The Roles of Branding for a Brand Entering Overseas Markets

A Case Study of a Danish Butter Launching in Hong Kong with Success

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Abstracts

Purpose – The purpose of this research is to investigate how branding is applied in a challenging industry for an overseas market. In other words, we would look into the aspects that are important for building and strengthening a brand in overseas market.

Design/Methodology/Approach – Our qualitative research is developed according to the interpretive approach which seeks to understand the aspects of brandings for overseas market. This research would be conducted as a deductive study; the validity of present knowledge would be demonstrated. Qualitative approach is applied for identifying the aspects in a successful launching of a brand in an overseas market.

Findings – This research demonstrates that branding has been involving in launching of brands to overseas markets. The case study indicates that brand portfolio, brand identity and brand positioning are essential in extending brands to overseas markets.

Practical Implications – It serves as supplementary and reference information for brand management in marketing plan for global markets, especially in food industry.

Originality/Value – The originality of this paper lies in its knowledge area of branding, which uses brand portfolio, brand identity and brand positioning literatures and journals to examine the role of branding in practical case.

Keywords Brand Portfolio, Brand Identity, Brand Positioning, Denmark, Hong Kong, Food Industry

Paper Type Research paper
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Catherine Wong and Nick Tat Pui Lau
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Terms, Definitions and Abbreviations

AMA : American Marketing Association
BSM : Butter, spreads and margarine
FOR : Frame of Reference (critical component of brand positioning)
HKD : Hong Kong Dollar, Currency
POD : Point of Difference (critical component of brand positioning)
P&G : Procter & Gamble
RTB : Reasons to Believe (critical component of brand positioning)
1. Introduction

This chapter introduces the background and purpose of the research, why branding is intended to be studied under the case of Lurpak. The problem, purpose, goal and scope of this study would also be defined.

Nowadays, market size is limited in a home-country and, at the same time, competitive pressure is increasing locally (Contractor, 2007) (Keller, 2003). These force organisations to sell their products towards a non-domestics market and turn their brand globally. (Hsieh and Lindridge, 2005) Some famous examples of global brands include Coca Cola, Microsoft, Toyota, IKEA and LEGO. According to their financial statements, most of their profits are outside the domestic market. There are many other firms tend to increase their market shares by building and leveraging their brands internationally. Global branding has become a trend and an important market strategy nowadays (Tybout and Calkins, 2005).

Branding generates promise to consumer on certain superior values and a brand is more than a name or a logo (Tybout and Calkins, 2005). A branded offering, either product or service, increases consumer awareness and build consumer loyalty (Motamen and Shahrokhi, 1998). It is one of the most valuable intangible assets of a company (Keller and Lehmann, 2006). There are studies showing that branding plays an important role in international marketing (Wong and Merrilees, 2007). For example, branding helps Louis Vuitton, a luxury consumer brand, entering into global market successfully. Louis Vuitton bag is not only a tangible bag with a “Louis Vuitton” printing, but also associates with high quality product. Additionally, it adds extra intangible psychological benefits to the consumer, like prestige and a sense of high status.

When a company has superior products with strong brand portfolio, brand identity and brand positioning, in most cases, it is easier to launch in a new market than creating a new brand.

By taking an existing brand into a global marketplace, there will be more opportunities to leverage the scale, expertise and core competence of that organisation. However, cultural differences may affect the acceptance of a brand or product. Thus, not all brands category can easily be launched internationally, especially in food industry, food brand would be more challenging to brand globally because of its link to local customs and rituals (Tybout and Calkins, 2005).

1.1 Background

In this paper, we intend to investigate the case using branding strategies, brand portfolio strategy, brand identity and brand positioning. Finally, we would identify the success factors and challenges of the case.
Finding a Suitable Brand for this Research

When we started looking for company (or commissioner) that would be appropriate for the case study, we have made up below criteria:

- The brand and its products have been launching in overseas market successfully (e.g. big market share)
- The brand would be ideally be in food industry
- The brand should be at least having a strong brand image in its home country

And finally, we find the brand Danish butter brand Lurpak which is owned by the Scandinavian dairy company Arla Foods amba fulfilled the aforementioned criteria and obtained the acceptance for its participation this research.

Why Is Hong Kong Identified as the Overseas Market to be Studied?

Facing the challenges in local customs and rituals and tough competition between brands and substitution products, Lurpak is not only being strong in its home country Denmark. According to the Arla’s Financial Report 2009, Lurpak is the number one butter and spreads in United Kingdom and Greece. (source: Arla website) Perhaps it is easier to understand why Lurpak could have a big success in these two markets when they have similar European eating behaviours.

Looking at Hong Kong market, with the facts that the land resources are limited, over 95% of its food supply relies on imports. However, there are the obstacles for foreign food brands, such as Hong Kong has different eating behaviours. On top of that the fears of the milk contamination scandal in China in 2008, it influenced the dairy product industry (source: Times Newspaper), like Starbuck coffee shops in China sold coffee with soy milk instead of cow milk even coffee with cow milk is its core competence (source: Bloomberg). Cadbury, the British candy-maker, the global chocolate brand, recalled 11 chocolate products due to the same scandal (source: Telegraph). With all these challenges in dairy product industry and competitions between brands, Lurpak is still the number one for butter and spreads in Hong Kong (see Appendix 6: Sales Figures of Butter in Hong Kong - By Year). Thus Hong Kong market is an interesting overseas market for this case study.

1.1.1 Commissioner – Arla Foods amba

Arla Foods was found in 1881 and jointly owned by milk producers in Denmark and Sweden. It is the third largest company in the world among the cooperative dairy companies nowadays. Its core product lines include milk, organic products, butter, cream products, yoghurts and curdled products, cheeses.

1.1.2 Danish Butter Brand - Lurpak

Lurpak butter is one of the brands owned by Arla Foods. It has twice been voted "Best tasting butter in the world" at the World Championships for dairy products. In Hong Kong, the Lurpak range includes butter and spreads oils, all of which can be found in major...
supermarket chains. Lurpak has been entered into Hong Kong market for almost a decade. (source: Lurpak)

1.2 Problem Statements

Further to the previous sections, business size can be expanded by building and leveraging brands globally, many companies have been working a lot in this area. In regards to extending products to overseas markets, brand-building of a company and its products is crucial to the successful overseas business expansion. Among various categories of industry, food is one of the most challenging to drive globally. To learn from experiences of real business cases, here we define the problem statement of this research as follow:

- What are the roles of branding for a brand entering overseas market?

1.3 Purpose

The purpose of this research is to investigate how branding is applied in a challenging industry for an overseas market. In other words, we would look into the aspects that are important for building and strengthening a brand in overseas market.

1.4 Goal

The goals of the degree project are:

- Identify the ways of how a company manages its brand in overseas market strategically, and the factors of consideration when a brand is marketed to overseas markets
- Investigate the advantages and challenges of branding of food products to overseas market based on various branding theories

1.5 Scope

The scope of the degree project is:

- This study would be focused on the knowledge area of branding theories – brand portfolio, brand identity and brand positioning
- Food industry in general is seen to be one of the challenging categories to be market, only the BSM industry would be studied
- Only the brand “Lurpak” would be focused in the case study
- Hong Kong is defined as the overseas market we would look into. And here we refer the home market of Lurpak as Denmark

1.5.1 Delimitations

Consider the limited timeframe given in this research, delimitations of the study are set as follow in order to maximise the depth of study by focusing on the relevant area and information:
Only the factors around the knowledge area of brand architecture, brand identity and brand positioning are regarded in this research.

The cost of brand-building activities would be disregarded.

The investigations would only be conducted for a specific brand, its industry/category in a specific overseas market.

1.5.2 Constraints

The survey we conduct in Hong Kong may only represent the opinions and thoughts for a group of people in the market, and may not represent the opinions of the whole populations. Therefore, in order to increase the reliability of the data, we would define the criteria of target correspondents in our survey.

The findings may only be applicable to food industry and to BSM industry in particular.

The results may vary when they are applied to different home market and overseas market combinations.

1.5.3 Target Groups

The target groups are:

- Professionals - this paper would be served as supplementary / reference information for brand management in their business/marketing plan for global markets.
- Scholars - this paper serves as a demonstration on how the branding theories are applied in the business case with the collection of academic perspectives.
2. Theoretical Framework

This chapter presents theories within the fields of brand portfolio, brand identity and brand positioning that would be relevant to this paper. Branding would be introduced at the beginning of this chapter.

2.1 Definition of “Branding”

The origin of brand or branding can go back to 17th century. According to the Oxford dictionary, it comes from a German word which means an ownership mark burnt by a hot iron (source: Oxford Dictionary) Meaning of “brand” has been changed over years and is extended to a broader meaning nowadays. It means more than just a “mark”. According to the American Marketing Association, “brand” means “A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark.” (source: AMA). A brand may change individual’s perceptions and experiences on a product or service. Every consumer may evaluate an identical product differently. On the other hand, a brand is an intangible asset and a legal property, which can be traded (Keller, 2003). Some of the latest researchers define “brand” not only a trade mark nor a “recognition factor”, it is also a “feeling good” factor (Boatwright, Cagan, Kapur and Saltiel, 2009).

“Branding” can be defined as “the process of building a positive collection of perceptions in your consumer’s mind.” (Chiaravalle and Schenk, 2006). It is a marketing strategy and a process of building a brand. Branding can create consumer-brand relationship and generate a “feeling good” factor (Boatwright, Cagan, Kapur and Saltiel, 2009).

Whitelock and Fastoso have explored and summarised the meaning of “global branding” or “international branding”. Their finding is now commonly used and the terms are defined as “a field within international marketing concerned with the challenges that companies face when their brands cross national borders. These challenges relate to the essence of the brand in terms of brand name, brand visual (e.g. logo, colours) and sound elements (e.g. jingles, music), and brand personality.” (Whitelock and Fastoso, 2007). In short, it is selling a branded product in a non-domestics market.

A successful and strong brand benefits marketing strategy and provides lots of advantages for a firm. It increases marketing communication and influence one’s mind effectively. Consumers will have greater loyalty to the brand and the organisation can even sell the goods at higher margins. Due to the valuable intangible asset, it enhances licensing and brand extension opportunities (Keller, 2003). There are also indirect benefits to a company, which is not related to their product. For instance, there is positive effect on stock return and generate investor’s interest to the company’s share (Mizik and Jacobson, 2008) (Aaker and Jacobson, 2001).
2.2 Brand Portfolio

Brand portfolio strategy is widely used nowadays, especially by global companies, such as Kraft and Procter & Gamble (P&G). It is defined as a set of different brands and its brand line extension in a particular category of a firm (Keller, 1998). Riezebos simply described it as a collection of brands owned by an organisation (Riezebos, 2003). Both of their focus points are the linkage of the brands in a company, i.e. each brand is somehow dependent within the portfolio. Brands are currently considered as part of a whole, instead of an individual response to consumer’s demand (Chailan, 2009). Good brand portfolio management should optimise the benefit of a company. The brand in the portfolio should not harm and decrease the brand equity of others. It may attract a particular market segment that is not covered by other brands of the organisation (Keller, 2003).

Aaker presented the theory in his literature “Brand Portfolio Strategy” in 2004. Brand portfolio objectives are to build strong brands, leverage and extend current brand assets, provide synergy, be relevance in the market and clarify brand image (Aaker, 2004b). Corporate brand association base model is also very useful in brand portfolio strategy. It is a framework for designing strategy brand alliances, which can develop a balance between internal and external leverages of corporate brand (Uggla, 2005).

However, it is a challenge in marketing strategy development since each brand has different strength and limitation (Tybout and Calkins, 2005). Research showing that brand portfolio management is complicated and it depends on specific performance goals of a company (Morgan and Rego, 2009). Therefore, brand managers usually do not care the linkages between corporate brand and other brand assets within the portfolio (Aaker, 2004c).

A typical brand portfolio is shown in Figure 1. A company, which holds multi-brands, normally splits its brands into primary brands, sub-brands and sub-sub-brands. Each brand has its own products and belongs to a product category. They can be under same or different categories. A Primary brand is the core and dominant element and most people are referring to. McDonald’s restaurant and LEGO are the examples of primary brands, followed by a product description. Sub-brands are under the primary brand. General Electric launches its electric appliances through its sub-brands. A simple structure will only have a primary brand, without any sub-brands (Tybout and Calkins, 2005).

Figure 1 - Typical Brand Portfolio (developed from Tybout and Calkins model)
Brand portfolio strategy introduced by Tybout and Calkins and brand architecture defined by Aaker and Joachimsthaler provide a structured way in analysing the case using various brand portfolio models. Brand Relationship Spectrum is divided into 4 basic brand strategies and 9 sub-strategies, see Figure 2. The 4 aspects are house of brands, endorsed brand, sub-brands and branded house. This model can help a firm to design an effective brand strategy (Aaker & Joachimsthaler, 2000).

**Figure 2 - Brand Relationship Spectrum by Aaker and Joachimsthaler**

Here we also elaborate two of the most significant Brand Portfolio models according to Tybout and Calkins - House of Brands & Branded House.

House of brands is a classic model for brand portfolio. A parent brand or a firm owns various brands and they are often exists on its own. Consumers normally unaware they are related. With this model, a firm reduces redundancy by building distinct positioning for every brand. P&G uses house of brands approach for their marketing strategy. They hold a number of brands, such as Olay, Pampers, Pringles and Tide. Each of them is not advertised through its parent’s brand name, P&G. Advantages of using house of brands are each brand can be precisely targeted to a special group of consumers and easy to launch globally. Parent company can always launch or acquire a brand which is suitable for its target consumers or in overseas market. Moreover, this approach can minimise risk if one of the sub-brands is tarnished by scandal. Other distinct brands from the parent company usually have little impact on the crisis (Tybout and Calkins, 2005).

However, there are limitations on House of Brands approach. There are different marketing decisions on each sub-brand, such as pricing and promotion, which is complex and require huge resources to manage. Sometimes it may end up with large amount of small or redundant sub-brands and thus diminish the profit of an organisation (Tybout and Calkins, 2005).

Another model is the Branded House approach. The parent brand will be used on multiple products and categories. A classic example is Virgin Group. Virgin Group invests in various industries and “Virgin” is appeared in every product, for example, Virgin Atlantic Airways, Virgin Music and Virgin Money (Tybout and Calkins, 2005).
Branded House approach creates focus on the parent brand. It maximises the scale of the parent brand. Therefore, senior management can pay attention and concentrate marketing campaign on a single brand. Nevertheless, this model does have downsides. It is a challenge to launch new brands which fit the parent brand, which may lead to be unfocused and weakening brand position. Furthermore, a branded house model is more risky than house of brands approach. If the one of the product is caught in a scandal and in trouble, it will affect other products in the branded house (Tybout and Calkins, 2005).

### 2.3 Brand Identity

Brand identity is one of the fundamental elements of brand building. It is a significant component to differentiate from competitors. It can be associated when a consumer asks “who are you?” (Keller, 2003). Brands are not products but they generate product identities and meanings (Kapferer, 2004). It is based on a thorough investigation of the industry and competitors. In order to develop an effective brand, a brand identity has to be resonated with the consumers and differentiate with other brands in the market. It also represents the promises of a firm (Aaker and Joachimsthaler, 2000). With distinctive and cohesive brand identity, an organisation can easily generate a preference in the market place and add value to its product, which is possible to command a price premium (Schmitt and Simonson, 1997).

There are two widely used models nowadays. One is developed by Aaker and the other one is built by Kapferer. We intend to outline both Aaker’s and Kapferer’s theories regarding brand identity.

Aaker defines a group of unique brand associations by presenting the brand meaning as brand identity. This set of associations creates and maintains promise to the consumers. Furthermore, brand identity create communications synergy between the brand and consumers through building a value proposition related to emotional, self-expressive and functional benefits (Aaker, 1996).

In order to generate brand identity of a firm, Aaker developed the brand identity model in 1996. This model combines with 4 different perspectives and 12 dimensions. It is not necessary to use all of them. Marketing managers should use the model, perspectives and dimensions which fit their brand and market segment. Figure 3 shows Aaker’s brand identity model.

There are 4 perspectives according to Aaker’s brand identity model. They are “brand as a product”, “brand as an organisation”, “brand as a person” and “brand as a symbol”.

“Brand as a product” is related to the tangible experiences, perceptions and expectations by the users. It influences the brand identity deeply and directly. 6 dimensions, “Product scope”, “product attributes”, “quality/value”, “uses”, “users” and “country of origin”, are discussed in this category.

“Brand as Organisation” consists of 2 dimensions, “organisation attributes” and “local vs global”. Considering the brand as an organisation is more subjective and intangible,
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compared with “brand as product. Organisation can contribute its consumer relationships and value propositions through its attributes, such as innovation, presence and perceived quality.

“Brand as a person” consists of 2 dimensions, “personality” and “brand-consumer relationship”. It treats a brand as human-being, with unique personality. This unique feature is widely used in brand equity models.

“Brand as a symbol” also consists of 2 elements, “visual imagery and metaphors” and brand heritage”. It can illustrate almost everything of the brand identity and what the brand represents. Symbols can be very powerful, important and dominate in brand strategy (Aaker, 1996).

Another popular brand identity concept was introduced by Kapferer in 1986. He stated brand identity representing how one perceives on a brand, which is created from the sender’s side. Then the consumer, receiver’s side, will generate a brand image and associate it with the branded products and services. In the long run, a good brand identity, which perceived by the consumers, provides competitive advantages. He constructed the Brand Identity Prism, dividing internal and external aspects, plus sender’s and recipient’s point of views. There are 6 facets presenting the intangible and tangible characteristics of a particular brand. These 6 elements are “physique”, “personality”, “culture”, “self-image”, “reflection” and “relationship” (Kapferer, 2003). The hexagonal Brand Identity Prism is shown in Figure 4.

“Physique” refers to the physical specificities and qualities, which is the tangible objective features of a brand. It is the first step of branding and thus it is treated as a brand’s backbone.

Every brand has its “personality” and character, like human-being. It is an internal intangible facet reflecting its image.

Figure 3 - Developed from Aaker’s Brand Identity Model (Aaker, 1996:79)
A brand is a “culture” and grows brand’s inspiration. This internal intangible element governs the products and communication. It plays an important role in differentiating brands.

A brand is a “relationship” by connecting a firm and the public. This exterior facet defines the behavior that indentifies the brand.

“Reflection” is the target’s outward mirror. Consumers do “reflect” on a brand. This external intangible facet reflects a person who wishes to be seen as a result of using the brand.

“Self image” is the target’s own internal mirror. This external intangible facet reflects a consumer’s attitude towards certain brand. Usually, consumers develop their personal relationship with a brand (Kapferer, 2003).

### 2.4 Brand Positioning

Brand positioning is a crucial process to create proper brand image. It can be described as the heart of marketing strategy (Keller, 2003). Positioning is a necessary concept because it differentiates your product among the product category. Furthermore, through brand positioning, it creates perception into consumer’s mind, which is normally the objective in marketing (Kapferer and Azoulay, 2003). Hence, when we evaluate the roles of branding, we should also understand of its brand positioning.

The idea of “positioning” is likely to appear in 1972 when the famous marketing researchers, Al Ries and Jack Trout, published their articles in “The Positioning Era”. Since then, people supported their theory and “positioning” became an important aspect in marketing. Approximate 10 years later, they wrote a book entitled “The Battle for Your Mind”, which focused on “brand positioning”. They defined “positioning” is what you do to the mind of the prospect, but not the product or service. It is about how you differentiate your brand in the mind of the prospect and be unique. Brand positioning is the brand-mind-communication (Ries and Trout, 2000). Today’s “brand positioning” is developed based on their theory and the concept is more or less similar.
A popular marketing researcher, Keller K.L., expressed “positioning” as identifying the best location of the brand and its competitors in consumers’ mind, which can optimize the potential benefit of a firm. A good brand positioning can help a firm differentiate their product or services from their competitors. It helps to guide marketing strategy and identify why a consumer should purchase a particular brand (Keller, 2003). Positioning is emphasised as a consumer “taking up a position” for the brand, which is how the product win the market share among a category (Contributor, 2003). For instant, Volvo is perceived as high quality; McDonalds’ position itself as fast, convenient and clean. Almost every consumer’s choices are made after comparing different products and brands. When positioning a brand, 4 questions should be assessed. A firm should ask themselves “for whom?”, “against whom?”, “when?” and “why?” (Kapferer, 2004).

Tybout and Calkins are other well-known marketing experts in recent years. They have developed their thinking based on existing theories. Then they defined brand positioning and its elements in a structure way. In this research, we would focus on their theory. “Kellogg on Branding”, authored by Tybout and Calkins, states that “brand positioning” as “the specific, intended meaning for a brand in consumers’ minds. More precisely, a brand’s positioning articulates the goal that a consumer will achieve by using the brand and explains why it is superior to other means of accomplishing this goal.” (Tybout and Calkins, 2005:11).

In order to reach this goal, an organisation should understand and recognise the critical ingredients of brand positioning. Keller K.L. identity them as “target market”, “nature of competition or frame of reference”, “points of parity and points of difference” (Keller, 2003). Tybout and Calkins identify similar components but with one addition element, “reason to believe”, after “targeted consumers”, “frame of reference” and “point of difference” (Tybout and Calkins, 2005).

Firstly, the marketing department should figure out “who” is their consumer and recognize their target consumer characteristics, such as behavioural, demographics, psychographics, and geographic. This is very important because each consumer group has different demand and brand perceptions. Without understanding their expectation, brand association is hardly influence and hold consumer’s mind. It can be selected based on the consumers’ brand usage and the basis of category (Tybout and Calkins, 2005).

Secondly, after understanding the behaviour and background of the targeted consumers, the organisation should define their frame of reference. It is a statement of the target’s goal for whom will be served by consuming a particular brand. Market categories and relevant competitors will be described. Normally, it can be fallen into two categories: product features or consumer goals (Tybout and Calkins, 2005). For example, should Lurpak define its market as dairy product or BSM category or simply butter? Potential competitors are probably distinct when Lurpak describe the frame of reference and position itself differently.

After the consumer target market and competitive frame of reference is clarified, a firm can establish the point of difference (POD). It is the superior advantage, benefit or unique association to support the frame of reference and capture consumer’s mindset. Some brands
provide concrete functional benefits to the consumers, while others promise abstract emotional benefits (Keller, 2003).

Once above critical components have been fixed, the basis of brand positioning is ready. The final element is reason to believe. It is the concrete claims and supporting evidences to convince consumers why the brand is unique and superior (Tybout and Calkins, 2005).
3. Methodology

This methodology chapter describes our qualitative paradigm which aims at achieving the purpose of investigating the phenomenon when branding is applied in a challenging industry for an overseas market. This chapter also describes the reliability and validity of this research.

3.1 Research Paradigm

Our qualitative research is developed according to the interpretive approach which seeks to understand the aspects of brandings for overseas market. The general definition of qualitative research can be “any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification” (Corbin and Strauss, 1990:17). Consider the limited timeframe and resources, we presume the sampling would be relatively small, therefore case study with focus in specific area would be the most appropriate (i.e. here we refer the case as Danish butter brand launching in Hong Kong). Further to the highlight of existing knowledge which has been discussed in previous sections, this study is intended to strengthen the present knowledge by investigating how branding is applied in a challenging industry for an overseas market.

3.2 Research Approach

This research would be conducted as a deductive study; the validity of present knowledge would be demonstrated. Qualitative approach is applied for identifying the aspects in a successful launching of a brand in an overseas market. Observations, interviews and primary / secondary data research are seen as dominant methods in interpretive paradigm (Glense and Peshkin, 1992:8) and such mainstream methods would be followed through in this research. Data gathering would be used for identifying the factors and challenges as aforementioned, and believing that the culture and marketplace are different from its primary markets.

As for this qualitative research, it aims at engaging “in research that probes for deeper understanding rather than examining surface features” (Johnson, 1995:4), case study approach would be addressing such concern. Here we intend to look into the industry and market that are challenging. Case with successful launching would be investigated using various branding theories. Not only the success factors of the case in branding will be investigated, and also the key challenges of branding in overseas market.

3.3 Primary Sources

Primary research from below sources would be considered during this study:

- Visit the major distribution channels for domestic consumers (i.e. supermarkets) for BSM in Hong Kong and Denmark
The Roles of Branding for a Brand Entering Overseas Markets
A Case Study of a Danish Butter Launching in Hong Kong with Success

- Reports from the government publications, for example, Statistics of Hong Kong from “Hong Kong Census and Statistics Department”, and the official publications about food safety information in Hong Kong: “Centre for Food Safety – The Government of the HKSAR” www.cfs.gov.hk
- Monthly magazine publications of Consumer Council about evaluation and advices for consumer products and services in Hong Kong – “Choice” Magazines
- Marketing reports regarding BSM in Hong Kong by Nielsen
- Company reports of Arla such as internal reports provided by Arla and annual report

3.4 Secondary Sources

- Academic journals
- Books and literatures
- Articles

3.5 Survey

A survey is designed for verifying the present situations of various branding and illuminative parameters in Hong Kong.

The survey would be conducted by sending a set of fixed questions in the form of questionnaire with a fixed choice of answers or in ordinal scale for each question. The questions would cover the area of brand positioning and branding related aspects in the industry. We aim at having 50 or more respondents participating in this survey. The survey would be conducted by sending email.

Below are the criteria of the target respondents for the survey in English:

- Has been living in Hong Kong primary in the latest 2 years
- 18-year-old or above
- Fulfil the criteria of the target consumer group in Hong Kong market identified by the company – High income
- Care about what they eat and willing to pay more for better quality

The master template of the questionnaire can be found in Appendix 2.

3.6 Semi-structured Interview with the Company

An interview with open-ending guiding questions is designed for obtaining the information of various branding and descriptive parameters of the company and its industry.

The interview would be conducted in non-standardised manner (e.g. face-to-face meeting, phone conference or video conference). The questions would cover the area of brand portfolio, brand identity and brand positioning concerning the captioned industry. The interview would be conducted with the export manager of Arla Foods. He is the appropriate
person for the interview because he has been managing and responsible the brand Lurpak concerning the launching in South East Asia for some years.

The guided interview questions of the interview with the company can be found in Appendix 3.

3.7 Phases of Data Collection

The whole thesis research work would be completed in 10 work-weeks in 2011. See Appendix 1: Time Schedule for the detailed time schedule with deliverables identified. The data collections are divided into 4 phases – initiating, planning, executing and closing.

3.8 Research Proposal

In this section, we describe the planning for data gathering and analysis based on the theories identified in previous chapter. We intend to adapt a qualitative approach in order to build an in-depth understanding of the brand portfolio, brand identity and brand positioning of a food brand. Other than conducting literatures, journals, books and report gathering, review and analysis as mentioned before, strategically, combining empirical data, observations and perspectives in case study is the best way of gaining the comprehensive understanding (Denzin & Lincoln, 2008). Branding creates one of the most valuable intangible assets of an organisation and so it is important for top management decision (Keller & Lehmann, 2006). The research would be undertaken with the Danish butter brand Lurpak and one of its overseas markets Hong Kong would be focused.

Aaker states the objectives of brand portfolio are to build strong brands, leverage and extend current brand assets, provide synergy, be relevance in the market and clarify brand image (Aaker, 2004b). In order to investigate the brand portfolio, we would conduct an interview with Arla for investigating the factors of considerations of why it is or why it is not so in the design of brand portfolio from Arla’s perspectives. A set of guided open-ending questions for the interview would be prepared. The findings would include the possible spill-over effects that that are foreseen by Arla, and any other constraints that step of associating Lurpak to Arla brand.

Brand identity is one of the fundamental elements of brand building. It is a significant component to differentiate from competitors (Keller, 2003). In order to investigate the brand identity of Lurpak brand, an interview with guided open-ending questions would be conducted with Arla for understanding its brand identity of Lurpak from its perspective. Both primary search and general observations would be applied in the investigation. Observations were made during supermarkets visits, followed by photographic recording, and non-standardised interviews with shoppers regarding BSM products. Interviews were cross-referenced with the interpretation of the observations from field notes.

“Brand positioning sets the direction of marketing activities and programmes – what the brand should and should not do with its marketing” (Keller & Lehmann, 2006). In order to investigate brand positioning, an interview with guided open-ending questions would be
conducted with Arla for understanding how the brand Lurpak is managed for Hong Kong market upon three of the critical components of brand positioning: “Target”, “FOR”, and “POD”. As for the fourth critical component, RTB, we would conduct a survey by means of sending questionnaire to the target consumers in Hong Kong. The correspondents would be the target consumer group defined by Lurpak. The results for obtained in RTB from the survey would be compared to the Target, FOR and POD as the analysis of brand positioning in overall.

Interesting areas like the anthropological information, food cultures, and external influential factors (i.e. health and safety, etc.) would be investigated throughout the study, provided that the our opinions (as researchers) were implied to paper, accessible sources and appropriateness as evidence (Evans, 2001).

3.9 Reliability of Fieldwork

Reliability is a concept for testing most kinds of research. When the concept of testing is seen as the way of extracting information, the most crucial element of testing qualitative research is “quality”. We can “understand a situation that would otherwise be enigmatic or confusing” (Eisner, 1991:58) through a good qualitative study. Even though our research is developed for understanding the phenomenon, it is still considered as relatively low in reliability. The concept of reliability is central to positivism approach rather than interpretive approach, according to Joppe, he defines reliability as to certain extent, which the result should be consistent and represent the total population accurately under study and can be reproduced under similar methodology (Joppe, 2000:1). The samples of our research are pre-selected under certain criteria which reduce the randomness of sampling, therefore it would only describe the situation on a small population but not the total and the repeatability of results is presumed to be relatively low. Facing this potential challenge, the market (i.e. Hong Kong) to be studied is the hometown of the researchers, which would bring advantages in maximising the validity of this qualitative research (to be discussed in the coming section), according to Denzin, the reliability of a research would be reduced by the researcher’s bias and perceptions (Denzin, 1978). In order to increase the truthfulness of social phenomenon and minimize bias, we would not only develop the research based on the existing theories and also we would focus on journals, literatures and academic reports review that would provide thoughts and opinions from holistic perspectives. Also, we would also indicate the posed questions in the interview and survey, explain how people are selected to interview or observed, and state the portion of those who refused to answer questions within the selected group.

3.10 Validity of Fieldwork

According to Patton, researchers are the instrument in qualitative research (Patton, 2002:14). In our opinions, validity can be referring to a research that is trustworthy while the trustworthiness of a qualitative research is depending upon the effort and ability of the researchers. Here we see the validity of this research is relatively high. The researchers (we) are from Hong Kong, we can provide Asians’ points of view. Each researcher has been
working over 5 years for Scandinavian companies, plus 1-2 years full time master degree study experience in Sweden. The built-in knowledge in their hearts for Sweden, Denmark and Hong Kong would be beneficial in maximising the validity of this research. On the other hand, there would be points of view from the supervisor and commissioner on Scandinavian perspectives plus the findings from the survey which give a well balance of opinions from different angles.
4. Empirical Findings

In this chapter, we outline the background of Lurpak briefly. Empirical materials, research and qualitative survey findings would also be presented. Moreover, we would summarize the conducted interviews with Lurpak. It would be structured according to the branding concepts described in previous chapter – brand portfolio, brand identity, brand positioning.

4.1 Brand Portfolio

Upon our preliminary study, Lurpak is one of the brands owned by the Scandinavian dairy company Arla Foods amba. Prior to going deep down to the brand Lurpak, it would be essential to understand how Arla manage and design its brand portfolio strategically as the first step of this research.

An interview was conducted with the Export Manager of Arla in Copenhagen. As for the design of the brand portfolio, upon a simplified and focus perspective, it can be described by three of the Major brands, the green Arla logo, Castello and Lurpak (see Figure 5). There are a number of sub-brands under Arla Foods, they belongs to the everyday dairy, beverage and everyday products. For example, Castello is the brand for specialities and premium Cheese and Lurpak is the brand for butter and spreads.

![Figure 5 - Arla, Lurpak and Castello Logos](image)

According to the Arla annual report 2009, Arla has a clear mission to increase recognition for Arla’s products by prioritising and consolidating the number of brands marketed under the Arla logo. The brand Arla is used as a brand for all their products except Lurpak and a few other sub-brands. Figure 6 visualises the brand architecture of Arla Foods using the Brand Relationship Spectrum Model (Aaker & Joachimsthaler, 2000). Arla goes for multi-brand strategy which may influence the focus of marketing in high and strategic level (Beldinger, 1990). Lurpak brand is not closely associated with Arla brand; it can be described as shadow endorsement strategy under the House of Brands approach. Lurpak acts as the host brand, where the endorser Arla is not graphically visible (Aaker & Joachimsthaler, 2000).

According to the interview with Lurpak, there are several reasons of not associating Lurpak with Arla graphically. First of all, Lurpak brand has a long history and it has been famous, and also seen as high and consistent quality butter brand in its major markets with strong and big market share like in United Kingdom. Secondly, the brand Lurpak is controlled by third party – the Dairy Board of Denmark, there are the special standards that Lurpak needs to live up to. Lurpak is perceived as high quality under the name of Danish butter. The trademark
for quality Danish butter “Lurmark” means the butter is tested by the Diary board of Denmark; this unique quality system still exists today. This Lurmark test is not compulsory for rest of products under the umbrella of Arla Foods. The quality of Lurpak butter cannot be compromised for boosting sale (e.g. making ‘long-life’ butter by adding preservatives, reduce production cost by using second quality ingredients).

**Figure 6 - Brand Relationship Spectrum of Arla Foods**

### 4.2 Brand Identity

According to Aaker, the identity of a brand is the foundation of any good brand-building programme. Understanding brand identity of Lurpak is essential when we investigate its branding strategy in Hong Kong. Therefore, in order to understand “Lurpak” deeply, we have conducted an interview with their manager.

“Quality” is the brand identity of Lurpak, according to the conducted interview with the firm. In other words, the organisation believes “Lurpak” represents “quality”. This brand identity is how they expect consumers to perceive their brand, which is very important in its branding strategy. Its identity is communicated through providing natural, pure and safe
products to consumers; its raw material is always produced by fresh Danish cream by farmers living-up to the Arla Farm Quality Programme® Standards. The firm not only communicates their brand through the product itself, but also transmits the message through their website. Consumers can easily see their core brand values from internet. It is important to develop brand identity in order to differentiate from their competitions.

According to Aaker’s brand identity model, there are four perspectives. Recall the four aspects in Aaker’s model are “brand as a product”, “brand as an organisation”, “brand as a person” and “brand as a symbol”. Lurpak does not use all four elements in their branding strategy. Nevertheless, it sees three of those are essential to their brand identity - “brand as product”, “brand as organisation” and “brand as symbol”.

Lurpak believes “brand as product” is the principal element in their brand identity. It strongly emphasis its butter and spreads are made in Denmark with first class quality fresh milk. The company believes that the product quality is of high importance and country of origin is also a critical factor. From their point of view, most of their consumers perceive “Lurpak” as good quality Danish product, which is different from other global brand butter.

“Brand as organisation” is also essential for Lurpak. Unlike typical organisations owned by individual or small group of people, Arla, Lurpak’s mother company, is a cooperative owned by approximately 7,600 farmers in Denmark and Sweden. Every farmer is both the owner of the union and suppliers of the milk. They cooperate and produce Lurpak brand. Every member in their organisation understands and fits into the brand, which creates a strong brand identity of the company.

Lurpak always treat “brand as symbol”. Their logo has not had a huge change for a century. Today, you can still see Lurpak® trademark (see Figure 5) as the quality Danish butter and spreads. The entwined “lur” symbol stands for Bronze Age musical instruments, which is also an identity of Denmark. Besides, they always use silver colour in the packing, which is symbolized as premium. The symbol associates its brand as “made in Denmark” and high quality.

However, Lurpak does not consider using “brand as person” in their branding strategy because this is insignificant to their core value, “quality”. Therefore, they have not put any resources in this aspect so far.

Kapferer’s brand identity prism consists of 6 elements - “physique”, “personality”, “culture”, “self-image”, “reflection” and “relationship”. Lurpak views most of the aspects are applicable for developing their brand identity, except “personality”. As mention above in Aaker’s model, Lurpak think “person” or “personality” is inadequate for building their brand.

“Physique” involves external physical appearance and is very important in their brand identity. Lurpak believes its logo represents Danish quality butter, which is already a traditional thinking with hundred years of history. Moreover, it understands packaging design helps global branding. In Hong Kong, the packaging of Lurpak is always kept in silver, with “Lurpak” made a Chinese brand name “銀宝” (translated in English as ‘Silver-Treasure’).
This Chinese brand name and the statement “Danish Butter” were printed on the major and side panels of the packaging, where the language-friendly approach was applied to the local markets. However, recently Lurpak came up with the new packaging design, Chinese names and Chinese texts have been disregarded (See Figure 7). This modification is made in order to avoid sending a wrong perception of “made in China” after the milk melamine scandal in China.

![Old packaging of Lurpak in Hong Kong](image1) ![New packaging of Lurpak in Hong Kong](image2)

**Figure 7 - The Old and New Lurpak Packaging in Hong Kong**

During the interview, Lurpak stresses its raw material and production processes are always controlled in premium quality. Every owner promises to provide best quality of fresh milk and this belief has diffused into the heart of their consumers. These “culture” and “self-image” are automatically created. These are the perceived differences from other competing brands. Their core product is therefore has developed the “relationship” and also “reflection” with their consumers.

According to our survey results, Denmark is believed to be the third best country for butter/spreads production according to the ranking by the target correspondents in Hong Kong, whilst the first and second best are New Zealand and Australia respectively (see Figure 12). Only 20% of the target respondents could recognise Lurpak is made in Denmark (see Figure 14).

### 4.3 Brand Positioning

In 2008, there was the milk melamine scandal in mainland China concerning the health and safety of dairy related products. Even though there have been certain obstacles that impact the overall BSM industry, referring to the Appendix 6: Sales Figures of Butter in Hong Kong - By Year in Hong Kong, Lurpak is the strongest in the butter and spread category. How does brand positioning interacts with this success? Here we present the findings using the brand positioning theory by Tybout and Calkins. Brand positioning is an important process for creating proper brand image. It can be described as the heart of marketing strategy (Keller, 2003). Positioning is a necessary concept because it differentiates product among its product category. Furthermore, through brand positioning, it creates perception into consumer’s mind, which is normally the objective in marketing (Tybout and Calkins, 2005). The interview with Lurpak was conducted concerning Target, FOR and POD.
4.3.1 Target

According to the interview with Lurpak, its target consumers are different from market to market. For Hong Kong or Asia in general, Lurpak focuses on high-end product group which is generally associated to butter and spreads products imported from Europe, Australia and New Zealand. Followed by that high-end product group, the local butter brands like the private brands “First Choice” and “Select” by Wellcome and PARKnSHOP Supermarkets respectively are considered as medium product group in terms of quality.

With this high-end product group focus, Lurpak targets on consumers with relatively high income, internationally-consumed consumers, and consumers who care about the food they eat. Concerning the high-income consumers, we focus on respondents with monthly income HKD 20,000+ which represents the top 25.7% (about 840,000 people) of employed citizens in Hong Kong according to the Census and Statistics Department of Hong Kong. In addition, 32.5% of the target respondents of our survey have almost no homemade meals prepared at home, meaning that this particular population would most likely not even consider buying BSM products (see Figure 10). Thus the size of the target consumer group can be roughly estimated at 567,000+ people.

4.3.2 FOR (Frame of Reference)

The term “BSM” is commonly used in the dairy product industry, which means Butter, Spreads and Margarines. Butter is an emulsion of butterfat, water and sometimes salt. It is essentially the fat of milk and 100% coming from milk fat (cream). Spreads (Spreadable) is a mixture of hydrogenated butter and vegetable oil. It is made to be softer so it can be easily spread on bread. Margarine is an alternative to butter and made of vegetable oils. Lurpak focuses on natural dairy products.

Lurpak uses butter and spreads as its FOR, signalling that it has high quality & high-end products. For Hong Kong market, Lurpak competes with other butter brands that offer high quality and high-end products, and it conveys that it is a spread on the toast or bread which gives consumers 100% natural, fresh and reliable ingredients in their breakfast. Lurpak might compare itself to other butter and spreads imported from Europe, Australia and New Zealand. Referring to Appendix 6: Sales Figures of Butter in Hong Kong - By Year, two of the major competitors are “Anchor” and “President” from New Zealand and France respectively, those major competitors and Lurpak share a number of concrete features within a category are seen as points of parity.

Lurpak also choose its FOR based on abstract consumer goals. Among the competitors in the butter category, Lurpak highlights a POD that the ingredients of butter is made of 100% fresh & clean milk from Denmark, while some of the other butter brands use long life (heated) milk. Due to different type of food that cows are eating between Denmark, New Zealand/Australia, Lurpak claimed that butter from Denmark is whiter and not much after-taste (which is better).
In planning the marketing strategy, the FOR for Lurpak used to be butter only, and the goals associated with the “spread on toast and bread” category that can also be met by non-butter competitors – margarine. In 2008, import volume of margarine was about twice of Butter (see Appendix 5: BSM Total Net Import Volume at Hong Kong - By Year).

4.3.3 POD (Point of Difference)

From the functional benefits perspective, Lurpak offers its invented product ‘Spreads’ which increase the softness and easy for spreading while enjoying the taste of butter, rather than having artificial taste like margarine, or having stiff and hard-to-spread frozen butter for spreading on a piece of bread. This functional benefit gains substantial credibility from consumers since it has first launched in United Kingdom and Denmark, then to other markets like Hong Kong. However, from the survey we conducted in Hong Kong, almost 60% of the target respondents have difficulties to identify the difference between spreads to the other two types (see Figure 15).

From the emotional benefits perspective, Lurpak image is slightly more international but Lurpak still benefits from being “Danish” since Lurpak can only be produced in Denmark and based on Danish fresh milk. Danish culture can be expressed by “hygge”: the red and white curtain, the wood and the candle light like Figure 8.

On the other hand, Lurpak may not want to become too much associated with “Danish” as we cannot always control the values behind “Danish” - like the Mohammed cartoon crisis against other religious. This dilemma puzzles many marketing people working with values - national values and national image vs. global values/image. However, consider Hong Kong market alone, this crisis did not come with a big impact due to the relatively small population of Muslim in the society.
5. Analysis

This chapter presents comparative analysis between the theoretical framework and practice. By comparing our case, Lurpak, the validity of branding theories – brand portfolio, brand identity and brand positioning would be discussed.

5.1 Brand Portfolio

Referring to the results about the brand architecture of Arla, Arla uses different approaches and strategies for different groups of products and brands in order to optimise the benefits of the organisation (Keller, 2003). Such multi-brand strategy provides a number of benefits, such as maximising benefits for different brands strategically, react more precisely and effectively to different demands from different customer segments (Chailan, 2009).

The strategy of the host brand Lurpak under the umbrella of endorser Arla can be described as shadow endorsement strategy which is one of the House of Brands approaches. However, since Arla does not launch products branded as Arla in Hong Kong, therefore Arla can hardly share important functional associations with Lurpak in Hong Kong, like its Arla slogan “Closer to nature”. The pros and cons of applying House of Brands approaches for Lurpak were discussed during the interview. Perhaps the biggest disadvantage is “inflexibility”, ‘each brand has different strength and limitation’ (Tybout and Calkins, 2005). Lurpak is serving the niche segment – butter and spreads under the milk and dairy products category, when there is an idea of developing new products, it has to be negotiated with the Dairy Board of Denmark. Lurpak will always be “Lurpak”, we would hardly see the product of “Lurpak” “Kjeldsens” Danish butter cookies using brand alliance strategy, or “Lurpak” margarine in order to compete with the substitutions in the ‘spread on bread’ category, Lurpak will always be butter. On contrary, this persistency becomes an advantage and makes Lurpak a very clear strategy, consumers understand what Lurpak stands for, and becomes the market leader in Hong Kong and other markets.

5.2 Brand Identity

Pursuant the literature review chapter, Aaker’s brand identity model contains four perspectives. He suggested it is unnecessary to use all elements and depends on the branding strategy of a firm, which is true in reality. In our case, Lurpak only uses 3 of the aspects and they neglect “brand as person” for its brand identity.

Lurpak believes their core brand identity is “brand as product”. It aims at convincing consumers to perceive its product as “Danish quality butter”. However, from our conducted survey in Hong Kong, only 16.3% of the target respondents believed Denmark produce best butter (see Figure 12), and 80% of the respondents could not recognize Lurpak is made in Denmark (see Figure 14). This showed Lurpak’s core brand identity has not effectively diffused into consumer’s mind. In our opinion, Lurpak can consider educating its consumers
through its communication channels, such as website, and emphasis their tangible benefits – premium quality standard and superior taste.

“Brand as organisation” associates with the culture, people and values of the firm. Lurpak has successfully illustrated its high quality value and culture throughout the organisation and supply chain. Its owners, suppliers and employees always emphasis on quality and try their best to produce premium product. This could be one of the success factors of Lurpak brand; its competitors can hardly imitate such cooperative culture.

Silver background plus Danish instrument “lur” logo have been used for a century. “Brand as symbol” is already a brand heritage and portrays the history of Lurpak. Even though Lurpak’s butter and spreads are sold in different locations, including Hong Kong, it keeps same symbol. This identity assists brand extension and globalization. Lurpak already has a strong brand name in Denmark and United Kingdom. When it enters Hong Kong where is an international city, those Europeans can easily recognize its brand and may influence local people spontaneously. Studies found that “word of mouth” can develop brand identity and consumer relationship effectively. (Kuenzel and Halliday, 2008) This may be one of the reasons why Lurpak becomes the biggest market share of butter and spreads in Hong Kong.

Although many scholars corroborated “brand as person” is valuable for brand identity, Lurpak disregards this in their branding strategy since it cannot reflect its core brand value. Aaker suggested “brand as personality” is a useful communication tool for identifying a brand (Aaker, 1995). It is especially important when the consumers feel the inconsistencies with the brand’s communication. (Wee and Ming, 2003) Thus, it can create better competitive advantages than the tangible functional features of the product. (Sherrington, 2003) We cannot evaluate this element in the case of Lurpak since they have not implemented “personality” in their brand identity. To enhance the brand identity, it could be an option to add this aspect in their future branding strategy.

Recap Kapferer’s Brand Identity Prism, there are 6 facets – “physique”, “personality”, “culture”, “self-image”, “reflection” and “relationship”, which are divided into internal and external aspects, plus sender’s and recipient’s point of views. Lurpak focuses on “external physique” to build their brand identity. Its superior products and long history symbol are representing their brand. “Picture of sender” is the “Danish quality butter” and this is what the symbol reflects to its consumers. However, based on our conducted survey in Hong Kong, it contradicts to the “picture of recipient”. Most of the respondents do not aware of Lurpak as a Danish brand. “Self image” and “reflection” have not dissolved in consumers’ mind. We believe there are rooms for improvements on consumers’ “relationship” and develop the “culture” with them by Lurpak. It can be done by educating the public through advertisement. It will involve investment and promotion/marketing strategies.

“Physique”, includes package design, is one of the key elements for Lurpak brand. It focuses on this aspects rather than “personality”. It faced challenges when it launched the product in Hong Kong. While accomplish global brand to overseas, a firm may change some features on the packaging or redesign to suit the local culture. Designing brand and packaging are key
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5.3 Brand Positioning

‘Supporting evidence for claims related to the FOR and POD, referred to as reasons to believe (RTB)’ (Tybout & Calkins, 2005). Referring to the FOR in the result chapter, margarine is the non-butter competitor of Lurpak in the “spread on toast and bread” category. According to the survey in Hong Kong, it is believed that margarine is the healthier choice than butter and spread (see Figure 11). In addition, according to Appendix 7: Trans Fats, Saturated Fats and Cholesterol Test Result of BSM Products, margarine has lower amount in trans fats, saturated fats and cholesterol than butter. Seeing the trend of ‘healthy eating’ habits, we believe Lurpak and other butter brands would pay more attention to this “competitor” - Margarine. In regards to the functional benefits of POD, Lurpak launched spreadable/spreads which has reduced the overall amount of trans fat, saturated fats and cholesterol than butter, and also the ease of spreading with its increased softness. However, the majority in Hong Kong do not understand the difference between spreads and the other two (see Figure 15). Perhaps on one hand, it could be explained by the Hong Kong Chinese language, where butter, spreads and margarine are written as 牛油 (cow-oil), 軟牛油 (soft-cow-oil) and 植物牛油 (plant-cow-oil), and those terminologies in Chinese could be confusing when all of them are mentioned as cow-oil/butter. In our opinions, Lurpak can consider promoting or educating the Hong Kong consumers about its ‘Spreads’ product, and turns these functional benefits into RTB.

Even though Lurpak has a narrow product range in niche segment, it has recently invented the new product Lurpak Butter with Crushed Garlic, it will soon be launched in Hong Kong, with small packaging, and target for high-end market and use during barbecue. Lurpak can also consider other the functional benefits according to our survey results (see Figure 13), such as promoting its premium taste, ‘Danish’, its brand, its premium quality, secure the best expiry date it can offer when it is put on shelves, size of packaging fitting different consumer goals, etc. According to the interview with Lurpak, it is a challenge of how much promotion budget it should put for Hong Kong and in what way for securing the sale increase in profitable manners.
Yet another challenge from the emotional benefits, Lurpak gains benefits by associating it as “Danish butter”. In our opinions, it has moved away from the national values towards “global” image and “natural” values. Perhaps Lurpak could easily remove the Chinese brand name on its product launching in Hong Kong for eliminating the association of “produced in China”. However, it would be really difficult to remove the text “Danish butter” and the association to Denmark even though they experienced the drops in sale in Muslim countries following the Mohammed cartoon crisis, which can be seen as a risk when a brand is associated to another place, person, brand, institution or product category that is not controlled by the host brand (Uggla, 2005).
6. Conclusion and Future Research

In this chapter, we summarise the entire paper and suggest the implications. Finally, we state the limitations of this study and provide proposals for further research.

Conclusion and managerial implications

In order to examine branding strategies of a global food brand, brand portfolio, brand identity and brand positioning analysis were performed in this paper. The data was collected using qualitative approach. Interviews were conducted with Arla regarding one of its brands Lurpak launching in Hong Kong, and a survey was conducted in Hong Kong with 94 respondents. The use of cross-reference with mainstream literatures and academic journals increase the confidence in this paper.

From the results of the case study, large firms like Arla had a comprehensive brand portfolio which all four brand strategies were applied for different market segments for maximising the benefits – Branded House, Sub-brands, Endorsed Brands and House of Brands (Aaker & Joachimsthaler, 2000). Good brand portfolio management should optimise the benefits of a company. The brand in the portfolio should not harm and decrease the brand equity of others. It may attract a particular market segment that is not covered by other brands of the organisation (Keller, 2003). On the other hand, consider the brand positioning aspect, there are 4 essential elements - targeted consumers, FOR, POD and RTB (Tybout and Calkins, 2005), referring to the case of Lurpak we studied, this strategy may cause inflexibility of creating POD within the FOR, for instance, the product range of Lurpak might hardly be extended to margarine under the ‘spread on bread’ category. Even the FOR has been indentified, it could be a challenge to transform POD into RTB in our case (see section 5.3 for details). Looking at brand identity aspect, our paper supports Aaker’s and Kapferer’s brand identity models. Aaker’s model consists of 4 elements (Aaker, 1996). In Lurpak’s case, “Brand as a product” was “quality”, “brand as an organisation” was “farmers” and “brand as a symbol” was “Lurpak’s logo”, but “brand as person” was irrelevant. On the other hand, Kapferer’s brand identity prism consists of 6 dimensions (Kapferer, 2003). “Physique” was “Danish quality butter”. The “culture” and “self-image” were automatically created since every owner promised to provide best quality of fresh milk and this belief diffused into the heart of their consumers. Their core product is therefore has developed the “relationship” and also “reflection”. Yet, “personality” was disregarded. Here our paper also argued the local-language-friendly approach (Pitta and Franzak, 2008), which might not be applicable in all cases (see section 5.2 for details).

Concerning the contribution of this paper to Lurpak launching in Hong Kong, in our opinions, Lurpak should keep the existing House of Brand approach as Arla has not launched any Arla branded products in Hong Kong. Perhaps one day when Arla launch its branded products to Hong Kong and other major markets, the firm can reconsider the possibility of making Arla green logo visible graphically on Lurpak products for maximising the benefits to the firm and leveraging Arla in Hong Kong. From the findings of our survey, Lurpak’s brand
identity has not been diffused successfully into consumer’s mind. We believe the firm can consider educating its consumers and emphasis its tangible and intangible benefits. They can also consider adding “brand as personality” into their future branding strategy. The removal of Chinese characters from the Lurpak packing was a successful campaign. Seeing the big market potential of Lurpak in the Great China market, the firm can implement similar strategy to avoid the association of melamine scandal. Referring to the FOR, Lurpak has been paying attention to its competitor – margarine and launched its invented product ‘spreadable’, however, the survey results identified that most of consumers in Hong Kong do not know the difference of ‘spreadable’, and do not realise Lurpak is made in Denmark as one of the key benefits. In our opinions, Lurpak can consider promoting or educating Hong Kong consumers about its ‘spreadable’ product and also its origin, and turn these functional benefits into RTB. The discussion about the association of Lurpak to a country – Denmark, and cost benefit analysis of marketing promotion would be challenging for the firm.

Concerning the implication for the players within food industry, this paper would be served as supplementary and reference information for brand management in marketing plan for global markets, especially in food industry. It also demonstrated on how branding theories were applied into practice, with the collection of academic perspectives. This research can inspire top management of a company, brand and marketing managers and academic research community of the importance of branding. Taking the case of Hong Kong as a learning, entering a new market using local-language-friendly approach may not be appropriate in all cases; firms in high-end food industry should evaluate the risk and benefits of each approach carefully. On the other hand, even though firms have built strong brand identity and positioning, consumer surveys can be essential for ensuring consumers receive the key brand messages.

**Limitations and directions for future research**

There are several limitations in our paper. First of all, our approach focused on brand portfolio, brand identity and brand positioning, other brand theories such as brand equity and awareness of the same case can be offered in future research which aims at building a more comprehensive overview in branding.

It would be valuable to determine the factors and explore branding strategies. Quantitative approach can be used in future studies for the same brand in different markets, survey with statistical analysis for brand awareness aspects, and to be evaluated with the brand identity and brand positioning aspects. We are confident that our study has made a big step moving forward in branding and serve as a point of departure for future researches.

Furthermore, only one brand Lurpak was examined, which has limited the generalisability of the investigations in branding strategies. These findings might be different when other brands are investigated. Future research on other BSM products or even other food products should be carried out in order to measure the validity of the results across the industry. Same approach can be used in future studies and key success factors could be found out. Besides, the research was focused on Hong Kong market only, which the results could be different if
other markets are studied. Eating habit and culture varies between countries/districts. Studying of culture and eating habit related to branding can be also performed in future research.
7. References

Literatures and Journals:


The Roles of Branding for a Brand Entering Overseas Markets  
A Case Study of a Danish Butter Launching in Hong Kong with Success


Websites:


Lurpak January 30, 2011 - [www.lurpak.com](http://www.lurpak.com)


Times Newspapers Ltd September 19, 2008 – [http://www.timesonline.co.uk/tol/news/world/asia/article4785278.ece](http://www.timesonline.co.uk/tol/news/world/asia/article4785278.ece)
8. Appendices

Appendix 1: Time Schedule

It will be a degree project which would be completed in 10 weeks in 2011. Below is the detailed time schedule.

<table>
<thead>
<tr>
<th>THESIS SCHEDULE</th>
<th>2010 Q4</th>
<th>2011 Q1</th>
<th>2011 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catherine Wong, Tat Pui Lau</td>
<td>Date</td>
<td>Deliverables</td>
<td></td>
</tr>
<tr>
<td>Version 5, 10.05.2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initiating</td>
<td>Thesis Application &amp; Topic Design</td>
<td>Thesis Application</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Seminar 1</td>
<td>26. Jan</td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td>Meeting - Schedule and report layout</td>
<td>Schedule, Report Layout</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Meeting - Lurpak Info, Review, Scope</td>
<td>1.Feb</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Meeting - Naming of Topic, Method Brainstorming</td>
<td>2.Feb</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Assigned Supervisor</td>
<td>3.Feb</td>
<td>Supervisor</td>
</tr>
<tr>
<td></td>
<td>Meeting - In depth discussions, Survey Question Design</td>
<td>3.Feb</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Seminar 2 + Henrik Seminar 1</td>
<td>4.Feb</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Feedback from Supervisor</td>
<td>11.Feb</td>
<td>Supervisor’s Feedback 1</td>
</tr>
<tr>
<td>Executing</td>
<td>Send out Survey to HK and DK</td>
<td>7-13.Mar</td>
<td>Emails to correspondents</td>
</tr>
<tr>
<td></td>
<td>Collect Result</td>
<td>14-27 Mar</td>
<td>Survey Results</td>
</tr>
<tr>
<td></td>
<td>Meetings - from Intro. to Results</td>
<td>16 Mar - 3 Apr</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Henrik Seminar 2</td>
<td>25 Mar</td>
<td>Report Draft 2 (+50%)</td>
</tr>
<tr>
<td></td>
<td>Thesis Draft 2 with Ingela</td>
<td>4-5 Apr</td>
<td>Report Draft 2</td>
</tr>
<tr>
<td></td>
<td>Interview with Arla</td>
<td>7 Apr</td>
<td>Inputs From Arla</td>
</tr>
<tr>
<td></td>
<td>Meetings - Abstract, Results to Conclusion</td>
<td>6-28 Apr</td>
<td>Report Draft 3</td>
</tr>
<tr>
<td></td>
<td>Thesis Draft Review by Dr. Arla &amp; Proof reading by UK frd</td>
<td>29 Apr</td>
<td>Report Draft 3</td>
</tr>
<tr>
<td></td>
<td>Receive Feedback from both</td>
<td>4 May</td>
<td>Feedbacks</td>
</tr>
<tr>
<td></td>
<td>Report finalisation</td>
<td>5-10 May</td>
<td>Report Final</td>
</tr>
<tr>
<td></td>
<td>Thesis Final Submission</td>
<td>11 May-13 May</td>
<td>Report Final</td>
</tr>
</tbody>
</table>

Appendix 2: The Master Template of the Survey Questionnaire

We are the master degree students of KTH Royal Institute of Technology in Sweden conducting a survey for an academic study regarding Butter, Spreads and Margarine in the field of marketing.

Please kindly answer the following 10 questions that would take you approximately 3 to 6 minutes. Please answer them with your stomach feelings (e.g. no need to check for correct answers from the internet). Your honest reply would be truly helpful in our analysis. We will keep the confidentiality of your personal information, which means we will not use it for other purposes unless specified nor send your personal information/contact details to the third party.

Thank you for your time and participation in advance.
1. Are you both aged “18 & up”, and having monthly salary at HKD 20,000 or above (before tax)?

( ) Yes   ( ) No

2. Have you been living in Hong Kong for at least 70% of the time in latest 2 years?

( ) Yes   ( ) No

3. What is your citizenship?

______________

4. To what extend you agree with the following statement? ‘I do care about the food I eat and willing to pay more for better quality’

<table>
<thead>
<tr>
<th>1 Strongly Agree ( )</th>
<th>2 Tend to Agree ( )</th>
<th>3 Tend to Disagree ( )</th>
<th>4 Strongly Disagree ( )</th>
<th>I don’t know ( )</th>
</tr>
</thead>
</table>

5. Do you prefer Butter, Spreads Margarine, or none of them?

( ) Butter

( ) Spreads

( ) Butter or Spreads

( ) Margarine

( ) Not in specific, I am fine with everything

( ) None of the above

6. How many homemade meals (e.g. breakfast, lunch, dinner) are prepared at home per day in average?

( ) almost 0  ( ) 3 or more

( ) about 1-2 homemade meal(s) per day  ( ) Unsure

( ) about 2-3 homemade meals per day
7. Which one you believe is the healthiest choice?

(   ) Butter  (   ) Spreads  (   ) Margarine

(   ) None of the above  (   ) I don’t know

8. Which of the following countries you believe they have the best butter, spreads or margarine quality production? Select the top 3 and put them in sequence (1 is the best, 2 is the second best and so on)

1.  
2.  
3.  

Australia  China  Denmark  France
Germany  India  Italy  Japan
New Zealand  Sweden  UK  USA
Other

9. Factors you will consider when buying butter, spreads or margarine. Select the top 3 in sequence. (Try not to repeat the same choice more than once)

1.  
2.  
3.  

taste  the brand  saturated fat in the content
country of origin  expiry date  cholesterol in the content
preservatives in the content  nutrition  use of fresh & natural ingredients
size/volume per pack  trans fat in the content  health & safety issues (past & now)

10. Can you identify the product type(s) for each brand?

<table>
<thead>
<tr>
<th>Brand</th>
<th>Butter</th>
<th>Spreads</th>
<th>Margarine</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchor</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>Flora</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>Lurpak</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>Olive Grove</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>President</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
<tr>
<td>Snow Brand</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
<td>(   )</td>
</tr>
</tbody>
</table>
11. Fill in the country of origins of the following brands. Leave it blank for those you have no idea:

- Anchor:  
- Flora:  
- Lurpak:  
- Olive Grove:  
- President:  
- Snow Brand:  

Appendix 3: The Guided Interview Questions with the Company

Brand Portfolio:

- What we must know regarding the brand portfolio design of Arla?
- What is the brand association strategy between Lurpak and its parent brand Arla?
- What are your comments on the strategy of replacing the brand Lurpak by Arla, or changing the name of Lurpak to “Lurpak by Arla”?
- What would be the benefits, obstacles and spill-over effects if the aforementioned strategy really takes place?

Brand Identity:

- What is your brand identity?
- How do you communicate your brand identity to your consumer?
- How does Lurpak identify its brand identity based on its pre-defined consumer segmentation, competitor composition, and internal context? (based on the strategic brand analysis model by Aaker (1996))
  - Have you consider brand as product when you formulate your brand strategy? Do scope, attributes, quality, uses, users and country of origin important to your brand identity?
  - Have you consider brand as organisation when you formulate your brand strategy? Do organisation attributes and local/global important to your brand identity?
  - Have you consider brand as person when you formulate your brand strategy? Do personality and brand-consumer relationship important to your brand identity?
  - Have you consider brand as symbol when you formulate your brand strategy? Do visual Imagery and brand heritage important to your brand identity?
- How does Lurpak identify its brand identity based on its pre-defined consumer segmentation, competitor composition, and internal context? (based on the strategic brand analysis model by Kapferer (2003))
  - How do you see “physique”, “personality”, “culture”, “self-image”, “reflection” and “relationship” in your brand identity? Which is/are important factors for your brand strategy?

Brand Positioning:

- Target – Who are the target consumers of Lurpak in Hong Kong?
The Roles of Branding for a Brand Entering Overseas Markets
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- **Frame of Reference (FOR)** – “Based on Product Features”: What is Lurpak’s product features based FOR? Butter and Spread? Or BSM? Or else? If we compare specific competitor(s) in their FOR, what are their points of parity and what Lurpak offers different from the competitor(s)? “Consumer Goals”: What does Lurpak do to satisfy consumer needs differently from the other butter brands?

- **Point of Difference (POD)** – How does Lurpak define its own POD among competitors and/or substitutions?

### Appendix 4: Survey Results

94 people participated the questionnaire, 80 people fulfilled the criteria of “target respondent” as follow:

- Having high income (i.e. monthly income HKD 20,000+ which represents the top 25.7% of employed citizens in Hong Kong excluding foreign domestic helpers in 2009 according to the Census and Statistics Department of Hong Kong)
- Who care about the food they eat and willing to pay more for better quality
- In addition, those who have been living in Hong Kong for at least 70% of the time in latest 2 years (have minimum living/cultural experience in Hong Kong)

The following survey result summary is made upon the results of those 80 target respondents. The local citizens account for 78.8% (63 respondents), the rest of the respondents are European (7.5%), American (3.8%), Canadian (3.8%), Australian (3.8%) and mainland Chinese (2.5%).

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butter</td>
<td>28</td>
<td>35.0%</td>
</tr>
<tr>
<td>No in specific, I am fine with everything</td>
<td>19</td>
<td>23.8%</td>
</tr>
<tr>
<td>Margarine</td>
<td>16</td>
<td>20.0%</td>
</tr>
<tr>
<td>None of these</td>
<td>9</td>
<td>11.3%</td>
</tr>
<tr>
<td>Spreads</td>
<td>4</td>
<td>5.0%</td>
</tr>
<tr>
<td>Butter or Spreads</td>
<td>4</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

**Figure 9 - Preferences to Butter, Margarine and Spreads Among the Target Respondents in Hong Kong (March-April 2011)**
The Roles of Branding for a Brand Entering Overseas Markets
A Case Study of a Danish Butter Launching in Hong Kong with Success

Response
Count
about 1-2 homemade meal(s) per day 42
almost 0 26
Unsure 7
about 2-3 homemade meals per day 5
3 or more 0

Figure 10 - Number of Homemade Meals Prepared at Home Per Day Among the Target Respondents in Hong Kong (March-April 2011)

Response
Count
Margarine 34
Butter 17
None of these 16
I don't know 9
Spreads 4

Figure 11 - The Perceived Healthiest Choice Among the Target Respondents in Hong Kong (March-April 2011)

Figure 12 - Country that the Target Respondents Living in Hong Kong Believe It Has the Best Quality of BSM Production (March-April 2011)
The Roles of Branding for a Brand Entering Overseas Markets
A Case Study of a Danish Butter Launching in Hong Kong with Success

Table 1 - Raw Data of Butter/Spreads for Figure 12

<table>
<thead>
<tr>
<th>Response Count</th>
<th>New Zealand</th>
<th>Australia</th>
<th>Denmark</th>
<th>France</th>
<th>Japan</th>
<th>USA</th>
<th>Sweden</th>
<th>Germany</th>
<th>UK</th>
<th>Italy</th>
<th>China</th>
<th>India</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC1</td>
<td>18</td>
<td>20</td>
<td>14</td>
<td>13</td>
<td>9</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>BC2</td>
<td>20</td>
<td>15</td>
<td>11</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>6</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Score%</td>
<td>23.3%</td>
<td>22.9%</td>
<td>16.3%</td>
<td>13.8%</td>
<td>10.8%</td>
<td>5.0%</td>
<td>3.3%</td>
<td>2.1%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

Table 2 - Raw Data of Margarine for Figure 12

<table>
<thead>
<tr>
<th>Response Count</th>
<th>New Zealand</th>
<th>Australia</th>
<th>Denmark</th>
<th>France</th>
<th>Japan</th>
<th>USA</th>
<th>Sweden</th>
<th>Germany</th>
<th>UK</th>
<th>Italy</th>
<th>China</th>
<th>India</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC1</td>
<td>8</td>
<td>20</td>
<td>7</td>
<td>3</td>
<td>16</td>
<td>12</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>BC2</td>
<td>18</td>
<td>18</td>
<td>6</td>
<td>4</td>
<td>9</td>
<td>6</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Score%</td>
<td>14.8%</td>
<td>25.3%</td>
<td>8.7%</td>
<td>4.4%</td>
<td>17.9%</td>
<td>3.1%</td>
<td>3.9%</td>
<td>4.4%</td>
<td>0.9%</td>
<td>0.9%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

Remarks:
1. BC stands for the “Best Country”, where BC1 and BC2 stand for the first and second best countries that the respondents believe they have the best butter, spreads or margarine quality production respectively.
2. The score is the sum of response count with the weighing factor 2 and 1 for BC1 and BC2 respectively (i.e. Score = BC1 x 2 + BC2 x 1)
3. The “% score share” presents the percentage of how much score each country gains over the total scores of all listed countries.

Figure 13 - The Most Important Factors that the Target Respondents Will Consider When Buying BSM Products (March – April 2011)
The Roles of Branding for a Brand Entering Overseas Markets
A Case Study of a Danish Butter Launching in Hong Kong with Success

Table 3 - Raw Data of Butter/Spreads for Figure 13

<table>
<thead>
<tr>
<th>Taste</th>
<th>Country of Origin</th>
<th>Expiry</th>
<th>Brand</th>
<th>H&amp;S</th>
<th>Trans Fat</th>
<th>Size/Volume</th>
<th>Cholesterol</th>
<th>Fresh &amp; Natural</th>
<th>Saturated Fat</th>
<th>Preservatives</th>
<th>Nutrition</th>
</tr>
</thead>
<tbody>
<tr>
<td>MIF1</td>
<td>24</td>
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<td>11</td>
<td>10</td>
<td>10</td>
<td>7</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>MIF2</td>
<td>14</td>
<td>13</td>
<td>9</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>8</td>
<td>5</td>
<td>6</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>MIF3</td>
<td>12</td>
<td>13</td>
<td>9</td>
<td>9</td>
<td>12</td>
<td>5</td>
<td>8</td>
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<td>34</td>
<td>30</td>
<td>25</td>
<td>24</td>
<td>20</td>
<td>7</td>
</tr>
</tbody>
</table>

% Score Share: 23.3% 13.8% 12.5% 10.2% 10.0% 7.1% 6.3% 5.2% 5.0% 4.2% 1.5% 1.0%

Remarks:
1. MIF stands for the “Most Important Factors”, where MIF1, MIF2 and MIF3 stand for the first, second and third most important factors that the respondents will consider when buying BSM products.
2. The score is the sum of response count with the weighing factor 3, 2 and 1 for MIF1, MIF2 and MIF3 respectively (i.e. Score = MIF1 x 3 + MIF2 x 2 + MIF3 x 1).
3. The “% score share” presents the percentage of score each factor gains over the total scores of all listed factors.

<table>
<thead>
<tr>
<th>Brand</th>
<th>Correct Response</th>
<th>Blank / Wrong Response Count</th>
<th>Most Frequent Wrong Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snow Brand (Japan)</td>
<td>28</td>
<td>35.0%</td>
<td>China (2)</td>
</tr>
<tr>
<td>Anchor (New Zealand)</td>
<td>20</td>
<td>25.0%</td>
<td>Australia (7)</td>
</tr>
<tr>
<td>President (France)</td>
<td>19</td>
<td>23.8%</td>
<td>USA (6)</td>
</tr>
<tr>
<td>Lurpak (Denmark)</td>
<td>16</td>
<td>20.0%</td>
<td>France (3)</td>
</tr>
<tr>
<td>Olive Grove (Australia)</td>
<td>6</td>
<td>7.5%</td>
<td>Italy (4)</td>
</tr>
<tr>
<td>Flora (Australia)</td>
<td>4</td>
<td>5.0%</td>
<td>USA (8)</td>
</tr>
</tbody>
</table>

Remark: The six listed BSM brands are identified according to Appendix 6: Sales Figures of Butter in Hong Kong - By Year.

Figure 14 - The Ability of Identifying the Country of Origin of the Top Six BSM Product Brands by the Target Respondents
The Roles of Branding for a Brand Entering Overseas Markets
A Case Study of a Danish Butter Launching in Hong Kong with Success

Figure 15 - The Ability of Identifying the BSM Product Types of the Top Six BSM Product Brands by the Target Respondents (March – April 2011)

Remarks: The six listed BSM brands are identified according to Appendix 6: Sales Figures of Butter in Hong Kong - By Year. Those six brands are Anchor, Flora, Lurpak, Olive Grove, President and Snow Brand. By observing the result, the interviewed and target respondents in Hong Kong seem like they are confused or not familiar with the difference between spreads and margarine.

Appendix 5: BSM Total Net Import Volume at Hong Kong - By Year

Source: Hong Kong Census and Statistics Department
Appendix 6: Sales Figures of Butter in Hong Kong - By Year

Remark: 12 Months Ending of August 2007, 2008 and 2009
Source: Nielsen Marketing Report
Appendix 7: Trans Fats, Saturated Fats and Cholesterol Results of BSM Products

<table>
<thead>
<tr>
<th>Sample</th>
<th>Description</th>
<th>Weight (g)</th>
<th>Unit Weight</th>
<th>Trans Fats (g)</th>
<th>Sat. Fats (g)</th>
<th>Choles (mg)</th>
<th>Total Fats (g)</th>
<th>Energy (1000k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Butter, Anchor Pure New Zealand</td>
<td>227 *</td>
<td>14 (1湯匙)</td>
<td>3.5</td>
<td>50</td>
<td>220</td>
<td>82</td>
<td>740</td>
</tr>
<tr>
<td>02</td>
<td>Flora Light</td>
<td>500 *</td>
<td>14 (1湯匙)</td>
<td>0.12</td>
<td>10</td>
<td>1.4</td>
<td>48</td>
<td>430</td>
</tr>
<tr>
<td>03</td>
<td>Meadowlea Original</td>
<td>250 *</td>
<td>14 (1湯匙)</td>
<td>0.15</td>
<td>15</td>
<td>0</td>
<td>71</td>
<td>640</td>
</tr>
<tr>
<td>04</td>
<td>Meadowlea Original</td>
<td>250 *</td>
<td>14 (1湯匙)</td>
<td>0.19</td>
<td>16</td>
<td>2.8</td>
<td>72</td>
<td>650</td>
</tr>
<tr>
<td>05</td>
<td>Olive Grove Spread with Cholesterol</td>
<td>500 *</td>
<td>14 (1湯匙)</td>
<td>0.20</td>
<td>13</td>
<td>0</td>
<td>56</td>
<td>510</td>
</tr>
<tr>
<td>06</td>
<td>Lurpak Lighter Spreadable</td>
<td>250 *</td>
<td>14 (1湯匙)</td>
<td>0.84</td>
<td>21</td>
<td>95</td>
<td>61</td>
<td>550</td>
</tr>
<tr>
<td>07</td>
<td>First Choice Light Reduced Fat</td>
<td>500 *</td>
<td>14 (1湯匙)</td>
<td>3.2</td>
<td>11</td>
<td>0.79</td>
<td>60</td>
<td>540</td>
</tr>
<tr>
<td>08</td>
<td>Snowbrand Neo Soft Spread</td>
<td>180 *</td>
<td>14 (1湯匙)</td>
<td>4.2</td>
<td>12</td>
<td>0</td>
<td>83</td>
<td>750</td>
</tr>
</tbody>
</table>

Source: Choice Magazine vol. 372, 2007, Hong Kong Consumer Council