

Chapter 10

Growing Pains: Shifting From a Traditional Business Model – A Case Study

Marisa R. Ferreira

CHICESI, ESTG, Politécnico do Porto, Portugal

Carina Silva

CHICESI, ESTG, Politécnico do Porto, Portugal

Beatriz Casais

 <https://orcid.org/0000-0002-7626-0509>

*School of Economics and Management, CICS.NOVA, University of Minho,
Portugal*

ABSTRACT

Today's ever-changing business environment is very demanding for companies, particularly those of modest dimensions and operating in more traditional formats. There is an imperative change happening in market and consumer behavior – a need for digital transformation or digital complement to the traditional business model, aiming at improving the lives of individuals, groups, and society as a whole. A Portuguese small company that manufactures cookies and biscuits has identified a need to move forward and revitalize its traditional business format, preserving its traditional origins but seeking to reframe its business in a more digital context. The main goals of the case study are to understand (1) this brand's evolution, (2) its primary difficulties, and (3) strengths, and the authors also indicate possible future paths that can be replicated in other similar businesses.

DOI: 10.4018/978-1-7998-7793-6.ch010

INTRODUCTION

Most entrepreneurs, by heading innovations and generating competition, contribute to economic and social development (Krueger, Reilly, & Carsrud, 2000; Nishimura & Tristán, 2011). The dynamic and active atmosphere where companies operate is very challenging. At the same time, in the second half of the 20th century, we witnessed a nostalgia boom, a concept known as a shared and collective phenomenon of growing awareness and fascination with the past. Consumers are increasingly looking for new experiences that can take them back to happier times, oftentimes symbolized in childhood reminisced. In fact, nostalgia for a perceived happier past can be particularly prominent in turbulent and anxious times (Reisenwitz, Iyer, & Cutler, 2004).

Our case study focuses on a longstanding Portuguese brand of cookies and biscuits founded in 1874 and which has been recently taking advantage of the emergent demand for vintage Portuguese products. A nostalgic aura of history, antiquity and tradition envelope this brand (Santos, 2012) of its humble origin seems to be a plus in a heavily disputed and highly competitive market, where a revival of old ways seeks to establish a new order of knowledge, production and consumption, incorporating traditions with reality.

In 2012, the brand initiated a process of expansion of its selling points to reduce its dependence on the final consumer market and avoid the issue of potential non-payment by its resellers. Currently, the technology used by the company merges the authenticity its old equipment with the efficiency of modern machinery, thus ensuring high-quality products. Central to achieving this quality is the artisanal manufacture, which is still quite evident in the packaging processes, with the cookies and biscuits being selected and paired in different packages (Rebelo, 2020). Our case study analyzes different management tools (SWOT and PESTEL analysis) in order to understand (i) this brand's evolution, its (ii) main difficulties and (iii) strengths, and we also indicate possible future paths that can be replicated to other analogous businesses.

The company of our case study believes in and advocates the continuity of tradition, which can be seen in the preservation of the same recipes, i.e., the original recipes — more than a century old —, as well as the general communication strategy and package design of the cookies and biscuits. The brand's assortment packaging underwent a rebranding in 2012 and the packaging is currently the same as the Paupério tin boxes sold in the 40's and 50's, with their blue and white colors reminiscent of the traditional Portuguese tiles. This is a very economical option in terms of design and packaging, and is proof of the brand's authenticity, history and originality in the eyes of consumers (Santos, 2012). The raw materials for manufacture undergo a rigorous selection, and their quality is central to implement the ancestral recipes.

14 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/growing-pains/295140

Related Content

Stakeholder Information Flow From Horse Entrepreneurs to Customers: Preliminary Study of Prevention of Equine Infectious Diseases

Heli I. Koskinen and Rauno Rusko (2020). *Building an Entrepreneurial and Sustainable Society* (pp. 274-288).

www.irma-international.org/chapter/stakeholder-information-flow-from-horse-entrepreneurs-to-customers/251292

Reducing Clinical Laboratory Footprints on the Environment With Intuitionistic Fuzzy Distance Measure

Vijay Kumar, Jyoti Chawla and Rajeev Kumar (2019). *Advanced Multi-Criteria Decision Making for Addressing Complex Sustainability Issues* (pp. 222-233).

www.irma-international.org/chapter/reducing-clinical-laboratory-footprints-on-the-environment-with-intuitionistic-fuzzy-distance-measure/227301

E-Waste Management: A Transformation Towards a Circular Economy

H. R. Swapna, Geetika Madaan, Sanjeet Singh, Manoj B. Mandake, Santosh Walke and Digvijay Pandey (2023). *Handbook of Research on Safe Disposal Methods of Municipal Solid Wastes for a Sustainable Environment* (pp. 270-284).

www.irma-international.org/chapter/e-waste-management/326621

Integrating Entropy Problem and GIS for Studying Landscape Ecology: The Simulation Case of Boundary Determination to Conserve Forest Landscape Ecology in Sa Pa District, Lao Cai Province, Vietnam

Quoc Lap Kieu and Huu Tap Van (2020). *International Journal of Social Ecology and Sustainable Development* (pp. 16-25).

www.irma-international.org/article/integrating-entropy-problem-and-gis-for-studying-landscape-ecology/251864

Sustainability Challenges in the MSME Sector of India Post COVID-19: Ranking by MCDM Method

Smruti Ranjan Satapathy and Meghana Mishra (2022). *International Journal of Social Ecology and Sustainable Development* (pp. 1-15).

www.irma-international.org/article/sustainability-challenges-in-the-msme-sector-of-india-post-covid-19/313961