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BRAND AND BRANDING STRATEGY IN FOOD INDUSTRY

Case: Kinh Do Corporation and Solite brand

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ABSTRACT

Growth of young middle and upper class population makes Vietnam an appealing proposition among Asian Pacific economies. Specifically, the Vietnamese food market is growing rapidly and attracting significant market entrance in recent years, thus the competition between domestic and foreign brands is getting more intense. Reliance on traditional product-based differentiators is no longer an effective branding strategy and indeed neglects the role of customer involvement.

The main objective of this study is to assist Case Company to achieve higher brand equity for Solite packaged cake by providing theoretical measure and applicable approach to build its brand in Vietnam. Therefore, the author deals with different stages in the branding process: brand identity, brand meaning, brand response and brand relationship. In a nutshell, the author's work includes external analysis of industry overview, packaged cake competitors' analysis, consumer trends and internal analysis of the Case Company portfolio's potential, Solite brand and above all, a complete branding strategy to re-launch Solite brand.

The thesis is structured by deductive approach together with a combination of qualitative and quantitative research method. Data is collected from focus group interviews with target consumers, published materials, market research reports and the author's personal observation in natural settings.

Inferred from external and internal analysis, conclusions on core consumer segment are drawn to be the central consideration in branding strategy. Based on the theoretical framework, the writer suggests core values appropriate for Solite brand and conducts a practical branding process in ascending level of development. The implication of the thesis findings and consultative propositions can be employed in real life. Case Company is also suggested to cooperate with media agencies in a further idea generation process to activate communication campaigns.

Keywords: Brand, branding strategy, packaged cake, food industry, Vietnam

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1 INTRODUCTION

1.1 Background

Brand is a valuable asset associated with every product from its first launch to the market. A brand not only represents a product, service or brand identity (name, logo, design and the voice of the brand), it is also synonymous with the business and the style behind the product or service; it encompasses the people working for the company and a philosophy and spirit that sustains it (Davis 2005, 26).

A good brand will help consumers make their choice in the first place, and it can do that because it knows how to make them feel good. (Cheverton 2006, 1). It is important that brand can establish proactive and emotional bonds with its target consumers in buying process.

Branding strategies have evolved at fast pace and become more sophisticated, which require branding experts to have a keen sense of market trend, creativity and strategic vision of an entrepreneur.

In the context of Vietnam exports, up to now, Vietnam has very few internationally recognised brand names despite a large volume of exports to all continents. Vietnam export revenue reached \$71.6 billion in 2010. Principal exports are crude oil, garments/textiles, footwear, fishery and seafood products, rice (world's second-largest exporter), pepper (spice; world's largest exporter), wood products, coffee, rubber, handicrafts (U.S. Department of State 2010). One reason for this regrettable situation is that exporting companies lack strong brand image and clear branding strategy to compete on product value and product differentiation.

In domestic market, expenditure on advertising channels has been strongly invested in and is continuously increasing even in the economic downturn of the year 2008. Only body care and cosmetics products reduced their advertising budget

with the percentage of 3.1% while other industries increased their budget for advertising activities within the range from 6.4% in beverage branches to 103% in telecommunication industry (Vneconomy 2008, according to TNS Media 2008). However, Vietnamese businessmen have not paid adequate investment on intangible assets, including brand development, intellectual property, technology and product ownership (Dr. Phan 2010). This shortcoming makes a permanent disadvantage for domestic companies in the harsh competition with foreign brands.

During my internship in Kinh Do Corporation, one of the biggest companies in food industry of Vietnam, I had a great opportunity to understand the importance of branding for products in this fast-changing, competitive market. Also, there exist challenges to branding where economic growth rate is considerably unequal throughout Vietnam and consumers in different geographic regions have diverse buying behaviours and preference.

1.2 Objective, research questions

The goal of this thesis is to provide different branding strategies and a guideline for branding process in the background of the food industry. Known as Fast Moving Consuming Goods industry, the food industry has a huge amount of manufacturers and customer preference is easy to switch between brands. Also, the purchase decision process is not complex, which makes competition intense and makes brand essential for every product to be outstanding among others and win consumer loyalty.

By applying suitable branding strategy, the author aims at increasing efficiency and impact of the Solite brand in the market. Solite is a packaged cake product belonging to Kinh Do Corporation. Currently, the Solite product does not have a clear brand vision and brand response to Solite is lower than that of its foreign-origin competitor. Most advertising campaigns of Solite are below the line sales promotions without strong and distinctive brand message. On the other hand, Solite is a high-quality product compared to most competitors and Solite is produced by Kinh Do Corporation, a long-established manufacturer owning strong

distribution channels together with acknowledged trustworthiness and reputation. An effective branding strategy will create strong impacts on consumers and help gain expected market share for Solite products in the future.

The main objective to this thesis is to find answers for this question: **“What is the ideal branding strategy to leverage Solite brand of Kinh Do Corporation in Vietnam?”**

This case will be addressed through the following sub-questions:

1. Are there unmet needs and rising trends in packaged cake market?
2. What are strengths and weaknesses of Solite’s competitors in the cake category?
3. What are strengths and weaknesses of Solite brand ?
4. How Solite brand is currently perceived in consumer’s mindset?
5. What are brand key core values, brand positioning and distinctive brand equity to be rebuilt for Solite brand?
6. How can Solite design marketing programs to build brand equity?
7. Is it necessary to re-organise Kinh Do’s cake range architecture?

1.3 Scope and limitations

This research paper is limited to the scope of marketing issues, especially branding. Four factors in the marketing mix model are analysed to build brand identity (Product, Price, Distribution, and Promotion).

The implementation plan for branding Solite is examined from the Brand team’s perspective. Therefore, sales strategy including sales technique, sales operations will be excluded.

This research does not include discussion on the financial point of view in the branding process despite the fact that the brand team should control its expenditure on marketing activities and prioritise its investment in the long term.

Solite brand observations are done in Ho Chi Minh City. However, to ensure relevance of data supporting branding, the author also studies reports on target consumer behaviour in both Ho Chi Minh City and Hanoi, the capital, the two biggest markets of Solite, through reports supplied by market research agencies. Furthermore, data collection is limited to retail customers only.

1.4 Research methodology

Research is different from common sense because it is done to achieve specific goals, relies on specific methods and is done systematically. (Ghauri, Grønhaug 2002, 10). Indeed, conclusion in a research should be able to convince others by soundly based reasoning, systematic data collection without influenced by common sense or non-conscious ideology.

Following graph gives an overview of research methodology applied in this thesis



FIGURE 1: Research method

Research design

First and foremost, based on the nature of the research objective, this paper uses action research's design.

In action research, there is no attempt made to separate the problem from its context in order to study it in isolation. What are thought to be useful changes are

made and then constant monitoring and evaluation are carried out to see the effects of the changes. (Walliman 2011, 12)

In this thesis, branding strategies are studied in the context of food industry; furthermore, building Solite brand is not isolated from its confectionery industry and packaged cake competitive environment. The action plan for Solite brand should be realistic to be implemented. Implementation plan, even though has not carried out at the present, should be measureable, controllable and further developed in long run.

Research approach

Inductive reasoning starts from specific observations or sensory experiences and then develops a general conclusion from them. On the other hand, deductive reasoning begins with general statements (premises) and, through logical argument, comes to a specific conclusion. (Walliman 2011, 17-18) This thesis will employ deductive research approach. Theories are applied in case of food industry and Solite brand of Kinh Do Corporation.

Research method

This thesis aims at improving branding strategy in the long-term for Solite brand and developing a persuasive advertising message, therefore, qualitative research is the way to go. To meet these exploratory objectives, qualitative data will be collected including consumers' judgements, feelings, emotions, beliefs... which are expressed in words and lead to deep insights about consumer behaviours thanks to data's richness and subtlety. In addition, qualitative research helps identify disadvantages and opportunities Solite brand is facing due to main competitors' marketing activities.

Data collection

Action research depends mainly on observation and behavioural data. (Walliman 2011, 12)

In theoretical framework, published data are mainly used such as books, business journals, articles, prior studies.

When it comes to the empirical part, primary and secondary data are collected. One primary source is from the author's observational trips in natural settings of markets and supermarkets in Ho Chi Minh City (Nguyen Dinh Chieu Co-op mart, Ly Thuong Kiet Co-op mart, Maximart, Big C supermarket, Tan Dinh market, Ban Co market). Another primary source is from focus group reviews with Solite target consumers. The interviews were conducted by AC Nielsen market research company under the supervision of Kinh Do Brand Teams and the author. Besides, secondary data are taken from published sources (books, newspapers articles, company's reports, demographic reports, websites...) and commercial source (AC Nielsen group interviews' report, Kantar World Panel credential presentation)

1.5 Thesis structure

This thesis is structured into 2 main parts: the theoretical framework and the empirical part. Theoretical framework is handled in Chapter 2, where all important theories necessary to tackle empirical issues about Solite brand are reviewed within the scope of food industry. These theories are product branding, corporate branding, Brand Key Vision model introduced by Unilever, competition-based branding strategy and customer-based branding strategy as well as basic concepts in branding.

Chapters 3, 4 and 5 make up the empirical part. Chapter 3 concerns the external environment where Solite cake product is active including a description of Vietnam as a retailing market, food industry, confectionary sector, and more specifically, the packaged cake category which gives insights on current marketing mix of Solite and its competitors. Besides, Chapter 3 benefits branding for Solite with information about Vietnamese consumer behaviours in food purchasing and more specifically, their attitude towards packaged cake brands. Chapter 4, on the other hand, examines internal factors, Case Company and Solite in terms of their char-

acteristics, mutual impacts, strengths and weaknesses in order to input into action plan in Chapter 5.

Chapter 3 and 4 have the first four research questions as their guideline. Next, Chapter 5 is an action plan solving the last three research questions by a complete branding strategy to improve Solite brand. Chapter 6 pinpoints the utmost strategic remarks of the action plan as well as proposal for future development after conclusions on the main destinations of branding route. After all, Chapter 7 summarises main ideas of the whole thesis. The thesis structure is illustrated in the following figure:

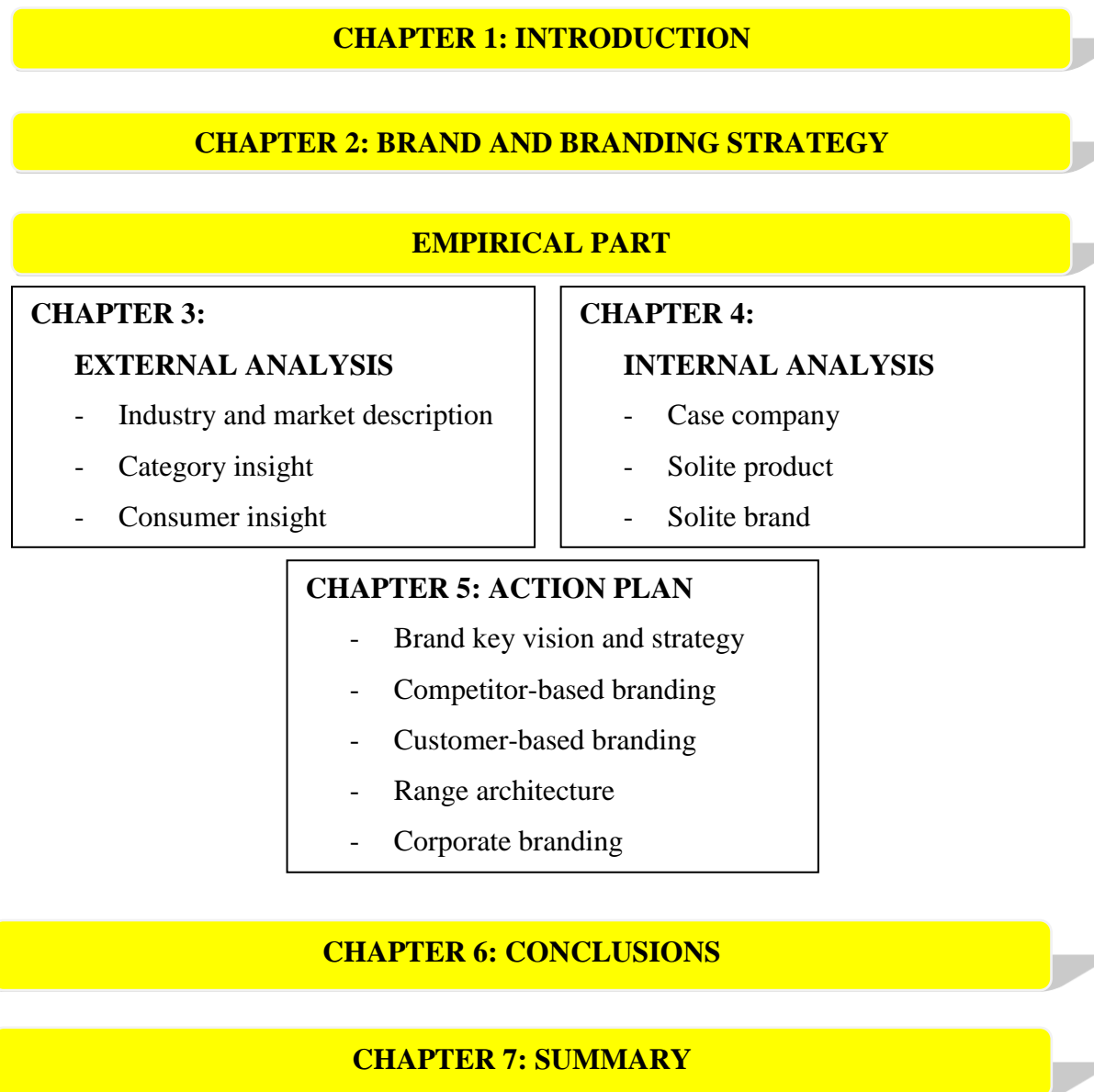


FIGURE 2: Thesis structure

2 BRAND AND BRANDING STRATEGY: MODELS AND FACTORS

2.1 What is a brand?

According to the American Marketing Association, brand is a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers (AMA Dictionary). This definition involves the conventional elements and missions of a brand. Mainly brand means tangible assets associated with the company and product itself which identify and differentiate a product in its market.

According to marketing guru Alvin Achenbaum, on the perspective of equity, brand is defined as followed:

What distinguishes a brand from its unbranded commodity counterpart and gives it equity is the sum total of consumers' perceptions and feelings about the product's attributes and how they perform, about the brand name and what it stands for, about the company associated with the brand.

This definition shows more demands towards a brand. Other than brand identity, brand involves the values of the product and its manufacturer in order to attract consumers and help them make their choice and feel good about it. Brand equity is added value endowed on products and services, reflected in the way relevant stakeholders think, feel, and act with respect to the brand (Keller, Kotler 2012, 141; Davis 2005, 11).

Everyday customers can see many brands, advertisements anywhere and have a variety of competent suppliers to choose from. A product which merely satisfies customers' expectations is no longer enough- one must delight the customer. Basically, products are competing on value. In the branding process, applying traditional 4Ps is no longer enough to add customer value in most competitive markets. (Knox, Maklan 1998, 53-55) Marketers are competing on creating customer value rather than proving product value.

The utmost objective of a brand and many companies' marketing strategy is to increase the number of loyal customers willing to pay higher price for goods or services. Brand loyalty is not an automatic follow-on from interest and trial (Knox, Maklan 1998, 53). Jeff Bezos- CEO of Amazon said: *"brand of a company is similar to reputation of a person. You got the reputation after attempting to achieve hard things"*. Brand is a continual process of a product managed to do the right things right; in addition, that reputation needs carefully nurtured to stay relevant over time.

2.2 Which elements form a brand?

Brand elements are all tangible and intangible assets which are strategically created for a brand so that it is easy for customers to recall the product and memorise it for a long time. Brand elements help distinguish a product from the others in the same category as well as convey brand characteristics to its target audience. Good brand elements give customers clear perceptions about who the brand is and what it offers or stands for. The following graph illustrates critical elements forming a brand.

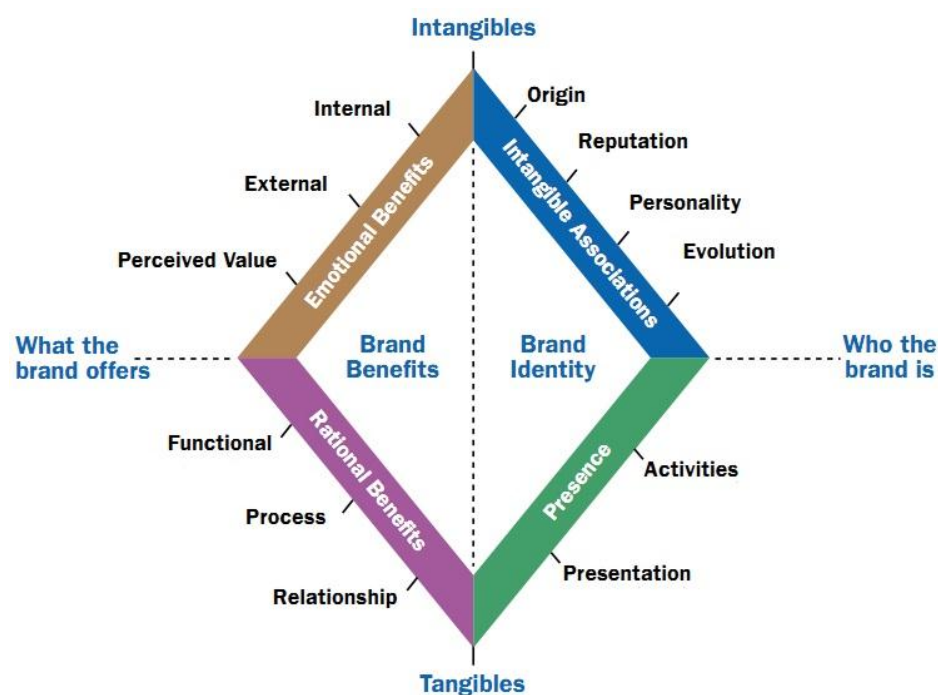


FIGURE 3: Brand equity elements (Copeland 2001, 7)

Brand identity, derived from positioning statement, is the total value proposition that a company makes to consumers and must deliver the promise it makes. It must be more than graphic design, clever word play and window dressing (Campbell 1999). As dynamic marketing world has intensified the role of branding, brand identity, furthermore, needs to express real characteristics of the product value and brand promise being provided and sustained. Brand identity is everything the company wants the brand to be seen as. Reversely, brand image can be defined as perceptions about a brand as reflected by the brand associations held in consumer memory (Keller 1998, 93). Based on brand equity elements model introduced by Copeland, following tactics can be utilised to shape brand identity:

Through brand presence:

- Activities: corporate social responsibility activities, sponsorship, public relations events... which contribute to building brand identity, brand characteristics.
- Presentation: brand name, logo, symbol, trademark, slogan, jingle, packaging, physical design...

Through intangible associations:

- Origin: well-known origin which creates positive brand association especially about product or service quality.
- Reputation: company or its product, service gains reputation when they succeed to do difficult things well, such as building strong corporate culture, social responsibility, business ethics...
- Personality: it is personality built for a brand and which brand needs to convey consistently to its audience.
- Evolution: the breakthrough vision, leadership or high market position the brand strives for.

Customers buy benefits rather than a product. Emotional benefits can easily attract customers, who believe those benefits solve their issue or give them the feelings they want during the purchase process or user experience. Beyond functional ben-

efit, it is worthy to consider social, emotional and self-expressive benefits as a basis for the value proposition. (Aaker 2009, 23.)

Through rational benefits:

- Functional benefits: identifiable product features.
- Process: convenient performance of process related to product/ service
- Relationship: sustain affinity, strong, differentiated relationship that customers want to get involved in.

Through emotional benefits:

- Internal: emotional benefits that customers love to feel themselves when using a certain product or service.
- External: customers want the purchase to give them a good impression from others and satisfy their needs in social life, such as expressing their status, lifestyle, personality...
- Perceived value: it is customer's assessment of product's real value, it has little to do with market price. Perceived value depends mostly on how well a product or service satisfies his/her requirements.

2.3 Branding and its importance

"A brand makes value visible: value in the product or service and value in the corporation" said Steve Everhard, Multos. Brand bridges the distance between product value and customer perception as well as customer satisfaction (Davis 2005, 32).

Brand is a business asset. The benefit to the brand owner is that forecasting cash flows becomes easier, and it becomes possible to plan and manage the development of the business with greater confidence (Clifton 2009, 18). In addition, brand is a guarantee of authenticity, differentiates a product from me-too brands and prevents it from the risk of confronting price competition.

From the angle of creativity and inspiration, good branding pushes the creative boundaries within the context of the business of a brand. It is about understanding business and creating stories (Davis 2005, 24). Brand enriches the way products engage customers' interest both in buying process and in emotional life with inspiration.

In Vietnam, brand has a considerable influence on customers' behaviour, attitude and preference in their buying process. According to Viettrack market research panel conducted by FTA in May 2009 interviewing 600 consumers, more than 80% of consumers in three out of four biggest cities in Vietnam said they seldom switch brand, which is referred to high brand loyalty. More than 60% of consumers in four biggest cities prefer well-known premium brands, especially 88% of interviewed Can Tho citizens tend to seek for brand "badge value". Last but not least, brand and origin largely affect consumers' perception on quality of FMCG products. As for Viettrack panel interviews in the 4 biggest cities on July 2011, 39% of consumers consider brand and 31% of consumers consider origin to evaluate food products while only 13% of consumers use price as an indicator of quality. In a nutshell, well-managed branding would give great advantages for manufacturers to compete in Vietnam's biggest markets and set a desired expectation of quality or price.

2.4 Corporate branding versus product branding

First of all, corporate brand is the brand bearing the company name. Examples are IBM, Ford, Nokia, Sony... Virgin is one of the outstanding examples for successfully sustaining strong corporate brand and largely extending to different products, services with the consistent use of Virgin name, such as music (Virgin), soft drinks (Virgin Cola), insurance (Virgin Direct), airline transportation (Virgin Atlantic and Virgin Express).. without diluting brand core value "fun, innovative, and daring" (VnBrand; Abdul 2003). Virgin sells its character blended with corporate value more than individual products or services.

Corporate branding is an attempt to attach higher credibility to a new product by associating it with a well-established company name. Unlike a family-branding (which can be applied only to a specific family of products), corporate branding can be used for every product marketed by a firm (Business Dictionary).

Corporate brand is a combination of vision, mission, value and culture of the corporation, it might include national mission, social responsibility, visionary or influential leadership (Masso Quarterly 2011, 1).

Product branding, on the other hand, allows the consumers to fit product perceptions and brand image into one. For instance, average consumers know Pampers and Luvs are “diapers” but the average consumer is not aware that both are made by P&G (Davis, 3). Likewise, Pantene and Head&Shoulders have different and separate brand positioning, P&G positions Pantene as an affordable alternative to salon brands (Cosmetics Design 2008) while Head&Shoulders is a major player in the anti-dandruff niche (Marketingpractice 2007).

Learned from Mary Jo Hatch and Majken Schultz’s journal “Bringing the corporation into corporate branding” (2003), corporate branding and product branding have the following advantages and disadvantages. Firstly, broader scope of corporate branding adds more economic value to the variety of products and services of the company. Secondly, corporate brand can take responsibility as an endorsement for new products or services and ensure instant credibility for them in the market thanks to established corporate brand reputation. Thirdly, a brand built on corporate level thinks beyond product and its relationship to consumers, it improves corporate image held by organisational and community members, investors, partners, suppliers and other stakeholders through their relationship with the corporation. This elevates the importance of maintaining a healthy organisational culture and requires more sophisticated organisational practices, integration of total corporate communication mix. As a result, organisational behaviour becomes more transparent, sometimes newsworthy, which strategically forms positioning for a company in its market as well as creates internal arrangements (organisational structure, physical design, culture) that support the meaning of corporate brand. Last but not least, product brands live as short as product life cycle. When product

brands have been around for some time, marketers feel a strong need to freshen them with innovative ad campaigns and to update their iconography. Corporate brand, by contrast, has the long life of the company, as Olins (1989) indicated, corporate brands stimulate associations with heritage and articulate strategic visions of what is to come. Therefore, the corporate brand has a much broader temporal base than does a product brand (Hatch, Schultz 2003, 4-6).

On the other hand, products branded individually have nearly no connection with each other, therefore, they have less fear of failure in case one of them shows incompetence or gains bad reputation. Success or failure of one brand has slight effect on the other brands under one company. Product branding allows more opportunity to control shelf space or place in consumers' mind by different brand positioning, different price points and targeting different consumer segments. (Davis, 3; Hatch, Schultz 2003, 4-6.)

The cornerstone of a product-centred brand building strategy has the 4Ps marketing mix or Unique Selling Proposition (USP) marketing concept at its heart. Meanwhile, pondering a whole organisation into marketing strategy, the Unique Organisation Value Proposition (UOVP) modelling tool was introduced to integrate a company's core business processes into a visible set of credentials that add value through the supply chain (Knox, Maklan 1998, 47). This model aims at bridging the gap between product and customer value by involving, exposing them to product or service brand and their performance as well as corporate value and process-led organisation.

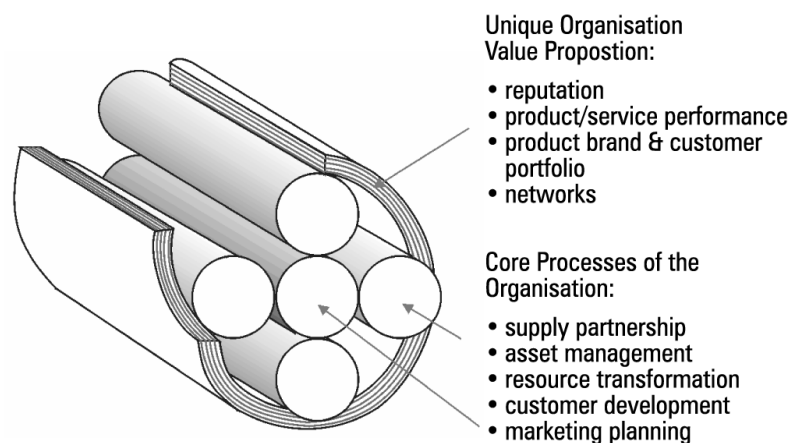


FIGURE 4: Unique Organisation Value Proposition (Knox, Maklan 1998)

Knox and Maklan (1998, 53-59) presented the two following factors inherited from the traditional marketing model, revised by modern marketing and customer knowledge to be the basis of organisation value proposition:

- Product or service performance: Like traditional marketing mix, product and service performance are always the focus of the value adding process, in which they not only need to satisfy customers' expectation but also must delight the customer.
- Product brand and customer portfolio: UOVP reminds marketers to hold interactive relationships with key stakeholders, both as product brands and as an integrated company.

Moreover, the two factors, reputation and networks make the most considerable difference in the UOVP model and raise awareness of corporate branding:

- Reputation: In order to gain reputation, the brand must convey corporate capacities and commitments (Knox, Maklan 1998, 49) destined for its desired marketplace position. This reputation can extend out of favouring stand-alone product portfolio. In corporate branding, marketers have more freedom to carry out brand extension while consumers have a direct relationship with the holding company.
- Networks: Many companies find that through their network of relationships they can serve customers better and differentiate themselves in competition. These networks are supply chain partnership, co-branding or alliances, and recently, network of customers in electronic communities. Partnership is no longer a strategy merely to increase economic of scale or manage excess capacity. Moreover, some companies overtly brand their network of relationships. (Knox, Maklan 1998, 59-61.)

2.5 Brand Key Vision model

Since 1999, Unilever has used the Brand Key tool to capture brand positioning globally. The Brand Key Vision is how the Brand Director captures the desired brand positioning and makes clear inside the business what the brand stands for, what it will do, and how it should be done in the next three to five years. It helps ensure that all internal actions (HR management, recruitment & training, corporate communication..) and external executions (products, packs and promotions) are guided by the extent to which they contribute to the desired brand positioning. (Unilever 2005, 5.)

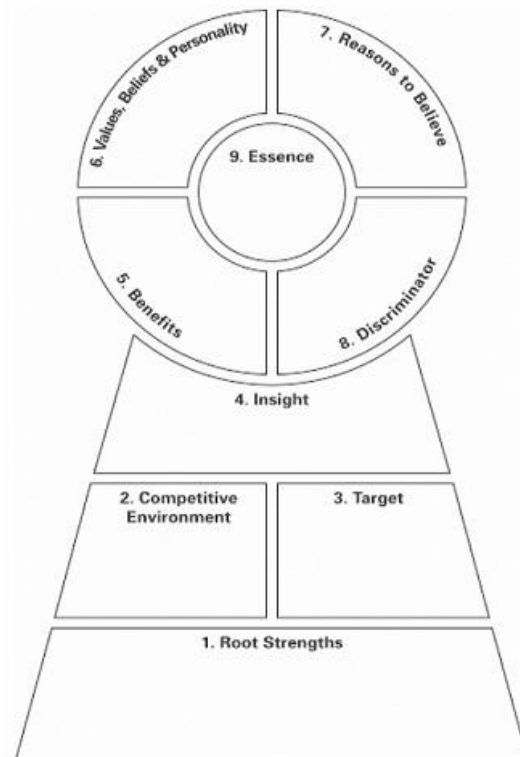


FIGURE 5: Brand Key Vision template (Unilever 2005, 8)

In their Brand Planning Toolset, the marketing experts of Unilever explained elements of Brand Key Vision model as below:

- **Root strengths:** The original product, values and/or benefits that made the brand great and on which marketers want to build. Most critical root strengths are those central to the brand's historic, future relevance and differentiation.

- **Competitive environment:** The market and alternative choices as seen by the consumer and the relative value the brand offers in that market. Competitive environment takes into consideration both direct and indirect, category and across-category competitors as consumers tend to switch brand easily especially whose demand curve is elastic. The market should be wide enough and new market opportunities for growth can be discovered for future positioning.
- **Target:** The person and the situation for which the brand is always the best choice, defined in terms of their attitudes and values, not just demographics. Although products can target wide consumption group of consumers, it is essential to identify core target, aka inspiration group, target epicentre. Profit gained by a specific consumer group is not always the criteria to choose them as core target. Indeed, this core group, besides sharing some common attitudes and needs with other consumer groups, is style-leading or aspirational to broader target group.
- **Insights:** The element of all marketers know about the target consumers and their needs on which the brand is founded. Insight is not merely observation but deep level of understanding the necessity of product to consumers, which can open the door to the brand positioning. Insights should be enduring, fresh, inspirational to brand team and consumers.
- **Benefits:** The differentiating functional, emotional and sensory benefits that motivate purchase. Brand team can consider both points of difference and points of parity to figure out brand key benefits.
- **Values, beliefs & personality:** They are brand values, what the brand stands for and believes in and its personality.
- **Reasons to believe:** The proofs are offered to substantiate the benefits or brand experience. Reasons can be based on history of the product, ingredi-

ents, product visual form, product performance, endorsers, unique manufacturing, brand "causes" the company is fighting for...

- **Discriminator:** The single most compelling and competitive reason for the target consumer to choose the brand. Discriminator needs to be consistent with other elements of the Brand Key and expressed in a compelling, simple consumer language.
- **Essence:** The distillation of the brand into a core idea or promise. It is a short brand manifesto to bring brand commitment, mission and vision into life with the support of creative communication campaigns. Brand essence should be short, crisp, vivid and memorable in its meaning. Some examples of brand manifesto are Body Shop with "Beauty without cruelty", Harley Davidson with "Rewarding everyday moments".

2.6 Competition-based positioning strategy

Competition-based positioning consists of identifying category membership and the point of difference of the brand, as shown in Figure 6. This positioning strategy stems from the psychological way human memory works. To memorise a product or service, first of all, customers categorise it to a related field of business or to a category usually defined by its manufacturer, then comes the distinctive attributes of product or service.

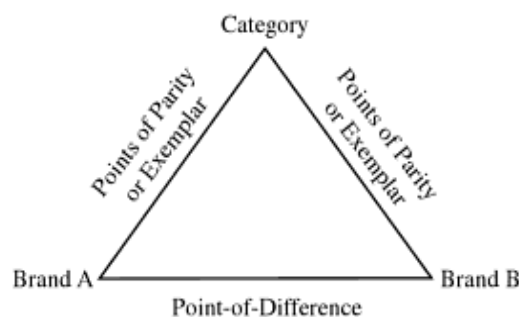


FIGURE 6: Competition-based positioning triangle (Tybout, Calder 2010, 39)

Category membership

Category membership indicates the range of products with which a brand competes. It is defined by understanding the competitive frame of reference, which basically means the market product competes in. It sounds simple but obvious frame of reference at first glance does not always bring the best out of a brand. Think twice because unconventional competitive frame of reference can offer even more opportunity to broaden company's customer set to people company may not have considered before. There is also possibility to compete in multiple markets, each which might give you different points of parity and points of difference. (Grams 2009.)

In an example of Grams (2009), Starbucks has been successfully positioned by a less-than-obvious competitive frame of reference. Obviously, Starbucks competes in the coffee market, in other words, it competes with grocery stores, fast food restaurants, other coffee shops, and home brewers. However, what makes Starbucks stand out is competing to be every customer's "third place". The third place is the other place you want to hang out besides your first place (your home) and your second place (your work). In this frame of reference, it competes with not only coffee shops but all sorts of entertaining places such as bookstores, parks, restaurants... Besides the quality of its coffee, Starbucks has been differentiating itself on its purchase experience.

Starbucks spends so much time with the music, the ambiance, the wacked out drink names that make you feel like you are reciting chants when you order them. It is all part of creating an air of comfort, relaxation, familiarity, exclusivity, and all of the other things that you look for in your preferred hang out spot. (Grams, 2009)

Points of parity

Points of parity are those associations that are not necessarily unique to the brand but may in fact be shared with other brands (Keller 1998, 117). Manufacturers frequently announce category membership to ensure consumers that a brand will

deliver on the fundamental category. Types of associations come in two basic forms: category point-of-parity and competitive point-of-parity associations.

Consumers view the first form as being necessary to be a legitimate and credible product offering within a certain category (Keller 1998, 117). These associations are especially important to position innovative product first introduced in the market when consumers have almost no previous experience about product attributes.

Second, competitive point-of-parity associations are those designed to negate competitors' points of difference while the target brand is able to establish another association as strong, favourable and unique as part of its point of difference. As the result, the target brand should be in a superior competitive position. (Keller 1998, 118)

Points of difference

Points of difference are associations that are unique to the brand that are strongly held and favourably evaluated by consumers (Keller 1998, 116). Consumer purchase decision often depends on the perceived uniqueness of brand associations, which may involve product-related attribute (Vinamilk- 100% pure milk), benefit (Canon – Capture the moment) or attitude (McDonald – I'm lovin' it).

Here comes an example of positioning a drink product, Dr Thanh herb tea, which has succeeded in competition-based positioning. Dr Thanh herb tea was the first manufacturer positioning itself in bottled soft drink market in Vietnam. This category membership helped consumers easily associate the product with perceived characteristics of soft drink products which are refreshing, cool, thirst-quenching, convenient and easy to preserve. First of all, this positioning aims at building brand message that Dr Thanh meets all basic consumer's requirements to enjoy a soft drink product. If Dr Thanh were positioned in same category with Lipton tea bag, it would take more efforts to build their association with refreshment.

As for point of difference, Dr Thanh advertised their distinctive attribute of having natural ingredients, and ability to cool down the body from inside and detoxify.

These points of difference have differentiated Dr Thanh with other competitors in the soft drink market, such as Sting positioned as an energy drink.

2.7 Customer-based branding strategy

Customer-based brand equity is the differential effect that brand knowledge has on consumer response to the marketing of that brand (Keller, Kotler 2012, 141). Strong customer-based brand equity plays an important role in gaining brand loyalty and minimising vulnerability to competition.

The fundamental objective of customer-based branding strategy is that the consumer will have a high level of awareness and familiarity with the brand and hold some strong, favourable and unique brand associations in memory. (Keller 1998, 82) In other words, managing brand knowledge structure in consumers' minds is central to building sources of brand equity. (Figure 7: Summary of brand knowledge)

In addition, marketers find it essential to monitor brand equity related to all aspects of the brand's marketing so that it is appropriately reflected in the customer's perceptions, preferences and purchase process.

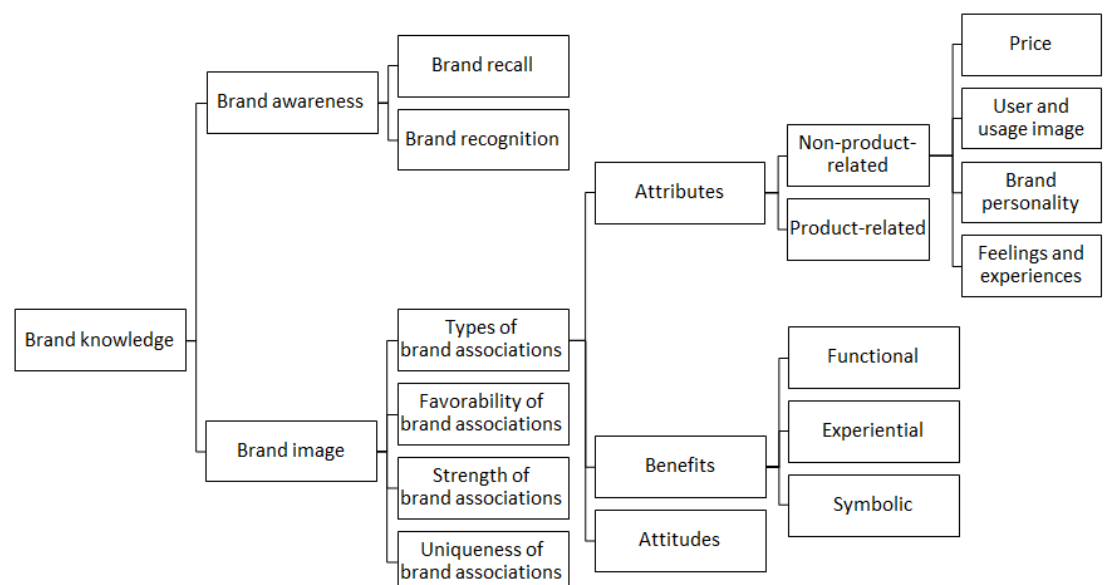


FIGURE 7: Summary of brand knowledge (Keller 1998, 94)

In the movement of Customer Relationship Management, brand equity can be related to another marketing buzz word “customer equity” defined as “the sum of lifetime values of all of the firm’s customers” (Blattber, Deighton 1996, 136-144).

Apart from brand equity, two other key drivers of Customer Equity are value equity and retention/ relationship equity (Rust, Zeithaml & Lemon 2000).

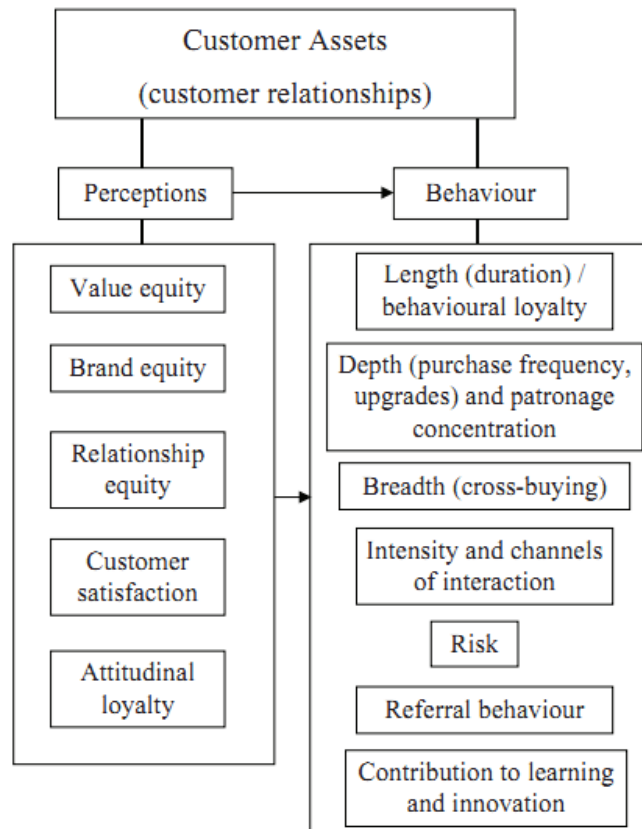


FIGURE 8: Drivers of Customer Equity (Persson, Ryals 2010, 422)

Value equity is the value for money. Customers make assessment on the utility level of their purchase based on price, perceived value, benefits and convenience.

Relationship equity is “the tendency of customer to stick with the brand, above and beyond customer’s objective and subjective assessments of the brand” (Rust, Zeithaml & Lemon 2000, 56-57).

The customer is a financial asset that companies and organisations should measure, manage and maximise just like any other asset (Blattberg, Deighton 1996, 3).

As a result, managing customer assets has been incorporated in branding strategy, drawing considerable attention as much as building brand knowledge. This advocated key changes of marketing strategy, such as managing customer lifecycle, organising around customer acquisition, retention, and add-on selling and balancing marketing costs against financial returns (Persson, Ryals 2010, 419).

To capture these concepts in a branding strategy, Keller introduced the Brand Resonance Model emphasising the duality of brands. Rational stages of brand development are illustrated on the left side while the emotional route is on the right side (Keller 2001, 15-19).

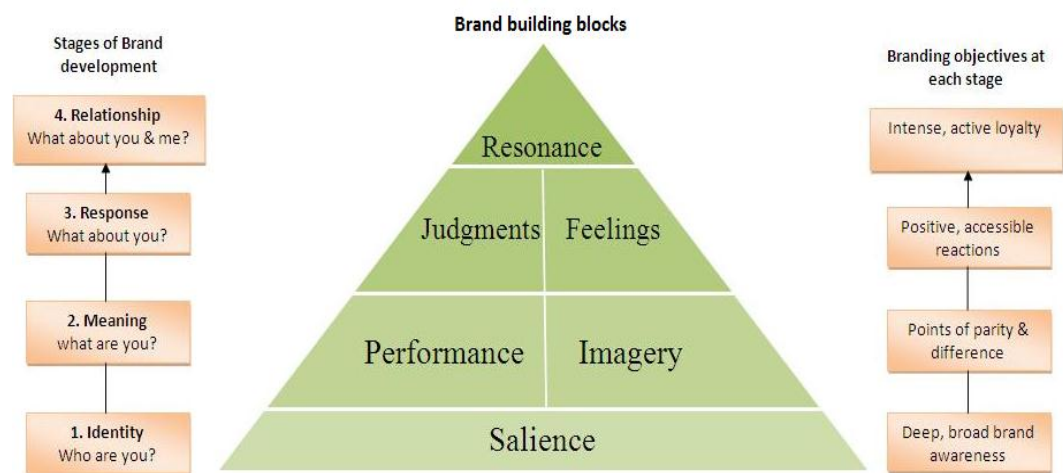


FIGURE 9: Brand Resonance Pyramid by Keller (2001, 7)

2.7.1 Brand identity

Successful brand-building always starts with the development of a strong and clear brand identity and generating awareness (Aaker 2002, 2). Brand identity is a visual element in marketing materials. It establishes first impressions about the brand, to some extent raises interest from customer and furthermore, sustains relationships with customer in long term by consistent and permanent system of brand identities. Brand identity is more than a brand name, logo, and packaging but links a product with its brand value and strategically created brand associations. For example, brown colour registered as trademark of United Parcel Service represents its enduring commitment, stable quality and dependability.

Strong, consistent brand identity helps facilitate brand salience, which is at the fundamental level of the Brand resonance pyramid. Brand salience relates to how often the brand is evoked under various situations or circumstances, to what extent the brand is top-of-mind, easily recalled or recognised (Keller 2001, 8).

Only after customers are aware of a brand, can they gather and restore information relating to that branded product, so that they start to consider it as one of their brand choices in the purchase process. Brand identity can increase brand awareness by repeated contacts at shelf-space, advertising materials, public events...

Under some circumstances, brand identity needs to be renewed. It is when a brand undergoes remarkable changes in vision or development strategy. Another reason is to refresh a long-established brand identity, to interest more customers. Simplified brand identity with less unnecessary details usually increases awareness and brand recall from customers. But brand identity cannot always be effectively renewed, brand may lose brand loyalty or encounter weakened favour from loyal customers. Winterich, Walsh from West Virginia University and Mittal from Rice University interviewed 632 students and pointed out the more loyal customers are, the more they tend to negatively react to changes in identity of their favourite brand while others have neutral opinions against changes (DNA Branding).



FIGURE 10: Change in Starbucks logo (DNA Branding)

After omitting the brand name in its logo, Starbucks starts to extend their brand to other industries apart from “coffee”. However, many loyal customers react negatively to this new logo and feel their relationship loosened with Starbucks due to

this sudden change to their favourite brand. Luckily Starbucks has not changed its highly-awarded green colour. (DNA Branding)

2.7.2 Brand meaning

Creating brand meaning involves establishing a brand image – what the brand is characterised by and should stand for in the minds of customers (Keller 2001, 9). According to Keller (2001, 9-12), brand meaning can be formed by brand performance and brand imagery:

Brand performance is the primary product-related influence on customer's experience with the brand. It involves how the manufacturer communicates its product to customers, what recommendations customers can collect from other users and how well the product delivers its brand promise and satisfies its customers. Several influential factors can guide marketers to improve brand performance:

- Primary characteristics and secondary features of the product
- Product reliability, durability, serviceability
- Service effectiveness, efficiency, empathy
- Style, design
- Price, price tier

Brand imagery deals with extrinsic properties of the product or service, including the way the brand attempts to meet the customer's psychological or physical needs. Therefore, brand imagery refers to intangible aspects of the brand, which are:

- User profiles
- Purchase & usage situations
- Personality & values
- History, heritage & experiences

2.7.3 Brand response

Brand response refers to how customers respond to marketing activities and different channels of information about a brand. Brand response can be divided into brand judgment and brand feeling which mean how customers think and feel about the brand.

Brand judgment is the opinion customers hold about brand performance and imagery. It is necessary to measure customers' judgment regularly and motivate positive judgments with the involvement of all departments in a company. Each customer can hold following kinds of judgment (Keller 2001, 13):

- Brand quality: is the perception about the quality of a brand.
- Brand credibility: to what extent the brand is seen as competent, innovative, market leader; dependable, sensitive to the interests of customers; fun, interesting, and worth spending time with.
- Brand consideration: brand is sufficient and meaningful to customers when they actually consider the brand for future purchase.
- Brand superiority: brand has superiority when customers consider it unique and better than other brands. This depends on how unique and favourable are brand associations compared with alternative brands.

Brand feeling is customers' emotional reactions toward a brand. Brand feeling is affected by not only brand activities but also from social pressure and how the brand affects customer's relationship with other people. There are various kinds of feelings a brand can evoke, following are most common brand-building feelings (Keller 2001, 14):

- Warmth
- Fun
- Excitement
- Security: consumers feel that brand can solve their concerns, worries.
- Social approval: is when the brand results in consumers' feeling positive about reactions of others to them.
- Self-respect: is when the brand makes consumers feel better or pride about themselves.

2.7.4 Brand relationship

Brand relationship creates brand resonance. Brand resonance refers to the nature of the relationship that customers have with the brand and the extent to which they feel they are “in synch” with the brand. Levels of brand relationship between brand and customers are ranked in ascending order (Keller 2001, 15.):

- Behavioural loyalty: is brand resonance reflected by consumers’ purchase frequencies and volumes.
- Attitudinal attachment: customers with attitudinal attachment can tell that they love the brand and feel it as their favourite or desired possession
- Sense of community: consumers can feel a kinship or affiliation with other people associated with the brand. Harley Davidson has been successful in creating a community among its brand users where they share their strong love with Harley Davidson and also share their common lifestyle.
- Active engagement: is the strongest affirmation of brand loyalty when customers are willing to invest their time, energy, money and other resources into the brand beyond those expended during consumption of the brand.

3 VIETNAM AND FOOD INDUSTRY

3.1 Vietnam as a retail market

Population of Vietnam was approximately 90 million in 2011 with annual growth rate of 1.077% (U.S. Department of State 2012), which makes Vietnam an attractive market. In 2009, Vietnam's literacy rate was high at 94% (U.S. Department of State 2012), which is advantageous for printed advertising mediums to reach mass audience.

According to McKinsey's Quarterly (2010), Vietnam's middle class, 7 million households in 2010, is growing fast. The source of market growth is strongly driven by this young, urban middle class, who demands for goods enhancing their daily lives and increasingly shows interest in buying more sophisticated products. This trend (illustrated in Figure 11) will continue to make middle class targeted segment in coming years.

Vietnam's rising middle class is driving growth in a number of consumer industries.

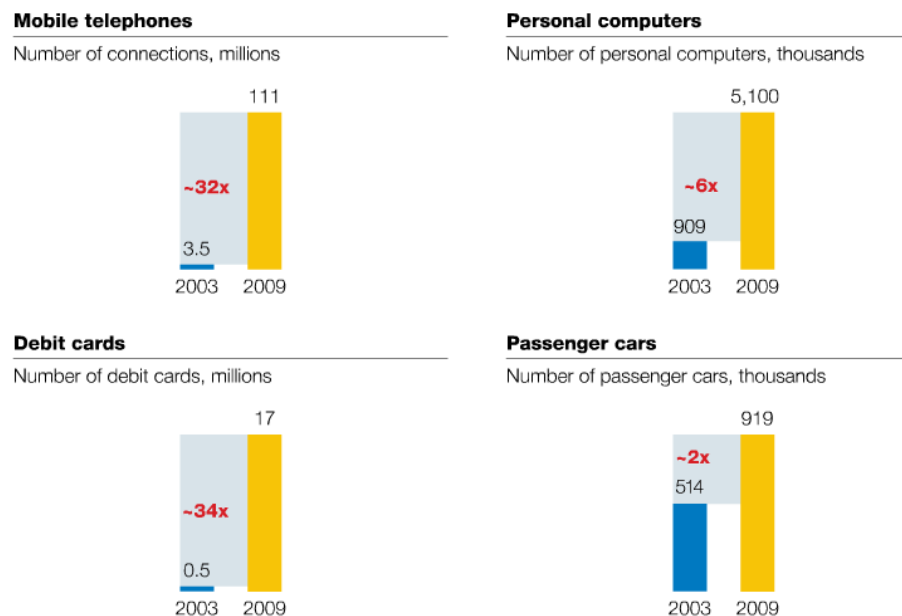


FIGURE 11: Vietnam's rising middle class is driving growth in a number of consumer industries. (Breu, Salsberg & Hà 2010, according to McKinsey Quarterly 2010)

What makes Vietnam distinctive is how quickly consumers are moving up the ladder. In personal care, for example, increasing numbers of people are buying more sophisticated products. Jean-Yves Romagnani, the chief operating officer of TamSon, a leading luxury-goods distributor in Vietnam, with brands such as Hermès and Kenzo, said that the market for these products, though small, is growing dramatically (Breu, Salsberg & Hà 2010). Jørgensen (2005, 318) has also noted that economic renovation has "a tremendous effect on social development and an urban middle class has emerged with a lifestyle closer to the global urban middle class than to their fellow citizens in the countryside". Consumers more and more desire for modern consumer goods and other elements of modernity.

In Kantar World Panel report 2011, Vietnam is predominantly rural (70% of population live in rural areas). Comparison on average spending for groceries between rural and urban consumers shows little gap (178 000 VND and 226 000 VND per month respectively). The number of grocery brands active in rural areas is considerably lower, with 420 brands in rural areas compared to 727 brands in urban areas. According to AC Nielsen 2010, the main purchasing power still comes from the 6 urban cities - Can Tho, Da Nang, Hai Phong, Hanoi Capital, Ho Chi Minh City, and Nha Trang - (only 14% population generates 39% FMCG sales) and continues to develop at the fastest rate. Some reasons for this asymmetry between rural and urban consumption are due to infrastructure challenges and immature modern trade in most rural areas. Modern trade segment accounts for only about 10 percent of total retail sales (but closer to 80 to 90 percent in Ho Chi Minh City) (Breu, Salsberg & Hà 2010). In rural area, traditional wet markets or "mom and pop" shops are largely predominant. From above facts and figures, it refers that there remains great potential for distribution to rural consumers. It is a difficult question for retailers to win consumer loyalty, market share and reach consumers in this dispersed and fragmented market. To do that, Unilever has developed a network of independent and exclusive distributors that sell and distribute its goods in every nook and cranny of the country's 63 cities and provinces (Breu, Salsberg & Hà 2010).

Moreover, Vietnam has a great cross-country diversity; consumers in different regions share heterogeneous needs and values, which is rooted in diversity of cul-

tural and economic traits. For example, Hanoi and Ho Chi Minh citizens consider high-quality as the most critical element, however, these two regions have psychological difference in assessing quality. According to Hanoi citizens, high quality products are budget efficient in long run and help them to stand out in the social community. Meanwhile, Southern consumers tend to choose high quality products based more on their personal experience with product attributes and their perceived emotional benefits. (Hang 2009, according to AC Nielsen.) A survey on differences in purchase behaviours of Hanoi and Ho Chi Minh citizens concludes:

A marketing strategy may not be suitable for the whole Vietnam.

A marketing strategy may not be suitable for the whole Ho Chi Minh City.

A marketing strategy may be suitable for the whole Hanoi Capital.(Hang 2009, according to AC Nielsen)

3.2 Food industry in Vietnam

Food is the most important component of retail industry and accounts for two-thirds of total retail sales (Vietnam Financial Review 2010). In Vietnam, food retail sales grew at a CAGR of approximately 11.6% from 2002 to 2007 (RNCOS 2008, 28).

Vietnam has a relatively relaxed regulatory environment and reasonably few barriers to entry for Food & Drink players. However, country risks will continue to have investors face challenges with underdeveloped infrastructure and income disparity.

Food retailing is dominated by wet markets and independent grocers, with more than 80% of food retailers being independent grocers (RNCOS 2008, 28). It demands active involvement of manufacturers to earn loyalty of independent grocers in distribution and delivering a brand's added value to end users.

TABLE 1: SWOT analysis of Vietnam food industry (Business Monitor International 2011)

<p>Strengths</p> <ul style="list-style-type: none"> - The food-processing sector accounts for a sizeable proportion of industrial output and GDP. - Significant foreign investment boosts product development. - Have learned from international players, food industry is more Westernised, packaging is modernised, modern retail channels and marketing activities are more utilised. 	<p>Weaknesses</p> <ul style="list-style-type: none"> - The food-processing industry remains largely fragmented except for a few key sectors, such as dairy and confectionery. - Vietnam’s transportation infrastructure is still weak.
<p>Opportunities</p> <ul style="list-style-type: none"> - Since Vietnam joined WTO in 2007, Vietnamese exporters have benefited from gradual removal of market barriers and trade restrictions. - Rising income levels and changing lifestyles, particularly in urban areas are increasing consumer demand for snacks, convenience and luxury food items. - A growing tourism sector fuels interest in convenience categories. 	<p>Threats</p> <ul style="list-style-type: none"> - Small companies may be unable to cope with the increased competition. - Rising agricultural commodity costs will remain a risk for the profitability of processed-food manufacturers and farmers.

3.3 Confectionery sector in food industry

Vietnam food industry began to develop after the ”Renovation” of 1986, when the country transformed from a central government control entity to a free market economy and allowed limited private enterprise to spring up.

Nowadays, food industry produces adequate output to meet domestic needs as well as export to neighbour markets such as Cambodia, Thailand, Laos, Japan, China... and USA, Europe. The confectionery sector is estimated to be on a sharp increase until 2013. BMI forecasted it would increase 27,8% on production volume and 59,22% on value (Vietnam Trade Promotion Agency 2009). Therefore, developing in food processing sector with higher density of distribution channels should continue to be strategic focus of Case Company in coming years. In the context of foreign investment, domestic confectionery companies have cooperated with foreign partners by selling stocks to raise capital and broaden portfolio. Thanks to strategic cooperation with Ezaki Glico, a Japanese confectionery company, case company Kinh Do Corporation will be able to extend its product lines and penetrate premium segment in the near future. In brand management, this new competitive advantage can be articulated to strengthen corporate reputation on quality and international experience.

Up to the year 2010, well-known domestic confectionery products accounted for 75-80% of market share while imported ones had a small market share of 20-25% (Tri Viet Securities Corporation, 2010).

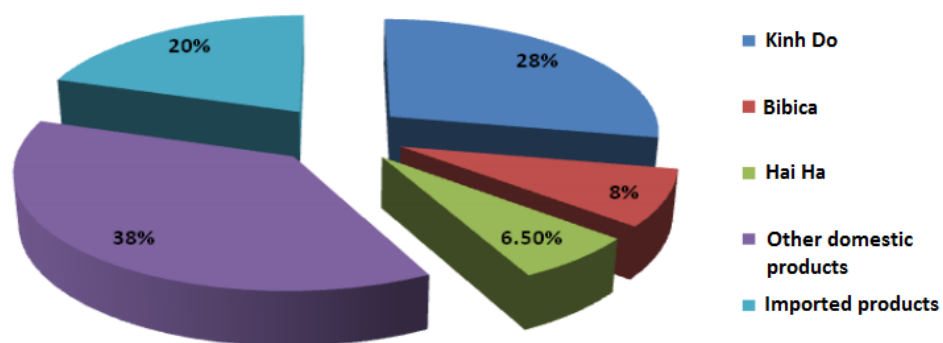


FIGURE 12: Market share of confectionery manufacturers in Vietnam (TVSC database 2010)

Currently, in Vietnam, there are four big Vietnamese confectionery companies listed in stock market: Bibica Corporation (BBC), Hai Ha Corporation (HHC), North Kido (NKD) and case company - Kinh Do Corporation (KDC). At the end of 2010, NKD was merged into KDC and aimed at market leader position perma-

nently. All of those four companies are long-established ones which have gained nationwide reputation from Vietnamese consumers and competed well with foreign confectionery brands on the market. However, confectionery companies are facing increasing input prices of wholly imported ingredient (wheat flour) and partly imported one (sugar). This challenges companies in sustaining the competitive price of their end products.

Along with the growth of young middle class in Vietnam's demographics, demands for confectionery products are rapidly growing. Bibica, Hai Ha and Kinh Do Corporation have been targeting the same segment of middle class consumers since their establishment. The competition is becoming tighter between these domestic manufacturers as they continuously acquire innovative technology and extend product portfolio to serve diversity of consumer needs. Since the market is not yet saturated but consumer demands are getting more sophisticated, ability to understand consumer insights, provide high quality products and create an emotional links to consumers in their daily life will strengthen and differentiate the case company in confectionery market.

Besides popular branded confectionery products, there are a great deal of unbranded ones sold in every independent grocery, mostly in traditional trade channels. The authorities still find it difficult to control these quality questioned products. Even though consumers are aware that these products have untrustworthy origin, confectionery companies have to face long existing competition with these low-priced unbranded products in discount markets, suburb and rural areas.

According to AC Nielsen's report (August 2010), 56% of the Vietnamese population under 30 years old have the tendency of consuming more confectionery than their former generation, however average consumption volume per capita in Vietnam is rather low (1.8 kg/year) compared to average consumption of the world (2.8 kg/year). In conclusion, there remains growth of demands for confectionery products in Vietnam.

3.4 Packaged cake category

The main drivers of growth in packaged cake category are improvements in disposable household incomes, busier lifestyle of Vietnamese consumers, expansion of Vietnamese young population and rapid urbanisation. Packaged cake category growth will still be empowered by investment in marketing and production innovation among the largest players.

3.4.1 Market players and across-category competitors

Direct competitors are those offering the same products as Solite. They are other long shelf-life packaged cake products (both branded and unbranded), fresh cakes sold in bakeries, restaurants, coffee shops... Some direct competitors have the same target customers. Once Solite can assess competitors' strengths, it should make some improvements, innovate but not imitate. Solite can exploit the gap between competitors' weakness and what it can perform better. Moreover, regularly following competitors' marketing strategy will help differentiate Solite's media activities and its physical presence at the point of sale.

Indirect or across-category competitors are snack products which are smaller than a regular meal, usually eaten for fun, between meals and not primarily for a nutritious diet. This means indirect competitors will include also other food categories in Kinh Do Corporation. Other indirect competitors are traditional dishes (beef noodle, spring roll...) or Western style dishes (pizza, hamburger...) easily found a few steps across the street, especially in big cities. While direct competitors' customers give Solite information on category needs, understanding across-category choices of consumers benefit Solite with insights of unmet needs, that the packaged cake category have not satisfied. This, in long term, fuels R&D activities. In addition, understanding across-category competitors assist in building category branding strategy besides product branding, to widen differentiation gap with other categories. The objective is that packaged cake category clarifies its unique point of difference so that it is more likely to be consumers' first choice.

Here are Solite's direct competitors in the packaged cake category:

TABLE 2: Product image of category competitors (FTA Research 2011)

Foreign brand	Origin	Product image
Hiro Strawberry Cake & Hiro Gold Custard Cake	Malaysia	
London Custard	Malaysia	
Euro Custard	Thailand	
Lotte Custard	Korea	
Custas Orion	Korea	
Fresh Pie Orion	Korea	

Domestic brand	Manufacturer	Product image
Solite	Kinh Do Corporation	
Hura	Bibica Corporation	
Hura-Deli	Bibica Corporation	
Solo	Phaner Corporation	
Lolie	Hai Ha	 <p>Hộp bánh Lolie 432g - 12 hộp/tháng</p> <p>Túi bánh Lolie 180g - 12 túi/tháng</p>
DeliCake	Dong A Food	
Salsa	Huu Nghi	

3.4.2 Pricing strategy

A price list of Solite and category rivals was collected from supermarkets in Ho Chi Minh city on July and November 2011 (see Appendix 1). Prices are very slightly varied among supermarkets and between supermarket and wet market.

Solite price list is collected from:

- Original Solite (named as Solite in figure 13, 14, 15) including swissroll and layer cake
- New Solite Cupcake (named as Solite New in figure 13, 14, 15) re-launched in 2011

Currently, on the market, Solite is launching both original Solite and New Solite Cupcake.

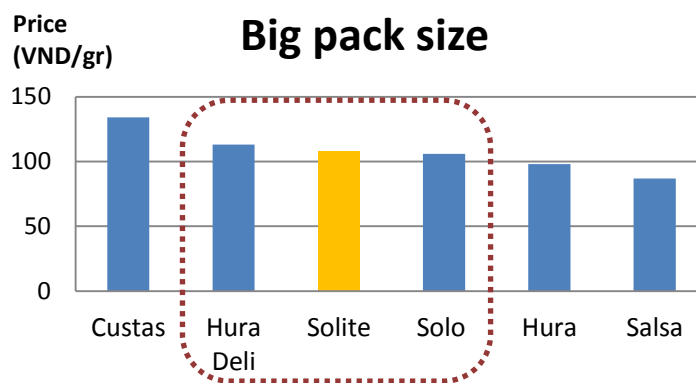


FIGURE 13: Prices in big pack size segment

Rising prices of food and commodity products drive customers to buy bigger, economical pack sized products. On the same trend, Custas shows its market leader position by confidently launching largest-sized package in the market at premium price.

Solo closely competes with Solite with 10% lower price. Hura Deli positions itself as a premium cake product and also is presented in same price segment with original Solite.

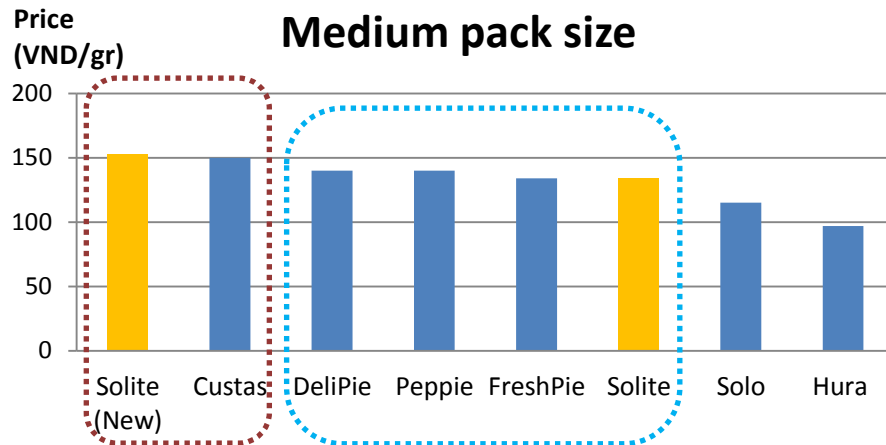


FIGURE 14: Prices in medium pack size segment

Priced higher than original Solite, New Solite is competing directly with Orion Custas in the premium segment. Original Solite is still in the mainstream segment at an overall equal price with DeliPie, Peppie, FreshPie. Solo and Hura directly compete with original Solite with equal package weight but at 15 to 30% lower price.

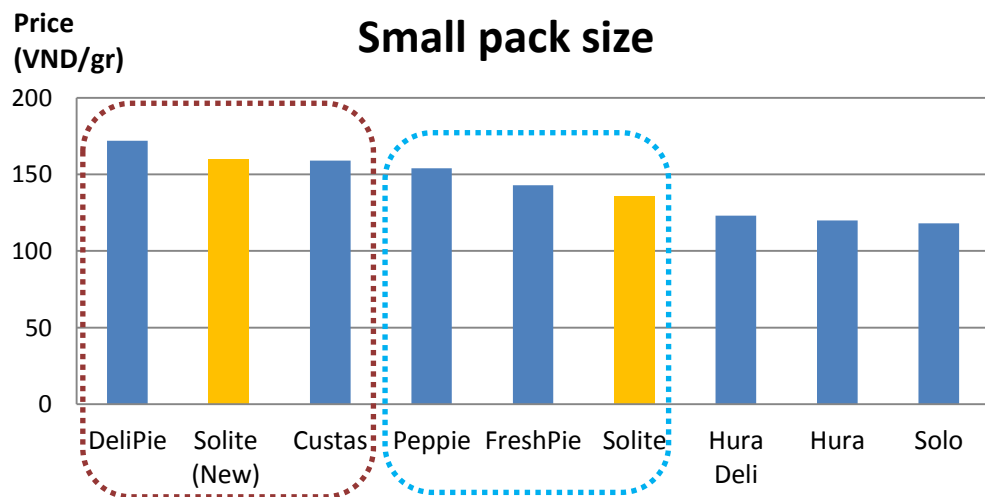


FIGURE 15: Prices in small pack size segment

In small pack size, New Solite is also competing directly with Orion Custas. Small sized pack of original Solite has reasonable price to attract trial users. Small pack size of Hura Deli has discounted price compared to its big pack size, which is a threat to original Solite.

To summarise,

- **In the premium segment**, there are two main brands: New Solite and Custas. However, only Custas has launched big pack size due to stable high demand for Custas products.
- **In the mainstream segment**, original Solite is competing with DeliPie, Peppie, FreshPie, Hura Deli. Hura Deli has communicated its premium quality and still priced itself in mainstream segment. This is a threat to both original and New Solite.
- **In the discount segment**, there are Hura, Solo and Salsa. They are competing with Solite on low price and diversity of flavours.

In conclusion, to succeed in the premium price segment and compete with remarkable Custas, New Solite needs corresponding brand positioning and higher brand reputation. On the other hand, original Solite, which was not re-launched and keeps its original package design and communication on package, will face price competition in the discount segment. It is recommended that New Solite increases its competencies to become a promoter in family branding for other product lines under the Solite brand name.

3.4.3 Distribution strategy

In Vietnam, the number of retailing channels is still booming, especially the convenience stores' sector. Population expansion motivates retailing channels to grow more sophisticate. Local companies such as Saigon Co-op, Citimart and Maximart have pioneered modern retail, followed by the entrance of foreign retailers Metro and Casino have introduced retail expertise that is dramatically modernizing food retailing (Balmer 2009, 1). In Hanoi and Ho Chi Minh City, there are different kinds of modern retail: hypermarket, superstores, supermarket, convenience stores, department stores, cash & carry stores. Packaged cake products have been supplied to these channels except high-end department stores. It points out that until now, packaged cake category has not launched premium line and high income customers is not its target group. Case Company has the strongest distribution channels compared to other food companies in Vietnam with 133 distributors,

80000 retail stores, 34 bakery chains (franchise and company owned) and directly supplies to 130 modern trade stores including hypermarkets, superstores, supermarkets, cash & carry stores (Kinh Do Corporation annual report, 2010). As a result, Solite benefits from these strong, nationwide distribution channels to reach its customers in targeted mainstream segment.

Traditional grocery retail channels such as independent small grocers, wet markets remain the main distribution channels for packaged food due to its convenience. Modern retail channels, on the other hand, are the primarily chosen channels in new product launches and promotional campaigns due to its premium image. Indeed, in 2010, 80% of Solite sales revenue come from tradition trade while merely 3-5% of sales revenue come from modern trade, remaining sales revenue obtained from bakery chains and exporting (Solite Brand Manager 2011).

Vietnamese consumers increasingly choose modern retail channels thanks to the diversified product portfolios and pleasant shopping environments. Another important reason is due to busier lifestyle and high inflation economy, consumers tend to make shopping trips less frequently and buy bigger saving packs.

Not overlooking the cultural and profitable role of traditional trade channels, in wet markets, packaged cake brands are competing to get the best display position in every market booth by offering bonus incentives to sellers. It is a monthly battle in small area, limited shelf-space between a variety of confectionery products. Due to its mass characteristics, traditional channel is not a suitable choice for premium products. Since Solite is positioning itself in mainstream segment, Solite has to face the harsh competition in traditional retail and wholesale channels with Orion Custas brand which is of foreign origin, better reputational quality and with Hura brand which is priced 15 to 30% lower than Solite.

3.4.4 Promotional activities

In general, promotional activities in the packaged cake category are average. Mostly, marketers carry out Below the line sales promotion including road shows,

promotions, in-shop and shop-front activities, display units. Only a few strong brands have TV commercials. Here are latest marketing campaigns of packaged cake brands which had active promotional activities:

Solite:

ATL sales promotion: It joined the market in 1995 but Solite has not had impressive and memorable TV advertisements (Focus group interview 2011).

BTL sales promotion: In 2011, Solite relaunched its product with higher quality, and modern look packaging. At the same time, Solite had sampling and shop-front activities actively done in Ho Chi Minh City and Hanoi, at both traditional markets and modern trade channels.

Orion Custas:

ATL sales promotion: Miss Vietnam Mai Phuong Thuy starred in a TV advertisement of Orion Custas. This TV commercial succeeded in creating high brand recall and made top-of-mind advertisement in customers' perception (Focus group interview 2011). Pretty, fit and warm-hearted image of Miss Vietnam Mai Phuong Thuy has brought same imagery and characteristics to Orion Custas product.

BTL sales promotion: Orion Custas often undertakes sale promotions especially in festival occasions and react toward competitors' promotions.

Orion Chocopie:

Although in consumers' perception Orion Chocopie is not in the same category with other cake products, promotional activities of this brand have a positive effect on Custas Orion in family branding.

ATL sales promotion: Orion Chocopie is a pioneer product of the Orion Corporation in Vietnamese market. Therefore, Orion Corporation invested hugely in ATL sales promotion with frequently renewed TV commercials as emotional branding for the new product. As a result, Orion Chocopie has become so popular and favored by the majority of customers that it is served for ancestral rites

ceremonies. In their next step, TV commercial aimed to build trust on corporate reputation with the easy to memorise melodic slogan “Orion is Chocopie. Chocopie is Orion”. With well-established corporate brand, it took less time and effort for most new brand extensions of Orion Corporation to catch on with Vietnamese consumers.

DeliPie, DeliCake:

ATL sales promotion: The advertising message emphasized the high-quality of DeliCake, made by Western technology, favored by connoisseurs of food. However, advertising idea was not surprising and interesting, therefore it could not impress the audience.

BTL sales promotion: Until 20/03/2010, the consumer when buying a DeliPie, DeliCake product will have a chance to win a trip for 2 persons to Europe or some other valuable prize. The objective is to build the Western brand association.

Having joined the market in 2007, DeliPie and DeliCake have not done much promotion activities and brand positioning.

Peppie:

ATL sales promotion: The advertised brand message is that Peppie is so delicious that it naturally creates comfort and happy atmosphere and Peppie is convenient as a friend of everyone to go anywhere. Like DeliPie, DeliCake, Peppie advertisement was not persuasive and attractive enough in consumers' mind.

BTL sales promotion: No remarkable BTL sales promotion or sampling activity has been done except for product display in supermarket.

Hura:

Before 2011, Hura did not advertise in the media nor had sales discount for consumers. However, Hura has supported retail points considerably through high commission and other sales support policies.

BTL sales promotion: Recently, Hura has attempted to penetrate the Southern Vietnamese market. Hura started to offer sales promotion to customers by discounted price and organise CSR activity. Each product purchased contributes to Hura financial fund so that more children have an opportunity to go to school.

Salsa:

BTL sales promotion: Rather new in the Southern Vietnamese market, Salsa offered discounts for consumers in modern retail channels. Unfortunately, Salsa has not been able to possess good shelf display at eye level. Unlike Hanoi, in Ho Chi Minh City, customer's awareness about Salsa is still insignificant.

Brand messages are conveyed to potential customers as follows:

TABLE 3: Brand messages of foreign packaged cakes

BRANDS	BRAND MESSAGE
Hiro Strawberry Cake & Hiro Gold Custard Cake (Malaysia)	Saveur de Crème Anglaise.
London Custard (Malaysia)	Soft custard adding fresh egg & low sweet custard cream
Euro Custard (Thailand)	Puff cake & sweet custard cream “European bakery”
Lotte Custard (Korea)	Made of fantastic mixture of soft custard with fresh egg and lovely sweet custard cream. They are soft and yummy. They are not too sweet. It's pretty light and goes well with coffee or tea. It's not like some other biscuits/cakes. Look at the generous serving of custard cream inside. It's enough for each bite you take. A light fluffy soft cake with a custard cream, it is extremely delicate and deliciously mouthwatering.
Chocopie Orion (Korea)	”Enjoy the finest taste of original chocolate pie”. ”Orion is Chocopie. Chocopie is Orion.”
Custas Orion (Korea)	“Let’s discover the secret inside”. Behind soft custard is charming custard cream made from fresh egg together with authentic and selective ingredients.
Fresh Pie Orion (Korea)	Fresh Cream in Tender Pie “Feel the Fruit – Fresh Pie” Feel the fresh fruit in your mouth! Fresh fruit jam and soft and rich cream in your mouth.

TABLE 4: Brand messages of domestic packaged cakes:

BRANDS	BRAND MESSAGE
Solite (Kinh Do)	“Softness and scent of authentic egg and milk.”
Hura (Bibica)	No clear brand message on packaging or media medium .
Hura-Deli (Bibica)	Baking art- Italian style.
Solo (Phaner)	Nutrition added with DHA. Tender vanilla flavored cake overflowing with a variety of fruit-flavored fillings. Our Solo soft cake is a scrumptious little package that promises to satisfy your sweet tooth in a big way.
Lolie (Hai Ha)	Soft cake. Selected flavour. Tasty & delicious.
Anpha (Anpha Food)	“Enjoy finest taste”
DelieCake, DeliPie (Dong A Food)	“Say your word. Express your style.” Made from Belgium chocolate, French cheese and New Zealand milk.
Peppie (Dong A Food)	Selected ingredient, no Melamine, no artificial sweeteners. Peppie with vani cream or with butter cream.
Maspie(Dong A Food)	MasCake With Fruit Cream.
Salsa (Huu Nghi)	No clear brand message on packaging or media medium.

IN CONCLUSION:

Most brand messages aim to state their foreign origin or Western technology and persuade customers with modern-look advertising materials, Western-styled packaging design, or advertisements. This strategy is rooted from the majority of Vietnamese customers’ perception on food quality. Foreign-originated food is perceived to be more fashionable, tasty and more premium suitable to give out as gift. As a cultural behavior, Vietnamese are frequent gift-givers.

Part of the message on the product package is written in English, which is to express the product's foreign origin. In addition, they emphasise imported and selective ingredients used in their cake production, food safety and a few affirm their nutritious ingredients.

Branding strategies of all players in the packaged cake category are limited to attribute branding. Emotional branding has not yet received adequate attention.

Below are assessments on commandments of emotional branding based on the concept introduced by the writer of "Emotional branding: the new paradigm for connecting brands to people" (Gobé 2001). Lack of brands' emotional connection with customers will be considered to improve Solite brand in later part.

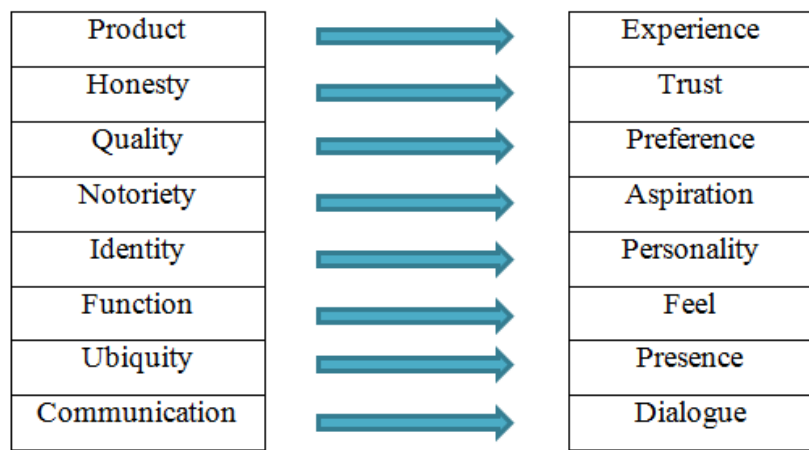


FIGURE 16: The commandments of emotional branding (Gobé 2001,xxviii-xxxii)

Product → Experience

"Products fulfill needs, experiences fulfill desires" said Marc Gobé (2001).

At the present, buying a packaged cake product is driven by price, convenience and taste. No brand has value added in the consumer's emotional memory as Orion Chocopie has succeeded in turning it into a sweet experience of connecting people when they share and eat Orion Chocopie together. In fact, sharing is an expression of friendship and warm family love in Vietnamese society. And Orion Custas is inherited from this advantage of Orion Chocopie.

Honesty → Trust

“Honesty is expected. Trust is engaging and intimate. It needs to be earned.”

(Gobé)

According to focus group interviews (2011), Kinh Do Corporation and Orion Food Vina are the most trustworthy manufacturers in Vietnam. Both are long-established, have gradually gained public trust through PR, CSR activities. Lower ranked is Huu Nghi, a manufacturer located in Hanoi, its reputation has not popularized in Ho Chi Minh City. However, Solite learned its lesson 2 years ago about settling a case of complaints over Solite defected products and this case’s information is still on the top search result of Google about Solite brand. It proves that Solite should have more flexible, “no question asked” return policy and faster PR treatment.

Quality → Preference

“Quality for the right price is a given today. Preference creates the sale.” (Gobé)

There is significant preference toward brands in packaged cake category. Focus group interview pointed out that Orion Custas is ranked the highest quality product by its users. Besides, several Solite users agreed that Orion Custas tastes better and preferred consuming it than Solite if its price is lower.

Notoriety → Aspiration

“Being known does not mean that you are also loved!” (Gobé)

Beyond awareness, no brand has achieved emotional connection with consumers’ aspirations. There are well-known brands but not inspirational brands.

Identity → Personality

“Identity is recognition. Personality is about character and charisma!” (Gobé)

There are blurring brand personality traits in this category, even Custas Orion’s brand personality is sincere but not clearly built. Its personality is inherited from another product in the same family brand, Orion Chocopie.

Function → Feel

“The functionality of a product is about practical or superficial qualities only.

Sensorial design is about experiences.” (Gobé)

Design is currently a solution of many brands in the packaged cake category and emphasises the delicious visual image of the cake on every product package. Other sensory experiences have not been created yet.

Ubiquity → Presence

“Ubiquity is seen. Emotional presence is felt.” (Gobé)

Kinh Do Corporation and Orion Corporation have established good emotional brand presence through sponsorships, a tailored TV game show and festival participation... In the future, vending machines for Kinh Do products, included Solite, are expected to increase physical presence for Solite brand. The potential of emotional presence is to be explored in future branding strategy.

Communication → Dialogue

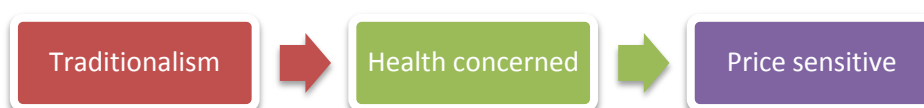
“Communication is telling. Dialogue is sharing” (Gobé)

No brand has a two-way, personal and targeted message with consumers. Primarily communication activities are about product information. Progress in digital media will soon make an evolutionary approach for this challenge.

3.5 Vietnamese consumer behaviour in purchasing food product

In 2010, on average, every Vietnamese household spent 53 per cent of their disposable income on food and beverage (Vietnamnet 2011). As the economy accelerates, food industry and behaviour in food consumption are fast changing throughout Vietnam. Here are three main trends occurring among Vietnamese consumers in descending importance toward rural and urban consumers. Viewed from another side, they show opportunities for food manufacturers.

To rural consumers:



To urban consumers:



FIGURE 17: Most important considerations in purchasing food products (Kantar World Panel presentation 2011)

First of all, food safety in Vietnam is a significant issue, with an estimated 3 million cases of food poisoning a year (Breu, Salsberg, Hà 2010). Wet markets, street vendors have long been familiar and traditional buying channels of Vietnamese consumers. Even so, they make consumers worry about poor food hygiene. Health concerns have grown beyond food safety; they also involve nutritious composition and balanced diet. Vietnam is facing the coexistence of both problems of malnutrition by deficiencies and by overweight, so this country has to deal with a “double burden of malnutrition” (Calandre, Sirieix 2005, according to FAO 2004; WHO, FAO 2003). Therefore, food products, which are up to safety expectation and social approval, can obtain an advantage to win over consumers’ preference in long term.

Secondly, inflation hit a record high in Vietnam, consumer prices rose 22.16 per cent from a year earlier (Bloomberg News 2011). Food, transport and construction-material prices have suffered the highest dramatic rise, thus consumers have

become more price sensitive and favoured economical packs when purchasing food.

Thirdly, the difference between rural and urban consumer behaviour is between convenience and traditionalism of food products. As modernisation is greater in big cities, customers want eating to be less time-consuming and able to supply enough energy or nutrition. Convenience means convenient buying location, high product availability, convenient packaging and instant to be served. Meanwhile, traditionalism is more appreciated by rural customers, who are slower to accept new taste. They favour traditional values in food processing. (Kantar World Panel presentation 2011.)

A common trait between regions throughout Vietnam is the important role of women in consumption decisions and as socialization agents, they are crucial actors (Stivens 1998, 2–9, 13–17; Earl 2004). Brands which win over women customers' trust have an opportunity to affect the purchase habit of larger audience.

Implications of collectivist culture for marketing in Vietnam

In collectivistic culture, appeals focusing on in-group benefits, harmony, and family are more effective than individual benefits, preferences, personal success and independence as in Western cultures (Mooij 2011, 115). However, Vietnam media ideas have been evolving around these appeals for many years, it is high time to take a different turn. Indeed, more integrating to global trends than former generations, Vietnamese youths are more open-minded and ready for dramatic changes. They lead independent lifestyle and have a strong will for personal success.

Collectivists tend to feel brand personalities are close to corporate personalities, and being a part of a brand world rather than being a unique personality. Hence, they consider buying a brand based on the overall reputation or trustworthiness of the company. Furthermore, they perceive higher degree of brand extension fit also for extensions in product categories far from those associated with the parent brand than individualists would. (Mooij 2011, 122, 226.) Generally, companies in Asia usually emphasize corporate brands to strengthen their product brand.

4 CASE COMPANY: KINH DO CORPORATION AND SOLITE BRAND

4.1 Introduction to Case Company

Kinh Do Corporation was established in the year 1993. Back to its first days, there were 70 employees; currently, it has up to 7741 employees in total. Kinh Do Corporation is by far top-of-mind company in Vietnam food industry. Kinh Do Corporation takes pride in its wide variety of product lines, strong distribution channels and dynamic teams in marketing and sales.

Until now, Kinh Do has developed into a system of companies in the food industry including confectionary, soft-drink, ice-cream and dairy products. Kinh Do's vision is to become the largest food corporation in Vietnam and aims to be a conglomerate in food industry, real estate, finance and retail business. Food processing is the cornerstone for its development. With corporate's mission "Flavour of life", Kinh Do commits to bringing happiness flavour to everyone with safe, nutritious, original and convenient food products.

Therefore, Kinh Do has been continuously investing in technology, M&A, joint-venture activities and cooperation such as buying Wall ice-cream manufactory from Unilever, buying Tribeco, Vinabico and investing in Nutifood, Eximbank... In 2010, Kinh Do carried out M&A with North Kinh Do Corporation in Northern Vietnam, with the objective to enlarge Kinh Do's coverage in food industry and emerge into a strongest food corporation not only in Vietnam but also in South East Asia.



FIGURE 18: Logo of Kinh Do Corporation (KDC annual report, 2010)

Currently, the food product portfolio of Kinh Do Corporation includes 9 categories as illustrated in the following figure:



FIGURE 19: Food product portfolio of Kinh Do Corporation (KDC annual report 2010)

Based on each category's performance, growth rate and market potential in 2010, the food categories of Kinh Do Corp. can be divided into 2 groups:

- Growing group: moon cake, cracker & wafer, buns, ice-cream, yogurt
- Saturating group: cookies, cake, chocolate & candies, snack

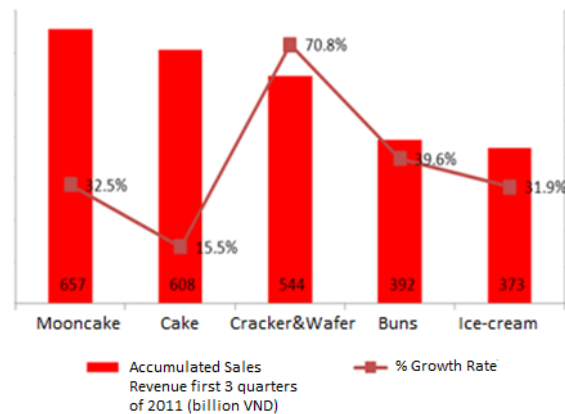


FIGURE 20: Revenue and growth rate of food categories of Kinh Do Corp. (KDC Report in third quarter 2011)

The cake category of Kinh Do Corporation has gained high revenue and accounts for 29% market share in 2010 (KDC annual report 2010). But it showed a low growth rate in the first 3 quarters of 2011, it was listed in groups of saturating products in Kinh Do's food portfolio. Therefore, in November 2011, Solite relaunched New Solite Cupcake lines and aims to develop in premium segment in the future. This approach's objective is to uplift cake category's life cycle back to growth phase. Premium cake segment is growing while other segments have stagnated.

The assigned objective of Solite is to reach a profit growth rate of 30% in 2012 and become market leader in the next 2 years.

4.2 Solite cake product

4.2.1 Product introduction

Solite brand was first launched in 2005. Until now, Solite products have been distributed broadly to Kinh Do's distribution channels throughout Vietnam.

Solite is a packaged cake product with long shelf-life (9 months). Besides Solite, cake category includes a short shelf-life sponge cake product, named Sophie.

Currently, its target customers are in the age range of 14 to 25 years old: students, undergraduates and fresh-graduates, which means mainstream segment of average incomers.

Before November 2011, Solite brand has the following product lines and flavors (see Figure 21):



Layer cake



Swissroll



Cupcake (one filling)



Cupcake (2 fillings)

FIGURE 21: Solite product lines (Solite Brand Team 2011)

After November 2011, while 2 product lines swissroll and layer cake are kept its original package and flavor, Solite relaunched New Solite Cupcake with new package design, improved cake processing formula, and shortened shelf-life to increase product's freshness, rearranged cupcake portfolio to unify product weight and remove unprofitable product flavors. Brand message after relaunch is *New formula- Softer and tastier. Original cake from Europe.*



FIGURE 22: 3D image of New Solite Cupcake package (Kinh Do Corporation official website 2011)

The new package design is expected to be more attractive, modern, active and familiar with target customers who are of the young generation. Information on product package was renewed to communicate new cake processing formula and emphasise factor of foreign origin.

4.2.2 SWOT analysis of Solite product

The table below is a summary of the SWOT analysis for Solite product after examining the performance of Solite and its competitors, trends in the packaged cake market and consumers' behaviours.

TABLE 5: SWOT analysis of Solite product

<p>STRENGTHS</p> <ul style="list-style-type: none"> - Belongs to Kinh Do, popular and trusted corporate brand - Modern technology - Food safety guaranteed - Convenient - Reasonable price - Strong distribution 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> - Long shelf-life, in last month before expire date, Solite hardly keeps its freshness. - Perceived as a product in mainstream segment
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> - New Solite Cupcake has an opportunity to penetrate upward to premium segment. - Enrich product flavor besides sweet fillings - Market expansion to untapped rural areas - Habit of eating sweets is increasing in urban areas. - Campaigns by Vietnam Government to promote local products has succeeded. 	<p>THREATS</p> <ul style="list-style-type: none"> - Domestic products are perceived weaker than foreign products - In 2011, only premium segment increased sales while others stagnated or declined. - Plenty of market players make plenty of alternative choices. - Custas Orion may want to extend brand family by adding other flavors beside two successful existing cupcake lines.

The government continues to promote local products through annual campaigns such as “Người Việt Nam ưu tiên dùng hàng Việt Nam” (Vietnamese prioritise buying Vietnamese goods) or “Hàng Việt về nông thôn” (Vietnam products go to rural). According to a government survey conducted by the Institute of Public Opinion in 2010, 59% of respondents would choose primarily Vietnamese brands and products (Euromonitor, 2012). Nowadays, competition between foreign and domestic manufacturers is strongly driven by marketing, branding activities and understanding the consumers’ needs. Consumers choose to purchase a cake product because of the quality itself, product availability, brand imagery rather than merely biased preference influenced by country of origin.

4.3 Solite brand

4.3.1 Branding strategy of Solite

The following table reflects how Solite is managing its brand at present.

TABLE 6: Current brand strategy of Solite brand

<i>Brand value</i> : High quality, trustworthy
<i>Brand positioning</i> : High quality, European authentic taste
<i>Target segment</i> : Young consumers (14 to 25 years old)
<i>Brand identity</i> : Reputational corporation, widely present at modern and traditional trade channels
<i>Brand benefits</i> : Suitable to eat when slightly hungry, for fun or on a picnic (rational benefits)

Overall, brand attributes of Solite are mostly inherited from Kinh Do corporate brand by means of long-established reputation, nationwide availability and corporate relationship with consumers. Besides, the point of difference Solite brand is building for itself is the European style and flavour. However, until now, Solite has not successfully shaped its brand emotional benefit, brand personality and relationship with customers remains loose, limited to occasions when Solite carries out sampling, product launch or below the line promotion. Brand loyalty is not high yet as customers tend to desire more premium brand like Custas Orion if they have more dispensable income. Here is a SWOT analysis to summarise current situation of Solite brand in Table 7.

TABLE 7: SWOT analysis for Solite brand

<p>STRENGTHS</p> <ul style="list-style-type: none"> - Solite new & younger packaging design - High brand awareness - Customer perceive Solite brand personality as young and renewed - Only rational brand benefits are built about product quality - Reputational corporate brand - Long-established relationship between Kinh Do and consumers 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> - Average brand loyalty - Undefined brand personality - Emotional bonds have not been set up.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> - Be a nicher while packaged cake market is full of me-too brands. - New Solite Cupcake can grow into umbrella brand, a cornerstone for further brand extensions. - Expand to new distribution channel Horeca. 	<p>THREATS</p> <ul style="list-style-type: none"> - Higher-end competitors (Orion Custas, DeliCake) emphasise communication activity. - Lower-end competitors (Hura, Solo...) take price competition.

Orion Vina Food has succeeded in developing Chocopie into an umbrella brand, and other brands including Custas Orion enjoy widespread favor. In the context of existing product lines under packaged cake category of Kinh Do Corporation, it is necessary to focus on one strategic brand which will act as an appealing brand in the spotlight, promoting brand extensions in the future.

4.3.2 Importance of branding to Solite and Kinh Do Corporation

Improving Solite brand is essential to fulfilling the following objectives:

- Help the relaunched Solite Cupcake gain sufficient brand awareness and acquire desired brand imagery.

- Foster customers' interest in packaged cake category and increase usage occasions.
- Be the pioneer in packaged cake category to set up customer relationship.
- Well built brand strategy is the prerequisite for Solite to penetrate premium segment in the future.
- In fact, there are other market players also communicating itself as being up to European standards without effective branding strategy and authentic product quality. Better equipped, Solite can compete with foreign brands and persuade customers with baking technology originated from Europe.
- Increase market share and competitiveness in packaged cake market.
- In order to expand to more premium Horeca channels, Solite needs corresponding brand positioning.
- Strengthen reputation for Kinh Do corporate brand and support same positioning of other existing brands in Kinh Do's food portfolio.
- Brand strategy of Solite has to align with Kinh Do Corporation's core value "Kinh Do commits to bringing happiness flavor to everyone with safe, nutritious, original and convenient food products". Thus Solite brand becomes an exemplar of that corporate mission.
- Corporate brand positioning needs renewed as it remains unchanged since Kinh Do's establishment and that positioning has been copied easily in packaged food industry. Young brand personality of Solite targeting young customers will bring the wind of change named "youthfulness, activeness and daring" to Kinh Do corporate imagery.

4.3.3 Qualitative research results on consumer usage and attitude

In 2011, a Usage and Attitude Research Project was conducted by AC Nielsen market research company, commissioned by Kinh Do Corporation, to understand consumer insights in packaged cake consumption. The project included focus group interviews with consumers in Hanoi Capital and Ho Chi Minh City.

Validity and reliability

To ensure validity of the research, interviewees were divided into 3 categories: (1)






high school students, (2) university students and new jobbers from 18 to 25 years old, (3) mothers from 28 to 45 years old. These categories are target segments of Solite at the present. Each group was a combination of non-Solite users and heavy Solite users to yield data richness across packaged cake category. For each category, a group of 8 interviewees was chosen for each city. In total, the research had sample size of 48 respondents.

AC Nielsen was responsible for the reliability of this research. The fieldwork function randomly chose interviewees by Kish Grid sampling in different districts of Hanoi and Ho Chi Minh City. Besides, to prevent biased opinions, it was required that interviewees had not participated in any market research within 6 months and were not working in fields of market research, marketing, advertising, PR, confectionery retailing or wholesaling...

The interviews were semi-structured; therefore, they were flexible enough to allow new questions brought up during the interviews. Based on the main research objectives, results are summarised from consumer focus group interviews in following table:

TABLE 8: Summary of focus group interview (AC Nielsen, Kinh Do Corporation 2011)

Product usage occasion in a day & reasons for choice	<p>Breakfast : for convenience, light portion, digestibility, food safety</p> <p>Mid-morning break: for energizing, feeling awake</p> <p>Afternoon break: for light portion, feeling awake after siesta</p> <p>Watching TV & family gathering: for sharing & dessert</p> <p>Other occasions: when feeling stressed, chatting with friends, picnicking, alternatives to fruit, birthday party...</p>
Purchase motivation	<p>Rational attributes: soft, delicious smell of egg, milk and butter, separately packaged cake, attractive designed package</p> <p>Emotional benefits: cakes make users feel happy, awake, refreshed and more fun to eat while talking with friends. Cakes are convenient and premium to offer guests.</p>
Purchase barrier	<p>For breakfast, cake is quite dry. A cake cannot supply enough energy and nutrition for morning activities.</p> <p>For mid-morning break, Solite cake does not have sour fillings. Users cannot share with friends due to product size & softness not suitable to break into smaller pieces.</p> <p>For afternoon break, due to hot weather, cake is too dry, makes user thirsty and bored of excessive sweetness.</p> <p>For watching TV & family gathering: sweetness and one-flavour filling make cake less interesting than extruded snack.</p> <p>Lacks attractive flavours: spicy, crunchy, mint taste.</p>
Ideal packaged cake product	<p>Users would like that ideal cake is made from higher quality ingredients, has smoother cake layers, unique flavours and longer shelf-life to reserve more at home for convenience. Some suggest the cake's crust should have fruity flavours.</p>

<p>Brand associations</p>		<p>Sociable, reputational, mass, quite old package design. Brand personality is younger than Custas Orion.</p>
		<p>Attractive package design, more premium than Solite</p>
		<p>Long-established but not popular. Colourful package design attractive to kids</p>
		<p>Soft but excessively sweet.</p>
		<p>Premium price, high quality cake, famous, first brand in the market, Korea-originated, advertised by Miss Vietnam.</p>

5 ACTION PLAN TO DEVELOP SOLITE BRAND

5.1 Brand key for Solite - Vision guide for branding

Brand Key Vision model is used in the brainstorm phase to point out possible core values and primary attributes to be built for Solite brand. The following suggestions are not spontaneously chosen but linked to each other in causality relationship.

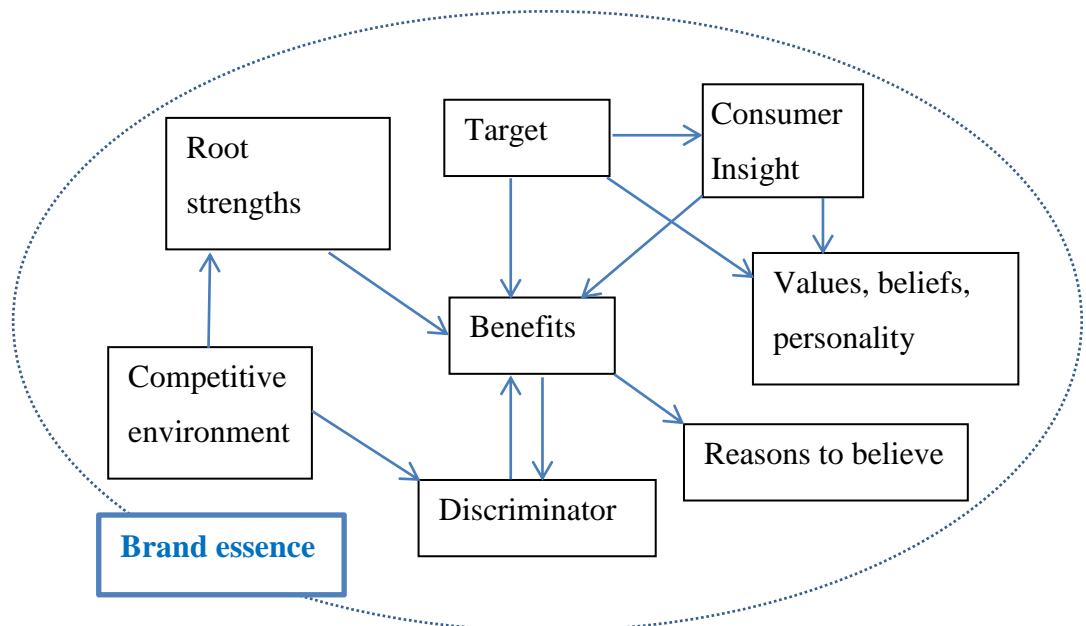


FIGURE 23: Elements in Brand Key Vision model

For example, root strengths define most critical benefits Solite has to provide. On the other hand, competitive environment (packaged cake market) helps marketer select primary root strengths so that Solite is relevant in frame of preference.

The author applies the Brand Key Vision model for building Solite brand as shown in Figure 24:

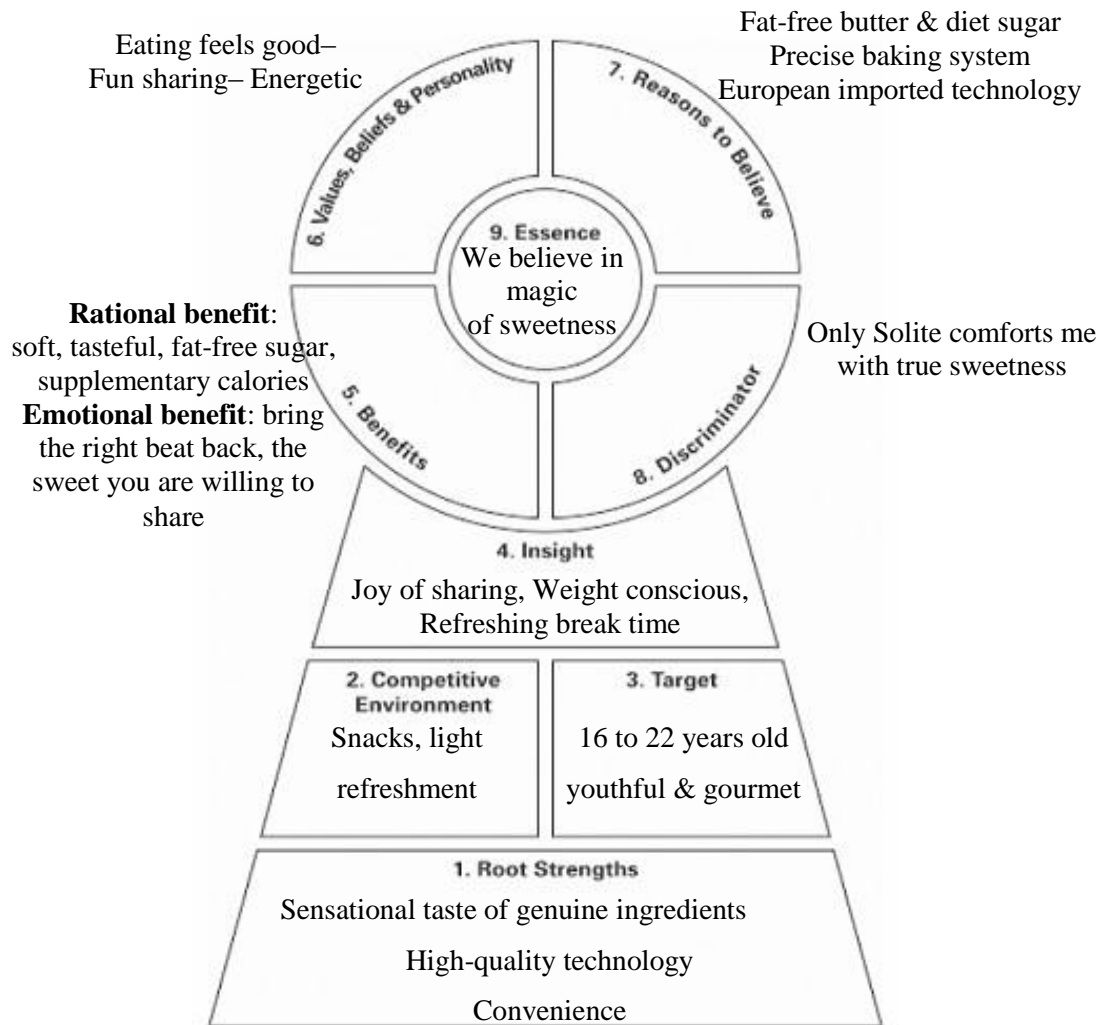


FIGURE 24: Brand Key Vision for Solite brand

Solite manifesto:

- Solite is a passionate chef.
- Solite concerns health and genuine quality prioritised.
- Solite has unique recipe for good snack.
- Solite adds fun flavour of sharing to friendship.

5.2 Competition-based and customer-based brand equity

The author aims to filter and enrich brand key values brainstormed above by applying theories about competition-based as well as customer-based brand equity. From the competition-based branding strategy point of view, the author suggests Solite settle its category membership in the snack and light refreshment sector

rather than the cake sector. By doing so, it's easier to position Solite in customers' memory and perception with typical frame of reference of snack and light refreshment products. In particular, this frame of reference involves eating style of the young, convenience, having short break time but intense enjoyment, feeling fun in every bites, not causing full stomach before or after main meals. In addition, by not categorising Solite in conventional cake category, Solite is in less severe competition with fresh cakes in bakery, which are considered as premium segment. Fresh cake category allows customers to enjoy sophisticated cakes, eye-catching cake decoration, taste them in relaxing mode and comfortable atmosphere, all of which are not Solite's competencies.

In the snack and light refreshment sector, it is beneficial to define the point of difference for Solite brand. The discriminator "Only Solite comforts me with true sweetness" is inspired from the fact that sweet taste is a top-of-mind concern of customers to determine whether they favour a specific cake product or not (Focus group interviews 2011). In the same interviews, it indicates that sweetness makes most respondents feel happy, awaken, refreshed or released from stress. On the other hand, they are fed up with excessive sweet taste as well as worry about gaining weight due to sweetness. Some competitors of Solite such as Hura, Salsa are assessed as excessive sweet cakes while Solite is satisfactorily sweet. It is opportunity for Solite to take a lead in using dietary sugar to release customers from dissatisfaction and worry.

From the customer-based point of view, core values of brand key vision needs to build a bridge to approach customers, orientate their brand knowledge and revoke their response to marketing activities of Solite brand. Brand loyalty is, eventually, the utmost objective. Following parts of this research paper will fulfil these goals by applying customer-based branding methodology.

5.3 Brand meaning

Brand meaning is communicated through the brand essence "We believe in the magic of sweetness". Which magic should the brand stand for in the minds of core

target customers? Although Solite targets 14 to 25 year-old customers, its potential core target are in the age of 16 to 22 years old, who are expected to be aspirational to broader customer groups. It is necessary to define which meaning of sweetness that could stay close to interest and inner feeling of core consumers so that they are willing to embrace. Also, it is not wise to make male customers hesitate by implying too girly definition for sweetness.

”Sweet talks” is proposed to Solite as brand meaning. Solite brand means enjoying life’s moments, even tough ones, with young spirit and in a sweet, creative way. Brand meaning is built upon two major categories of associations: brand performance and brand imagery.

The brand performance of Solite brand involves how it communicates to consumers and delivers its brand promise. Herein influential factors are introduced to improve Solite brand performance and be in sync with brand meaning:

- *Features of the product:* Diet sugar is used in Solite cakes to ensure comfortable sweet taste and remove weight concern. Besides, Solite proves its convenience through clever packaging and quickly reachable selling sites.
 - Clever packaging prevents distorted shape and quality of product. Outer package case can be opened and resealed as many times as consumers want to better preserve the quality. The author notices that all rival products cannot be resealed (Observational research).
 - Quickly reachable distribution can be achieved by fast replenishment, exploring new outlets and sales locations, customized vending machine for Kinh Do products in public places. Last but not least, entering Hotel/Restaurant/Café channel will open new opportunity to reach tourists who most expect convenience products.
- *Style, design:* By advertisements, social events, the brand meaning should be translated into young people’s language. Their life moments are as young, daring and ambitious as who they are. In addition, it is essential that packaging design shows youthfulness, upbeat mood and uniqueness.

- *Price, price tier:* As Solite is made from healthy ingredients, it is possible and more persuasive to consumers if it sets a price tier to premium brands in the packaged cake category. However, this premium price should be acceptable to core target group.

Brand imagery refers to intangible aspects of the brand that can inspire advertising campaigns:

- *User profiles:* the young consumers (16 to 22 years old) who lead dynamic lifestyle, desire to explore new and intense experience. They are gourmets in choosing a cake to fall for.
- *Purchase & usage situations:* ideal usage occasions are when the young share small talks with friends, when they have a break time to energize themselves or when they want to fill in the missing sweet flavour after meals. These purchase situations were also highly recommended by customers in focus group interviews in 2011.
- *Personality & values:* Energetic, eating feels good and fun sharing.

5.4 Re-organize range architecture for cake product lines

Range architecture is how Kinh Do structures and communicates its brand range in a coherent way to deliver brand key values and aid customer choice. Apart from Solite, in the cake category, Kinh Do Corporation has Sophie brand as a short shelf-life sponge cake. Compared to Solite, Sophie cake is bigger sized portion and more occasionally it is chosen to satisfy feeling of hunger or be an option for breakfast. At present, Kinh Do cake category implicitly organises its range architecture into two branches: short and long shelf-life cake, without communicating their difference in benefits to customers. Thus, product lines in this range architecture do not support each other in the branding process.

To avoid overlapping in brand benefits in the cake portfolio and confusion in communicating brand meanings, the author re-organises the range architecture.

The range platform entails groups of products that target similar needs and occasions, and so have important characteristics in common. Creative platform description can give a unique branded perspective on the opportunity and inspire innovation within the core (Unilever 2005, 61-63).

The following platform is based on usage occasions driving consumer decision-making. Re-organised range architecture assigns clearer mission for each product line and their brand message. In the future, Sophie can position its brand in calories supplier as an ideal breakfast or light meal while Solite can emphasise on its fun, relaxing flavours as a typical snack.

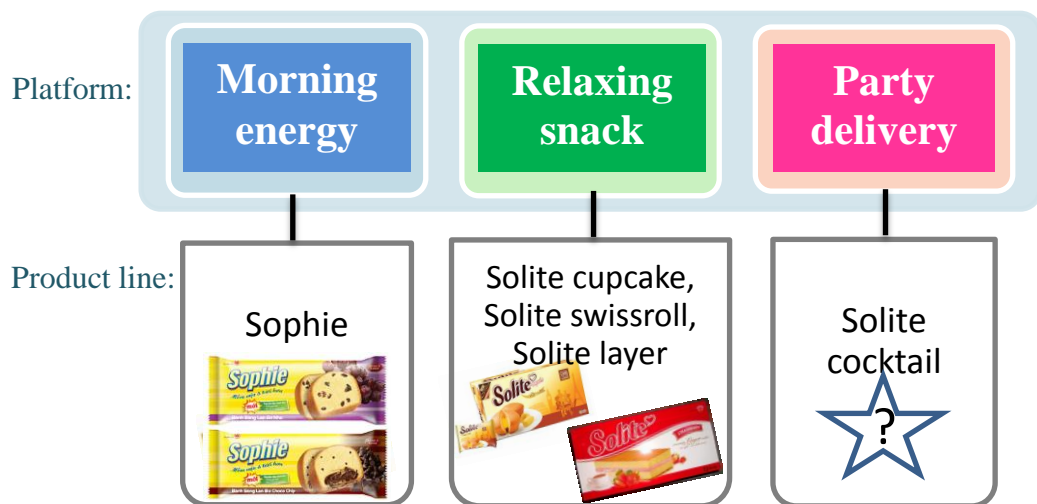


FIGURE 25: Range architecture for Kinh Do cake category

As seen from the proposed platform structure, here lies an opportunity for Solite to expand brand extension to be a niche in the party snack market, in which other cake brands have not participated. This brand extension consistent with Solite brand benefits gives a concrete target to young customers and increases shelf space.

Solite Cocktail would have distinctive and stronger flavoured fillings suitably served at cocktail parties, get-togethers... Cocktail cake has a small size for only one bite which is convenient to share with friends and to eat while talking or drinking in parties. The strong flavours, such as melted truffle, coffee, rum, mint, salmiakkikossu..., have the possibility to create new interest from customers and

attract new users especially male customers who think cakes are too sweet for men. Due to its distinct characteristics, Solite Cocktail can penetrate Horeca distribution channels and develop in the premium segment.

5.5 Brand identity

Observing the Solite product display at the point of sale (Observational research 2011), the author draws personal assessments on competency of the Solite brand identity.

Solite brand name

According to results from focus group interviews in 2011, the Solite brand is the second most mentioned top-of-mind brand in the packaged cake category. It indicates that Solite has become a familiar name with customers, therefore, it is essential that Solite sustains its current brand name.

Solite logo

Compared to the Solite logo before re-launching the new Solite Cupcake, the Solite logo has changed its colour from red to brown on newly launched product. It expresses European typical style in colour choice and brown is regularly used for design in food products, usually seen in bakeries, restaurants... Solite logo is written in soft font, consistent with the cake's characteristics: soft and smooth.

Ingredient branding

Solite can build brand equity for its distinctive ingredients: diet sugar and fat-free butter. They will become motivators for consumers to choose Solite cake or other Kinh Do food products containing these ingredients. This strategy may need the cooperation of specific well-known manufacturers of these ingredients. Another measure is attaching distinctive symbol or informational sticker on package to help consumers understand the advantages of the branded ingredients. In fact, the author observed during the decision making process, consumers tended to look carefully for information about calories on package. Some female consumers also

compared calories amount between products of different categories before they decided to purchase.

Solite packaging design

Besides, images of famous European tourist attractions imply the association between Solite and its European imported technology and European-originate cake recipe. These improvements in packaging communication are purposeful and have more premium and eye-catching look than its previous design.



Before re-launched



After re-launched

(Source: Kinh Do Corporation official website 2011)

However, when displayed next to other competitors on the shelf, Solite package design shows some limitations. Solite package's colour has a similar warm tone of yellow and light brown with its competitors in the desired segment of premium cake. This colour choice makes it difficult for Solite to stand out and catch customers' attention, especially in fact, Solite products are usually displayed near Custas and DeliPie brand in supermarket channels (Observational research, 2011). It is more effective for the Solite package to be in more contrasting colour with its direct, strategic competitors.



FIGURE 26: Illustration of product display in supermarkets

Within the range of Solite sub-brand products, the Solite package has little change illustrating 5 different flavours that is not easy to notice at first glance. This hinders Solite's opportunity to boast its diversity of flavours launched in customers' memory.



Milk & Chocolate fillings

Butter, milk fillings

(Source: Kinh Do Corporation official website)

Elements need to be consistent in Solite brand identity

Repeated elements in brand identity facilitate higher brand awareness, brand recall by customers. In shelf-space, advertising materials, public events... consistent brand identity plays an important role in conveying Solite brand vision, brand values and brand personalities to target consumers. A young image represented for young customers, European style, refreshing, energetic and friendly atmosphere should be demonstrated repeatedly.

Sensorial experience

Packaged cake brands on the market have not yet built emotional branding by sensorial experience. Sound is emotionally direct and our mood is affected by what we hear; it has the power to influence purchase behaviour (Lindstrom 2005,73-74). Although Solite cake does not relate to sound, a wisely used short theme music can be an adjunct to Solite, evokes a specific part of its brand personality in customers' memory. The distinct sound of tearing the Solite package is followed by a catchy upbeat tune. The main idea is to make the tune an effective means of communication with customers, associate with young personality of Solite and its messaged benefit "Bring the right beat back". The theme music can be played in advertisement, supermarket, Solite vending machine or other distribution channels.

Brand ambassador

A celebrity can act as a Solite ambassador in advertising campaigns and PR events. For instance, Suboi, a young famous rapper in Vietnam, is appropriate with the desired brand characteristics Solite is building. She is representative of the young generation who are open-minded, active and daring to follow their dreams.

5.6 Brand relationship

Experiential marketing

Where Kinh Do products have the convenient and frequent interaction with customers are Kinh Do's bakery chains. In every Kinh Do Bakery, customers can purchase fresh cakes, buns, drinks... as well as packaged food products of Kinh Do Corporation and enjoy the atmosphere in the in-store cafeteria. However, Kinh Do still neglects this advantage to create adequate experiential marketing. Fresh cakes have premium display site in store space while packaged cakes are displayed in more subtle way. It is crucial that Kinh Do more emphasise the role of packaged cake products in bakery stores through improved store decoration, product display, "Product of the month" demonstration and review... Positively, bakery stores bring a vivid smell of cake aroma to target consumers, which also benefits perception about Solite quality. Smell works over long distances and triggers emotional responses, while taste quite simply does not (Lindstrom 2005, 101).

To sum up, the bakery store should be considered as a crucial communication channel for Solite brand and an ideal place where customers are willing to spend their spare time experiencing delicious cakes and relaxing atmosphere, all of which Solite brand promises to customers.

Sense of community

To activate the Solite manifesto "Solite concerns health" and its claim about containing fat-free ingredients, Solite can engage in the social network of the young and make a change in the youth's behaviours towards health concerns. Although the primary beneficiary is society, for-profit organisations may find that their ef-

forts contribute to organisational goals as well, such as a desired brand image or even increased sales (Lee, Kotler 2011, 17). Solite can take initiative in encouraging the young generation to give up their sedentary lifestyle and start to find themselves new hobbies or passions.

Active engagement

In Vietnam, there has not been an example of a packaged food product which has succeeded to acquire active engagement from customers, make them want to join a community centred on the brand or actively subscribe for the brand's updates... However, after Solite has achieved purchase loyalty, brand affection and affiliation with customers, it is the right time to expect their active engagement.

Learning to bake is a rising trend among the young in Vietnam where baking cake was not a tradition in the past. This passion can connect Solite brand and the young through monthly public baking events, cake decoration competitions or exchanging new recipes on social networks centred on the Solite brand. Solite brand image should be wisely and naturally incorporated in these activities. This brings interaction between Solite and its target customers on the basis of listening and fulfilling the real needs of the customers.

5.7 Corporate-level branding

As mentioned in an earlier chapter, corporate brand and Solite brand have mutual influences on each other. Hence, to leverage Solite brand, it is crucial that the Kinh Do Corporation brand improves accordingly in aspect of technological innovation along with efforts in responding to customers' needs.

Kinh Do Corporation has long been emphasising product branding. Although Kinh Do Corporation remains to be perceived as a trusted, high quality manufacturer, the corporate brand is somehow blurring its importance and less active than product brands themselves. In the context of Kinh Do, the suitable strategy to strengthen its corporate brand is that the company incorporates, harmonises both product branding and corporate-level marketing.

The product portfolio of Kinh Do has a wide variety of food categories which target different customer segments and build on different brand personalities, brand values. At corporate level, Solite would better be associated with categories sharing certain marketing strategy. In the Kinh Do portfolio, Solite is most suitably associated with KiDo's ice-cream brands. Both of these two youthful, active brands target young consumers and stand for the mission to cherish the fun side of life.



FIGURE 27: Advertising poster of brand Merino in KiDo's ice-cream category: "Merino - Endless joy"

On that common basis, Solite and KiDo's can cooperate to carry out PR events, guerrilla marketing... This strategy could open additional opportunities with new customers and channels.

Furthermore, branding efforts from other combinations of categories also contribute to corporate branding:

- **Cookies & mooncake category:** these categories possess premium product lines that target middle-aged customer segments. They are most actively promoted and demanded in annual festival occasions as traditional and keen choices for gift-giving tradition. They are capable to build corporate image of premium quality and the sincere appreciation customers want to express to their beloved.
- **Buns, wafer & cracker category:** these modern categories are to meet customer demands to enjoy food in a faster and healthier way due to their

busy life. They can contribute to Kinh Do brand image its competency in convenience and health-concern sector.

- **Snack, yogurt, chocolate & candy category:** these categories target children and teenager segments, emphasise energising their play time. They help building friendliness for corporate brand personality.

6 CONCLUSIONS AND PROPOSAL FOR FUTURE RESEARCH

The research paper was completed to develop an action plan to improve Solite branding in the Vietnamese market. Underlying opportunities from unmet needs and market trends are recognised to support building the Solite brand. To sum up the research, this chapter will answer the main research question and reach conclusions by an ultimate branding strategy for Solite cake products.

First of all, Brand Key Vision's factors are defined for Solite brand reflecting core values Solite should build up.

TABLE 9: Summary of Solite Brand Key Vision

Root strengths	Sensational taste of genuine ingredients High-quality technology Convenience
Competitive environment	Snacks, light refreshment
Core target	16 to 22 years old, youthful & gourmet
Consumer insights	Joy of sharing, Weight conscious, Refreshing break time
Rational benefits	Soft, tasteful, fat-free butter, diet sugar, supplementary calories
Emotional benefits	Bring the right beat back. The sweet you are willing to share.
Values, beliefs, personality	Eating feels good– Fun sharing– Energetic
Reasons to believe	Visual proof: no trace of excess fat on finger Fat-free butter & diet sugar Precise baking system European imported technology
Discriminator	Only Solite comforts me with true sweetness
Brand essence	We believe in magic of sweetness

Consumer insights point out most common feelings in food consumption of the Vietnamese. Like other Asian cultures, Vietnamese are naturally inclined to share food with relatives, friends as a way to express their interest towards the others,

gather people together, share their stories and keep their conversation smoothly going. In addition, compared to Western countries, schools and workplaces in Vietnam enjoy longer break time at noon and other shorter breaks during a typical day, which drives people to snacking products as refreshing therapy.

Understanding consumers' eating habits and the cultural connection behind them, the Solite brand shapes its values to meet their expectations. Solite delivers rational benefits which are conventional in the cake category (soft, tasteful, sweet) and superior benefits would be its selective ingredients (fat-free butter, diet sugar, calories). Customers not only buy a product, they buy benefits. The Solite brand makes customers feel a strong sense of being cheerful, having the full energy and interest to partake of all life has to offer. That is the emotional benefit driving brand purchase and loyalty. The emotions are created when the delicious taste and guaranteed quality leads to feeling joyful and energetic. The positive emotion also comes when sharing original cakes and small-talks with friends make fun companions.

What differentiates Solite from its competitors is the discriminator "true sweetness". It is the kind of sweetness that can make consumers feel happy, awake, refreshed and released from stress. Moreover, consumers can relieve their worry about weight but still enjoy the delicious taste of Solite cake.

Corresponding to key brand factors, customer-based brand equity is built to bring Solite brand close to customers' life and make it a vivid, sensory entity (see Table 10).

TABLE 10: Summary of Solite customer-based brand equity

Brand meaning	<p>”Sweet talks”.</p> <p>Enjoy life moments even tough ones with young spirit and in a sweet, creative way.</p>
Brand identity	<p>Representative for young customers</p> <p>European design and style</p> <p>Sensorial experience: branded tune</p> <p>Young rapper celebrity as brand ambassador</p>
Brand relationship	<p>Experiential marketing in Kinh Do bakery stores</p> <p>Social marketing to encourage young generation to change their sedentary lifestyle.</p> <p>Active engagement in baking events and other creative marketing activities.</p>

At the moment, Solite’s competitors have not yet established their own brand meaning except the claim of premium product quality. Thus by building an inspirational brand meaning, Solite is able to astonish the market. To achieve awareness, brand meaning will be interpreted consistently over time through brand performance and imagery. As a representative product for young consumers, in its characteristics, Solite should be young, resourceful and daring for new challenges. In particular, Solite proves its innovative spirit by creating diet sweetness for its products and never letting its product lines grow outdated but launching new unique flavourful fillings. Communication language should carry the fun-loving side of Solite. Products are widely available for convenience’s sake because nowadays the younger generation leads a busier lifestyle than their parents did. The author believes that users from 16 to 22 years old fit well to become the core target for the Solite brand. They have youthful and adventurous soul to discover new things and passion to enjoy life to its extreme. Besides, they are so aspirational to younger and older customer groups that they should be adequately focused and attracted in Solite branding strategy.

Brand identity is the initial interaction between Solite and customers. Its mission is to express brand meaning in a visual way. Brand identity is not only created

within a creativity process but also guided by strategic objectives. In Solite's case, more noticeable colour tone should be used in order to emphasise proper contrast to its direct competitors. No matter how attractive and unique the product identities can be, young spirit and European style are prerequisites to impact customers' perception about Solite brand values and position those values in their memory.

Brand relationship needs nurturing in the long term. Without strong brand loyalty, fast moving consumer goods receive low involvement from customers in the purchase process. If Solite is a breakthrough or fashionable product in the packaged cake market, in best case scenario, its brand will be able to reach high purchase frequencies, volumes and become a favourite or top-of-mind brand. In fact, as R&D activities have yet provided Solite superior and truly distinctive performance, it is wiser to establish brand relationship through social marketing, in which Solite actively accompanies target customers in their daily life and shares their mindset with sincerity. The relationship is successfully bonded when the Solite objective is of importance and appealing to the younger generation. This research paper suggests Solite take helpful approach and incentives with a humorous message to encourage younger people to give up their sedentary lifestyle and take up new hobbies or passions. When it comes to branding execution, different tactics can be used but they should be consistent with the core values and the personalities the Solite brand has been committing to.

After the implementation plan is carried out, the expected results should be regularly checked to assess the success of the Solite branding strategy in further research. Important indicators to be evaluated are the level of brand awareness, brand associations, brand image and customer satisfaction in order to ensure customers are holding the same perception about desired values that Solite is building. Next, level of customer involvement in PR and communications events also needs evaluation on brand response. Professional market research methods are available to support the brand auditing phase, such as online tracking, retail audit, Usage & Attitude research and consumer panels...

As the Solite product has been exported to other countries in the Asian region, it is recommended that its Brand Manager consider branding strategy in import mar-

kets rather than merely focus on a distribution plan at the present. This branding strategy should integrate glocalisation perspectives after thoroughly studying local customer behaviours, cultural difference and the opportunity to cooperate with local stakeholders.

Last but not least, a brand health check helps marketers to monitor branding strategy when necessary. Competitive pressures, new channels and changing customer needs can erode the brand's established position (Copeland 2001, 1). This situation would require marketers to reposition the Solite brand after a long establishment in the market. It would be high time for Kinh Do Corporation to do another study for an achievable and aspirational repositioning.

7 SUMMARY

The thesis is designed to assist Case company in building a new branding strategy for its existing Solite brand in the Vietnamese market. As the result, related marketing theories, branding models and environmental analysis are studied to serve a practical purpose for Solite brand development. The research paper is divided into two main parts: the theoretical framework and the empirical part.

First of all, in Chapter 2, theoretical framework reviews basic concepts of branding and collects different approaches to building brand. The main objective of this part is to prepare a variety of methodologies and useful advice learned from real cases then decide the most suitable methods for the action plan. In particular, the author makes a comparison between corporate branding and product branding to point out each one's advantages and disadvantages. As product branding is more important for Solite at present, proposed branding approaches focus on product branding strategy. To assist the brainstorming process, the Brand Key Vision model is introduced and explained in detail in its constituent elements. Next, competition-based and customer-based positioning are regarded as two major dimensions in branding strategy. It is not necessary that these two models are applied exclusively but they can benefit each other.

Coming to the empirical examination, the branding process starts from studying insights about the Vietnam food industry, packaged cake market and customer behaviours to reveal underlying opportunities and future trends. It is important to keep up with competitors' development and pinpoint Solite's competitive advantages, which are valuable resources for brand positioning. Within Chapter 3, industry overview, competitor analysis, consumer and cultural insights help answer the first two sub- research questions.

Chapter 4 involves a short presentation about Case Company and its food product portfolio. The Solite brand mission is captured in the context of the whole portfolio and expected to contribute to the corporate mission. Afterwards, it comes to

Solite product and brand SWOT analysis by which the author realises current shortcomings of the Solite brand to be improved in the action plan. The fourth sub-question is solved in this chapter.

In Chapter 5, based on theoretical background, the action plan has Brand Key Vision as its backbone to guide branding activities. Competition-based brand reconsiders brand benefits brainstormed in the Brand Key Vision model to choose most competitive benefits and appropriate rational benefits aligned with the frame of reference. Secondly, customer-based branding strategy completes the action plan by setting up brand meaning, brand identity and brand relationship. These brand elements transform brand core values into real life customer experience with the assistance of communication activities. Finally, range architecture and corporate-level marketing acquire re-organising to fit new brand positioning and create improvement on the corporate brand.

To conclude, the branding strategy proposed in this research paper satisfies Solite brand as a complete branding process. More efforts invested in creative advertising ideas and public relation events are advised to be done in the future to execute branding strategy in practice. Furthermore, the evaluation phase is crucial to assessing the impacts of this branding plan and monitor it when needed.

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APPENDICES

Appendix 1: Price list of packaged cake products in supermarkets in Ho Chi Minh city

Brand	Weight/box (gr)	Price/box (VND)	Price/box (EUR)*
Custas	460	61,500	2.26
Custas	276	41,500	1.52
Custas	138	22,000	0.81
DeliPie	240	33,600	1.23
DeliPie	138	23,800	0.87
FreshPie	276	36,900	1.35
FreshPie	138	19,800	0.73
Hura	360	35,200	1.29
Hura	240	21,800	0.80
Hura	200	19,300	0.71
Hura	120	14,400	0.53
Hura Deli	336	38,000	1.39
Hura Deli	168	20,600	0.76
Peppie	240	33,600	1.23
Peppie	120	18,500	0.68
Salsa	380	33,000	1.23
Solite (Original)	360	39,000	1.43
Solite (Original)	230	30,800	1.13
Solite (Original)	180	23,400	0.86
Solite (Original)	90	12,200	0.45
Solite (New)	200	30,500	1.12
Solite (New)	100	16,000	0.59
Solo	336	35,500	1.30
Solo	240	27,700	1.02
Solo	120	14,200	0.52

*Exchange rate (MSN, 04 April 2012) : 1 EUR = 27,260 VND

Appendix 2: Discussion guide in semi-structured focus group interviews

Section 1: Introduction and explanation for respondents about the interview.

Interviewer is not allowed to reveal that the interview is tailored for cake products of Kinh Do Corporation in order to prevent biased opinions from respondents.

Section 2: Lifestyle & cake eating habit

- What is your daily routine?
- What do you usually do in your spare time, festivals ..?
- In a day/week, when do you usually eat cake? Why?
- Do you eat cakes alone or with someone else? And with whom?
- What is your demand when eating cake?

Section 3: General perception about cake category

a. Category description:

- How do you describe a cake product in your opinion?
- Which characteristics must a cake have?

b. Association, perception, attitude, feeling about cake category:

- Thinking about a cake product, what do you associate it with?
- How do you feel when eating a cake?

c. Purchase motivation and needstate:

- What makes you eat a cake? How does it benefit you?
- What are you expecting from a cake product?

d. Main users:

- In your opinion, who eats cake most often?
- How are the main users? Which personalities, concerns, lifestyle do they have?
- Which functional and emotional benefits do main users want to gain when eating a cake product?

Section 4: Category consumption

a. Purchase barriers & unmet needs

- In the future, will you continue to eat cake products? Will you reduce or increase the amount? Why?
- What makes you worried or dissatisfied when eating cakes?
- At the present, how do you deal with those worries?

b. Ideal product

- In your opinion, how is an ideal cake product like?
- How are those improvements/changes to cake product important to you?

Section 5: Brand imagery of Solite, Sophie and cake competitors

a. Brand evaluation

- What are the strengths and weaknesses of each branded product that you have used? (Solite, Sophie, Orion Custas, Hura...)
- Which source of information drives your purchase from this brand?
- In your opinion, who will and who will not use this brand? Why?

b. Personification exercise

- If this brand became a person, can you describe its gender, age, personality and style ?