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ACADEMIC INTRODUCTION

The company: Hushållningssällskapet is a Swedish national body whose extensive range of services can be described as the provision of agriculture and forestry related advice, knowledge, research, development and trials in rural communities in Sweden. The organisation is comprised of 17 rural, independent economic and agricultural societies with historical connections dating back to the 18th Century (Hushållningssällskapet, 2018).

Research problem: The Jönköping Hushållningssällskapet branch has determined that there is a lack of relevant and personalised literature available to local producers seeking to improve and expand their businesses, especially in relation to exporting. Based on a request by Nicklas Bengtsson, the Jönköping branch's development leader, this report seeks to contribute to addressing this issue through literary input.

Theoretical framework: The authors elected to utilise the Four Ps framework to address the research problem due to its effectiveness, simplicity and widespread use as the basis of marketing (Lamb, Hair & McDaniel, 2018; Keegan & Green, 2017).

Method: The following defines each aspect of the Four Ps marketing framework and provides recommendations on how dairy food-product producers in Jönköping and surrounding regions can best adapt their marketing mixes to begin successfully exporting their products to Finland. As requested by Hushållningssällskapet, the report will be presented and worded in a way in which it can be supplied directly to local producers seeking to export, who may be unfamiliar with marketing concepts. Finland was chosen as the export country due to their export facilities, high demand for ecological dairy products and proximity to Sweden.

EXPORTING DAIRY PRODUCTS TO FINLAND: HOW TO ADOPT YOUR MARKETING STRATEGY

INTRODUCTION

As a small to medium sized enterprise, it is very likely you may be considering exporting your product/s internationally to increase your revenue as well as the amount of people that are able to enjoy your product/s. In order to do this, you will need to use marketing. Marketing is defined by the American Marketing Association (2013) as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” Although there are a range of approaches to marketing management, evidence suggests that an approach in which an organisation’s justification for existence is “...the satisfaction of customer wants and needs while meeting organizational objectives” (Lamb, Hair & McDaniel, 2018, p. 5) is the most likely to be successful in the long term. This is especially true of international marketing (Keegan & Green, 2017). Based on this information, it is important for you as a potential exporter to consider your organizational objectives as well as your potential customers’ wants and needs.

As the owner and/or operator of your business, your organisational objectives are up to you to individually determine and implement. However, for the purposes of this report, it will be assumed that your objectives are to successfully export a dairy food product from Jönköping and surrounding regions to Finland in order to make profit. The satisfaction of customer needs and wants, on the other hand, can be largely addressed by efficient marketing. Marketing will therefore be the framework upon which this report is based. Marketing can be most simply divided into product, price, placement and promotion (Lamb, Hair & McDaniel, 2018). Therefore, the following will define and discuss each of these aspects in relation to you as a potential exporter and how, in light of this, you may wish to adapt your marketing mix in order to most effectively export your dairy product/s from the Jonkoping region to Finland. Although the exporting of dairy products to Finland will be used to exemplify the recommended

marketing mix adaptations, similar adaptations and considerations can likely be applied by local producers seeking to export other food products to other Nordic countries.

PRODUCT

A product can be defined as “everything, both favourable and unfavourable, that a person receives in an exchange” (Lamb, Hair & McDaniel, 2018, p. 183). For the purposes of this report, the term “product” will be used to refer to the tangible dairy food product/s you are planning to export. Designing a new product, or deciding which of your current products you wish to export/sell is generally the first stage in the marketing process. This is due to the difficulty associated with designing the other aspects of the mix without knowing the product upon which the other aspects will be based (Lamb, Hair & McDaniel, 2018). When adapting your product to an international market, there is a range of considerations that must be taken into account. The following section will touch on some of the main product adaptations you may wish to consider prior to exporting a perishable dairy food product to Finland.

Firstly, as food stuffs are one of the most localised products in the world, they generally require some form of taste adaptation to suit international markets (Keegan & Green, 2017; Vignali, 2011). However, due to the many similarities between Sweden and Finland (Ministry for Foreign Affairs of Finland, 2008), it is likely that less taste adaptation will be required than if you were exporting to, for example, Asia. Due to these similarities, only products that are foreign to the Finnish market will require adaptation. For example, if you are planning to export a type of cheese with a very specific “Småland” taste, it may require adaptation.

Secondly, varying food laws must be considered. As Finland is governed by the same European Union food-related laws as Sweden, many of the requirements are uniform (Ministry for Foreign Affairs of Finland, 2008). However, Finland has additional national food safety laws (Wideback, 2011). It is therefore vital for you, as a potential exporter, to seek independent export-specific legal advice in order to ensure your product complies with national laws and

standards. The outcome of this legal advice will allow you to understand whether or not you need to alter your product in order for it to be legal in Finland.

Finally, labeling and packaging, which are considered an aspect of your product, will need to be altered (Lamb, Hair & McDaniel, 2018). As Finland has two national languages, your labelling will need to be displayed in both Swedish and Finnish in order to comply with packaging regulation (Ministry for Foreign Affairs of Finland, 2008). Furthermore, attributes such as colours and symbols can have different meaning and connotations in different cultures (Keegan & Green, 2017). Due to this, it is important you consider how the colours and symbols on your packaging will portray your product in Finland. It is therefore recommended that you utilise the services of a business-specific Finnish translator to help you accurately translate your labelling and to ensure your packaging is portraying your marketing message effectively in the Finnish market.

PRICING

Pricing is the policy a company espouses to ascertain what it will charge for its products or services (Sammut-Bonnici & Channon, 2015). It is also an essential part of successful sales in a foreign country (Keegan & Green, 2017). It is recommended for you, as a potential exporter to follow Lamb, Hair and McDaniel's (2018) four-step process for establishing the price:

1. Set pricing goals
2. Estimate demand and costs
3. Select a pricing strategy to aid the establishment of a base price
4. Adjust the base price utilising pricing tactics.

The following discusses some relevant and specific pricing concerns in relation to each step. However, as accurately estimating cost, demand, and base price would require a deep understanding of your business and product, they will only be discussed on a superficial level.

In regards to the first step, you will need to decide your own individual pricing goals as that is up to you to align with your organisational objectives. However, your three main options are: a profit-oriented pricing objective, a sales-oriented pricing objective or a status-quo pricing objective. A Profit-oriented pricing objective entitles companies to charge as much as reasonably possible for their products. A sales-oriented pricing objective is focused on a firm's aspiration to either gain market share or maximize sales. A status-quo pricing objective seeks to sustain the prevalent prices or match up to competitors' (Lamb, Hair & McDaniel, 2018). It is recommended you set a status-quo pricing goal, as it will be the most likely to succeed in such a saturated market and as it will align with the status-quo pricing strategy recommended below.

In regards to the second step, the demand for dairy products is extremely high in Finland. Due to their strong links to food and agriculture, the average Finn drinks approximately 130 liters of milk per year (O'Sullivan, 2015). However, there are many dominant players within the Finnish dairy food industry, such as Valio (O'Sullivan, 2015), Arla (Turula, 2017) and SataMaito (Valtiala, 2017), all of which have established a robust presence. Despite the extensive array of dairy products available, Finnish people constantly seek new products that contain either unique taste features or healthy properties. Lactose-free milk, cheeses and yogurts with different flavors; and dairy products with low-sugar content are examples of products that Finnish consumers tend to buy (Euromonitor International, 2017). Due to this, it is recommended that you focus on creating competitive advantage by distinguishing your products from the products of others. The competitive advantages you may be able to utilise as a local producer include the organic origin of your dairy products or any sustainable practices you have utilised in producing your product. Due to the Finnish people's concern towards the state of the world's ecological system, and the harmful impact the food production makes on the environment (Kokko, 2017), better environmental practices are likely to increase the value of your products to consumers, and provide you with a competitive advantage. Targeting grocery shoppers by supplying sophisticated (in terms of flavor and healthy facets) products that can satisfy their needs (for sustenance and environmentally sustainable products) will enable you to compete with domestic producers by creating a competitive advantage, and

consequently, increase your product demand. If you are unsure about whether you are being organic and sustainable in your production of dairy, Hushållningssällskapet can help (Hushållningssällskapet, 2018). In regards to costs, as Sweden and Finland are both members of the European Union, the custom duties do not apply to any of the products transported for sale between the two. This will reduce costs, and therefore support the notion of exporting. Furthermore, (assuming you choose to utilise the wholesaler method of distribution; see: *PLACEMENT/DISTRIBUTION* below for details) the storing of products, their delivery and insurance cost are usually, but not necessarily, administered by the distributor once the agreement for the supply is made (Ministry for Foreign Affairs in Finland, 2008). Additionally, there is no need for charging VAT for an EU-registered company unless products are dispatched to a buyer from an EU state who is not registered for VAT in that state. In that case, the exporter needs to charge it (NI Business Info, n.d.). These requirements must be kept in mind when estimating costs. However, costs are very individual and can be estimated in a range of ways and, therefore, must be estimated by a professional for each individual business.

In regards to the third step it is recommended that you pursue the status quo pricing strategy. This strategy is generally utilized by companies selling an analogous product that charge consumers a price which is similar to that of their competitors' (Lamb, Hair & McDaniel, 2018). The status quo pricing strategy is commonly used by organizations whose products are not considered to be unique. Due to the abundance of dairy product producers in Finland and the common nature of dairy goods such as milk and cheese (O'Sullivan, 2015), this pricing strategy is the most likely to be successful for your organisation because it will allow you not to differentiate from your competitors in terms of prices and obtain the market leading position by having above-mentioned competitive advantages over them.

Finally, in regards to the fourth step, adjustment of the base price with pricing tactics is done after the introduction of products into the market. The common tactics include imposing discounts on goods to allow a company to adapt to competition, exploit a peculiar demand situations or attain promotional and positioning objectives (Lamb, Hair & McDaniel, 2018).

Based on your initial performance, it will be up to you to determine whether additional tactics are required.

PROMOTION

Promotion is defined as all the activities undertaken to publicize the value of a product to its target market (Barringer & Ireland, 2012). In other words, to promote is to create awareness and persuade a target group into buying your products (Barringer & Ireland, 2012; Lamb, Hair & McDaniel, 2018). Using the three most relevant aspects of Kotler's (1994) five major advertising tools: advertising, public relations and personal selling; the following will explain how, as a potential dairy product exporter, you can adopt your promotional strategies to best suit the local Finnish market.

Advertising

As costly as advertising can be, it is considered one of the most effective promotional activities. These are few things to consider when advertising in Finland.

Firstly, you must decide on who your target market will be by asking yourself: which group of people do I want to purchase my products? For example, according to the Dairy Nutrition Council in Finland, milk is consumed by most Finns irrespective of their demographics. Milk is consumed on the daily basis mostly at breakfasts and other meals during the day. In addition, it is approved to take in three servings of dairy foods every day (Nutrition Australia, 2018). Therefore, if you are a milk producer, you have a large potential market you may wish to target.

Your second consideration should be a choice of marketing channels: which mediums or voice-platforms are suitable and common for my target group? Common paid advertising

channels in Finland include television, transportation venues (hanging flyers, framed posters, stickers, and flat-panel video), radio, the web (broadband is now a legal citizen right in Finland), billboards and newspaper (Santander Trade Portal, 2018). It is generally most effective to utilise a combination of the advertising platforms your target market is most exposed to (Lamb, Hair & McDaniel, 2018).

Thirdly, you will need to consider your intended message by asking yourself: what do I want to say with my advert and how do I rightfully convey the value (Lamb, Hair & McDaniel, 2018) of my product to my target market? Since good dairy products are highly recommended by research institutes such as Evira, the Finnish Food and Safety Authority (Finish Food Safety Authority, 2016), it is recommend that your advertising message should emphasize and draw attention to that. You may also wish to advertise any features of your product that contribute to its competitive advantage (see *PRICING* section for details). The AIDA model provides a simple marketing message procedure which you may wish to base your message on. It involves the following emotions/actions in their respective order, that your message should establish when viewed by a potential customer: **Attention**-- draw attention and concentration to your product; **Interest**-- leave room for curiosity; **Desire**-- create a desire or a want for your target market to choose your product instead of your competitors'; **Action**--motivate them to buy (Lamb, Hair & McDaniel, 2018).

Public relations

According to Barringer and Ireland (2012), public relations do not directly cost a company in the same way as advertising does. The cost paid is more through effort. This may involve networking with journalists, blog authors, youtubers and others to write reviews about your products. As their opinions are seen to have no vested commitments and therefore no need to lie about products, they can provide credible reviews of your products (Barringer & Ireland, 2012). Publicity can play a very effective role in creating awareness for products; especially, when being introduced into foreign markets. As Finland is known for its market sophistication and high living standards (Santander Trade Portal, 2018), it is particularly

important that you portray the quality, safety and origin of your product in your public relations advertising to ensure its successful adoption.

Personal selling

Trade fairs are a form of personal selling as well as a way to publicise your products. A trade fair is a place where a group of distributors, manufacturers and other vendors exhibit their products or give a description of their services to the fair's invitees, i.e current and prospective customers, suppliers, other business associates and the press (Sarmiento & Simoes, 2018). According to Sarmiento and Simoes (2018), trade fairs are recognized as a personal selling method because you are generally there in person to give information about your product. Trade fairs can also be used to gather information about your competitors, learn how to better present/package your product and can be a great source of publicity. Furthermore, these fairs can contribute to public relations if influencers of any kind (food writers, bloggers, chefs, cafes) decide to write about or use your product. Examples of a local Finnish food trade fairs you may be interested in is the Turku Food and Wine Fair and the Messukeskus' Wine and Food Fair (Turun Messukeskus, n.d.). According to Sarmiento and Simoes (2018), trade fairs are becoming important extensions of a business' personal selling, and therefore important for you to utilize.

PLACEMENT/DISTRIBUTION

Placement, which is also known as the marketing channel, "...can be viewed as a canal or pipeline through which products, their ownership, communication, financing and payment and accompanying risk flow to the consumer" (Lamb, Hair & McDaniel, 2018, p. 242). Placement includes considerations such as business location, where the target market is located, how to reach this market and how to store and transport goods (Cleverism, 2014). Placement is particularly important to you as a potential exporter due to many placement options, as well as the ability of correct placement to lead to increased profits and market

share. Although “a product can take any of several possible routes to reach the final consumer” (Lamb, Hair & McDaniel, 2018, p. 245), both consumers and marketers strive to utilise the most efficient and convenient ones. The following defines the main distribution channel types: direct, wholesaler, agent/broker and retailer; and discusses their different functions in relation to exporting dairy products to Finland. Often a combination of different distribution channels may be most effective (Lamb, Hair & McDaniel, 2018), however, it is up to you as an exporter to consider the distribution channel most suitable for you.

Direct Channel

In the direct channel method of placement, the manufacturer directly provides the product to the consumer. In this instance, the business may own all elements of its distribution channel or sell through a specific retail location. One benefit of this method is that the company has complete control over the product image and the user experience as there is no intermediaries. Examples of this placement include producer owned stores and factory outlet stores (Cleverism, 2014; Lamb, Hair & McDaniel, 2018). However, direct channel distribution is more expensive to establish because it requires significant capital investment. Furthermore, there are a range of managerial complications associated with logistics. Although, this type of channel tends to be difficult to establish and manage, its process tends to be shorter and less costly once everything is in place. Therefore, if you would like to maintain as much control over your product as possible while exporting to Finland, and you are willing to bear the additional initial costs, this placement method will be the most suitable for you.

Wholesaler

Wholesalers are independent entities who buy products from manufacturers in bulk and store them in their warehouses. These goods are then sold in smaller amounts at a profit (Cleverism, 2014). Most wholesalers take ownership over the products they sell, and most of them operate one or more warehouses where they receive finished products, store them, and later distribute them to retailers, manufacturer and institutional clients (Lamb, Hair & McDaniel, 2018, p. 243). This means that wholesalers hardly sell to end users. Since they do not alter any form of the goods, the value of the product depends whether or not they are provided

to retailers within a convenient time. Additionally, selling to wholesalers incurs costs and reduces control. Therefore, this strategy could be the most effective if you would prefer to export your products in large amounts rather than consumable portions, and you are willing to lose complete control over your product.

Agent/Broker

The agent/broker channel "...facilitates the sales of products downstream by representing the interest of retailers, wholesalers, and manufactures to potential customers" (Lamb, Hair & McDaniel, 2018, p. 243). Agents and brokers can be useful to small organizations with limited marketing power, that are seeking to connect with actors further down the distribution line. In this scenario, the agent/broker may connect you to a wholesaler/retailer without taking over ownership of your product. They are therefore paid in fees or commissions generally based on the sales amount (Lamb, Hair & McDaniel, 2018). It is recommended you utilise this channel if you are having trouble successfully connecting with your desired wholesalers, retailers or consumers.

Retailer Distribution

Retailer channels are firms that sell directly to the end user. Retailers purchase products from the wholesalers, stock these products and then sell to the end consumer or user at a profit. "A critical role fulfilled by retailers within the marketing channel is that they provide contact efficiency for consumers" (Lamb, Hair & McDaniel, 2018, p. 244). In this case, when a consumer needs to buy a particular dairy product it will have all ready being conveniently organised and made available by the retailer which can save the consumer time and money. Unless you are selling directly to the end user, it is likely your product will need to be sold through a retailer in some form (grocery store, farmers market, specialty store). Due to this, it is more within your power to choose which retailers you would like to sell your product, based on your organisational goals.

CONCLUSION

Without well-timed development and a good marketing strategy, you can risk being lost among similar or larger manufacturers. Expansion is a key element in the development of every business organization, and international supply and trade of products can raise the chances of growth and increase your competitiveness in comparison to other similar producers. Due to its proximity to Sweden, high demand for dairy products and quality import systems, you may wish to export your dairy product to Finland. Before exporting, however, it is vital that you consider some key things: Firstly, you will need to consider if your product needs to be altered to best suit, or to be legal in, the international market. Secondly, you will need to determine your pricing goal; estimate your demand and costs; select your pricing strategy; and adjust the base price with various tactics. Thirdly, you will need to decide which, or which combination of, promotional strategy is most likely to accurately and effectively portray your product to your target market. Finally, you will need to decide, based on: cost, price, amount of desired control and most suitable method, the distribution channel you wish to utilise. Although, literature such as this can help recommend the most effective option, generally the decisions are up to you.

ACADEMIC CONCLUSION

The authors were presented with an issue by Nicklas Bengtsson, the Jönköping Hushållningssällskapet branch development leader. The issue was a lack of locally relevant export literature. Using relevant marketing literature and export research, the authors were able to contribute to addressing this issue. This was achieved through utilising the Four Ps marketing framework to present a locally-relevant, marketing oriented report that defined and discussed each of the Four Ps in way designed to help local dairy producers export their products to Finland.

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