with their own code, thus forming a theme card. (Ojasalo et al. 2015, 136-142).

Content analysis as a method has been criticized, as conclusions may have been missed and essential parts of the research may have been lost during the mechanical analysis process, these can be avoided by returning to the original material regularly and testing the resulting interpretations against the original material (Ojasalo et al. 2015, 144).

Document analysis was the primary method used to identify consumer trends and examine how they are reflected in the strategic choices of the selected companies. In this study, document analysis proceeded in three steps:

Collection and organization of documents: annual reports, sustainability reports and market analyses were collected and classified into themes in Excel. This step ensured a clear overview of the material.

Thematic reading: Each document was read systematically, and text sections relating to consumer behavior, market change, price sensitivity, sustainability and digitalization were highlighted. Recurring patterns and similarities were identified across different reports.

Trend identification: based on the repetition and consistency of observations, the key consumer trends were identified. These trends formed the foundation for the scenario planning and were later compared to company-level strategic actions.

4.5 Scenario planning as a strategic foresight tool

Scenarios are possible future development paths that are based on collected information and can be used to evaluate how different future events can affect the company's operations (Vuorinen & Huikkola, 2023, 133). At the beginning of the scenario planning, key uncertainty factors that can affect the industry have been identified from market trends and data collection. After that, developed scenarios based on a different combination of uncertainty factors and their effects. And finally defined strategic countermeasures, how to adapt to the scenarios and succeed.

The goal of foresight is to look into the future and try to identify strategic research and development topics that will benefit from a financial, organizational or societal perspective. Forecasting can be done with scenario planning, which aims to create several future scenarios for the company. The scenarios are often simple and have a clear beginning and end. Research targets in scenario planning are the present moment, megatrends, weak signals and other currents. As part of scenario planning, a future table can be created, which describes the company's internal and external variables related to the operating environment. (Ojasalo et al. 2015, 144.)

Scenario planning consists of several steps: understanding the current state, resource analysis, building scenarios, defining a vision and building a strategy to achieve the vision. When working with scenarios, it must be taken into account that the final result can change quickly along with the changing world (Ojasalo et al. 2015, 144). Scenario planning is also used as a strategy building tool, initially scenario planning was an analysis tool, but over time, scenario planning has become versatile and involves methods that support strategic management (Vuorinen & Huikkola 2023, 132).

Weak signals are often studied in connection with trends and megatrends, and intuitive and unspoken information is needed to detect them, but if they are well detected, they can be used in innovation and it is possible to break stubborn thought patterns and create space for new ideas (Ojasalo et al. 2015, 150). Identifying weak signals is also used in strategy work and especially in a rapidly changing world and competitive situation, identifying weak signals help to make strategic decisions (Vuorinen & Huikkola 2023, 144). Successful exploitation of weak

signals is when they have been detected and seized before it becomes a trend or phenomenon (Ojasalo et al. 2015, 152).

Based on collected data in document analysis, three different future foresight scenarios were formed, where the FMCG sector in Finland is going and which issues will have an impact in the future. Scenario planning was used to explore how the identified trends may evolve and how they could influence the food industry in different future conditions. The method followed three steps:

Selection of key trends: the major consumer trends observed in the document analysis—such as price sensitivity, digitalization and sustainability—were chosen as the basis for scenario building.

Construction of three alternative futures: three scenarios (optimistic, realistic and pessimistic) were created to describe different possible developments. Each scenario considered how consumer behavior, market dynamics and industry structures might change.

Interpretation and implications: for each scenario, potential strategic implications for companies were described. These insights were later used to support the development of must-win battles and strategic choices in the workbook.

Scenario planning was chosen because it supports the research objective of understanding not only the current state but also the potential future direction of trends. It also strengthens the constructive development phase by providing a forward-looking basis for the workbook's structure.

4.6 Benchmarking

After the scenario planning, the benchmarking method was used to delve deeper into the annual reports of three food companies to identify how the studied trends are realized and to compare the approaches of three companies. The goal was to identify how different companies respond to the same consumer trends (e.g. price awareness, responsibility) and what can be learned from the differences. This was followed by a comparison with the previously created scenarios to assess how companies have prepared for these trends.

Benchmarking is based on the desire to understand why and how others operate and succeed in the market. The comparison target does not have to be from the same industry, but it depends on the benchmarking target. Before the benchmarking process, the groundwork is done, which includes identifying the area to be developed and selecting comparison partners, i.e. organizations that perform better in that matter. After this, information is collected about how these organizations have succeeded, and the data collection methods can vary widely. (Ojasalmi et al. 2015, 186.)

Comparing a company's operations to other companies can bring many benefits: it clarifies the level of the company's own operations in relation to others, utilizes the already existing innovations of others to speed up the company's own development, and increases awareness of the competitors' situation, which can increase the desire for development in the company (Ojasalmi et al. 2015, 186). Vuorinen and Huikkola (2023, 188) emphasize that the goal is not to copy other operating models, but to apply the things learned to the company's own needs.

After the scenario planning phase, the benchmarking method was applied to compare how the selected companies' strategies reflected the consumer trends identified in the document analysis and how well they aligned with the constructed optimistic, realistic and pessimistic scenarios. The purpose of this comparative stage was to link scenario-based foresight with concrete corporate strategies and to evaluate how companies translate trend awareness into practical strategic actions.

Benchmarking in this study did not focus on performance metrics but on strategic positioning – how companies communicate and operationalize their responses to emerging consumer trends. By comparing the strategic emphases in the companies' annual reports with the scenario outcomes, the analysis made it possible to identify similarities, differences and potential gaps in preparedness across the organizations.

The benchmarking process followed three steps:

Selection of companies: three publicly listed Finnish food industry companies were selected. They operate in different segments of the food sector, which ensured that the comparison captured a broad view of consumer trend impacts across the industry. Publicly listed companies were chosen because they produce extensive, standardized and publicly available annual and sustainability reports, which improves comparability, transparency and consistency of the material.

Extraction of strategy-related content: annual reports from 2022-2023 were analyzed to identify strategic themes such as investments, product and category development, sustainability actions, interpretations of consumer behavior and changes in the operating environment. These findings were coded and organized under shared themes.

Comparison of practices: the results from each company were compared side by side to identify similarities, differences and recurring responses to consumer trends. Particular attention was paid to how the companies interpreted and addressed key trends such as price sensitivity, sustainability and digitalization in their strategic objectives.

Benchmarking strengthened the overall analysis by showing how the identified trends appear in company strategies and by highlighting how prepared different companies are for alternative future conditions. The insights from benchmarking were also used in the development of the strategic workbook to ensure that its structure reflects real strategic practices and industry-level patterns.

4.7 Summary of methods

The selected methods – constructive research, document analysis, scenario planning, and benchmarking – together provided a comprehensive and systematic foundation for this thesis. Constructive research created the overall structure for combining theoretical and practical perspectives and guided the development of the final workbook. Document analysis offered comparable and reliable data from official company sources, enabling an objective view of strategic priorities and trend responses in the Finnish food industry.

Scenario planning complemented this by transforming the findings into possible future situations. Benchmarking deepened the analysis by comparing companies' practices and identifying common approaches to trend adaptation.

Together, these methods ensured both analytical depth and practical relevance. They made it possible to link theoretical strategy frameworks with real-world evidence, producing research-based insights that directly supported the design of the Strategic workbook.

5 Research findings

This chapter presents the key research findings derived from the applied methods - document analysis, benchmarking, and scenario planning. The findings describe how consumer trends are reflected in the strategic communication and actions of Finnish FMCG and food industry companies. They also illustrate how these insights were transformed into practical models that support strategic planning and decision-making.

The results are structured around the identified consumer trends and the alternative future scenarios that emerged from the data. Each section highlights how the analyzed companies address consumer behavior shifts related to price sensitivity, responsibility, and digitalization, and how these findings informed the development of the strategic workbook presented in the following chapter.

The purpose of this research was to identify current and future market trends that appear in consumers' purchasing behavior. Document analysis was selected as the most effective method for this data collection process. Based on the collected data, three scenarios were

created: positive, negative and realistic using the foresight approach. After the scenario planning, the benchmarking method was used to delve deeper into the annual documents of three food companies in order to identify how the studied trends are realized, which was followed by a comparison with previously created scenarios, whether they have been prepared for and how.

The research problem of the thesis is how food industry companies can strategically and efficiently respond to consumer trends in order to develop their competitiveness and adapt to market changes. The research searched answers to the research questions, what are the most central consumer trends that food companies have to adapt to in their strategic planning, as well as how food companies adapt their operations in accordance with consumer trends.

Based on the theoretical framework and research results, the development task strategy workbook of the thesis is formed, which offers practical tools for utilizing market trends and competitive advantage in the strategy process. The workbook is suitable as part of the strategy work of food companies, but it can also be applied to other industries that face similar challenges in the changing environment of market trends and consumer behavior.

The analysis process followed a clear sequence. First, document analysis revealed how companies recognize and emphasize consumer trends in their strategies. Then, scenario planning was used to explore what these trends might mean for the future. Finally, benchmarking compared the findings with real company examples to confirm their practical relevance. This process ensured that the results were both research-based and applicable to the development of the workbook.

5.1 Findings and results

In this chapter, we review the results of the document analysis research, delve deeper into the observations made, create scenarios based on the observations made, and compare whether the observations and scenarios appear in the annual documents of the investigated companies.

5.1.1 Consumer behaviour and trends

Sitra (2024) has identified the following megatrends the crumbling of nature's carrying capacity, the growth of welfare challenges, the intensification of the struggle for democracy, the competition for digital visibility and the cracking of the economic foundation (Dufva 2024).

In the Eurocommerce & McKinsey report, Delberghe, Delbarre, Vissers, Kleis, Laizet, Läubli & Vallöf (2024, 10) see price awareness, the store's own brands so called private label products and downtrading of customers so customers buy smaller packages which also can include ready-to-eat meals, as significant trends. Nielsen Consumer (2024, 3) highlights 3 things that

are on consumers' minds in relation to food: price awareness, increased consumption and the economic downturn. Already in 2021, an industry survey on the food industry highlighted the weak development of the Finnish economy and exceptionally high inflation, which affect consumers' purchasing behavior (Hyrylä 2022, 43). In the study, it was estimated that purchasing behavior will favor low-priced products, promotional products and the store's own brands (Hyrylä 2022, 43).

In 2024, the purchasing behavior of consumers will be strongly driven by price in all income categories, but especially in low ones, this is how Pellervo economic research researchers Forsman-Hugg, Kinnunen & Yli Liipola (2024, 3) state. The same is stated in EuroCommerce & McKinsey's retail practise survey on the state of retail trade in 2024 (Delberghe et al. 2024, 7). The emphasis on price awareness is due to the increase in the general price level and the increased consumer prices of food (Forsman-Hugg et al. 2024, 5). Delberghe et al. (2024, 10) points out that in most parts of Europe, buyers will be less focused on money in 2024 than in 2023, but at the same time, the study showed that CEOs of food companies see price awareness as a significant consumer trend in the future as well. The affordable price of food occurred as the most important criterion influencing the purchase decision for 80 percent of the respondents in a consumer survey commissioned by the Food Information Association, which sampled 1,099 people (Niva 2024, 21).

Cracking the foundations of the economy as a megatrend can also be seen in Forsman-Hugg et al. (2024, 16) from a study in which the effect of price can be seen multidimensionally, it affects the choice of store and the fact that the store's own brands are bought more than before, and imported food products have been bought more than before because of the lower price. The trends appear very similar regardless of the study or geographical location, although they are spoken of in different terms, but they follow the same topic.

The importance of the store's own brands, i.e. private label products, is highlighted in several different sources. Niemi & Liu (2016, 177-178) state that when retail buying power is concentrated in three large players in Finland, the chains have a great influence on prices, the direction in which trends are taken and the opportunity to take over shelf space with their own private label products. The store's own brands can also be seen indirectly as a driver for developing innovations and strengthening marketing for brand manufacturers, so that the competition with private label products can be met (European Commission 2016, 44). The store's own private label products end up in Finns' shopping carts because they are cheaper (Forsman-Hugg et al. 2024, 16). The growth in popularity of private label products has been large on an annual basis, between 2023 and 2024 we will see a 12.7% increase in the world and a 13.6% increase in Europe for private label products (Nielsen Consumer 2024, 24). Consumers are active in looking for low prices and ready to switch if a similar product is found at a lower price (Nielsen Consumer 2024, 20).

Back in 2018, before the corona virus and the war in Ukraine, the big growing trends were health awareness and responsibility (Kapelko 2019, 216). Consumers' desire to buy responsibly is decreasing at the European level, but younger generations such as Z and millennials are attracted by responsibility as a purchase criterion (Delberghe et al 2024, 17). In 2024, the purchase decisions of most Finnish consumers will be influenced by price before value-based perspectives, such as domesticity and environmental friendliness, domestic origin is valued, but the costs arising from the choices are not ready to be transferred to the price of the Shopping Basket (Forsman-Hugg et al. 2024, 24). Only 25% of Finns raised responsibility as a criterion affecting the purchase decision in the food and responsibility survey commissioned by Ruokatieito association in 2022 (Niva 2024, 21). Those who took part in the study had varying opinions on whether the food they were buying was of Finnish origin or imported products, especially in the older age groups of 65+ years, the importance of the Finnish origin of the products was emphasized (Forsman- Hugg et al. 2024, 25-26). The ongoing megatrends mentioned by Dufva (2024) the crumbling of nature's carrying capacity and the growth of well-being challenges can be seen in Eurocommerce and McKinsey study where Delberghe et al. (2024, 18) states in the report as a growing desire to buy more sustainable products in the next twelve months at the European level. Forsman-Hugg et al. in a study conducted at the level of Finland, which sampled 1067 people aged 18-79, it is stated (2024, 15-16) that price is the central driver of decision-making and domesticity is only fourth in order of importance after taste and quality.

5.1.2 Market niches

The growth of ready-to-eat meals and meal portions started in the Finnish market around the time of the 2019 Corona pandemic and can be seen in the Finnish market sixfold between 2016 and 2024 (Forsmann-Hugg et al. 10). In a McKinsey and Eurocommerce study, the trend of the increase in the ready-to-eat categories is expected to be around 8 percent at the European level, while the entire food industry is expected to increase by 3 percent, this growth is accelerated by the busy lifestyle of consumers and the return to office work after the pandemic years (Delberghe et al. 2024, 14). The trend was already seen rising in 2016 according to a study conducted by the European Commission (2016, 38), where reseal ability and microwave compatibility were important criteria for ready-to-eat food. In particular, consumers' interest in frozen and fresh foods, pre-made sauces and chopped vegetables and fast food was highlighted (European Commission 2016, 42). In the Food Information Association's consumer survey 2022, similar issues came up: 41 percent valued the packaging size and the usability of the packaging, and 38 percent of the respondents valued the quick preparation of the product at home (Niva 2024, 21). According to a study commissioned by Nielsen Consumer (2024, 19), in the next 12 months, shopping interest will be driven as one part by convenience seeking, which includes preference for ready-to-eat and meal portions by 31 percent of the respondents.

The consumption of red meat is seen to decrease in the future and the decrease in its consumption has been steep since 2026. The consumption of red meat is seen to decrease and at the same time the consumption of broiler has increased (Forsmann-Hugg et al. 2024, 10). The consumption of liquid milk is decreasing, while at the same time the consumption of milk-based snacks such as curds continues to rise (Forsmann-Hugg et al. 2024, 10). According to Nielsen Consumer (2024, 16), consumers are more willing to spend more money on fresh meat and dairy products in 2024 compared to 2023.

While price is a major purchase criterion for consumers, the Nielsen Consumer (2024, 21) study shows that consumers are ready to buy the same products in smaller packages if the price is lower or alternatively to buy larger sizes if the price of a single portion is clearly lower. This is supported by the recognized value and desire among consumers to reduce waste and buy only what will be used (Nielsen Consumer 2024, 19). Already in 2016, it was recognized in a research article by Niemi & Liu (2016, 178) that affordable and efficient product categories remain in the competition.

5.1.3 Digitalization

Digitality and being visible there are brought up by McKinsey and Eurocommerce by Delberghe et al. (2024, 19) in research, online shopping is growing and in online channels, price is more important than promotions. Already in 2016, the European Commission (2016, 31) saw that online shopping will become more common and enable the formation of a more direct commitment between the consumer and the producer. Online shopping was seen to bring opportunities for single focus businesses to enter the market (European Commission 2016, 49).

In 2024, the share of online shopping has increased by 12.4% compared to the previous year at the European level, consumers move smoothly between channels to fulfill their wishes and with this, sales balance online and in-store (Nielsen Consumer 2024, 28-34). Globally, social media has been used by 11 percent as a shopping channel (Nielsen Consumer 2024, 32).

5.1.4 Branding and marketing

The importance of consumer orientation was emphasized already in 2016, retailers use data to be able to create different and innovative products for consumer needs (European Commission 2016, 49). Consumers expect innovation, but innovation and differentiation are not only seen as a new product, but it can be a new type of packaging, new formulation like new flavours, expanding the selection, implementing a new type of marketing or implementing a logistic process (European Commission 2016, 45). Companies with new innovations had a 1.8 - fold impact on sales growth, according to a Nielsen Consumer study (2024, 25). Although innovation is emerging as a major criterion at the European level, in Finland only 18 percent of consumers consider the fact that it is new in food to be important (Niva 2024, 21).

Brands must develop and strengthen their position and think about how they present themselves to the consumer, this is especially emphasized in the competition against private label products (Nielsen Consumer 2024, 33). Consumers will not be brand loyal in 2024 in the same way as in the past, when a major purchase criterion is price (Nielsen Consumer 2024, 20). Only 31 percent of Finns in the food and responsibility survey cited product or brand familiarity as purchase criteria when asked which purchase criteria are important in food (Niva 2024, 21).

Key uncertainty factors based on the research results are the fact that consumers' purchasing behavior is based on price awareness, which can and has already led consumers to switch to cheaper products and affects consumers' brand loyalty. Interest in responsibility varies, responsible choices are valued among the younger generations, but even in this context, price guides purchase decisions more than values. The growth of e-commerce creates opportunities, but also challenges for traditional retail stores. Consumers are moving shopping online, which requires adaptation and competitive prices from brick and mortar stores.

5.2 Future scenarios

Scenario planning is used as a tool to explore possible future developments and their strategic implications. The purpose of this section is to illustrate how the identified consumer trends – price sensitivity, sustainability, and digitalization – could evolve under different economic and social conditions. The scenarios are not predictions but structured narratives that help organizations prepare for alternative futures, test strategic assumptions, and evaluate the flexibility of their current strategies (Schoemaker 1995, 27-30; Vuorinen & Huikkola 2023, 133-135).

The following three scenarios – optimistic, pessimistic, and realistic – are based on the synthesis of trend data, company reports, and academic literature. Each scenario describes a potential operating environment for Finnish food and FMCG companies and highlights how changes in consumer behavior, purchasing power, and responsibility expectations might shape competition in the coming years.

By comparing these alternative futures, companies can assess the robustness of their strategies and identify which strategic actions remain effective across multiple situations. This forward-looking perspective supports proactive strategy development and strengthens the organization's ability to adapt to change.

5.2.1 Optimistic scenario

The economy recovers, consumers' purchasing power improves and with this we are ready to pay more for responsible and sustainably produced food. With this, the growth and demand

for the store's own brands will be diluted. The demand for responsible brands and products grows and becomes a guiding factor in purchasing decisions, innovations increase and consumers are ready to pay an additional price for quality. This can reduce consumers' interest in the chains' own private label products.

If consumers' appreciation for responsibility grows and they are ready to pay a higher price, then also the bargaining power of suppliers who have products that meet the criteria will be strengthened, as the chains will be more interested in acquiring them to meet the growing demand. Companies that are able to demonstrate concrete efforts towards sustainability and responsibility can be more desirable long-term partners.

Strategically, companies can be ready for this scenario by investing in sustainable development and responsibility in operating models. The marketing strategy should focus on emphasizing the responsibility and quality of the products and do long term brand work. When innovating new products, the focus should be on meeting the growing expectations of consumers.

5.2.2 Pessimistic scenario

The economy continues to weaken, the purchasing power of consumers weakens at the same time, and the price continues to guide purchasing decisions. As a result, the share of the store's own private label products in particular increases and consumers' brand loyalty is put to the test and weakens. Product innovations are still needed, but the innovations focus on cost efficiency.

The weakening of the economy also negatively affects the bargaining power of suppliers. Retail stores are moving to emphasize cheaper private label options, as consumers make purchase decisions based on price. This can increase price competition and force larger discounts and promotions, which in turn has an impact on margins. It is more difficult for suppliers to claim their place on the shelf, which is taken over by the store's own brands. It is easier for large suppliers to keep up with the competition, but it is more difficult for smaller producers to respond to price-based competition.

Strategically, companies can respond to this scenario by increasing cost control and improving pricing strategies. As brand loyalty weakens, it is necessary to be able to develop competitively priced products as well. Maintaining and strengthening customer relationships becomes even more important, and brands must be ready to maintain their visibility through price campaigns.

5.2.3 Realistic scenario

Economic recovery or deterioration does not affect the consumer that much, consumers are looking for a balance between quality, price and responsibility. Consumers' purchasing

decisions are driven by price, but the appreciation of responsible alternatives is growing. Companies that are able to offer a good price-quality ratio with their brands will do well in the competition. The share of online shopping is growing and consumers know how to compare alternatives.

When the consumer is looking for a balance between price and responsibility, suppliers have the opportunity to meet demand by combining cost-effectiveness and sustainability. This could provide an opportunity to bring cost-cutting innovations to the market, such as new packaging sizes. The need for customer understanding is growing, by utilizing data and analytics, consumers' preferences can be understood more precisely and retail stores can be offered products that are targeted and meet demand. Providing customized solutions to the growing needs of consumers can improve suppliers' negotiating position.

Strategically, companies can respond to this scenario by developing products that combine competitive price and responsibility. Companies that are able to improve the customer experience in the online store and in the store stand out. As the need to understand consumer behavior grows, the skills to use data and analytics increase in importance and help in the development and optimization of products for the needs of the target group.

5.3 The effects of consumer trends on companies

In the third part of the study, the annual reports and financial statements of three listed companies operating in the Finnish food industry were studied for the years 2022-2023. The aim was to identify whether there are connections between emerging trends and strategies, as well as to identify areas where the trends are not yet being taken advantage of and priorities that have changed over the years. Finally, the research data was compared to the previously presented scenarios, whether they have been prepared for and whether they will come up, and how the strategies compare to the developed scenarios. Three companies that were selected were: HKFoods Oyj, Apetit Ruoka Oy and Olvi Oyj. HKFoods Oyj operated under the name HKScan Oyj until 2023, that is why sources under the name HKScan appear in the material.

HKFoods Oyj's strategy focuses on the needs of customers and consumers and strengthening responsibility in the entire value chain. The company aims for growth in poultry and ready-made food products, as well as with new commercial concepts and digital solutions, especially in developing sales channels and exports. Increasing operational efficiency, improving the competitiveness of the producer community and developing personnel skills are also key. The starting points of the strategy are the change in consumption behavior, environmental and health aspects, responsible raw material production and the growing need for transparency and sustainable development. As meat consumption shifts towards poultry, HKFoods

utilizes its strong brand to respond to changes in consumer demand. (HKScan annual and responsible report 2022, 11.)

Apetit Ruoka Oy published its latest strategy in the 2022 annual report. The strategy emphasizes growth with versatile plant-based food solutions based on local, sustainable raw materials. The company aims to increase the use of plant proteins in response to changes in the operating environment that support this development. The focus of the strategy is close cooperation with farmers, factors that maintain competitive advantages such as skilled personnel and a strong brand, versatile plant-based products and a responsible value chain that promotes sustainable food production. Key values are transparency of the food value chain, domesticity, well-being, plant-based products, diverse partnerships and making everyday life easier. (Apetit annual report 2022, 15-18).

Olvi Oyj's strategy focuses on product innovations that support profitability and the growth of selected products, especially non-alcoholic and healthy alternatives. The company invests in innovative product development, Lean philosophy, customer-oriented decision-making and the use of digitalization to ensure future competitiveness. Responsibility is a key value that is promoted throughout the value chain together with partners. Locality, positivity and customer focus are the basic pillars of our operations, and we strive to respond to changes in global trends with agile product development. Olvi also invests in digital skills, data management and proactive management with information in order to improve the customer experience and its market position. In addition, Olvi strengthens its brand with basic support for locality, but also strives to distinguish itself as an international operator that takes into account consumer trends, such as taste and packaging innovations, and develops the efficiency of production and logistics processes. (Olvi Corporation annual report 2023, 11-12.)

5.4 Consumer trends and purchasing behavior

This section presents the main findings of the research related to consumer trends and purchasing behavior in the Finnish food industry. The results are based on the document analysis and benchmarking of three Finnish food companies' annual and responsibility reports from 2022-2023. The analysis identified several recurring themes that reflect how companies recognize and respond to key consumer trends in their strategic work.

The findings are structured around five main trend categories – price consciousness, responsibility, market niches, branding and marketing, and digitalization – each illustrating a different aspect of consumer behavior and company response. Finally, the results are compared with the foresight scenarios developed earlier in the study to assess how well the companies' strategies align with different future market developments.

5.4.1 Price consciousness

The companies under review have made consumers' price awareness a central part of their strategy, both in their reporting and in their plans. In HKFoods' 2022 annual and responsibility report, it was emphasized how consumers react to the increase in production costs, but the company estimates that its product range is suitable for this price-critical market situation with the help of price-competitive products and strong consumer brands (HKFoods annual and responsibility report 2022, 7). The following year, the company's report emphasized that consumers preferred cheaper products within product categories, and that cost inflation in the operating environment affected consumption habits more and more strongly (HKFoods 2023, 12).

Apetit reports similarly, with cost inflation, the importance of the price of food has increased. In food shopping, cheaper products are preferred, and the importance of price in purchasing decisions has become even more prominent. However, Apetit's wide range of products has withstood the change in consumer buying behavior driven by inflation. (Apetit annual report 2023, 11.)

The 2022 annual report states that consumers are divided into price-conscious and quality-appreciating groups, which can be seen in the preference of other consumers for cheaper products, while some still emphasize quality in their choices (Olvi annual report 2023, 12). In 2023, a similar trend continued and this was answered by doing marketing and branding in such a way that it addresses and engages both target groups (Olvi annual report 2024, 12). Price awareness is answered by developing multi-channel sales that meet the need of price-conscious consumers to easily compare products, and by developing different packaging sizes that can offer options for different budgets (Olvi annual report 2024, 12).

However, the 2022 HKFoods activity report stated that there was still a customer base for premium products, but the 2023 report observed a decrease in demand for more expensive products, while the demand for basic foods was expected to remain strong (HKFoods activity report and financial statements 2023, 24). The company anticipates that the change in consumer demand may create uncertainty in 2024 and bring with it the risk that if demand weakens strongly, the effects may be negatively reflected in profitability, cash flow and asset value (HKFoods annual and responsibility report 2023, 35). According to Apetit, thanks to consumers' price awareness, familiar basic products increased in popularity and consumers are looking for alternatives instead of fresh vegetables, e.g. in the freezer (Apetit annual report 2023, 13.) Olvi recognizes the existence of quality-conscious consumers as well as the personalization and value-based consumption, the aim is to respond to the need with product innovations and to increase consumer understanding, marketing, sales and brand identity to support purchasing behavior (Olvi annual report 2024, 12).

5.4.2 Responsibility

At HKFoods, responsibility is seen to cover the entire value chain from farms to consumers and is visible at the core of daily operations and is perceived to be a growing consumer trend (HKFoods annual and responsible report 2022, 11-12). The transparency of the food chain is perceived to be important, in addition to social responsibility and animal welfare (HKFoods annual and responsible report 2022, 12). In the 2023 annual report, it was stated that the company's responsibility can be seen particularly in climate and environmental measures, packaging development, promoting biodiversity and supporting the well-being of personnel, and the company's climate goal is to achieve net-zero emissions by 2050 (HKFoods annual and responsibility report 2023, 15-21).

Apetit's responsibility extends to all stages of the value chain, the strategy focuses on supporting the well-being of the environment and communities (Apetit annual report 2022, 20). Responsibility at Apetit is embodied in the commitment to domestic raw materials and the development of sustainable farming methods in cooperation with contract farmers, the reduction of climate emissions, the development of products and packaging solutions, and the company's social impact (Apetit annual report 2022, 21-22). Apetit builds its product portfolio around sustainable and plant-based food solutions that support climate responsibility, and the goal is to increase the recyclability of packaging materials for products sold in retail to 100 percent (Apetit annual report 2022, 23). In 2023, the recyclability of packaging was 77 percent (Apetit annual report 2023, 22). The company's goal is to reduce direct carbon dioxide emissions by 75% by 2025 (Apetit annual report 2022, 22). In the 2023 annual report, it is stated that renewable energy already accounts for 74% of the energy used in production facilities, which promotes the company's efforts towards carbon neutrality (Apetit annual report 2023, 9).

Olvi set responsibility criteria in 2022, which the goal is to meet by 2030, this is looked at through four categories: responsible value chain from the procurement of raw materials to recycling, the best workplace, value creation for stakeholders and consumers and products. (Olvi annual report 2023, 16). Responsibility can be seen throughout the supply chain, the beverage industry is seen to use considerable amounts of raw materials and natural resources, in which case the management of the supply chain has a significant impact on the environment, climate and society (Olvi annual report 2023, 22). Product development focuses on responsible product concepts, the recyclability of products and their packaging materials, and the utilization of waste materials in the manufacture of products (Olvi annual report 2023, 22). By 2030, the goal is to reduce carbon dioxide emissions by 40 percent, and the goal of the value chain is to be carbon neutral by 2040, which supports the goals of sustainable development (Olvi annual report 2023, 23).

5.4.3 Market niches

The growing segments of ready-to-eat meal components and prepared foods were seen in 2022 report, consumers want to spend less time cooking than before, which increases the demand for ready-to-eat meals and semi-prepared foods that facilitate cooking, as well as eating out, in addition to these, snacks replace meals in busy everyday life (HKFoods annual and responsible report 2020, 12-13). In 2023, the business was found to grow clearly in the retail trade for ready-made meals and meal components, as well as in snacks, and it had succeeded in introducing novelties to the market to support the growing segment (HKFoods annual and responsibility report 2023, 11).

Apetit responds to the trend of the increasing popularity of ready-made meals and meal portions by offering everyday convenience with vegetable- and fish-based products, which the company produces for the retail trade as ready-made meals and meal portions (Apetit annual report 2023, 11). The company emphasizes waste management with the help of frozen foods, by taking exactly the amount of product from the frozen food that is needed at any given time, there will be no waste (Apetit annual report 2023, 13). The trend is also responded to by bringing new products to the stores every year and by continuous product development, such as by utilizing new plant proteins in the products (Apetit annual report 2022, 13).

Changes in meat consumption show different trends. Among consumers, the total consumption of meat is being reduced, especially in certain categories, such as pork and cow, but at the same time the consumption of poultry has increased considerably. (HKFoods annual and responsible report 2022, 15.) The 2023 sustainability report states that increasing the share of poultry production is still part of the company's strategy, and in order to focus on it, strategic measures have been to divest from other businesses (HKFoods annual and responsibility report 2023, 5).

The company's response to the reduction in meat consumption is continuous product development and the utilization of new plant proteins in products (Apetit annual report 2022, 13). The company feels that plant-based eating continues to increase and there is a need for new protein options (Apetit annual report 2022, 8). Apetit has the willpower to increase the use of plant proteins and to continue the production and commercialization of its own rapeseed protein ingredient BlackGrain, thus responding to the trend of decreasing meat consumption.

According to HKFoods, the food industry and its customers face increasing pressure to develop environmentally friendly packaging solutions and recycling systems. The use of recycled materials and renewable raw materials in packaging is becoming more common. At the same time, requirements to reduce food waste have become an even more important part of the industry. Responsible packaging is one of HKFoods' key goals, by 2023 the goal is to have 100%

recyclable packaging and 80% of packaging materials are renewable or recycled. (HKFoods annual and responsible report 2022, 21.)

Apetit has also recognized that packaging plays a major role in reducing food waste, and the company invests in improving the recyclability of packaging (Apetit annual report 2022, 40). In the 2023 annual report (2023, 16), the recyclability of packaging materials was 77 percent, and in the 2022 annual report (2022, 9), the figure was 70 percent.

In Olvi's 2022 annual report, the use of recyclable packaging and the reduction of the amount of plastic by switching to lighter bottles and plastic films are highlighted where possible, and the aim is also to replace plastic with other materials where possible (Olvi annual report 2023, 27). The use of recycled materials is preferred in packaging solutions, transport packaging is washed and reused, and the company participates in various projects to promote packaging solutions in line with sustainable development (Olvi annual report 2023, 27). According to Olvi's annual report (2023, 27), 84% of the total amount of material and waste was recyclable and reusable in 2022, and in the 2023 annual report (2024, 35) the same figure was 81.2%, but at the same time the recyclability of cans had increased to 99%, while it was 97 percent in the previous year.

5.4.4 Branding and marketing

Monitoring consumer behavior phenomena and trends is considered important, as they provide key information for business development, and global phenomena and megatrends are identified as having an impact on business (HKFoods annual and responsible report 2022, 14). Brand work is seen as important and the relationship with consumers is wanted to be strengthened through already familiar brands and to build commercial renewal (HKFoods annual and responsibility report 2022, 13). Communication and marketing to consumers was carried out on a brand-specific basis through social media and websites, where food preparation, packaging, product quality and product safety, healthiness, responsibility, animal breeding and wellbeing were highlighted (HKFoods annual and responsibility report 2023, 44).

In the 2022 annual report (2022, 12), Apetit defines its strong brand as one competitive advantage. Apetit approaches consumers through digital channels and online services, by meeting customers and with other marketing communications (Apetit annual report 2022, 49). Apetit has made successful product launches and investments to improve the image of frozen food (Apetit annual report 2023, 14).

One aspect of Olvi's responsibility is responsible marketing, where the company takes into account the regulations of the authorities regarding alcoholic beverages, but states that it also follows self-regulation, which is in some cases stricter than the regulations of the authorities (Olvi annual report 2023, 48). Strengthening brand recognition and desirability is seen as

important for increasing purchase recommendations (Olvi annual report 2023, 12). To support marketing, Olvi is increasing consumer understanding, which is felt to also support sales and brand recognition, as well as an understanding of purchasing behavior (Olvi annual report 2024, 12). When reaching consumers, digital channels are used as part of creating a customer experience (Olvi annual report 2024, 12).

5.4.5 Digitalization and development of sales channels

HKFoods' report states that digitalization will have a significant impact on the way both the company and its customers operate. Regarding consumer behavior, the growth in demand for new, fast and flexible sales channels have become part of consumers' spending habits. Utilizing data and digitalization is important in responsible meat production and developing the consumer experience. (HKFoods annual and responsible report 2022; 15, 18.)

In the HKFoods annual and responsibility report (2022, 14), it is stated that phenomena, trends and changes in consumer behavior can be responded to by working in close cooperation with retail and food service customers. In 2023, it was stated that HKFoods has been able to respond well to the change in consumer behavior and to grow in product categories that make the consumer's everyday life easier, because consumer brands have a strong position and the company's product selection is wide, and through that, products with suitable prices can be found for changing needs (HKFoods annual and responsibility report 2023, 11).

At Apetit, the grocery trade is seen as highly concentrated, while in other operating environments sales are more evenly distributed directly to restaurants and food service wholesalers (Apetit annual report 2022, 11). To support the export efforts, an own sales organization has been established in Sweden (Apetit annual report 2023, 14). The 2023 annual report (2023, 11) states that Apetit's brand and products have maintained a strong position in the retail trade in vegetable and frozen foods and vegetable oils, despite the change in consumer purchasing behavior.

In the 2022 annual report, the speed and ease of opportunities brought by hybrid purchasing and digital purchasing were identified (Olvi annual report 2023, 12). In the 2023 annual report (2024, 12), the need for the development of multi-channel sales channels to support hybrid purchasing was highlighted (Olvi annual report 2024, 12). Digitization and data management and utilization are part of Olvi's strategy, as the company feels it can ensure competitiveness and ability to change (Olvi annual report 2024, 12).

5.4.6 Comparing research data to scenarios

In this section, the results of the benchmarking analysis are presented by comparing the strategic priorities of the studied companies with the three foresight scenarios – optimistic,

pessimistic, and realistic – introduced earlier. This comparison highlights how well the companies' strategies align with different possible future developments and how prepared they are to respond to changing consumer trends in the Finnish FMCG market.

All companies are well prepared for an optimistic scenario where consumers' interest in responsible and high-quality products grows. The strategies of HKFoods and Apetit highlight responsibility in the entire value chain and sustainable food solutions, which corresponds to the possible increasing interest of consumers in responsible and high-quality products. Olvi uses its brand and product development to emphasize its responsible and local products. All companies invest in building brand value, which is beneficial if consumers are willing to pay for quality and responsibility.

In a pessimistic scenario, the economy weakens and price awareness in the purchasing behavior of consumers is emphasized, in which case companies must focus on cost efficiency and price competitiveness. At HKFoods, this has been taken into account by already developing a selection of more affordable basic products, which according to reports have withstood consumers' more price-conscious spending behavior. Apetit has a diverse selection of more affordable products, such as frozen teas, which attract price-conscious consumers. At Olvi, price awareness has been taken into account by developing product packaging sizes and price competitiveness. Every company has ways in its strategy to respond to price pressure. Companies have considered cost efficiency and price competition as part of their strategy, but the challenge can be competing with stores' own brands in an economic downturn.

In a realistic scenario, a balance is found where consumers value both price and responsibility. The strategies of HKFoods, Apetit and Olvi take this balancing into account. HKFoods has developed strong brands and multi-channel sales strategies that strive to maintain consumer trust and offer cost-effective and responsible products. At Apetit, the emphasis on plant-based and domestic products can stand out when consumers are looking for sustainable and affordable food. Olvi invests in customer-focused decision-making and the use of analytics, which improves the ability to respond to changes in consumer preferences. Every company recognizes the trend of digitization, improving customer experience and consumer understanding, and the growing role of online shopping.

6 Development of the Strategy workbook

This chapter presents the development outcome of the thesis – a Strategy workbook designed to support companies in integrating consumer trends into their strategy processes. While the previous chapter (Methods) explained the methodological approach and theoretical foundations, this chapter focuses on the practical development, content, and intended use of the

workbook. The purpose is to describe how the theoretical and research insights were transformed into a concrete tool.

6.1 Purpose and scope of the workbook

The Strategy workbook developed in this thesis is designed as a practical tool for anticipating and utilizing consumer trends in strategic work. The purpose is not to create a comprehensive guide to the entire strategy process, but rather to provide a focused tool that supports companies in recognizing and responding to rapidly changing consumer dynamics.

The workbook is not a new theory, but a new way to apply and combine existing strategy theories into practice in an FMCG environment. The novelty of the workbook comes from its practical applicability and the context of usability.

Although companies have strategy processes, they do not necessarily have a systematic tool that would combine the identification of consumer trends, the construction of scenarios and the definition of strategic priorities into a single whole. The analysis of the documents showed that companies do identify trends, but the reaction is often slow and fragmented. This indicates that there is no clear, unified method for utilizing trends. The need for a tool therefore emerged directly from the data.

The scope was deliberately limited. From a theoretical perspective, extensive strategy frameworks already exist, ranging from Mintzberg's orientations to tools such as the Balanced Scorecard and Blue Ocean Strategy. The intention was not to create a new strategic framework, but to find a way to combine existing theories into a practical tool. Incorporating all these elements into one workbook would have resulted in a heavy and unfocused outcome. Instead, this study concentrated on one critical challenge: how consumer trends can be systematically integrated into strategic decision-making.

From a practical perspective, companies in the FMCG sector operate in an environment where consumer behavior changes quickly and often unpredictably. In such industries, the primary challenge is not the absence of general strategy models, but the ability to adapt to shifting trends such as price sensitivity, sustainability, or digital purchasing behavior. A narrowly focused workbook provides an easy usable tool, designed to complement - not replace - existing strategic frameworks.

And from the perspective of constructive research, the workbook had to remain both coherent and testable. By limiting its scope to consumer trends, the construction directly addresses the research problem of this thesis and can be meaningfully evaluated for its relevance and applicability. Attempting to cover the entire field of strategic management would have diluted the focus and made evaluation impractical.

In summary, the Strategy workbook is positioned as a complementary tool that helps companies anticipate and respond to consumer trends within their broader strategic processes. Its strength lies in its focus: instead of providing all-encompassing strategic answers, it equips decision-makers with structured methods to handle the most pressing driver of change in the food industry today - consumer behavior.

6.2 Process of developing the workbook

The development of the Strategy workbook followed the constructive research approach described earlier in chapter 1.3. The process combined theory, research data, and practical reflection to create a tool that supports companies in integrating consumer trends into strategic decision-making. The development progressed in four main stages.

First, existing strategy frameworks and tools were reviewed to identify those most relevant for analyzing consumer trends. Models such as SWOT analysis, Porter's Five Forces, scenario planning, and value discipline models were selected as the foundation for the workbook structure.

Second, findings from the document analysis and benchmarking phases were reviewed to determine the key consumer trends that companies are currently responding to. Three dominant themes — price sensitivity, sustainability, and digitalization — were chosen as the central focus areas for the workbook.

Third, theoretical models and research results were combined into practical templates and exercises. Scenario planning was used to build optimistic, realistic, and pessimistic future paths based on these trends.

Finally, the workbook was refined through iterative adjustments to ensure logical flow, clarity, and ease of use. The structure was finalized to guide users step by step: identifying consumer trends, analyzing business impact, exploring future scenarios, defining strategic priorities, and setting measurable objectives.

The process ensured that the workbook was grounded in both academic knowledge and industry relevance, making it a practical and user-friendly tool for strategic planning in the Finnish FMCG sector.

6.3 Research findings integrated into the workbook

The workbook integrates the research and analysis conducted during the thesis and their connection to existing classic strategy models.

In the first phase, a trend review based on industry reports from McKinsey, Nielsen and others identified the key forces of change - consumer behavior, responsibility, digitalization and competition - which form the first section of the workbook, “Identify Consumer Trends”.

Next, a company-specific benchmark analysis showed how industry players are responding to these changes through scenario thinking and strategic prioritization. These findings were shaped into the workbook’s “Scenario Planning” and “Decide and Act” phases, in which the user moves from consumer trends to concrete decision-making situations.

The final phase, “Monitor & Adapt”, combines the need for continuous learning and monitoring identified in the research with the importance of strategic agility. This phase is supported in particular by the Balanced Scorecard thinking, which was utilized as a theoretical framework for measuring strategy and monitoring results. The phase helps the organization assess the impact of decisions, track trends over time, and update strategic priorities based on new findings.

Thus, the workbook is not a separate strategy framework, but a concrete application of research on different strategies, where theory and empiricism combine into a practical tool - forming a dynamic process from identifying trends to strategic implementation and continuous development.

6.4 Relevance for the FMCG sector

The FMCG sector operates in a climate of intense market turbulence, short product cycles, and ever-changing consumer expectations, driven by external factors beyond the company’s control, such as pandemics or wars. The results of this study highlighted that companies in the industry must continually find a balance between speed, adaptability, and strategic coherence. Traditional strategy models provide useful conceptual tools, but can remain too abstract and disconnected from everyday decision-making processes.

This workbook addresses this shortcoming by providing a practical and structured process tailored to the specific needs of grocery companies. It helps organizations: identify emerging consumer trends early on, translate these insights into strategic priorities, and maintain strategic agility through continuous monitoring and adaptation.

What makes this workbook relevant to the FMCG sector is that the research has utilized theoretical frameworks and combined them with real-world data from leading FMCG players and research institutes McKinsey and NielsenIQ. This way, the workbook aligns academic knowledge with the operational realities of the industry.

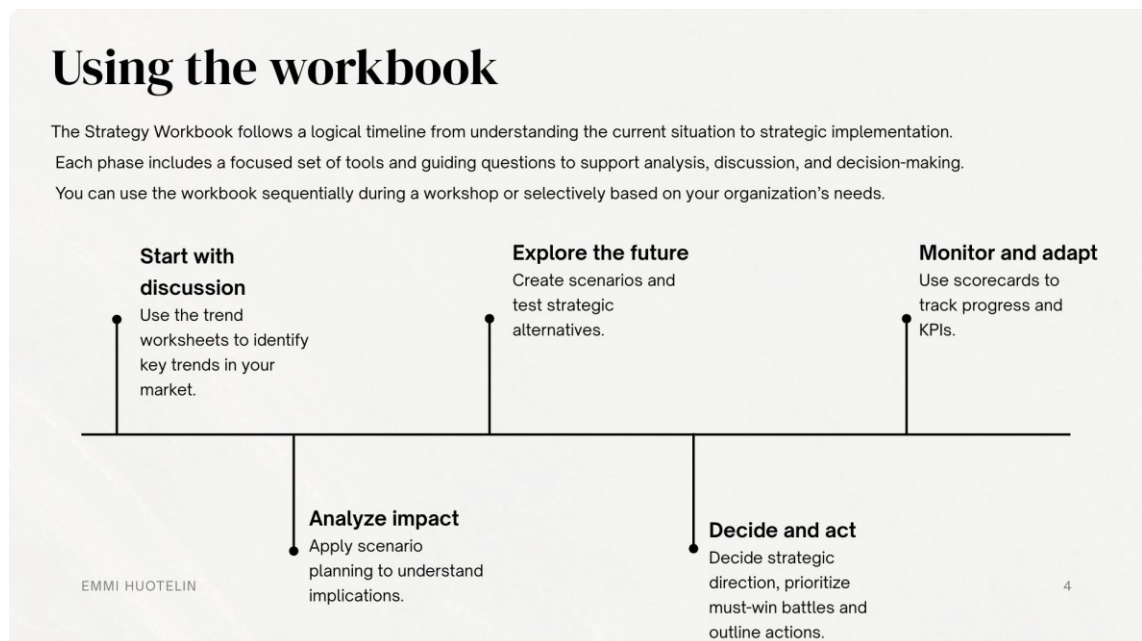
The workbook is suitable for use, for example, in strategy workshops or annual planning to support evidence-based decision-making and alignment between functions. The purpose of

the workbook is to provide tangible value to its user and strengthen the ability to make informed, strategic choices in a changing environment.

6.5 From theoretical foundations to practical structure of the workbook

The complete version of the workbook is included as an appendix to this thesis. It represents the final practical outcome of the research and development process described in this report. The workbook has been designed to be as a stand-alone tool that operationalizes the theoretical frameworks and research insights. This chapter summarizes its logic, structure, and intended use, while the full workbook (Appendix 1) provides detailed templates, guiding questions, and visual examples for practitioners.

The final version of the strategy workbook is organized as a five-phase process that follows the logic of constructive research: moving from understanding and exploration toward implementation and continuous learning. Each phase is supported by templates, guiding questions, and examples derived from the empirical research.



Picture 15: Overview of the structure of the workbook (Huotelin 2025).

Identify Consumer Trends - Analyze key shifts in consumer behaviour, sustainability, digitalization, and competition. Recognize opportunities and threats shaping the future market.

Analyze impact - Analyze identified consumer trends, move from general observations to structured insights. Choose 3-5 most important key trends and decide whether it is a threat or opportunity.

Explore the Future - Apply scenario thinking to anticipate possible future developments. Create optimistic, realistic, and pessimistic scenarios based on trend interactions.

Decide and Act - Define strategic priorities and Must-Win Battles. Translate strategic intent into concrete actions, responsibilities, and timelines.

Monitor and Adapt - Track progress, measure results, and adjust strategies as the market evolves. Maintain strategic flexibility through continuous monitoring and learning.

7 Summary and Discussion and further research topic

This chapter summarizes the key findings, reflects on the research process, and discusses the theoretical and practical implications of the study. The aim is to synthesize what has been learned through the combination of theoretical analysis, research, and constructive development work. The discussion also evaluates how well the study achieved its objectives, what kind of insights it produced for strategic management in the FMCG sector, and what limitations or opportunities for future research emerged during the process.

The chapter is structured into four sections. The first part, reflection, presents a personal and professional reflection on the research process and its outcomes. The second part, conclusions and scalability, outlines the main conclusions, evaluates the applicability of the developed workbook, and discusses its potential use in other contexts. The third part, further research topics, identifies possible directions for future studies based on the findings and development work of this thesis. Finally, process and findings review provides an overall evaluation of the research process, methodological choices, and key contributions to both theory and practice.

Together, these sections form a conclusion to the study, connecting the theoretical framework, research findings, and the developed practical tool into a coherent whole.

7.1 Reflection

The FMCG sector has been going through a period of strong change for years and has had to adapt to rapidly changing circumstances, for example due to the pandemic and Ukraine war. These external factors have influenced consumers' purchasing habits, shaped consumer trends and led operators to a very unstable operating environment at times. Recent years have proven that companies must be ready for rapid changes, but at the same time strive to predict future consumer trends.

In Finland, the operating environment of companies is not only challenged by external factors or direct competitors in the same field. A major challenger has emerged from grocery trade's private labels, which directly respond to current consumer behavior and consumers' financial situation at more affordable prices than brand products. At the same time, consumers are not as brand loyal as before.

Private label products are not the only challenge for companies operating in the grocery trade in Finland. In Finland, the grocery trade is largely concentrated in a few operators, who, with their market position, are able to significantly influence what is sold in stores and at what price. The research material also revealed that this is a problem, especially for small companies, when trying to enter the market.

This thesis has developed the author's professional competence, especially from the perspective of identifying consumer trends, which was also the purpose of the thesis. In terms of research competence, the utilization of many different methods developed analysis skills and information retrieval from different sources. The thesis has also deepened the author's professional competence in the field in which she has worked for over 10 years and provided practical tools for career advancement.

The thesis combined a theoretical framework and development work, the end result of which was a workbook. The purpose was to obtain a tool that can be utilized in industries where consumer trends guide operations. The process demonstrated how combining strategic theory with practical development can lead to new tools that directly support organizational decision-making.

During this thesis process, author gained a deeper understanding of how strategy is not a static plan but a dynamic and iterative process that constantly interacts with changes in the business environment. The study of consumer trends revealed that shifts in consumer behavior—such as increasing sustainability awareness, digitalization, and demand for transparency—are not only external signals but strategic forces that redefine competitive positions. Through reviewing strategic frameworks and analyzing company documents, came clear that successful strategy work depends on the ability to connect external trend data with internal decision-making structures.

Strategy processes in the FMCG sector increasingly require agility: companies must be able to anticipate changes, experiment with new solutions, and adapt their operating models quickly. This connection between trends, strategic foresight, and adaptability became a key insight that shaped the development of the workbook. It emphasized that trend monitoring should not be a separate activity but an integrated part of strategic planning and execution.

7.2 Conclusions and scalability

This thesis achieved concrete practical value, as its final result was a new tool for strategy work that utilized and combined existing strategy models and research data collected in the thesis.

The purpose of the workbook is to support organizations in identifying consumer trends and helping them respond to them through structured strategic processes. The workbook combines existing strategic models with insights from empirical research to form a unified framework that connects theory and practice. It offers companies a step-by-step approach to integrating consumer trend awareness with strategic decision-making, scenario planning and operational alignment.

The workbook is designed to be used within a company's strategy process to detect external market signals and convert them into internal actions. It is intended to be an agile and easy-to-use tool that emphasizes foresight and adaptability. Identifying and integrating consumer trends may become even more important in the future in a rapidly changing environment.

Although the main focus of the research was on the food industry in the FMCG sector, the findings and tools developed are not limited to this context. The workbook and its underlying framework can be applied to other industries facing similar challenges of rapid consumer change, such as service industries and technology companies.

However, one of the limitations of this thesis is that the workbook has not yet been tested in a real organizational environment. Future validation through pilot projects or case studies would strengthen its applicability and allow for refinement based on practical feedback. Nevertheless, the structure and theoretical basis of the workbook provide a strong foundation for further adaptation and testing.

7.3 Further research topics

This thesis offers many opportunities for deeper research in future. Future studies could contribute to both theory and practice by deepening understanding of how consumer trend awareness translates into organizational agility, and by producing evidence-based models and tools that enable companies to anticipate and respond to change more effectively.

One way this topic could be further discovered is by using case study method. Case study method is suitable when one wants to understand current complex phenomena in a real-life context (Yin 2018, 50). As this thesis has already combined theoretical synthesis, secondary data analysis, and the development of a practical tool, case study research would provide a natural continuation for validating and applying these results in real business environments. By examining how companies actually identify and react to consumer trends in practice,

research could test the workbook's applicability and reveal the contextual factors that enhance or hinder agile strategic adaptation.

Future research could also investigate how strategic agility evolves over time capturing both the organizational processes and leadership behaviors that support rapid adaptation. Studies could extend the theoretical contribution of this thesis by linking trend recognition with dynamic capability theory and by empirically validating the practical framework proposed in the workbook.

This thesis also provides a foundation for future empirical exploration of how trend awareness can be systematically integrated into strategic management practices, contributing to the development of agile, future-oriented organizations.

Future research could adopt a Design Science Research (DSR) approach to further develop and evaluate the workbook created in this thesis. DSR focuses on solving real-world problems through the creation and evaluation of new practical solutions (Hevner, March, Park & Ram; 2004, 77-79, 83).

In this context, the workbook could be treated as an evolving strategic decision-making tool, whose effectiveness in supporting trend-based strategic agility can be tested through iterative design cycles and feedback from industry practitioners. Such research would not only refine the practical usability of the workbook but also contribute theoretically to understanding how design-based methods can integrate consumer trend awareness into strategic management practices.

7.4 Process and findings review

The thesis process combined theoretical, analytical and developmental phases aimed at creating a practical tool for strategic trend identification in the FMCG sector. It began with a comprehensive literature review to build a conceptual understanding of strategy processes, consumer trends and strategic agility. Based on this theoretical foundation, research was conducted using document analysis, benchmarking and scenario planning. These methods were chosen because they complement each other: document analysis provided factual information on how companies communicate their strategic priorities, benchmarking revealed comparable practices between companies, and scenario planning helped to interpret future developments and strategic responses. Interviews were decided to left out. They could have highlighted individual perspectives, but annual reports and research reports represent official and publicly reported information that provides a more comprehensive picture of companies' strategic responses to consumer trends.

The analysis of the research material followed a qualitative and theme-based process that enabled the identification of consistent patterns across different data sources. All findings from market reports, consumer studies and company annual reports were systematically organized into an Excel table, which made the data easy to manage and compare. The availability of publicly reported material ensured that the dataset was both sufficiently extensive and easily accessible, allowing the data collection and analysis to progress smoothly.

The analysis was carried out in a structured and organized manner: themes were grouped, recurring patterns were identified and key consumer trends were defined based on these similarities. The key trends were identified through a systematic analysis of market reports, consumer studies and company annual reports. The same themes appeared consistently across both the document analysis and the benchmarking phase, which confirms that these trends are not company-specific observations but broader market developments affecting the entire FMCG sector.

Scenario planning was then used to explore how these trends might evolve under different future conditions, while benchmarking provided insight into how the selected companies respond to them in practice. By combining these three analytical approaches, the study produced a coherent understanding of how consumer trends influence strategic decision-making and created a strong analytical foundation for the development of the workbook.

In the workbook, the interaction between theory and practice reflects a constructive research approach and ensured that the final result - a Strategic workbook - was both academically sound and practically relevant.

The results of the study highlighted that food companies are aware of consumer trends, but often respond reactively and with some delay rather than proactively. The timing of responding to trends is influenced by both the company's own processes, but also the grocery store's schedules, which affect when new products can be brought to market.

Strategic agility emerged as a critical characteristic that distinguishes successful companies: those that were able to translate trend awareness into operational adjustments faster gained a competitive advantage. The research material highlighted the need to develop digitalization and new sales channels, which could also enable faster reaction to trends and the introduction of new products to the market. The study also revealed that integrating consumer trend monitoring directly into the strategic planning cycle improves foresight and adaptability.

The process reinforced that the effective strategy work requires a balance between analytical rigor and creative foresight. The development of the workbook demonstrated how theoretical

frameworks, such as value disciplines and strategic choice criteria, can be transformed into practical tools that guide managers in making informed, trend-based strategic decisions.

As a result the thesis manages to demonstrate a strong level of innovativeness through the development of a new, research-based strategic workbook designed to support companies in identifying and responding to consumer trends. The approach combines constructive research with document analysis, scenario planning, and benchmarking, creating a practical and theory-driven solution that bridges academic insight and business practice. The innovation lies not only in the creation of a new tool but also in how it integrates existing strategy models into a coherent, user-oriented framework for trend-based strategy work.

The workbook's design emphasizes applicability, scalability, and ease of use, allowing it to be adapted by different types of organizations within the FMCG sector and beyond. Although the study focused on the Finnish food industry, the developed framework and methods are transferable to other industries facing similar challenges in consumer behavior and market change. This ensures both the practical relevance and replicability of the results, meeting the criteria for high-level innovation and work-life applicability.

Although the process achieved its primary objectives, some limitations remain. The research was based on secondary data, which is reliable and comparable, but does not fully capture the internal dynamics of strategic decision-making. In addition, the workbook has not yet been piloted in a real organizational environment. Despite these limitations, the combination of systematic analysis and practical development provides robust and actionable insights for both academia and business, as well as opportunities for further research.

The chosen methods proved suitable for the purpose of this research, as they provided both theoretical and practical insights. However, relying only on document-based data limited the ability to capture company-specific nuances. In future studies, interviews or surveys could complement the findings by adding qualitative depth. The constructive approach nevertheless supported the creation of a practical tool and ensured the link between theory and real-world application.

Overall, the process of this thesis demonstrated the value of combining theoretical synthesis, empirical evidence, and constructive development. The results confirmed that combining trend identification with strategic reference frames can produce practical results that support organizational agility and competitiveness in a rapidly changing consumer market.

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Appendix 1: Workbook for Identifying Consumer Trends in the FMCG Sector - Author's own development output (Huotelin, 2025)

The workbook

FOR IDENTIFYING CONSUMER TRENDS IN THE FMCG ENVIRONMENT

Emmi Huotelin

2025

The workbook

For identifying consumer trends in FMCG industry

Purpose of the workbook

The workbook was created to help companies in the FMCG industry systematically anticipate and respond to changing consumer trends.

The operating environment is evolving faster than ever due to shifting consumer values, sustainability demands, and digital transformation.

This workbook offers a structured yet practical approach for turning trend insights into strategic actions.

EMMI HUOTELIN

Who is this workbook for?

This workbook is designed for business leaders, strategists, and development teams working in the FMCG sectors. It can be used in strategy workshops, management meetings, or independent planning sessions to guide discussions, identify priorities, and align strategic decisions with emerging market realities.

How to use the workbook?

The workbook combines analytical templates and reflective questions to support both individual thinking and collaborative dialogue. It is not a universal strategy guide but a hands-on tool to explore how consumer trends affect your business — and to help translate insights into clear strategic choices and actions.

Theoretical foundations of the workbook

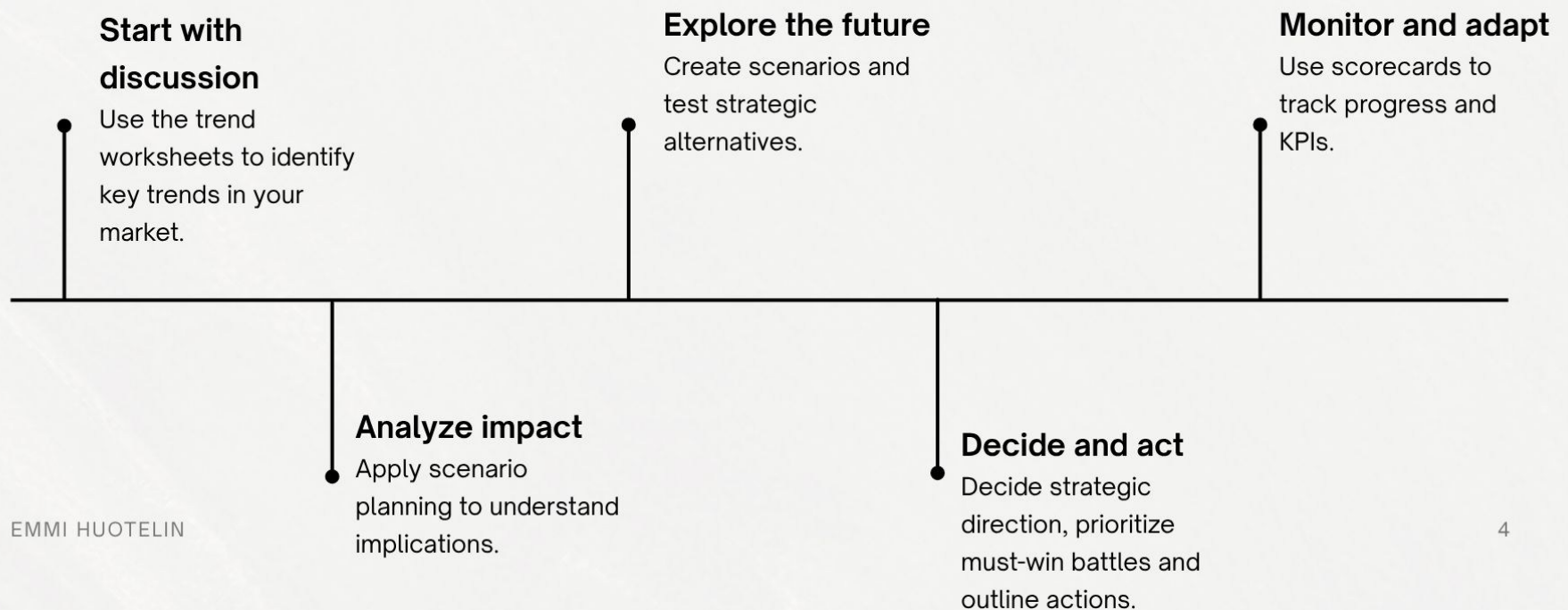
Workbook phase	Applied tool or framework	Purpose in the workbook
Identify trends	Porter's Five Forces, SWOT	Understand market dynamics and internal capabilities. Identify drivers of change.
Explore the future	Scenario planning	Anticipate alternative futures and test strategic assumptions.
Decide and act	Porter's Generic Strategies (Cost Leadership, Differentiation, Focus), Blue Ocean Strategy	Define strategic priorities (Must-Win Battles). Choose where and how to compete.
Monitor and adapt	Balanced scorecard	Translate strategy into measurable objectives and monitor progress over time.

Using the workbook

The Strategy Workbook follows a logical timeline from understanding the current situation to strategic implementation.

Each phase includes a focused set of tools and guiding questions to support analysis, discussion, and decision-making.

You can use the workbook sequentially during a workshop or selectively based on your organization's needs.



What is strategy?

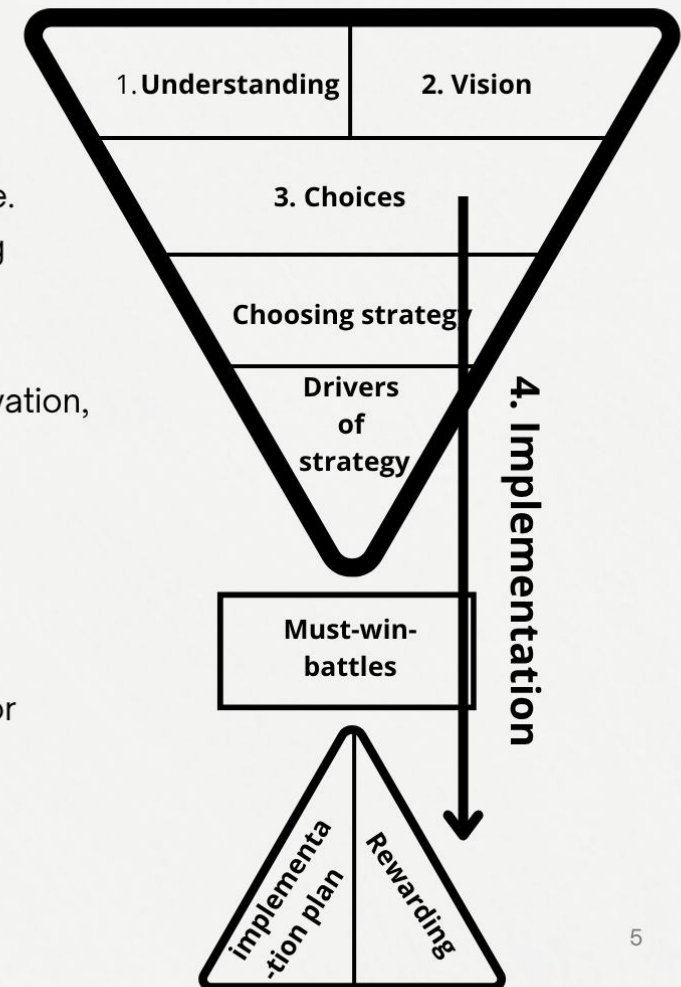
Strategy is the art of making choices about where and how to compete. It defines how a company creates value for its customers in a changing environment — and how it uses its unique strengths to achieve that.

In this workbook, strategy is viewed as a continuous process of observation, anticipation, and action:

- Understanding consumer and market changes
- Choosing a direction based on insights
- Aligning resources and people to make it happen

The goal of strategic work is not to predict the future, but to prepare for multiple possible futures and make the best possible decisions under uncertainty.

EMMI HUOTELIN



5

Strategy process (Accordingly Haapakorva & Sutinen. 2021, 147)

Identifying consumer trends – Step 1

Before defining strategy, it's essential to understand the key shifts in consumer behavior, values, and expectations.

This phase helps to build a shared understanding of what drives change — and where new opportunities may emerge.

Task: discuss and list 2–3 most relevant trends under each category in the next slide.

Focus on changes that affect your customers, products, or market position.

Sustainability &
responsibility

Technology &
digitalization

Market &
competition

Consumer
behaviour

Sustainability &
responsibility

Technology &
digitalization

Market &
competition

Consumer
behaviour

Identifying consumer trends - Step 2

Place your key trends into the SWOT framework to identify where your company is best positioned to respond — and where risks exist.

Strenghts

Weaknesses

Opportunities

Example: Price sensitivy

Threats

Example: Price sensitivy

Identifying consumer trends - Step 2

Place your key trends into the SWOT framework to identify where your company is best positioned to respond — and where risks exist.

Strenghts

Weaknesses

Opportunities

Threats

Identified consumer trends - Step 3

Next worksheet helps to move from general observations to structured insights.

Use it to describe what each trend means, how urgent it is, and whether it creates an opportunity or a threat for your company.

Choose 3–5 key trends from your discussion.

Describe each trend briefly in your own words.

Assess its impact (High / Medium / Low).

Estimate its urgency (Immediate / Mid-term / Long-term).

Decide whether it represents an Opportunity, Threat, or Both.

Trend	Description	Impact	Urgency	Opportunity / Threat
Example: price sensitivity	Consumers are increasingly comparing prices and switching brands more easily.	High	Immediate	Threat / Opportunity
Example: sustainability	Demand for transparent, eco-friendly sourcing and packaging.	High	Ongoing	Opportunity
Example: digital shopping habits	Growth in online grocery and direct-to-consumer delivery models.	Medium	Mid-term	Opportunity

Trend	Description	Impact	Urgency	Opportunity / Threat

Which of these trends will most influence your company's future strategy?
Highlight one or two trends that should be explored further in the next phase (Scenario Planning).

Explore the future – Scenario planning

To explore how identified trends might evolve in different ways — and how each possible future could affect your business strategy. Scenario planning helps you prepare for uncertainty in optimistic, realistic and pessimistic future. Instead of trying to predict the future, the goal is to anticipate multiple plausible futures and build strategic flexibility.

- Review the key trends identified in the previous worksheet.
- Discuss how these trends might interact or develop in different scenarios.
- Create 2–3 alternative scenarios that describe possible future situations.
- Evaluate how your company's strategy would perform under each scenario.

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Scenario	Description	Key trends	Strategic implication
Optimistic	Economic conditions improve and consumer confidence strengthens. While shoppers still compare prices, they are willing to pay more for quality, local and responsible products.	Price sensitivity softens sustainability and local production premiumization	Focus on brand value and storytelling. Offer premium but transparent product lines. Emphasize quality, origin, and responsible sourcing
Realistic	Price awareness remains moderate. Consumers balance affordability with value and convenience. "Smart choices" and good-enough quality guide purchases.	Price sensitivity Convenience Digital shopping behavior	Strengthen mid-range offerings and flexible pricing. Use digital tools to personalize promotions and highlight everyday value.
Pessimistic	Prolonged inflation and slow economic recovery make price the main purchase criterion. Consumers trade down to cheaper options and private labels dominate.	High price sensitivity Downtrading Private label growth	Streamline operations and reduce costs. Communicate clearly about affordability. Develop low-cost product lines to maintain volume.

Scenario	Description	Key trends	Strategic implication
Optimistic			
Realistic			
Pessimistic			

Decide and act

Prioritize Must-Win Battles and outline actions

It is time to turn insights and scenarios into concrete strategic priorities.

This phase helps define the Must-Win Battles and focus your resources where they make the biggest impact.

The key areas where success is critical for future competitiveness.

Select the most likely or preferred scenario

“Which of the scenarios seems most probable or aligns with our goals?”

Define Must-Win Battles based on that scenario

“What do we need to succeed in that future?”

Check resilience and test against other scenarios

“Would these priorities still make sense if another scenario began to unfold?”

Chosen scenario in this example is **realistic**. Consumers remain price-conscious but not purely price-driven. They seek good value, reliability, and convenience, and are willing to pay slightly more for trusted, responsible brands that make everyday life easier. Competition is intense, and companies must balance affordability, quality, and efficiency.

Must-Win battle	Strategic goal	Key actions	Owner	Timeline	Resilience across scenarios
1. Strengthen value perception	Ensure customers perceive strong value-for-money without competing purely on price.	- Clarify value communication in all channels - Optimize pack sizes and pricing - Enhance in-store visibility of “everyday value” lines	Marketing & Sales	6-12 months	Also critical in <i>Pessimistic</i> scenario (price pressure increases).
2. Build “Smart Value” product line	Develop a mid-tier product range combining affordability, quality, and responsibility.	- Audit current portfolio for price gaps - Introduce mid-price eco or local products - Simplify SKUs to improve margins	Product development	12 months	Remains relevant if <i>Optimistic</i> scenario unfolds (affordable sustainability).
3. Strengthen digital loyalty and engagement	Build stronger customer relationships to reduce brand switching.	- Launch or enhance loyalty program - Personalize offers with data analytics - Promote price transparency through digital tools	Marketing & Digital	6-12 months	Adds value across <i>all</i> scenarios (supports brand resilience).

Must-Win battle	Strategic goal	Key actions	Owner	Timeline	Resilience across scenarios

Monitor and adapt

Use scorecards to track progress and KPIs

Execution requires continuous follow-up. Tracking key indicators helps teams stay focused, identify early warning signals, and adapt to changing conditions.

The Balanced Scorecard approach connects actions with long-term strategic goals through four perspectives: financial, customer, internal processes, and learning & growth.

Example scorecard Must-Win battle 1: Strengthen value perception

Financial

Objective: Improve pricing margin

KPI: Gross margin percent %

Target: +3 %

Review: Quarterly

Owner: CFO, sales

Customer

Objective: Strengthen perceived value

KPI: Repeat purchase rate %

Target: <10 %

Review: Monthly

Owner: Marketing

Processes

Objective: Streamline core product range

KPI: number of SKUs reduced

Target: -10 %

Review: Quarterly

Owner: Logistics, marketing, sales

Learning

Objective: Improve staff pricing know-how

KPI: % staff trained

Target: 100%

Review: Quarterly

Owner: HR

Scorecard for Must-Win battle monitoring

Financial		Customer	
Objective:		Objective:	
KPI:		KPI:	
Target:		Target:	
Review:		Review:	
Owner:		Owner:	
Processes		Learning	
Objective:		Objective:	
KPI:		KPI:	
Target:		Target:	
Review:		Review:	
Owner:		Owner:	

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Based on Balanced Scorecard framework (Kaplan & Norton, 1992)

Strategy is never finished.

This framework can be reused, revisited, and refined as your market evolves.

I hope that the workbook helped you identify trends and that it will help you achieve commercial success.

Best regards,
Emmi Huotelin

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