



Case Studies on Best Practice in External Marketing Communication

Cases on
EATALY



Written in May 2015 by the ITALY/PAVIA team:

BRUSAFERRO Guido
DUTTO Fabrizio
MUNARI Matteo

D'ANGELO Francesco
FERRARI Alessandra
RISPOLI Armando

GRIGNANI Angela
GRILLO Davide
RUFFINO Martina



Funded by
the European Union



Erasmus+

Executive summary:

➤ Eataly is an international company founded in 2007

Eataly operates in the food sector as a mass distributor but their core business has a peculiarity: in the same place you can *buy, eat and learn* about high-quality Italian food. Indeed in their stores there is a big selection of Italian typical products that you can take and cook at home but there are also a lot of restaurants (some have also chefs awarded with Michelin stars). Eataly organizes often courses and events, in their shops, to teach to their customers the characteristics of foods and how to cook it.

➤ An entrepreneurial company

The founder and creator of Eataly is Oscar Farinetti, currently the CEO of the company. The strength point of the company is the union of the above cited activities (shopping, restaurants and cooking lessons) that poses it in a position where there are almost no competitors.

➤ An example of best practice

Eataly is an example of best practice in marketing communication whereas it has a different way of communicate: first of all its brand recognition is a fundamental element, then it has some peculiarity such as its poster designing, that are very overwhelming to clients' eyes. Another best practice of Eataly is its ability to communicate and dialogue with clients through its social media channels. Indeed its present on Facebook, Twitter, Instagram and other social network sites.

➤ Main markets and international issues

Eataly operates mainly in Italy, USA, Japan, Emirates States and Turkey.

In these countries it has different strategies: abroad, instead of regional products coming from small local producers, you can find well-known Italian brands used to attract foreign customers. The main segments of Eataly is people less sensitive to the price in favor of the quality of food.



Funded by
the European Union



Erasmus+

Foundation	2007
Industry	Food
Core business	Food retailers
Founder and CEO	Oscar Farinetti
Sales turnover	300mln € (2013)
Main markets	Italy, US, Japan
Customer segment	High quality food lovers
Website	www.eataly.net www.eataly.com



Funded by
the European Union



Erasmus+

Introduction of EATALY

Eataly is an international company that has revolutionized the way in which people can **buy, consume** but, first of all, **learn about food**. Indeed, the core activity of Eataly is to sell top quality Italian food all around the world, through their web site or their stores. Eataly motto is 'Life is too short to drink and eat badly'.

Oscar Farinetti acquired the brand Eataly in 2004, previously registered for an internet domain and a trademark by Celestino Ciocca, a brand strategy consultant, and founded the company in Alba (Piemonte, Italy), where it is still based the headquarter. He decided to open this completely new kind of stores because he was very passionate about food and wine and really curious about them, so he wanted to share his love for good products with people.

The first store was opened in Turin in 2007 near the Lingotto Palace and the idea of open other stores in Italy, and then in other countries, came soon. Today it counts 12 stores in Italy, 2 in the USA, 13 in Japan, one in Turkey and one in Dubai. Currently Eataly is going to open a shop in Brazil and one in Moscow, Russia. The Eataly's family is becoming bigger and bigger.

The innovation behind Eataly concept is to make Italian good quality food available for everyone, with the adequate price and physically availability. As told by the brand, EAT + ITALY, Eataly is not only a new way of selling food stuffs but their mission is to spread the Italian culture of cultivate, prepare and eat food. For Eataly has a fundamental importance also the way in which this food is produced and who makes it, indeed the brand joins a lot of small producers from different fields of wine and food sector. We can say that Eataly has revolutionized the way of thinking about supermarkets chain, carrying very high quality products in a big distribution system.

Eataly explained very clearly the guideline of its activity, indeed the 10 points of its **manifesto** are:

1. We are in love with food: *We love high quality food and drink. We love the stories about it, the people who produce it, the places it comes from.*
2. Food unites us all: *Good food brings all of us together, and helps us find a common point of view.*



Funded by
the European Union



Erasmus+

3. Our passion has become our job: *We've dedicated our daily lives to promoting a real understanding of high-quality food and drink. How lucky are we that we get to do what we love?*
4. The secret to quality of life? Quality products: *By creating and offering the best products, we improve our own lives, and bring added value to yours with quality food, quality drink and ultimately quality time.*
5. Our target audience is everyone: *We want you to be comfortable, happy, and enriched by every visit, do not matter the reason why you are here.*
6. Eat. Shop. Learn: *This is a store with stories.*
7. We are in this together: *What you choose every day determines what we'll stock on our shelves over time, demanding quality products, you support the local farmers, fishermen, butchers, bakers, and cheesemakers who produce them.*
8. Our three promises to you: *1. Choice (diverse selection) 2. Accessibility (best products at the lowest possible price) 3. Knowledge (we share with you the stories of the products, people and places behind all that we offer).*
9. Your trust is earned every day: *we promise to be scrupulously honest.*
10. The end goal: *is to have you as our customer for a lifetime.*

Eataly has a lot of **green initiatives** to save water, energy and other precious resources. Moreover, Eataly has tried to promote a new revolutionary wave about packaging, by serving products with less content on plastic and its derivatives (**Novamont partnership** for biodegradable packages).

Moreover it is also **community involved**: Eataly is involved in community events (such as Food Day and Earth Day) and it is also working closely with important organizations and food producers that share a spirit of community. Indeed, starting from the point in their manifesto 'Food unites us all' they embrace a lot of initiatives to support the communities in which they operate.

For example, Eataly has a partnership with **Slow Food**, a non-profit, eco-gastronomic organization that was founded to counteract fast food and fast life, the disappearance of local food traditions and people's dwindling interest in the food they eat where it comes from, how it tastes and how our food choices affect the rest of the world. In the USA, Eataly collaborates with **Wild Hive Farm Community Grain Project**, the **City Harvest** association in NYC and with **The Italian American Committee on Education (IACE)** based in New York.



Funded by
the European Union



Erasmus+

What makes EATALY an entrepreneurial company? How innovative are they?

One of the main aspects that underlines the innovativeness of Eataly is its **business model**. Indeed, its own business model reveals us a new way of doing shopping, making it a real **shop experience** that embodies together the concepts of buying, eating and learning. This is a very multidisciplinary approach: at the same time, you have the possibility to do shopping, to become more sensible to high-quality products and to taste food in restaurant and learning how to cook them with the right ingredients. In other words, Eataly has all the characteristics to become your second home and, if you love food, you will fall in love with the atmosphere of its stores .

If we were called to differentiate Eataly over its competitors, we may say that it enjoys a characteristic of **uniqueness**, thanks to its business based on the different activities that we cited before. Thanks to this peculiarity, there is practically no competitors fighting with the same business model.

However, we can find competing firms discerning each activity; for example, examining shopping activity we can see Eataly as a mass distributor, even with much more attention on high-quality and with a reasonable counter-effect on price. Another important evidence that differentiate Eataly against its competitors is that it offers an almost total “made in Italy catalogue” with a brand recognition and a strong sense of belonging to Italian.

For what concern its **clients target** Eataly has two main groups: on one side, the company was focused on less sensitive customers who do not consider prices in favor of higher quality. On the other hand, it has tried to create a new target by influencing people to **shift their eating habits** in favor of quality products. The aim would be to link people with good quality food, whenever this can be sustained by the right willingness to pay.

A point of strength of the **revenue model** of Eataly is its capability to look for best quality suppliers and negotiate to create partnership with them. There are many examples of it, just to mention some brands: *Barilla, Grana Padano, Parmiggiano Reggiano, Parmacotto, Lavazza, Venchi, Peroni* etc.

This contractual relationship has allowed Eataly to be a mass distributor with thousands of products and with a strong power of negotiation with suppliers. Someone think that the bargaining power has been consolidated after years and it comes, by some extent, to the previous experience of Farinetti as Unieuro CEO.



Funded by
the European Union



Erasmus+

Eataly does not only enjoy a strong buyer power but it has a great competence on negotiate with important clients (selling power), hereafter some examples: MSC, NTV trains and Starhotels and so on.

As you could easily discover Eataly has engaged itself into the searching phase of its **stores**. It has looked at those plants that closed up production or facilities that were displaced, with the aim to occupy them to open their stores. This is a good step to start business without being committed with high capital costs. The plants that were more attractive for it have some characteristics in common: fashionable old plants to restore, with a wide interior area organized, at least, in two levels, to have the possibility to combine the different activities it offers. *Milano Smeraldo*, *Piacenza Eataly*, opened in 2014, and *Genova Eataly* are just example of this philosophy of facilities reconversion. These **fascinating buildings** are also became a well known characteristic of Eataly.

Eataly has started its business by considering only the domestic market, but after a while, it has understood that the business could be imitated in other countries with the same passion for Italian food. As we told before, Eataly is now present in a lot of countries with its stores.

USA and United Emirates clearly represent two strategic locations to be as known as possible in international market. The first for the largeness of the market and for their love for Italian food, also thanks to the big Italian community that lives there, and the second for the prestige that being in Dubai gives to your brand. **Japan**, instead, could be considered the main source of revenues arising abroad with its own 13 stores opened up in its territory. Eataly has invested more than 10 million in Japan with other two shareholders Btg Group and Lawson. The Japanese market has always been an important one for Italian food products, indeed the majority of Italian food export goes to Japan (mainly pasta and cheese).

What makes EATALY an example of best practice with regards to external marketing communication? – How are these practices implemented?

A fundament pillar of the Eataly communication is the **brand recognition** that the company has developed. As we have highlighted before nowadays Eataly has a strong perception in terms of brand, it is not difficult for example to find articles speaking about that. Eataly today means: food, quality, Italy, cooking, life style a lot of meanings in just one words.

To increment and/or benefit from this brand awareness, Eataly for example has decided to locate its brand and restaurant on *MSC's boats* and in *Starhotels*, two top quality companies on their sectors.



Funded by
the European Union



Erasmus+

Very important, for the brand image, is also the presence of renowned restaurant inside some Eataly stores, see for example *Alice* restaurant in Milano Smeraldo.

Other distinctive elements in Eataly communication are their **events and classes** in which they teach and emphasize, in particular abroad, Italian way of view food, introducing local product and recipe. It is not unusual, indeed, to find in New York or in Chicago courses that explain the characteristic of best regional products. To give that lecture are called excellent chef and sommelier known all around the world, for example *Linda Bastianich* has often classes in Chicago. These names are of course helping Eataly in increasing more and more its reputation.

The first tool that Eataly has to communicate to its clients is their **web sites**. In each you can find, a part from an e-commerce section, all the 'stories' that they are so glad to tell you: information about the products, the producers, the mission of the company and its green activities. Surfing it you have exactly the same feeling that you have inside their stores: passion for Italy and its wine and food tradition.

Today Eataly has also the new online platform *Eataly.net*, managed by a start-up, that is operative mostly in Italy, then US and Japan, and is specialized in the e-commerce part of the business.

We told before that **Eataly buildings** are so impressive that constitute themselves a promotion of the brand, but this not the end of the story, also inside the **stores** the communication continues in a very effective way. Lighting, furniture, colors, packing of the products, bars, restaurants all give you the same 'Italian' message and encourage you to try the food and come back again to Eataly.

Another communication practice that you realize immediately visiting one of its shops is the **poster designing**. These posters give you information about Eataly's philosophy, propose products and their producers, in the attempt to remember the clients the value chain behind each of them.

The posters imagine is clean and essential, with white that represents the main color; texts are simple and clear, too. Posters are made to be understandable by everyone and to give advice to the clients.

We can conclude that shops layout has been well studied in any detail, to attract as much as possible the consumers attention.

One of the most important poster of the entire campaign is the one mentioning the Wendell Berry's famous quote: "Eating is an agricultural act". This sentence seems to remember that the final decision on what is consumed and so produced is made by consumers; if everyone decided to demand high quality products the producers in turn would follow them. Indeed, Oscar Farinetti underlines how the quality offered in Eataly depends on the quality demanded by the consumers.



Funded by
the European Union



Erasmus+

Hence the Eataly's aim is to **communicate and dialogue with clients**, telling them a story. The consumer is no longer seen as the one to hit and bombard through advertising but at the opposite, it is a counterpart which it is possible to create a relationship with.

Eataly has a great opportunity in these months of the **EXPO 2015** in Milan: it has a 8.000 m² pavilion in which are present among 20 regional restaurants. These restaurants will accommodate 14 different cooking team each month, 84 in total, coming from different prestigious restaurant, representing the traditions of the Italian regions. Some other restaurant will not change during the events: for example *Rossopomodoro* and *Integralmente mia* that represent the traditional Italian pizza during all the EXPO.

Of course it will be at the same time a challenge and an opportunity for Eataly that could benefit so much from such an important and international show case.

Obviously, behind all these communication activities there is the willingness to express the **uniqueness of the Eataly activities**. All the characteristics that make this company different from competitors, such as attention for the quality, different activities in the same location and so on, are always highlighted.

Another fundamental feature that characterizes the communication of Eataly, in store but also outside, is the exaltation of the **Italian mood** of live food and cooking. The "Italian way to do" is strongly present, also through posters that 'smooth' the atmosphere with philosophy and irony. The tricolor of the Italian flag is recurrent around the places, as to remember a strong sense of belonging to Italy and love for its products and for the "Italian home-made".

How is EATALY utilizing the new communications features?

For Eataly the presence on social network sites is very important, today but it is quite new, indeed at the very beginning of its business the presence on this kind of new media was not so fundamental.

Thus, the strategy concerning **social media marketing** is still under development and by the nature of these media is always changing but Eataly is already present on **Facebook, Twitter, Instagram, Pinterest, Tumbler** and also **Google+**.



Funded by
the European Union



Erasmus+

Eataly does not use traditional media to make communication, so social networks represent the only way to promote itself and talk with clients, a part from its web sites and its stores that are big instruments too.

For the company each of these channels is important because with each social media you can reach different share of clients and in a different way. For example on Instagram you can quickly add pictures and short videos, with Facebook you can give more information to you clients using longer texts and on Twitter you can use hashtags to become a top trend.

Looking for Eataly in the social network you can find a lot of official pages, at least one for each country in which it is present. In these profiles you can find a lot of pictures of Eataly's products and chefs' dishes, that invite you, directly or indirectly, to come to the shop and try them. Also upcoming events and classes have a relevant space on social networks.

Of course, every post that is uploaded on their official channels reflects the concept of the brand: *quality, passion and Italian style* are always central.

As we told before the strategy behind its activities on social networks is always changing; for example, from a short time, Eataly is publishing videos with short recipes on its Instagram account, *@Eatalygram*; the series is called 'Eataly at Home' and shows how you can use Eataly ingredients at home to create fabulous courses.

Differently what we could expect, Eataly did not do a massive communication campaign, either on social media or on its web sites, for what concern its adventure in Expo, at least before the beginning of the event. Probably the things are changing now that the Expo is started and Eataly is working hard in it.

Eataly, on the sites Eataly.com, has also its own official blog called **Eataly Diaries**. In it you cannot find just Italian recipes prepared by famous chef, but something more: indeed, in it there are travel advice to visit the best places of Italy, news about Eataly stores and restaurants, explanations of the characteristic of important products and ingredients and articles about agriculture and environment in general. Visiting the blog is a necessary step for who loves Eataly and its world.

International issues

Eataly today is present, with its stores, in 5 countries: *Italy, Japan, USA, Turkey and United Emirates*. Keeping, of course, unchanged its mission and the fundamental



Funded by
the European Union



Erasmus+

pillars of its strategy, the company has some differences abroad with respect to its home country.

In Italy, Eataly tries to be as local as possible, indeed in stores you can find a lot of products of the region and the territory in which they are inserted. So we can identify three categories of products in the same store: **local/regional products, Italian traditional products and very few excellence coming from abroad.**

Moving into the other countries the story is little different. There, the key is no more the region of belonging but the entire Italian territory: local products are less present on shelves and often they are present for a limited period of time in events dedicated to a particular region. Of course, the majority of goods sold abroad come from Italy, but for what concerns perishable products: fresh fruit and vegetables, meat and fish, they are often bought in the country in which they will be sold. Behind this choice there are the respect that Eataly has for the environment, avoid too long transportation, and for the freshness of the food. Exceptions to this rule are those products that are fresh but can be produced only in Italy, as the *San Marzano Tomato*.

Also *brands* present in its selection are not always the same in Italy and abroad. While for the domestic market small, local and sometimes niche producers are privileged and almost no mass brands are present in stores, in the other markets the choice is a little different. Indeed abroad you can find on Eataly shelves well known brands, such as *Barilla, Mutti, Ponti*, that you probably will not find in Italy in its stores. The aim is to attract consumer using these well known brands, that abroad means Italy and quality, to lead costumers to discover the other less known Italian excellence.



Funded by
the European Union



Erasmus+