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Abstract

This master's thesis explores a radical innovation's contribution to a company's development in context of functional foods. Functional foods are a crossroads for several industries, and the general health orientation and increased consumer interest have accelerated the business.

The qualitative case study had a purpose to explore how can a radical innovation contribute to a company's development and how do the phases of the product life cycle of functional foods look like. The case on focus in this study is Benecol, the cholesterol-lowering spread produced by Raisio plc.

The research was conducted by interviewing some key persons involved with Benecol and searching information available of Benecol. However, the research starts by defining important concepts, such as radical innovations and functional foods, in order to be able to classify Benecol as belonging to both of the categories. The traditional product life cycle by Vernon is presented and applied to Benecol.

It was found out that the stages of the product life cycle of functional foods are identical to the ones of a traditional product, but the duration of and nature of the stages are different. Moreover, functional foods are generally different than other innovations, for instance conducting functional foods requires cooperation among several authorities. Radical innovations and a company's development are seen as parallel, for example company's survival can be a driver for innovations. In Benecol's case the massive cooperation effort behind the development was seen as a core asset for the product innovation, and Benecol as a product has contributed to Raisio's development for instance in the internationalization of the firm.

Key words	Radical innovation, functional foods, growth, product life cycle
Further information	

