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Building Brand Awareness in Chinese Chocolate Industry

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Globaalin kaupankäynnin kehityksen myötä yhä useammat monikansalliset yhtiöt pyrkivät Kiinan markkinoille. Tästä kehitys luo kiinalaisille yrityksille samalla sekä suurempia mahdollisuuksia että suurempia haasteita. Metodeista, tekniikoista ja strategioista huolimatta, ulkomaiset suklaayhtiöt menestyvät paremmin kuin kiinalaiset. Doven suklaa edustaa useita ulkomaisia brändejä ja sillä on absoluuttinen etu kiinalaisilla suklaamarkkinoilla. Siksi tutkimuksen case -tapauksena on Dove-yhtiö. Tavoitteena on selvittää kuinka Dove onnistui luomaan merkkitietoisuutta Kiinassa.

Pääavoitteen saavuttamiseksi asetettiin seuraavat osatutkimusongelmat: ensinnäkin, mikälainen markkinointiympäristö suklaalla on Kiinassa? Toiseksi, mitkälaiset tekijät vaikuttavat kiinalaisten asiakkaiden kulutus päätöksiin suklaan suhteen? Kolmanneksi, millainen asenne kiinalaisilla asiakkailla on Doven suklaata kohtaan? Ja viimeiseksi, kuinka Dove markkinoi itseään innovatiivisella tavalla? Teoreettinen pohja ja empiirinen tutkimus pohjustavat nämä tutkimusongelmia.

Tulos perustuu internetin kautta välitettyyn kyselyyn ja syvällisempien haastatteluiden metodiin. Tulokset näyttävät vallitsevan suklaan markkinointiympäristön Kiinassa, kiinalaisen kulutus käyttäytymisen suklaan suhteen ja Doven SWOT-analyysin. Tietoa voidaan käyttää Doven kehittämiseen. Samalla se tarjoaa suosituksia ja ehdotuksia paikallisille kiinalaisille suklaabrändeille merkkitietoisuuden luomiseen. Tällä hetkellä kiinalaiset brändit ovat huonommassa asemassa, mutta hyödyntämällä korkealaatuisen hyvän maun ja kohtalaisen hinnan, ne voivat muuttaa tilanteen.

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ABSTRACT

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With the development of global trade, more multinational companies choose to enter the Chinese market. Therefore, Chinese domestic enterprises are facing greater opportunities and challenges. Regardless of the methods, techniques, strategies, foreign chocolate companies do better than domestic chocolate companies. Dove chocolate is the representative of many foreign brands which has absolute advantages in the Chinese chocolate industry. Hence the thesis chooses Dove as the case company, to find out how Dove succeeded to build brand awareness in China.

In order to achieve the main aim, the following sub research problems based on theoretical study were separately set. Firstly, what is the chocolate marketing environment in China? Secondly, what factors will influence the purchasing behavior of Chinese customers for chocolate? Thirdly, what is the attitude of Chinese customers to Dove chocolates? And finally, how does Dove chocolate promote itself in an innovative way? The theoretical basis and empirical practice are closely connected to the research problems.

The result is based on a questionnaire, which was delivered to the respondents over the Internet and the in-depth interview method. The research indicates current chocolate marketing environment in China, the Chinese purchasing behavior of chocolates and the SWOT analyzing of Dove. The available information can be used for the improvement of Dove. And meanwhile provide recommendations and suggestion to Chinese local chocolate brands how to build brand awareness. Although Chinese local chocolate brands are in an unfavorable position, however if they can take advantages of the two factors high quality with good taste and moderate price, then they will be able to change the current situation.

Key words: Branding, Marketing communication, customer buying behaviors

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TIIVISTELMÄ

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1 INTRODUCTION

With the development of global trade, more multinational companies choose to enter the Chinese market. Therefore, Chinese domestic enterprises are facing greater opportunities and challenges. Regardless of the methods, techniques, strategies, foreign chocolate companies do better than domestic chocolate companies. The temporary sales are not the only goal for foreign chocolate companies, but they focus on the long-term market share in the Chinese market, focusing on brand building and management. In this chapter, the background of Chinese chocolate business and the case company Dove Chocolate will be introduced. After that, an explanation of the research objectives and research problems will be shortly introduced. Then what are the limitations in this paper, the structure of this thesis will be provided.

1.1 Background of the Study

China has the world's largest consumer groups, and the rapid development of Chinese chocolate market is at the growth rate of the global Top Three which gradually form a huge potential development for the chocolate industry (Peoples' Daily, 2012).

The Chinese chocolate market has enormous potential for development. In the next few decades there will be an exciting growth opportunity. At present, China's annual consumption of chocolate is 30 billion RMB, and the per capita consumption of chocolate is approximately 40-70 grams per year. About 350 million US dollars' market values seem huge, but just accounted for only 0.5% of the international market. In Europe, there are more than 7 kg of the annual per capita consumption of chocolate. And in South Korea and Japan, with an average of two kilograms, the industry generally believes that the chocolate market in China will have an annual growth rate of 10-15 per cent (boomingfield.com, 2007).

Since the 1990s, foreign famous chocolate manufacturers moved into the Chinese market and obviously have occupied the entire chocolate market's advantageous situation. In 1989, Dove chocolate was launched in China and in 1995 has become the leading brand (Baidu Encyclopaedia 2012). It is estimated that the market share of Dove chocolate was about 40% in 2012, followed by Leconte and Cadbury. (Dove chocolate)

The enormous potential for development draw more imported chocolate brands' attention. Nowadays the world Top 20 heavyweight chocolate companies have all entered the Chinese market. In addition, as the substitute product, the various candy sales are also a threat for the chocolate industry. (Baidu Encyclopaedia 2012)

1.1.1 The current situation of Chocolate Business in China

In China, the Chinese domestic chocolate industry has to face these problems, less brands, one single taste, improper selection of chocolate, processing equipment and supporting facilities are incomplete, weak product development, product upgrading slowly. So in the current situation of the Chinese chocolate market, industry competition is lower, less competitive products, more potential for development. (The Chinese Economy, 2010)

The brands of chocolate in the Chinese market can be generally divided into three categories: high-end foreign brands, joint venture brands and local brands, the total number is about seventy brands. According to the great temptation, like a big cake to share, world chocolate giant Ferrero, Cadbury, Mars, Nestle, etc. have entered the Chinese market and shared the Chinese chocolate market. Recently, Nestle took a series of measures to merge the domestic confectionery giant Hsu Fu Chi which can significantly change the pattern of Chinese candy market, Nestle will take the opportunity to extend to the second and third line cities and even to the vast rural market. However, the market share of domestic brands will further decline, for example, Leconte, Golden Monkey, and other local brands still have a long way to develop. (Peoples' Daily, 2012).

Chocolate has not completely immured into the eating habits of Chinese people. But with the development of Chinese economy, the expectations of chocolates are gradually rising. Besides the changes of taste, consumers pay more attention to the brand culture. “How to develop chocolate to be daily consumer goods”, this is a great challenge for developing the huge potential chocolate market in China.(Peoples’ Daily, 2012)

1.1.2The introduction of Dove Chocolate

My Moment, My Dove

----Dove Chocolate

Dove chocolate belongs to the multinational food company Mars which has introduced a series of products in China. The name of Dove came from a Chicago candy store which established in 1956. In 1985, Dove began to enter the United States market, in 1986 acquired by Mars Foods. In 1989, it was the first time to launch in the Chinese market. Finally, since 1995 Dove has become the leading brand in China. (Dove Chocolate)

The brand of Dove is known for the messages written on the inside of the foil wrapper. And each individual chocolate will have a different love message. Dove chocolate has a large number of varieties, including nuts chocolate, silky milk chocolate, chocolate hazelnut and raisins, almonds and milk chocolate, mocha hazelnut chocolate, hazelnut butter chocolate sandwich. In China, Dove chocolate has become the best choice for people expressing feelings and enjoying the beautiful moments. (Dove Chocolate)

The price of Dove chocolates is several times higher than similar chocolate brands. Compared with domestic famous brand Golden Monkey, the price is ten times higher. However, since 1995, Dove has been the leading brand in the chocolate

market. This dominance is not only related to the high quality of the Dove chocolate, but also inseparable from a beautiful love story behind the chocolates. Dove culture first came from the name of “Dove”. (Mars China)

Dove chocolates are born for love. According to legend, a chef of Luxembourg royal Leon fell in love with the Bazaar Princess. However, in that conservative era, the two people did not speak out the love. In order to consolidate the relations between Belgium and Luxembourg, Bazaar princess had to marry a Belgian. When Leon prepared desserts for Bazaar, he wrote letters “DOVE” on the ice cream, with hot chocolate. It is short for "DO YOU LOVE ME". But Bazaar did not see the letters before they melted away. If “DOVE” did not melt, Leon would not lose the last opportunity to be together with the princess. Finally, he invented a love that does not melt. In every piece of Dove chocolate is firmly engraved "DOVE", in order to commemorate the lost love between Leon and Bazaar. The bitter and sweet just like Dove taste. When lovers send out Dove, it means send out a message: DO YOU LOVE ME? The founder wants to remind the world lovers: If you love him (her), please let the sweetheart know it. (Youths Liberators, 2012)

The unique culture and principles determine employees’ ways of thinking, ways to treat colleagues, ways of operating and the company's products. “The Five Principles” guides Dove chocolates to make progress constantly. They are: putting customers first, high quality is their work, value for money is their goal; as a personal, being responsible for your work, as a colleague, being responsible for your co-workers; mutual benefits will be durable; making full use of resources, no waste of human and material resources; shaping the future independently and profit can protect the freedom. (Dove Chocolates)

The Dove Chocolate’s Marketing Strategy, according to the different needs of the consumers, Dove made detailed marketing segmentation, producing different tastes, different shapes, and different sizes of chocolates to satisfy individual consumption. Such as, that women prefer milk chocolate, but men cherish dark chocolate. In addition, according to the customer's requirements, Dove produces dif-

ferent styles and flavors of handmade chocolates, to meet the requirements of the different levels of customer consumption. (Dove chocolate)

The target groups of Dove can be divided into three categories: lovers or couples, this group pay more attention to the romantic chocolate culture and chocolate can be regarded as a way to deliver love. Urban middle-income women, they look forward to a higher level of life and consumption. The one, who own Dove, is the protagonist in advertising. For most of college students, chocolate is one of the most delicious food and it is obvious that females prefer chocolates. (Dove chocolate)

Dove's market positioning is the high-end market in China, with higher price. Dove adopts advanced craftsmanship and technology to produce high quality and relatively lower calorie chocolates which not only meet consumers' need for chocolate but also solve health concerns of consumers. In China, the high-end chocolates taste good, but the price is too high, the low price of low-end products, but the taste is not good. This situation precisely breeds a potential market opportunities which will be well received by the vast number of consumers. (Dove chocolate)

1.2 Research objective and Research questions

The main research problem is that how Dove Chocolate succeeds to build brand awareness in the Chinese chocolate industry. In order to reach the objective, analyzing the chocolate market in China and finding out the approaches of marketing promotion of chocolate are necessary.

According to the plan, this study is not limited to the theoretical investigation; it will also be put into practice. Dove Chocolate has been chosen as the case company. The result of this study will provide the Chinese domestic chocolate company

referenced value for improvement. And some recommendations for Dove Chocolate will be provided to increase the market share.

In order to achieve the main purpose, the secondary questions are set:

- ✧ What is the chocolate marketing environment in China?
- ✧ What factors will influence the purchasing behavior of Chinese customers for chocolate?
- ✧ What is the attitude of Chinese customers to Dove chocolates?
- ✧ How does Dove chocolate promote itself in an innovative way?

1.3 What are limitations in this paper

Although this research was carefully prepared, there are still some limitations and inadequacies. Firstly, the research is about Chinese chocolate industry, but the researcher does not have the opportunity to face-to-face interview with the majority of customers.

Secondly, the respondents in China can only answer the questionnaire online. This is a limitation for more people participate in the research and the participants mostly are young people and who frequently use Internet. Although there are 30 interviewees who participate in the interview, the results of the research are not comprehensive enough.

Due to the weak transparency of Chinese market, it is hard to obtain some accurate information to support the thesis.

1.4 Structure of the study

There are 7 chapters in the thesis and every part is closely related to each other. The thesis starts with introduction parts which provides the basic information connected with the study, such as chocolate brand culture and marketing strategy of Dove. Then the literature review which concentrates on branding, marketing-

mix elements, marketing environment and consumer buying behaviors. In chapter 4, the main idea is about how Dove chocolate succeeded to achieve marketing communication. It will be explained in detail from sales promotion and advertising aspects. The methodology part will be given in Chapter 5. In the last part of the thesis, according to the data, the results and recommendations will be given.

2 THE THEORETICAL FOUNDATIONS

In this thesis, the theoretical foundations start from chapter 2 to chapter 5. In chapter 2, the basic information of branding will be presented. A brand can help buyers to evaluate the products and reject random selection. Sellers can get benefit because the brand can make the products distinguish from similar products and form the fixed customer for the company.

2.1 Branding

The American Marketing Association defines a brand as:

A brand is a name, term, sign, symbol or a combination of them, intended to identify the goods or service of one seller or group of sellers and to differentiate them from those of its competitors.

In brief, brands are the level of awareness of consumers for enterprises' products. Exactly it is an evaluation of the value of a business and its products, service, culture. It is a trust established between consumers and enterprises. The brand is a manifestation and representative of the quality of a commodity which can distinguish it from the congeneric product (Kay, 2006). When people think of a brand, for example, Louis Vuitton, they connect it with fashion, culture and the value which is associated with the brand. When the brand culture is recognized and received by the market, then it has generated its market value.

With the increasingly fierce competition, brands have been put in a significant position. Therefore, it is reported that managers concentrate on the target to build "strong" brands (Acker, 2000). The creation of brand needs: passion, wisdom and faith. Strong brand depends on the brand of leadership: Position is the direction; Balance is a strategy (Liang Zhongguo, 2011)

Figure 1 will show the some key dimensions of brand which I summarized from Keller's article" Brand synthesis: The multidimensionality of brand knowledge.

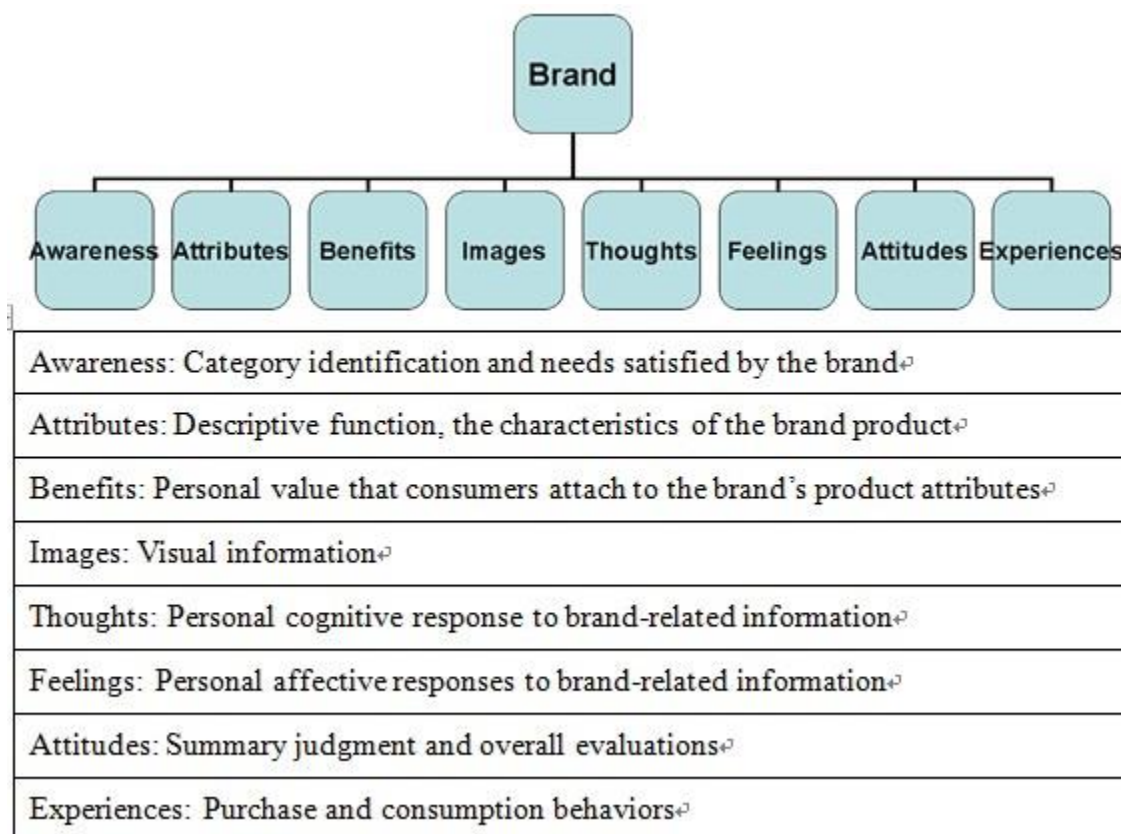


Figure1. Key dimension of brand (Source: Keller, The multidimensionality of brand knowledge, 2004.)

2.2 Brand Strategy

Branding is one of the most competitive fields in the marketing weapon which involves multiple components. These include: brand equity, brand awareness, perceived quality, brand associations, brand assets, name, symbol, slogans and brand extensions. Before outing their hands to develop a brand or branding plan, it is necessary for the enterprise to understand these components of brand strategy. (Hoeffler S & Keller K, 2003)

Brand equity is all the things linked to the brands, not only the positives but also the negatives. A well-managed brand is the intangible asset of enterprises. The value of this asset is called brand equity which is composed of four aspects: Brand name awareness, brand loyalty, perceived brand quality and brand association.

(Sally Dibb & William M. Pride & Lyndon Simkin & O. C. Ferrell, 2012)

The core of brand equity is brand loyalty which is a type of psychological preference to a brand in the customer's purchase decision. Loyal customers become the lively advertising to potential new customers. A satisfied customer will lead to eight potential businesses which can reduce the marketing costs. Because keeping the customers are less costly than to gain or regain. On the contrary, an unsatisfied customer will affect 25 people's willingness to buy the products. (Sally Dibb & William M. Pride & Lyndon Simkin & O. C. Ferrell, 2012)

As one of the components of brand equity, the power of brand awareness cannot be ignored. The awareness of a brand can lead to customers being familiar with brand. In general, customers prefer to purchase the familiar brand than the unfamiliar brand. Because compared to the unknown brand, the familiar brand is supposed as reliable and of acceptable quality. Recognition has an influence on customers' purchasing decisions. (Sally Dibb & William M. Pride & Lyndon Simkin & O. C. Ferrell, 2012)

Perceived brand quality is another component of brand equity. Actually, a customer cannot judge the quality of the product. Under this circumstance, the brand is the quality indicator for customers to rely on. According to recent studies, perceived quality can improve the price of products, the market share and the ROI. A brand name can stand a certain level of quality. And the principles to get high perceived quality are 4 steps. The first step, enterprises should deliver the high quality information out to the customers. Then they should provide customer how to identify those quality dimensions. The third step, enterprises should understand what signals that the customers get. Finally, enterprises should use a number of credible manners to communicate with customers to tell them the quality is high. In general, when the products are difficult to evaluate objectively, the price will be the quality cue. The packaging and design, public spaces are also the quality cues for customers to estimate. (Hoeffler . S & Keller. K, 2003)

The last component of brand equity is brand association which is something mentally linked to the brand. When refer to a brand, the consumer's brain will emerge from all this brand-related information. Such as when customer refers to Dove chocolate, love will come into the mind. Positioning for the brands is significant for the brands association as well as the relative price position. The associations for the brands in general have three steps. First of all, enterprises should select what associations they are willing to deliver to customers. Then enterprises should attempt to create the associations which can differentiate the brands from its competitors. The last step is to maintain the associations. (Sally Dibb & William M. Pride & Lyndon Simkin & O. C. Ferrell, 2012)

The brand owner can obtain benefits by virtue of the advantages of the brand. For instance, an enterprise can take advantage of the influence of brands, the brand image to have business development which can boost the capital of enterprises. This value of brands do not like the physical assets, but it can make the intangible assets of enterprises increased rapidly, and can be traded in the market as a commodity. For example, in 1994 the first World brand Coca-Cola, the brand value of \$ 35.95 billion, equivalent to four times its sales. In 1995 Coca-Cola's brand value had reached to \$ 39.05 billion, in 1996, it rose to \$ 43.427 billion (Coca-Cola).

2.3 The Measurement of Brand Associations

It is a challenge for enterprises to determine the right brand name, symbol and slogan. These elements work as indicators for the brands, brand recognition and brand associations. Firstly, the name should be easy for customers to pronounce and remember. Secondly, the name should be distinctive, to distinguish it from competing brands. Thirdly, the name of brand should have connection with the product itself. If the company aims at the international market, culture elements should be taken into consideration. The best choice for enterprises is to rename the brand in the local language. A symbol can produce feelings and imagination.

And a slogan can help a product be easily remembered by customers. But it is less limited than a name and symbol. (Sally Dibb & William M. Pride & Lyndon Simkin & O. C. Ferrell, 2012)

For some old enterprises which want to revitalize brands, there are seven routes to follow. Firstly, enterprises should increase the exposure rate to customers by using remainder advertising or extending marketing distribution channels. Secondly, enterprises can produce a new kind of product to stimulate the brand or eliminate the existing products in exchange of new-generation. The third way for enterprises is to find out a new market which has been neglected. Next is to reposition by adding new association to the brands or changing the ancient association. The fifth route is something connected to augmented products. It means enterprises can provide products or service that is out of expectation. A sixth way for enterprises is to find out a new use for the product which can add the product's value. The last route is the extension option. But revitalization is not always successful when the brand do not have a strong position. When the enterprises are facing decreasing market share or the market is dominated by other competitors, it is difficult to revitalize the brand. The process should have a tactical programs and policies to support. (Hoeffler. S & Keller. K, 2003)

For the introduction of new brands, there are several significant factors that enterprises should take into consideration. First of all, timing which means the brand should be ready to launch. All the thing should be took into action, for example, the name, logo, design and any collateral materials. Once the visual associations are ready, then the marketing plan should be put into effect. Next step is to explain the new brand. Why it is unique and distinctive from the existing products and how it is better than other brands. Hence, the outline of positioning is necessary not only for the customer but also for the employee. Meanwhile, the key intermediaries such as agents, wholesalers and retailers also should be provided detailed introduction for the brand. Choosing a comprehensive media is important for the new brand. In general, the enterprise can select one major media, combining with

several subsidiary media. When enterprises intend to launch the brand, the consumers marketing plan should be ready. (Hoeffler S & Keller K, 2003)

3 MARKETING AND MARKETING MIX ELEMENTS

How to promote branding? The answer for this question involves a variety of aspects. The choice of marketing mix elements, marketing strategies based on the marketing environment and consumer buying behavior, pricing strategies and marketing channels, all of these influence the result of branding.

3.1 Marketing and Marketing-mix elements

“Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchange and satisfy individual and organizational objective” -----AMA

From the corporation’s prospective of consumers, enterprises should make full use of their resources, providing ideas, goods and services to fulfill consumers’ demands. When the consumers’ demand is met, then the real requirements of enterprises, getting profits can be met. So the demand is the core for the marketing of enterprises. For the consumers’ perspective of enterprises, why should they cooperate with the enterprise? How does the enterprise fulfill their requirements? Enterprises should provide consumers the value, which is not only about providing products, but also connected with after sales services, promotion. Loyal consumers start with the satisfaction of the products and services provided by the enterprises. When consumers have pleasant purchasing experiences, they might prefer to establish long term relationship with enterprises. (Frances Brassington & Stephen Pettitt, 2000)

Marketing mix is a significant part of the corporate marketing strategy which means the enterprises-controlled marketing measure to form integrity of activities. The main purpose of marketing is to meet the need of consumers (Neil Borden, 1964). Marketing mix is the foundation for development of enterprises’ marketing strategy and to ensure the enterprises can satisfy consumer demand.



Figure2: Marketing Mix 4Ps (Source: Philip Kotler and Cary Armstrong, 2006)

The marketing mix is based on “Four P” which provided in figure 2: Product, Price, Promotion and Place (Kotler, 2000,). Furthermore, based on the needs of the target market for the enterprises, considering the environment, capacity, competitive conditions, the enterprises optimize various marketing factors that can be controlled (Product, Price, Promotion and Place) to achieve better economic and social benefits.

3.1.1 Marketing Environment

The demand of consumers is the heart of marketing, and there are many factors to influence the demand. As one of the most significant factors, external environment have been put in an important position by the enterprises. It can be divided into four parts, each part consists a wide variety of factors. They are: sociocultural, technological, economic and competitive, a political and legal influence. Figure 3 will explain it in details. In the sociocultural factor, it involves culture, attitudes, current issues and demographics. And age, gender, family life cycle, education, income level and ethnic are the components of demographics.

The political and legal aspects refer to the regulations, Act and Article issued by the state or local government; enterprises should act in accordance with law. The economic factor refers to the development of market and external competitive situation. Such as market structure, interest rate and taxation. Product, material, marketing and distribution are the elements of technological factor. (Charles W.L.Hill.2002)

Successful enterprises usually base on the marketing environment to adjust their marketing strategy and planning. In this part, the thesis will concentrate on the social-cultural environment. Society shapes our values and belief, people living in different society will have their special core beliefs and values. Enterprises should understand and analyze the social-cultural environment, adjust their marketing strategies for different cultural environment. (Kotler, 2000)

Actually, it is difficult to change the core beliefs, but cultural swings do take place on the secondary cultural values. Previously, Asian did not have the habits to eat chocolate, but nowadays more and more people like chocolates and the consumption of chocolates in Asian has increased at the rate of 25% per annum. People in Asia gradually change the prejudices of chocolate, high calorie, fattening foods. The change of social customs affects people's buying behavior. (Global Times,

2006)

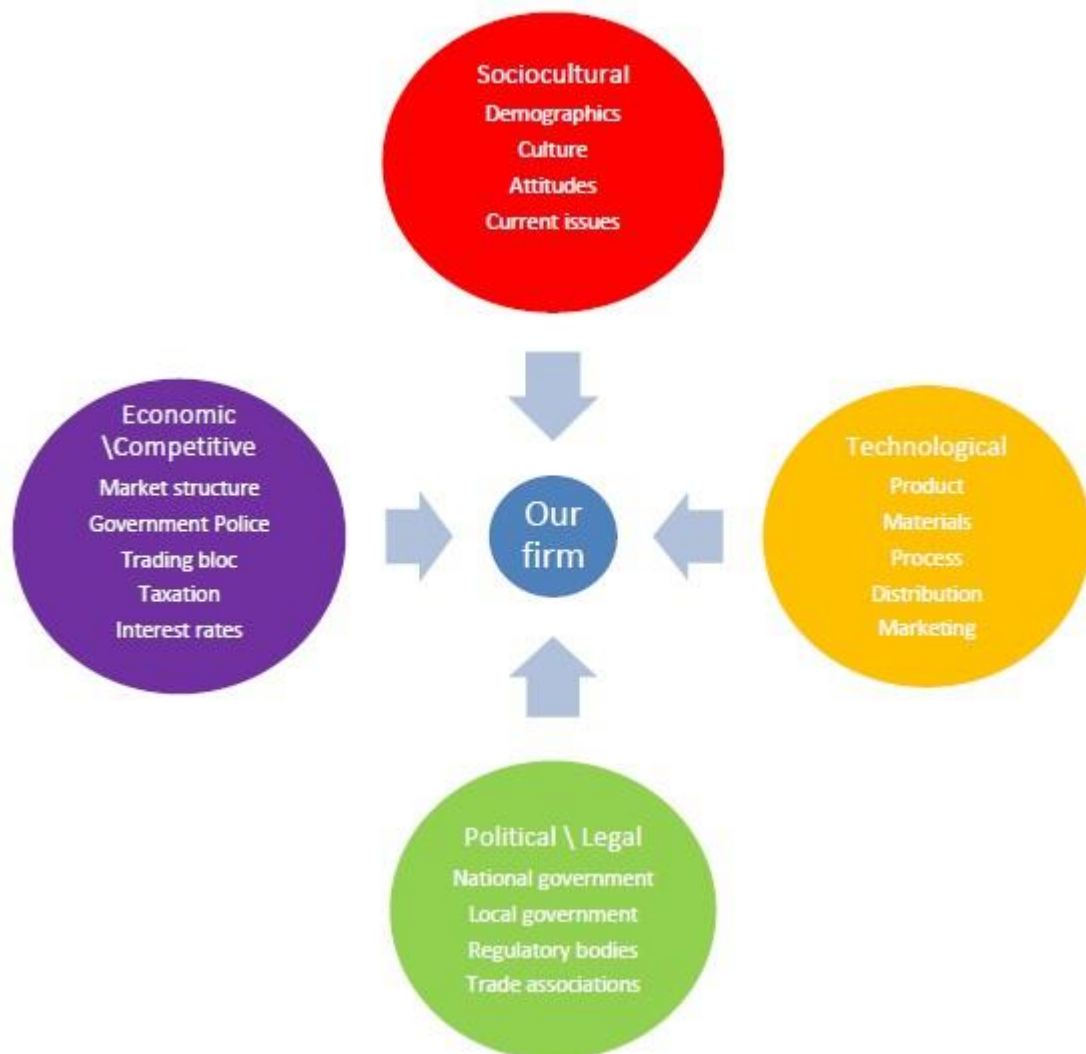


Figure3. Marketing environment: PEST Analysis. (Source: Medha Behera, 2008)

3.1.2 Customer Buying Behavior

The success of the enterprise's marketing strategy is based on the reaction of customers. So it is important for marketer to analyze the consumer buying behavior. Having good understanding of customers buying behavior will assist marketers to satisfy customer better. Although enterprises try to understand and influence cus-

customer buying behavior, they cannot control it. (Sally Dibb & William M. Pride & Lyndon Simkin & O. C. Ferrell, 2012)

A customer's buying behavior is affected by four major factors, cultural, personal, social and psychological. The influence of culture has been put in the most significant position. Such as catering culture, different areas have their own eating habits which have been established for several centuries. It is difficult to change, but enterprises can change the services and products based on the consumers' habits. But cultural swings do take place. De Beers using classic slogan changed the traditional habits in China which had established for thousands of years, wedding wear gold. Consumers' buying behaviors are also influenced by age, gender, occupation, income, education level, ethnicity, religion. Their needs are different, as well as demand for commodities. With the development of economy, consuming habits, consumer attitudes, consumer psychology are constantly changing. (Kotler, 2000)

In addition, the influence of psychological factors cannot be ignored. Consumers always hold their own beliefs and attitudes to one service or product. If some beliefs are wrong, enterprises should try their best to help consumers to establish the right attitude. Enterprises can employ a well-known celebrity to represent the product. For the food industry, enterprises can cooperate with famous nutritionists to establish brand image. (Kotler, 2000)

The impact of social media and consumer-to-consumer (C2C) communication cannot be ignored. With the development of social media and digital media, the way of consumers realize and evaluate products have changed. Consumers can share information and buying experiences through face to face, online or other electronic media. Blogs, Renren and Qzone are new platforms for customer to get the "real story" about an enterprise or a brand. (Sally Dibb & William M. Pride & Lyndon Simkin & O. C. Ferrell, 2012)

3.2 Product and Packaging

A product is anything that can be offered to a market to satisfy a want or need which includes physical goods, service, experiences, events, persons, places, properties, organizations, information, and ideas. (Kotler, 2000) Based on figure 2, a product consists of product variety, quality, design, features, brand name, packaging, sizes, services, warranties and returns. In the exchange process, the product plays the central role (Michael J Baker, 2007). The product can be categorized as tangible or intangible product and can generally be divided into five levels (figure 4). Due to development of chocolate industry and the progress of civilization, the pursuit of the customer is more than a taste for a food. Therefore five levels of the product will be explained in detail.

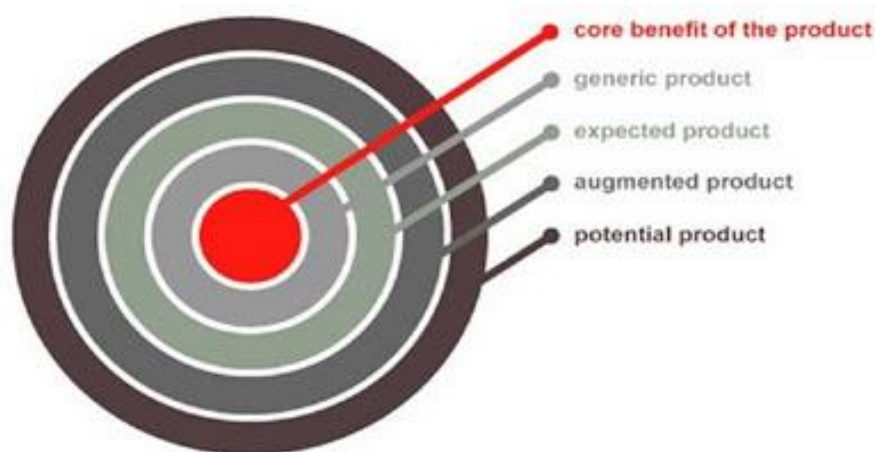


Figure4. Five Product Levels (Source: Managing product lines and Brands, 2000)

The most basic level is the core benefit which means what the customer really wants to buy. The guest of hotel is buying “sleep and rest”. The second level, a basic product, thus the hotel should include a bed, towels and bathroom etc. The

third level, the marketer has to prepare an expected product when the customer buy the product what they normally expect. Hotel guests normally expect a clean and quiet environment. The fourth level is the augmented product, which exceed the customers' expectation. A hotel can include rapid check-in, free sauna and good dining. (Kotler, 2000)

Levitt points out that: the new competition is not between what companies produce in their company, but between what they add to their factory output in the form of packaging services, adverting, customer advice, and other things that people value. Therefore, the fierce competition almost takes place at the augmented product level in today. The fifth level, the marketer provides a potential product which includes all possible augmentations and transformations in the future. As Kotler said: successful company adds benefits to their offering not only satisfy customers but also surprise and delight them. As a chocolate company, what you should do is not just provide customers with delicious chocolates. (Kotler, 2000)

Lawrence Abbott (1955) pointed out: What people really desire are not the products but satisfying experiences, but experiences are attained through activities. So transmit product value to the customer is the key factor to make enterprises competitive.

User needs is closely related to product characteristics. Knowing some fundamental level of user needs can help to develop the appropriate product characteristics. Rothwell (1983) consider that user needs have four dimensions: Need elements, Need intensity, and Need stability and Need diffusion. And in Table 1 provide a comprehensive listing of product characteristics.

Table1. Product characterizes

TECHNICAL	ECONOMIC	
	Non-price	Price
Size	Servicing costs	List price
Shape	Availability of parts and service	Sales price
Weight	Running costs	Net price after trade-in allowance
Consistency	Breakdown costs	Financing or leasing arrangements
Materials used in construction	Depreciation	Discounts
Complexity	User training facilities	Sales or return
Power source	Instructions	Special offers
Power output	Delivery	
Speed/production rate		
Reliability		
Flexibility/adaptability		
Ease of use		
Ease of maintenance		
Safety		
Appearance/design features		
Smell		
Taste		

Sources: Rothwell, R.et.al. (1983) Design and the Economy

“Packaging include the activities of designing and producing the container for a product.” (Kotler, 2000) From the definition, we can see well-designed packages can be used as a marketing tool to create value for enterprises. In general, the factors of packaging should include the trademark or brand, shape, color, pattern and material elements.

The brand is the main element in the package which should occupy a prominent position in the packaging. The color and pattern are the most important element to promote sales. Bright color combination can highlight product features which not only strengthen the brand features, but also have a strong appeal to the customer. (Kotler, 2000)

The choice of packaging materials also cannot be ignored which can affect the

cost of packaging and the competitiveness of this commodity market. Appropriate packaging shape is conducive to the storage, transportation and display. Enterprise should make full use of packaging, using innovative ways to promote profits. (Baker, 2007)

3.3 Price

Price as one of the marketing-mix element, it is the most flexible elements which can change quickly. And different company has distinct way to handle price. In the small company, the decision is usually made by the boss. In large companies, price is decided by the product-line managers. In figure 2 has been pointed that, in 4P, Price consists list price, discounts, allowances, and payment period and credit terms.

3.3.1 Pricing Strategies

When the company produces a new product or the first time enter to a new market, the firm should decide the price and which position they should be about the quality and price. Figure5 will provide nine price-quality strategies.

The strategies 1, 5 and 9 can exist in the same market; their target group is those who stick to quality, those who stick to price and those who make a balance between price and quality. Strategies 2, 3 and 6 have one common, all product value exceeds the product price, and therefore these strategies can attack the diagonal positions. Strategies 4, 7 and 8 overprice their product which can establish bad reputation for the firm. Pricing is very complicated process; company should take every element into consideration, and then set its own pricing policy. (Kotler, 2000)

		Price		
		High	Medium	Low
Product Quality	High	1. Premium strategy	2. High-value strategy	3. Super-value strategy
	Medium	4. Overcharging strategy	5. Medium-value strategy	6. Good-value strategy
	Low	7. Rip-off strategy	8. False economy strategy	9. Economy strategy

Figure 5. Nine Price-Quality Strategies (Source: Kotler, 2000)

For the price sensitivity, Nagle has summarized some factors when buyers are less sensitive: when the product is distinctive and unique, when the buyers are less aware of substitutes, when the buyers think the product have more quality and prestige.

3.3.2 Psychological Pricing

Many consumers use price as an indicator of quality. When Fleischmann increase the price of its product, its sales volume enhance, not down. Price skimming and penetration price are all belong to psychological pricing strategy. It is one of the most important steps for enterprise to set a price for new products. (Kotler, 2000)

3.3.2.1 Price Skimming

Price skimming is also known as high-priced method; it means the upcoming product with a higher price. It usually used at the early life of product and the price is as much higher as possible. As the time goes on, when the competitors developed similar products, Company gradually reduce the price so that the new product can come into the elastic market. In general, pricing skimming is used for a brand-new product, patent-protected products. The enterprise should meet the following conditions, and then price skimming strategy can work:

There are sufficient purchasing powers with lower price sensitive consumers in the market. No competitors have launched the similar products; the company's products have differentiated advantage. When competitors join the market, enterprise has the ability to convert the pricing methods to enhance competitiveness. The corporate brands have traditional influence in the market. (Kotler, 2000)

3.3.2.2 Penetration Price

Penetration price strategy is a way to set low price in the beginning, in order to enter the market rapidly and deeply. The low price will tempt a large number of buyers in a short time and win a larger market share. Higher sales can reduce the costs, so that enterprises can provide further discounts. The company Dell use penetration pricing, through the mail order channel to sale high-quality computer with lower price. The sales volume boosts. IBM, Apple and other competitors use the channel retail stores with higher price cannot compete with Dell in the war of price. Low prices can exchange for high sales, high sales will result in lower costs, which in turn make the further discount.

There are a variety of advantages of penetration price. Firstly, new products can rapidly dominate the market and have high market share. Secondly, Low-profit can prevent competitors from entering the market, and enhancing the market

competitiveness of enterprises. Meanwhile it can promote consumer demand. (Kotler, 2000)

3.3.3 The Influence of Other Marketing-mix elements:

The final price must take into account the brand's quality and advertising relative to competition. Farris and Reibstein have concluded the relationship among price, quality and advertising. Brands with average relative quality, but high relative advertising budgets can obtain premium price, which means customers prefer higher price for the known products than the products they don't know. Brands with high relative quality and high relative advertising budgets can charge the highest prices. (Kotler, 2000)

3.4 Marketing Channels

Figure 2 have pointed that in 4P, the element, Place consists channels, coverage, inventory, assortments, transport and location. In this thesis, channels will be explained in details. "Marketing channels are sets of interdependent organizations involved in the process of making a product or service available for use or consumption". (Kotler, 2000)

Most of the time, manufacturer do not sell their products to the final consumers directly. Between them, there are, such as wholesalers and retailers, usually called merchants who have ownership and resell the products. Agents which include brokers and sales agents, their duty are to look for consumers and do not take title to the products. And other independent organization, such as banks, transportation agencies, warehouses and advertising agencies, they unified called facilitators that do not take title to and do not negotiate on the producer's behalf. (Kotler,2000)

Important decision involved in choosing a channel structure includes: The length of the channels, intensity at various levels (the number of intermediaries), and the types of intermediaries involved(Rosenbloom,1999).

Figure 6 will provide the consumer marketing channels. A zero-level channel /a direct-marketing channel, this is the only way that producers sell the products to the final consumers directly. Door-to-door sales, TV selling, mail order, Internet selling, own stores are all belong to zero-level channel. Amway makes full use of direct-marketing channel to succeed entering Chinese market and have become one of most famous brand in China's high-priced health food. A one-level channel include one merchants, it is retailers. A two-level channel contains two intermediaries. (Kotler, 2000)

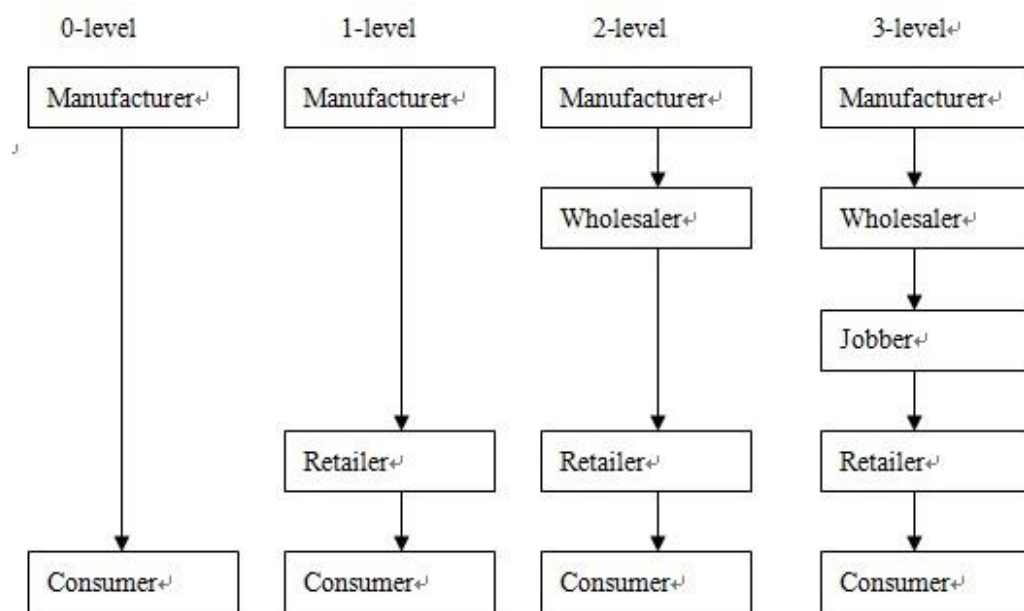


Figure6.Consumer Marketing Channels (Source: Lambert,D.M.(1978) The Distribution Channels Decision. New York: The National of Accountants.)

In this thesis, Internet selling and exclusive shop will be explained in detailed as the direct-marketing channels. Hence what is direct marketing will be firstly introduced. The direct marketing association (DMA) defines direct marketing as follows:

“Directing marketing is an interactive marketing system that uses one or more advertising media to affect a measurable response and/ or transaction at any location.”

From the definition we can see, measurable response is emphasized which typically refer to a customer order. Thus sometimes direct marketing is also called direct-order marketing. Nowadays directing marketing plays a broader role in building a long-term relationship with customers, through sending birthday cards, information materials. (Kotler, 2000)

3.4.1 Internet selling

E- Commerce is the future trend of development. Enterprises can establish their own website to sell products which also a decent method to promote brand awareness. Consumers can buy the product without leaving out of rooms Enterprises find the more potential consumers.

The population of Internet is younger, higher educated and wealthier. In on-line marketing, the consumer controls the interaction process, not the marketer. There are three major benefits of on-line services for the potential customers. Firstly, it's convenient for consumers, they can order products whenever they want and not necessary to leave their home. Secondly, they can get all information on-line, the products, prices and competitors. Then there are fewer hassles, consumers don't have to wait in the queue, face salespeople. In addition, online service can offer a series of benefits to marketers. Enterprises can quickly adjust themselves to market conditions. Lower cost and relationship building are also the advantages of on-line services. Through observing the volume of visitor, marketers can improve offers and advertising. (Kotler, 2000)

Corporate Web site provides consumers the basic information about its history, mission, culture, products and services. Consumers can use email to contact with

enterprises by the established sites. In a word, marketers should pay attention to the basics to make it easy for consumers to shopping on-line. (Wall Street Journal)

3.4.2 Exclusive shop

The manufacturer can invest directly to run the exclusive shop. It is a window to show the brand culture and value which can strengthen the consumers' view of the brand. When the consumers come to the exclusive shop, without any other competitors' similar products, enterprises have 100% sales opportunity which can improve the turnover. Personal selling can be made full used in exclusive shop.

“Personal selling is an interpersonal communication tool which involves face to face activities undertaken by individuals, often representing an organization, in order to inform, persuade or remind an individual or group to take appropriate action as required by the sponsor's representative.” (Frances Brassington & Stephen Pettitt, 2000)

According to the definition, the main characteristic of personal selling is direct communications with consumers. Sales staffs can base on the consumers' attitude and emotion, the atmosphere to release a variety of worries, and arouse the consumers' desire to purchase, more effective and targeted. At the same times, through personal selling can establish close relationship between sales staffs and customers. The trust and understanding of customers can develop customer loyalty.

The process of personal selling is bidirectional information transfer. Sales staffs can deliver enterprises' information timely and accurately to the target customers, meanwhile, the market information, the requirements, comments and feedback of the customers can deliver back to enterprises timely to help enterprises make and adjust strategies. In addition, it is one of the most flexible ways because employees can use different strategies for different customers, (Y. H. Wong & Thomas K.

P. Leung, 2001)

4 MARKETING COMMUNICATION OF DOVE CHOCOLATES

Marketing communication is one of the ways to promote brands. In this chapter, the thesis will present some innovative marketing promotions of Dove to build brand awareness and promote brand.

4.1 Marketing Communication

Nowadays marketing communication is treated as the interactive conversation between consumers and enterprises which happened during the stages of preselling, selling, consuming, and post-consuming. There are two questions presented to enterprises: “How can we reach our consumers?” and “How can our consumers reach us?” according the development of technology, today people communicate not only use the traditional media, such as TV, newspaper, radio and telephones, but also use the new media. Considering the costs of communication, it is encouraged for enterprises to choose targeted communication, not mass communication. (Kotler, 2000)

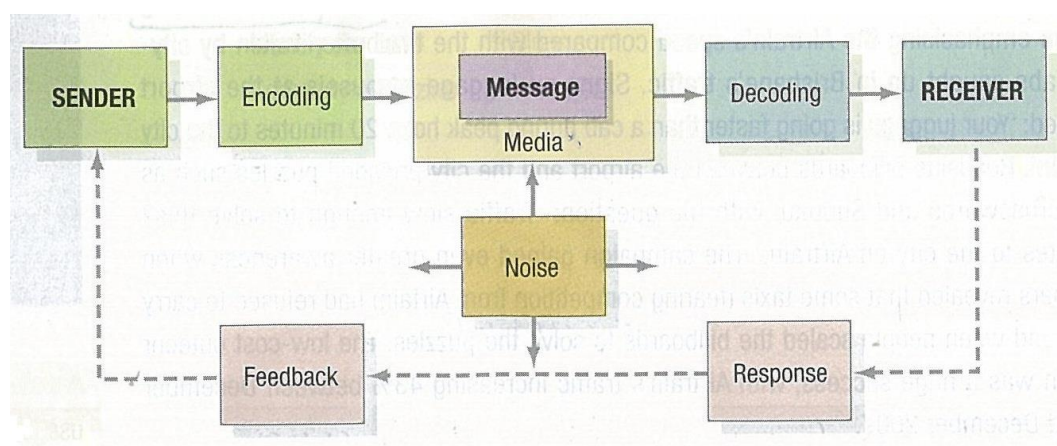


Figure 7. Elements in the communication Process (Source: Marketing management P551 managing integrated marketing communication.)

Effective communication is important for the enterprises. Figure 7 shows the basic elements of effective communication. From figure 7, in the process, sender and receiver are the two major parties. Message and media is the tools to communicate. During this process, senders should clearly know what is the receiver really wanted to get and what response they prefer to. The message should be easily understood by the receiver, and an efficient media can assist senders to transmit the message. (Edgar Crane, 1966)

Eight steps to from an effective communications:

1. Determine the target groups

The first and most important step to identify the target audiences, it will impact on the decisions on what, how, when and where to say. Before communication, the communicator should know clearly about the fixed consumers, potential consumers, and influences. The main analysis of target group is evaluating the current situations of the enterprises, its competitors and its products.

2. Make sure the communication objectives

The response of audiences, there are three degree: cognitive stage, affective stage or behavioral stage.

3. Project the message

The message should be attractive to the audiences.

4. Choose the communication channels

Personal communication channels and no-personal communication channels

5. Set the communication budget

6. Identify the communication mix

7. Evaluate the communication results

8. Supervise the integrated marketing communication process. (Kotler, 2000)

4.2 Sales Promotion

“An activity or material that acts as a direct inducement and offers added value to or incentive to buy the product” (Schultz .D.E 1982) According to the definition, sales promotion includes all kinds of incentive tools, mostly short term, designed to stimulate faster or greater purchase of specific products or services by customers or the trade. (Kotler, 2000)

Sales promotion can mobilize the enthusiasm of people to buy the products during a period of time, cultivate customers' interest to the products, in order to let customers understand the product as soon as possible. Consumers generally have the sense of resistance to the new products. They are not willing to take risks to try new products. However, sales promotion can reduce the cost of initial consumption which can relieve the risk awareness. Therefore, sales promotion motivates consumers to the initial purchase. In addition, it can encourage consumers to buy again and finally become the fixed consumers. Sales promotion is a way of competition. It can alter some of the habits of consumers and the loyalty to one brand. Due to profit-driven, it's possible for consumers to purchase a large number of products. Therefore, in the stage of sales promotion, the sales volume will improve. (Kotler, 2000)

Sales promotion methods usually can be divided into two parts: consumer sales promotion techniques and trade show promotion methods. Consumer sales promotion include coupons, demonstrations, frequenter incentives, point-of-sales materials, free samples, premiums, price-off offers and consumer competitions. Coupons and price-off offers have the similar impact, reducing the price to stimulate product sales, having a strong incentive for customer to try new product or established product. Demonstrations can be used by manufactures to show how a product actually works, but the costs can be extremely high. Free samples can be used in the early stage of a product's life cycle Trade sales promotion methods include buy-back allowances, buying allowances, free merchandise, cooperative advertis-

ing and premium. Cooperative advertising is a way that manufactures pay a certain amount of money to retailer for the cost of advertising. (Sally Dibb & William M. Pride & Lyndon Simkin & O. C. Ferrell, 2012)

4.3 Advertising

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. Different enterprises use the distinctive way to deal with their advertising. In small-medium sized enterprise, advertising is in charge by someone in other departments, such as sales departments. In a large company, they will establish a unique department, advertising department take charge of planning the budget, progressing advertising strategy, implementing it. Before advertising, target group and consumer motives should firstly take into consideration, then come to the five Ms (five major decisions in advertising program) and figure 8 will show it (Kotler, 2000):

Mission: what are the sales goals? / What is the objective of the advertising?

Money: what is the budget?

Message: what message do you want to send to the consumer?

Media: which media can be used?

Measurement: how to evaluate the results?

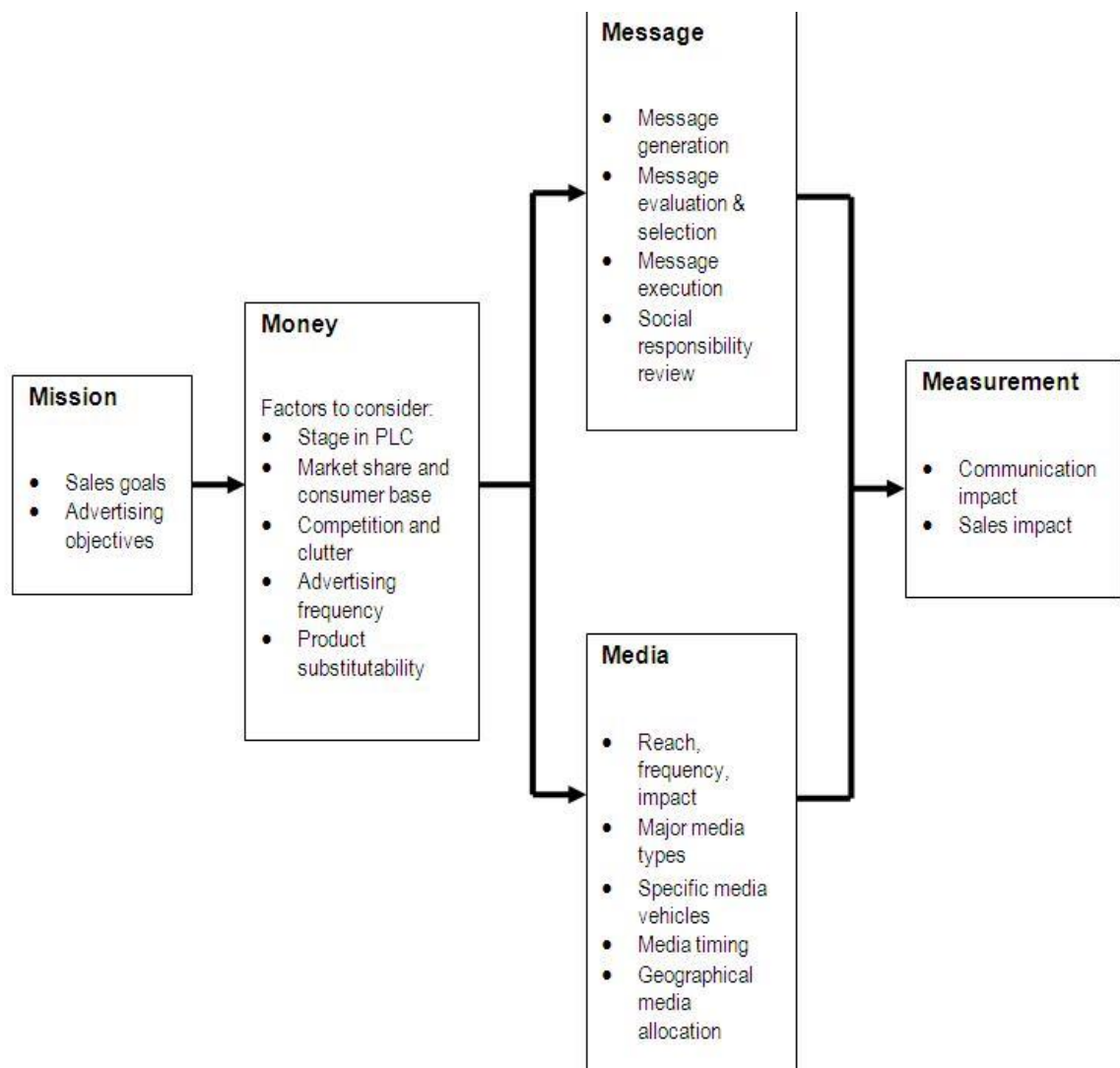


Figure 8. The Five Ms of Advertising (Source: Marketing management, Philip Kotler, 2000)

The objectives of advertising can be divided into three parts: informative advertising, persuasive advertising, and reminder advertising. Informative advertising is important at the original stage of new products. In this stage, the objective is to establish primary demand. Persuasive advertising is significant in the competitive stage. The objective of enterprises is to establish selective demand for a special brand. It means make the brand distinctive and unique from its competitors. The

Burger King Corporation used this way to compete with McDonald's (Burger King's burgers are flame-broiled; McDonald's are fried). Reminder advertising is closely connected with mature products. Pepsi and McDonald ads on TV are in order to remind consumer to buy its products.

4.3.1 Deciding on the advertising budget

What is the right amount spent by the company for advertising? It will be inoperative, if companies spend too little. On the contrary, spending too much will result in wasting. Here are five factors to help people to establish advertising budget:

The company should consider the stage of product life cycle. The entrance to markets for new products, usually in this stage, enterprises should set large advertising budgets to build brand equity. Established brand typically receive lower budgets.

Secondly, the market share should be taken into consideration, brands with high market share usually supported with less advertising budgets. If the enterprises want to expand the market share, then requires more expenditure spent on advertising.

The third factor is considering the degree of competition, if the competition environment is fierce, then enterprises require higher budgets to maintain their share of market. Oppositely, less fierce environment will be less expensive to build brand awareness. Meanwhile, Enterprise should take advertising frequency into consideration, the more repetitions, and the more expenditure.

The substitutability of products, if the products are daily necessities (beers, candy) must advertise more heavily to distinguish it from other similar products. It's also important to do advertisement, when a brand can provide particular services. (Kotler, 2000)

4.3.2 Choosing the advertising message

Creativity is one of the most significant factors in advertising program. William Bernbach observed: “The facts are not enough...Don’t forget that Shakespeare used some pretty hackneyed plots, yet his message came through with great execution.”

Here is an example:

In 1939, according to the period of economic turndown, De Beers had to cut 90% of its production. In order to encourage the demand of diamond, De Beers announced the slogan: A diamond is forever. The slogan succeeded to win the heart of consumers, and the price of diamonds continued to improve, eventually formed today's highly monopolized diamond market. Almost a century, this successful slogan touched countless couples indulging in love, and made them even more to look forward to the eternal love. At the same time, the natural diamond of De Beers becomes more precious. (De Beers)

1993 is an unusual year for the development in the diamond history. De Beers entered the Chinese market; they tried to find best translation of “A diamond is forever”. Finally, the Chinese statement: “钻石恒久远，一颗永流传” helped De Beers enter Chinese market successfully. In ten years’ time, Chinese consumer Diamond accepted diamonds’ culture widely. Before this, the Chinese knew little about diamonds. This classic slogan changed the traditional habits, wedding wear gold. Nowadays in China, the new concept comes out “no diamond, not to marry.” (De Beers)

Kotler have concluded four steps to progress a creative strategy: message generation, message evaluation and selection, message execution, and social responsibility review.

4.3.3 Advertising On-line

In 1998, George Anders pointed out “Web advertising is still playing only a minor role in the promotion mixed of most advertisers”. (Wall Street Journal) But today the pattern is changing gradually. The influence of network cannot be underestimated. Advertising on-line has wide coverage, a large number of viewers and the broadest dissemination. There is no time limit and advertising has lasting effect with lower cost. In addition, it statistics the audience size accurately. (Y. H.Wong& Thomas K.P. Leung, 2001)

There are three major ways to advertise on-line, classified advertisements provided by commercial on line services, advertising on newsgroups, paying on-line ads such as pop-up windows. Newsgroups and Bulletin board systems, these two methods can be made full use by the marketers. But marketers should avoid using a commercial tone to post messages. (Kotler, 2000)

4.4 Communication tools of Dove Chocolate

The major communication tools of Dove are advertising and sales promotion. Televisions, Internet, magazines, newspapers, outdoor advertising, are the route of transmission of Dove chocolates. The public can enjoy the independent advertisings of Dove but also watch the embedded advertisings in the movie. In the Film "Go Lala Go", the heroine uses the way, eating Dove chocolates to eliminate the pressure of work, to seek the driving force of happiness and strength. This initiative dissolved the brand with the spirit and life as a whole. While the film only simply exposed several scenes of chewing chocolate, this highlighted the delicious and vibrant taste experience of Dove chocolates. (Dove chocolates)

In 2010, Dove launched new product “the sound of your heart”. In order to promote and popularize new product, Dove cooperate with music website Cool. Cool music box has one popular music charts with high click-through rate. Dove took

advantage of this platform, designed the background of Dove for the music charts. When users search hot songs, they can see the unique chocolates' background of Dove which can form the first layer of the Dove brand awareness. In addition, Dove specifically created a Dove Chocolate World. Cool music box was the angels to lead everyone into the wonderful world. (Dove chocolates)

The classic slogan of Dove “牛奶香浓，丝般润滑” which means the taste of Dove is just like the fresh milk. In Chinese markets, consumers pay more attention to the taste. Hence the slogan is successful to attract consumers.

The major sales promotions of Dove are prices off, coupons, free tasting, lucky draws and gifts. The sites of activities are generally in supermarkets, shopping malls, as well as college campuses. Dove makes full use of several Chinese special festivals to promote and popularize its products. Every year at July, 7th is the Chinese Valentine's Day. During this period of time, Dove will hold a series of activities. Such as if consumers buy a certain amount of chocolate, then they can get a couple of movie tickets, a couple of T-shirts or a couple of cups. If the consumer buys chocolates over 50 RMB at once, they will have the opportunity to have lucky draws. The gift is appealing and attractive, for example, a couple of rings and a couple of phones. (Zhou Yujiao, 2012)

5 METHODOLOGY

This chapter will introduce the methodology used in this thesis. It starts with the research process and research method. After that data collection will be explained in detail which is about the questionnaire and questionnaire design and release. In the end, data analyzing methods will be introduced. The thesis will take advantage of primary data which comes back from the questionnaire and interviews, and secondary data which have been provided in chapter 2, 3 and 4.

5.1 Research process

Jane Perrin said, “The need for marketing research isn’t determined by a set formula or by a scientific methodology, it starts with a simple understanding of the problem.” From the statement, finding the problem is one of the most significant steps of the research process, and a good start is the start for the success of marketing strategy and objectives. This part will introduce the steps involved in the marketing research. As described in figure 9, there are eleven steps involved in the marketing research. But it does not mean that this enterprise must follow the process step-by-step. The enterprise can base on the real situation to make some changes, because the purpose of research is to resolve the problem.

5.2 Research method

There are various ways of gathering and analyzing data and the research problem can be studied by different methods. The qualitative research method is less structured and has a more flexible relationship with the respondents. Usually the data comes from the observations of what people do and say. The quantitative research method is involved with a series of structured questions and a large number of respondents. And the purpose of quantitative research is very specific. The details will be presented in table 2. (Alvin C. Burns & Ronald F. Bush 2001)

Hence choosing the best methods for the researcher is very significant. There are

several factors that the researchers should take into consideration when they choose the research method: political properties, organizational properties, ethical properties, historical properties, personal properties and evidential properties. (cf. Buchanan& Bryman 2007)

Table2: Differences between qualitative and quantitative research method

	Qualitative Method	Quantitative Method
Purpose	To understand and interpret social interactions	To test hypotheses, look at cause & effect & make predictions
Sample	Smaller & not randomly selected	Larger & randomly selected
Data Collection	Unstructured or semi-structured techniques (Documents review, individual depth interviews or group discussions)	Numbers and statistics (Questionnaires, IQ test, measurements)
Data Analysis	Explore, explain, understand, non-statistical	Statistical data is usually in the form of tables and charts.

According to the real situation of China and some limitations, the author will combine two methods, qualitative and quantitative research together to process the project. For the qualitative market research, the depth interviews will be used. It is an unstructured, direct, personal form which interviewer can have deep communication with respondents. In this way a potential motive, attitude and emotional of the respondents will be revealed. The advantage is that researcher can get more comprehensive information and it is suitable for some complex questions. For the quantitative research, the researcher will choose on-line questionnaire survey.



Figure9.Eleven Steps in the Marketing Research Process (Source: Marketing Research Alvin C. Burns& Ronald F. Bush 2001)

5.3 Data collection

The data collection of this thesis is made up with primary data and secondary data, using different data gathering methods, observing, experiments, surveys and interview. The aim of the study is to find out how Dove chocolate successfully builds brand awareness in the Chinese market. Considering the comprehensive-ness of research, this study will combine on-line questionnaires survey (quantitative) and interview (qualitative) to collect data.

5.3.1 Questionnaire

Nowadays, the questionnaire, as one method for investigation, is becoming more and more popular. And there are a number of advantages of questionnaire survey, such as saving time, money and manpower, large-scale survey covering a wider range.

For this study, a structured questionnaire had been sent firstly to domestic customer in China and the respondents spent a point of time to finish the questionnaire which about the current situation of chocolates industry and the case company Dove. The questionnaire was made on the website, Questionnaire Star. The final questionnaire was released as a network link, through a variety of ways. The respondents can participate in the questionnaire by e-mail, chat software, newsgroup. The investigation lasted for one week, total number 300 questionnaires have been sent out, and the returned questionnaires number is 184, it means the response rate is 61.3%. (See Figure 10) There are only one respondents did not complete the questionnaire. The sample is students and teachers in University.

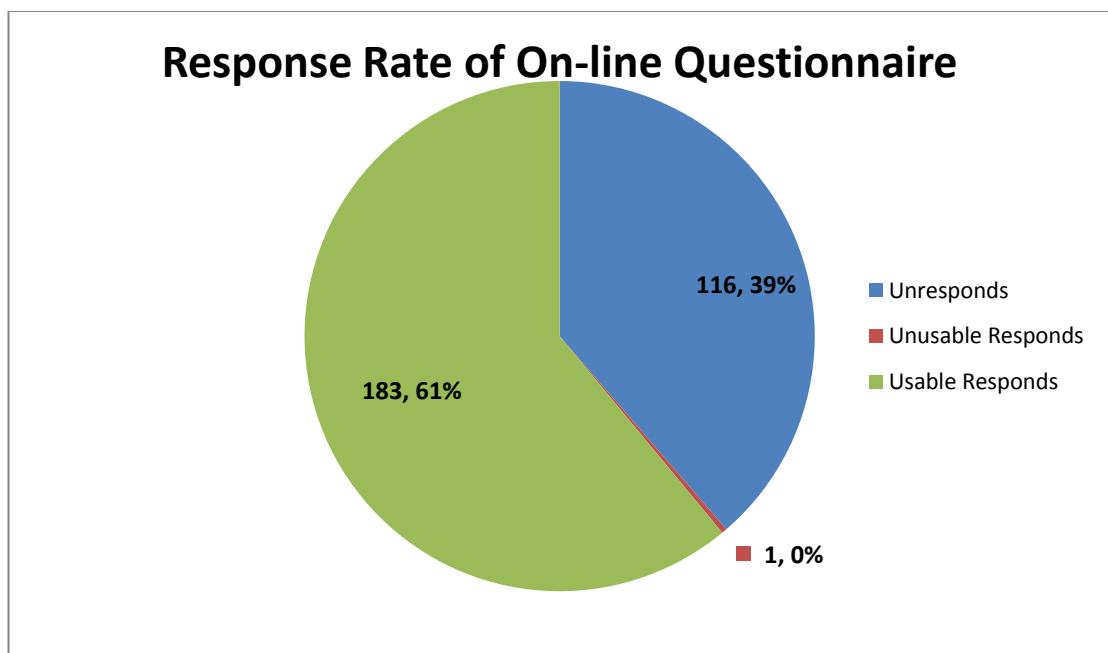


Figure 10 Response Rate of On-line Questionnaire

5.3.2 Interview

The study also choose a qualitative research, in-depth interview to collect data. And the sample is exchange students from China. Because this group knows the specific environment in China, in addition when they have been abroad which the

birthplace of chocolates is, they have more ideas and recommendations for this investigation. The interview lasted for one week, there were 30 respondents involved in it. The questions have been presented in the appendix.

5.4 Data analyzing methods

In this study, the Statistical Package for the Social Sciences and Windows Excel and Questionnaire Star were used as the analyzing tools. First of all, the responses of 184 will be exported and downloaded from the Questionnaire Star website. After transforming it into an Excel version, the researcher can import the information into the SPSS. The major data and charts are produced by the SPSS and Excel and several automatically produced by Questionnaire Star. The final survey results have been presented in different form, such as bar graphs, pie graphs and descriptions in detail in words.

6 EMPIRICAL FINDINGS

According to the questionnaire and interview, the empirical findings will be presented into three parts, the marketing environment and Chinese chocolates purchasing behaviors finding, brand awareness finding of Dove, marketing communication finding. And in the beginning, the basic information of questionnaire will be presented.

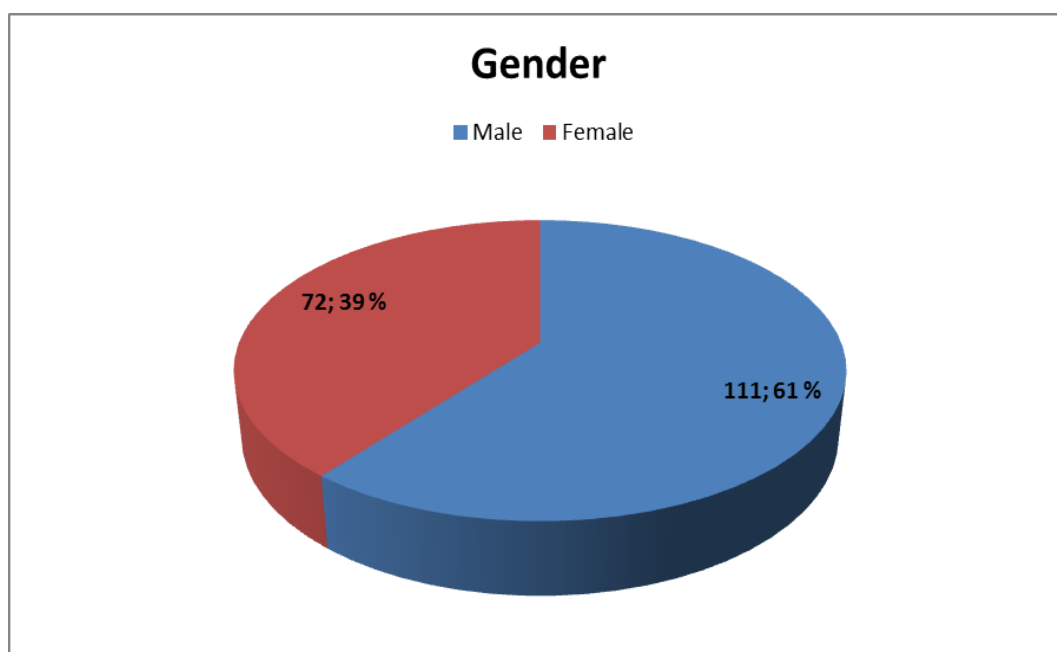


Figure11. Respondents' gender

The total respondents' number is 184, among it, the number of female is 72, 39% of the total number. There are 112 males involved in the research which amounts for 61% of the total number. This result is associated with the proportion of male and female on the Internet which is 7/3. And from the following questions, it is clear to see that gender plays a very important role on the purchasing behavior of Chinese, not only the attitudes to chocolates, but also the purpose of purchasing chocolates. Later the thesis will present in details.

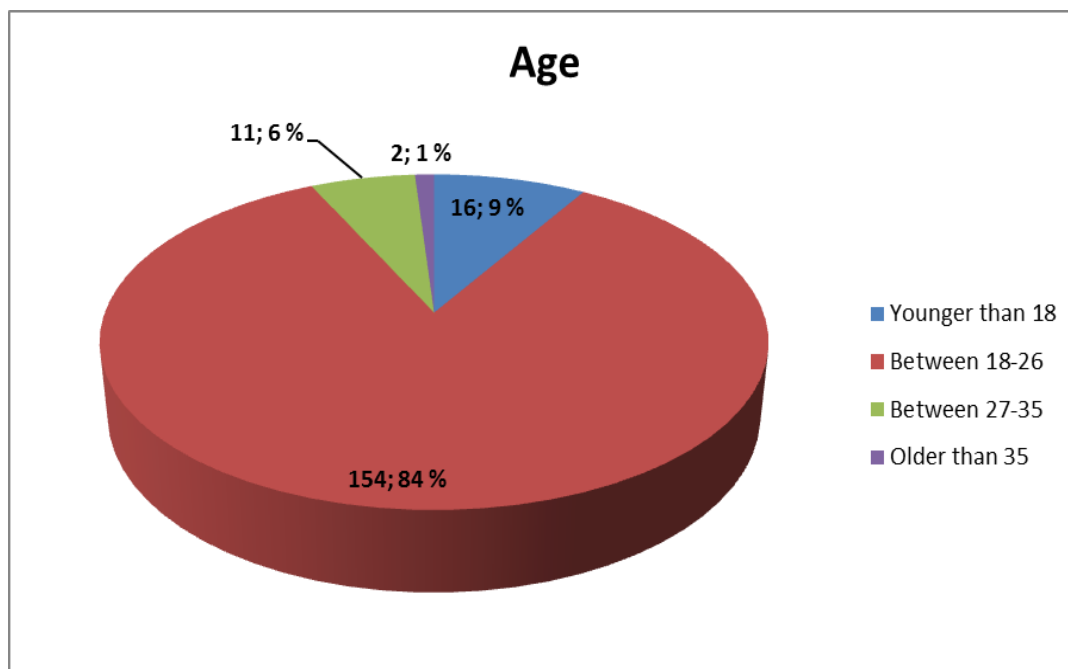


Figure 12. Respondents' age

For the study, the target group is students and teachers in the University. Therefore, 84% of the respondents (154) are between 18 and 26 years old. Following are the groups under 18 years old, 9% of the total number. Between 27-35 years old, 6% of the respondents. There are 2 respondents older than 35 years old whose occupation is teacher in University (See figure 12). Age is one of the factors to influence Chinese customers' purchasing behavior for chocolates. Later the results will be presented in detail. .

In order to get a comprehensive and accurate survey result, wider geographical coverage is necessary. From figure 13, it is clear to see, the territorial scope covers 16 provinces of China (the total number is 34), mainly concentrated in the eastern coastal areas of China where the economy is relatively developed with a higher proportion using Internet and higher acceptance of chocolate (See figure13). In addition, 50% (91) respondents were coming from large cities, 30% (55) respondents coming from medium cities and 20% (37) coming from small size

cities. Respondents from different sized cities have quite different purchasing behaviors for chocolates, also for the degree of fondness for chocolates. In chapter 6.1 this will be presented in detail.



Figure13. The territorial scope of respondents

6.1 The marketing environment and Chinese purchasing behaviors finding

The current situation of Chinese consumers for chocolates consists of different parts, the fondness degree of respondents to chocolates, the frequency of chocolate purchases and the purchasing channels, the reason why respondents have no interests in chocolates and the reason why respondents agree that foreign brand chocolates are better than the local brand. In addition, the gender, age and geographic position have somewhat an influence on customers' chocolates purchasing behaviors.

Different personality shapes distinctive preference and acceptance to chocolates. In addition, the factor of gender somehow influences the fondness degree of re-

spondents to chocolates. This question is to research the degree of fondness of chocolates among the respondents(See figure 14).

In the chart, 90 respondents (49%) regard chocolate as delicious food, among it there are 59 respondents are females which hold 66% of the total number. 84 respondents hold a neutral opinion, among this number, there are 72 respondents who are male, 85% of the total number and 65% of the males' number. There are only 5% of the respondents that think they have in interest in chocolate, and most of them are males. This result is consistent with the purpose of buying chocolate. Most males, they prefer regard as chocolates as the gifts, not self-purchase behaviors. It is clear to see that gender influences the customers' attitude to chocolates. Therefore, enterprises can make different segmentation from the gender aspect.

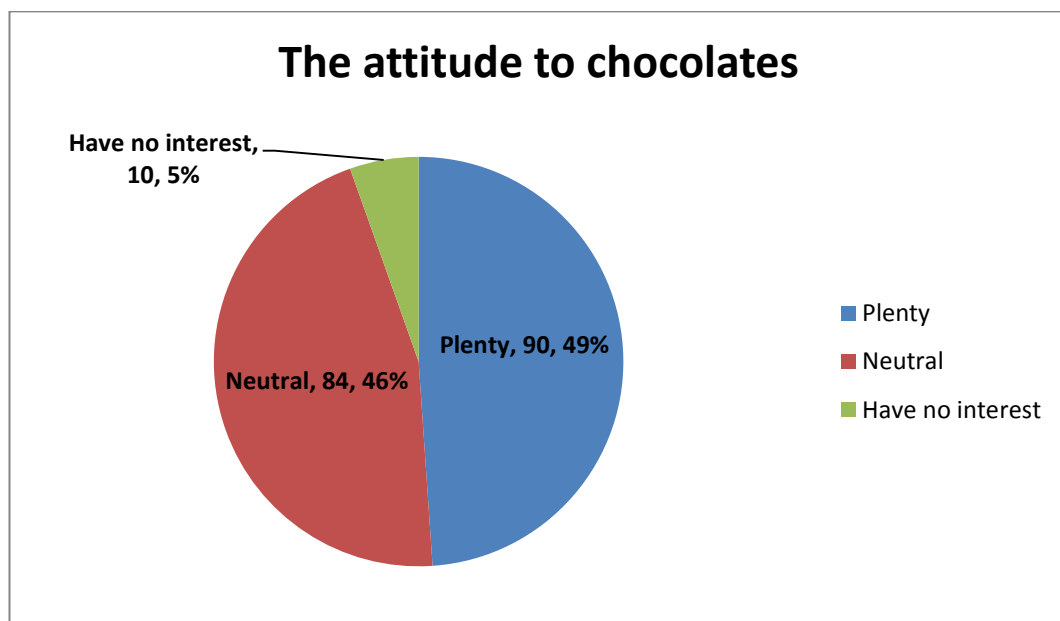


Figure14.The degree of fondness of chocolates among the respondents

Table3. The different attitude of males and females to chocolates

Gender/quantity	Plenty	Neutral	No interest
Total number	90	84	10
Female / 72	59	12	1
Male / 112	31	72	9

From the aspect of size of city, 80 respondents who regard chocolates as delicious food come from large cities, which accounts for 89% of the total number. The majority of respondents, coming from small cities and medium cities hold neutral opinions. 7 respondents that have no interest in chocolates come from small cities, and that account for 70% of 10 respondents. From these results, it is clear to see that the degree of fondness to chocolates in large cities is higher than medium cities and small cities. It means when enterprises enter the market in different cities, they should have different marketing strategies, according to the special situations.

From the aspect of age, it is worth seeing that the age between 27 to 35 years old; the 11 respondents all hold neutral opinions to chocolates. And the 2 respondents whose age is over 35 years old have no interest in chocolates. Meanwhile, the purpose of these 13 respondents, they all chosen the option “as gifts for friends or children”. About half of the respondents, aged from 18 to 26 years, their attitude to chocolates are positive as well as the majority of respondents whose age is less than 18 years. Therefore, the target group of chocolate enterprises should be the younger consumers.

Although there are just minorities of respondents who have no interest in chocolates, there is still a need to find out the reason why they object to chocolates. Therefore, the following question is why the respondents have no interest in chocolates. This question not only aims at the respondents who have voted to no inter-

ests, everyone can participate in answering the questions which help the research can be more comprehensive and find out a few potential problems.

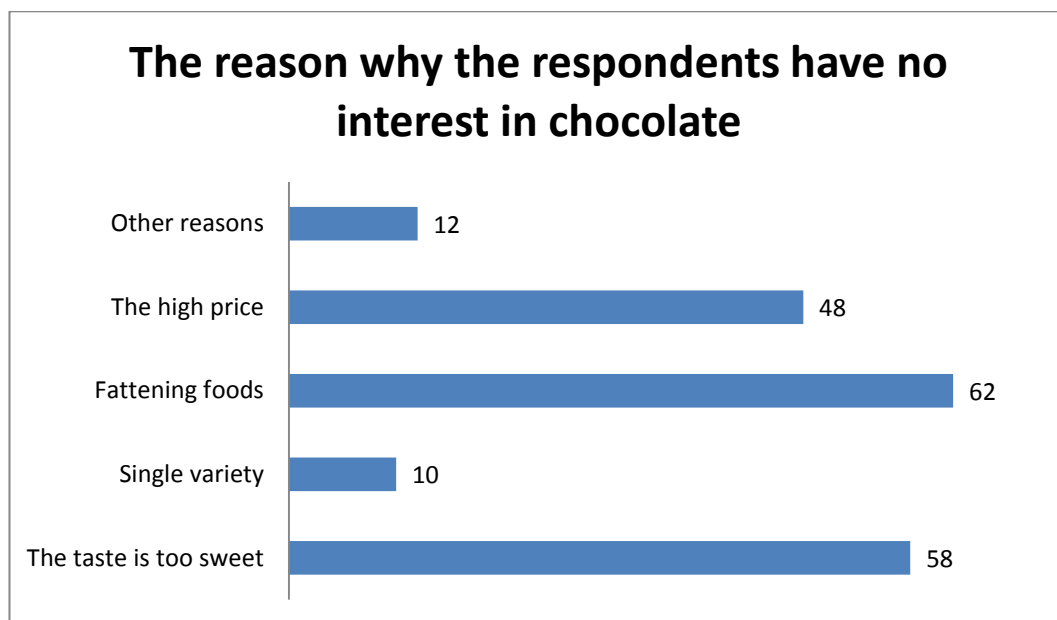


Figure15. The possible reason why respondents have no interest in chocolate

There are 135 respondents participating in this question. 44 are coming from medium cities, 30 are coming from small cities, and the left are coming from large cities. Respondents that come from different sized cities hold different opinions. Fattening food, the too sweet taste and high price became the major reason why respondents have no interest in chocolates. The majority of these respondents, giving their votes to fattening food are coming from small and medium cities (about 80% of the total number). It means the misunderstanding rate of chocolate in large cities is lower and the acceptance of chocolates is higher than small and medium cities. For the option, the high price, 30 votes are given by respondents who are coming from small cities, 11 are medium cities. This result is consistent with the income level. In general, the income level in large cities is somewhat higher than in medium and small cities. Therefore, holding a series of marketing promotion activities, such as price off, privilege and discounts is attractive for the lower in-

come level customers, especially for the first time users.

A small number of respondents think the single variety is one of the reasons why they have no interest in chocolate. Among these 10 respondents, 7 of them come from large cities. With the development of life level, the different personal consumption for products is also increasing. In addition, 12 respondents choose the option other reasons which summarize two opinions: one is chocolate will increase acne, the other is no reason for not liking it.

It is worth to notice that 55 females which amounted for 89% of the total number regard fattening foods as the reason why they have no interest in chocolate. However, for the option too sweet taste, 84% is contributed by males (See table 4).

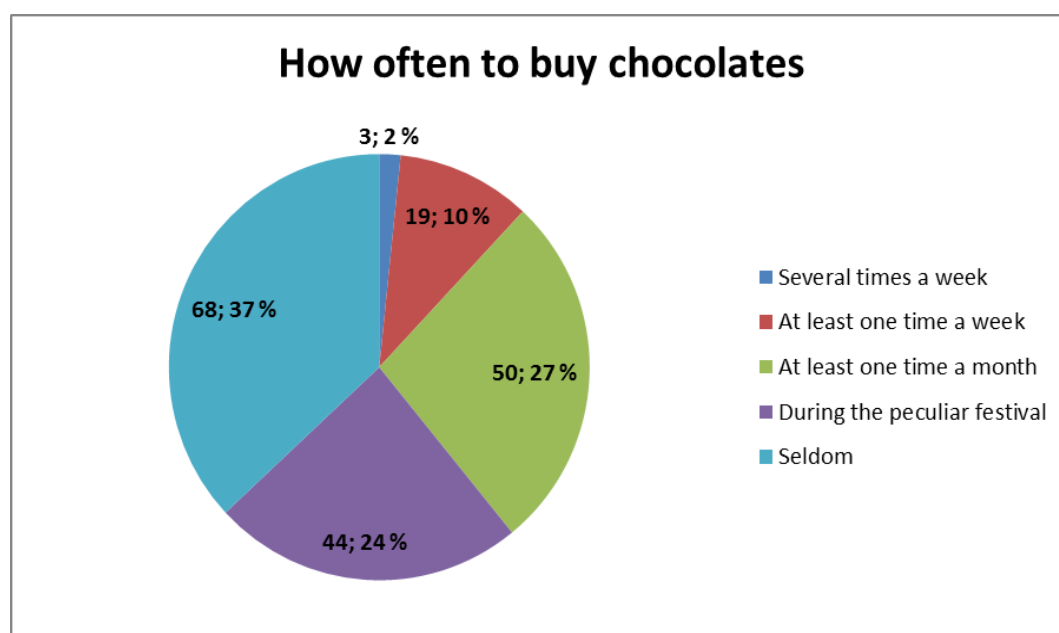
Table4. Female and male views on why respondents have no interest in chocolate

Gender	Fattening Foods	Too Sweet Taste
Total number	62	58
Female	55	9
Male	7	49

Meanwhile, the purposes of buying chocolate are also influenced by gender. According to the data analysis, there are 70 (63% of the number 112) males who chose the option “as gifts for friends and children” as the purpose of buying chocolates. On the contrary, 54 females (75% of the number of 72) regard buying chocolate as self-purchase behavior. Hence, gender somewhat influences the chocolate purchasing behavior in China.

Table 5. The purpose of buying chocolates, female and male views.

Gender	Self-purchase behavior	As gifts for friends or children
Total number	95	88
Male	41	70
Female	54	18

**Figure16.** Frequency of chocolates purchase pie chart

Frequency of purchase is an important basis for companies to determine the target market, mode of operation and marketing strategies. Through the data can be easily seen that chocolate has generally fitted into the lives of the Chinese people and gradually transformed from the luxury to the everyday consumer goods. But purchase frequency is relatively lower than the United States and Europe. In European countries, chocolates can be regarded as three meals a day to eat, however Chinese people just think chocolate is one kind of candy which is suitable for relaxing and sports.

Hence 37% of the respondents have chosen the option, “seldom” to buy chocolate.

27% chose at least once a week, following is 24%, the respondents always buy chocolates during a special festival, such as Valentine's Day. Only a small number of respondents buy chocolate several times a week. The consumer purchasing behavior, low purchasing frequency is mainly determined by the culture factor. It is difficult to change the current situation, culture shifts do take place. The enterprise should make full use of special festivals to promote the brand's share.

According to the data analysis, the purchase frequency in large cities is much higher than in small and medium cities. 15 respondents who gave their votes to at least once a week come from large cities which accounts for 79% of the total number. And the left of the respondents who come from large cities are concentrating more on the option buying chocolates during the special festivals. On the contrary, the majority of respondents who come from small cities gave their votes to the option "seldom".

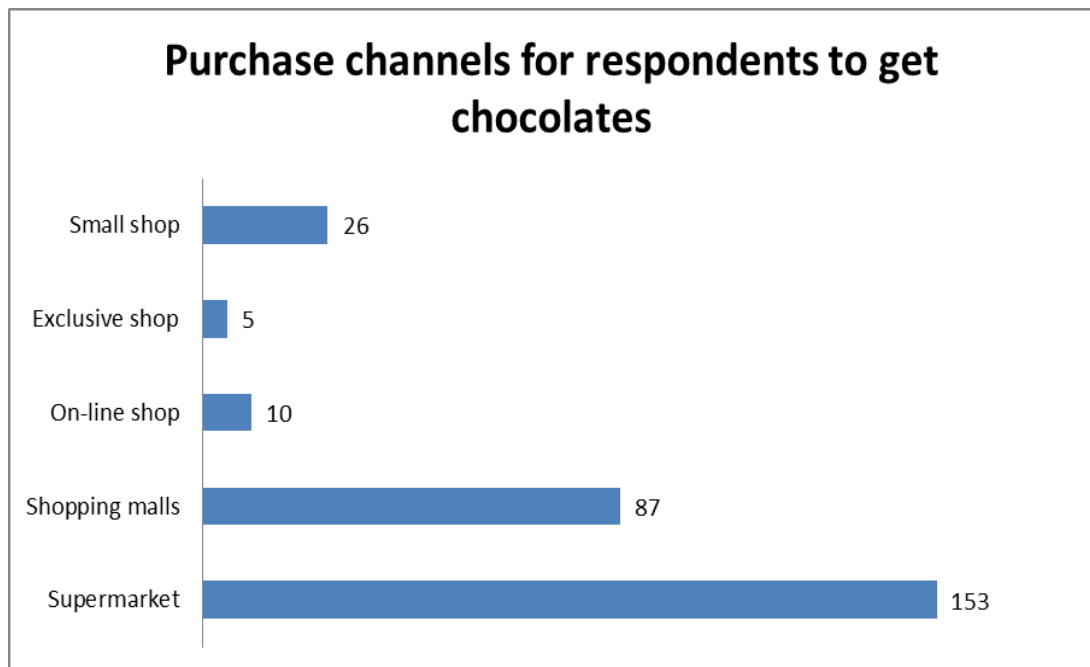


Figure17.Purchase channels for respondents to get chocolates

Supermarket and shopping malls are the major channels for respondents to purchase chocolates. This is associated with the current situation in China, plenty of fake and shoddy products. In general, supermarkets and shopping malls have a unified procurement. Therefore, quality is relatively guaranteed and trusty. In addition, the guarantee of quality is one of the reasons why majority of respondents choose supermarkets and shopping malls. This is confirmed by the interview result. But in supermarkets and shopping mall where display plenty of brands, how to attract the attention of consumers, this is becoming a problem for enterprises to think about.

26 respondents give their votes to small shops. And the majority of them come from small cities. It is possible for these customers to get fake products from small shops, or maybe they have had unpleasant purchasing experiences. Enterprises should pay attention to these groups of people, especially for the first user. If the first purchasing experience for one product is negative, customers will not have purchasing enthusiasm any more. What is worse is if first users buy fake products but do not realize it. Although the products of this brand are perfect, customers will give bad comments to the products. Therefore, besides the product itself, the marketing channel for enterprise is also very significant

Few respondents, just 10 respondents gave their votes to on-line shop. This is consistent with the current situation in China. E-commerce is still in its infancy but it is the trend in future development. It is worth noticing that 9 respondents come from large cities. The popularizing rate of using E-commerce in small and medium cities are lower. Enterprises should make full use of the trend. In addition, the chocolate exclusive shop in China has little quantity, only in several large size cities. And these 5 respondents all come from a large city. Combining with the interview results, exclusive shop for chocolates is an effective way for enterprises to promote brands. For customers, there is no doubt to worry about the quality of the products. The guarantee for quality is important, especially in China. Therefore, on-line shop and exclusive shop have a large number of potential customers

in future.

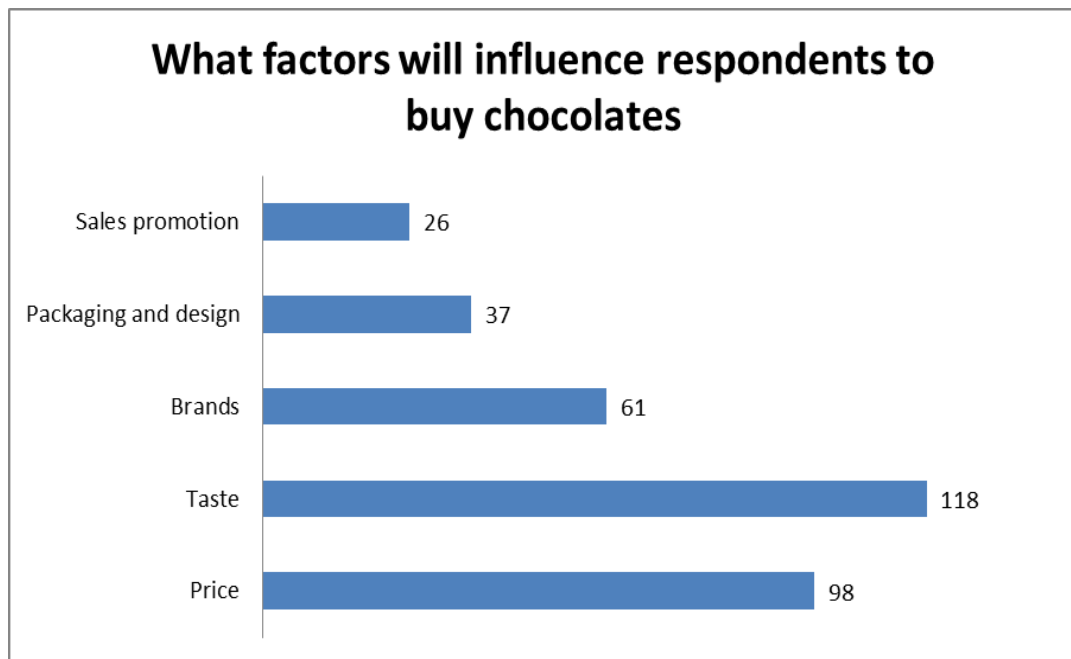


Figure18. What factor will influence respondents' chocolate purchasing behavior?

This question is to find out what factor is the primary reason to influence respondents' chocolates purchasing behavior. The result of this question can help enterprise majorly concentrate on some factors to build brand awareness.

According to the data analysis, Chinese consumers consider taste as the most important factor that influence their chocolate purchasing behavior. In other words, if the taste of chocolate is bad, although the price is low, consumers are unwilling to buy it. It is worth noticing that the majority of respondents who come from large cities gave their votes to taste.

The secondary consideration for consumers is price. Too expensive price will reduce their purchasing enthusiasm. And for the reality of China, 7% of customers in China are in the lower level. Therefore, if one company can provide relatively

good taste chocolate with moderate high price, this will win a large number of loyal consumers. From the results, 59 respondents which accounts for 65% of the total number come from small and medium cities. The price is the primary factor to influence their purchasing behaviors for chocolates.

61 respondents chose the brands. The majority of respondents come from large cities which accounts for 60% of the total number. Combining with the results from the interview, brands in China mean a guarantee for quality. And Chinese people believe that only good brands can provide customers with high quality products. How to establish their own brand among numerous competitors? This question is also the purpose of the thesis. Packaging and design of chocolates, sales promotion activities cannot be ignored by enterprises. In short, enterprise should have a focus. Meanwhile other factors cannot be neglected.

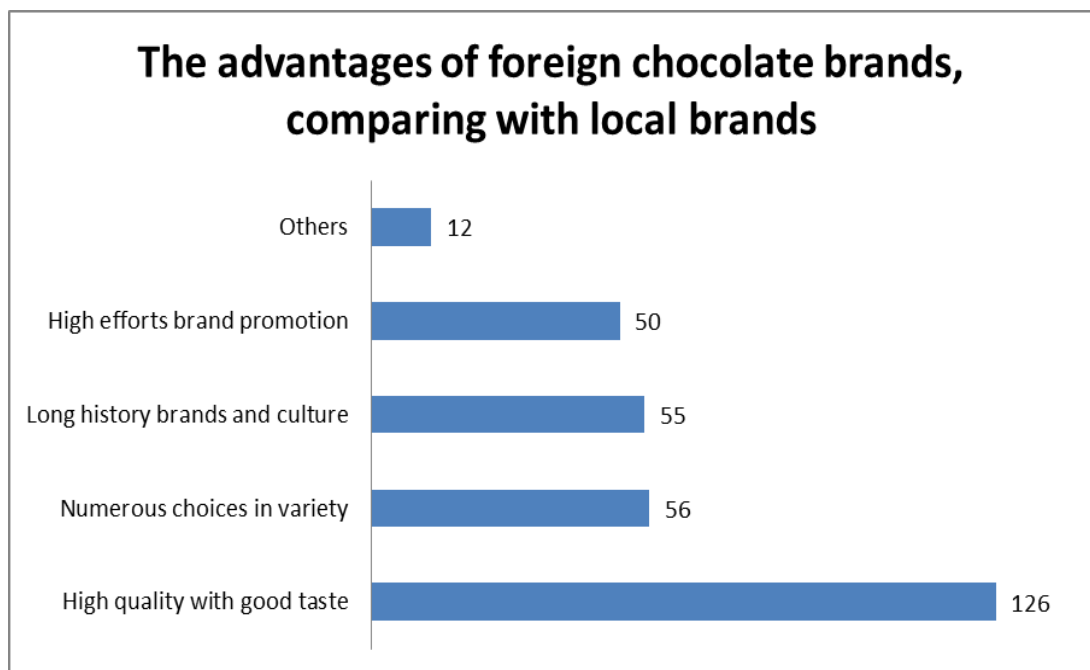


Figure19. Why respondents consider foreign chocolate brands are better than local brands?

The competition between foreign brands and local brands is fierce in the Chinese chocolate market. Obviously, foreign chocolate brands have an absolute advantage, occupying the governing market share. And the reality is that Chinese people always have psychological thoughts, foreign brands is much better than the local brands which is also demonstrated in this research. It is estimated from this study, 126 respondents regard high quality with good taste is the major advantages of foreign chocolate brands, comparing with local brands. There is no doubt that this factor is the key element to decide if the chocolate brands can survival in the fierce competition. Comparing with the foreign brands, the taste of local brands is less well-pleasing. This is because of the less advanced technology to make chocolates, progressive equipment and high quality of raw materials.

Following are numerous choices in variety, long history and brand culture; the votes are separately 56 and 55. With the development of economy, the consumption level of Chinese people is improving gradually, not just pay attention to the product itself, but also to the culture of products. As the origin of chocolates is western countries, hence foreign brands are doing better and having more advantages than local brands.

Meanwhile high efforts for brand promotion, such as more financial supports to advertising and a variety of sales promotions, is another factor that foreign chocolate brand do better than local brands. It is clear to see that in our everyday life, the advertisings of foreign chocolates exist everywhere. Meanwhile in the supermarket, a variety of sales promotion activities are held every day to attract customers' attention. In addition, 12 respondents chose the option others. According to the statistic, most of the 12 respondents insist one opinion, psychological implications inform them, the quality of foreign goods is better than Chinese goods. The point is that how the local brands change this psychological implication. Local brands can do as well as foreign brands, even better than them. For this change of opinions, it will take a long period of time and local enterprises should really do something to improve their brand's equity.

6.2 Brand Awareness Finding of Dove

In this part all the questions is connected with Dove, the popularity of Dove, the advantages of Dove and the areas for improvement of Dove are discussed. The first question is the survey of Top Three chocolates brands in the eye of respondents. Each participant can choose three options. And for the option others, respondents can write down the name of other brands.

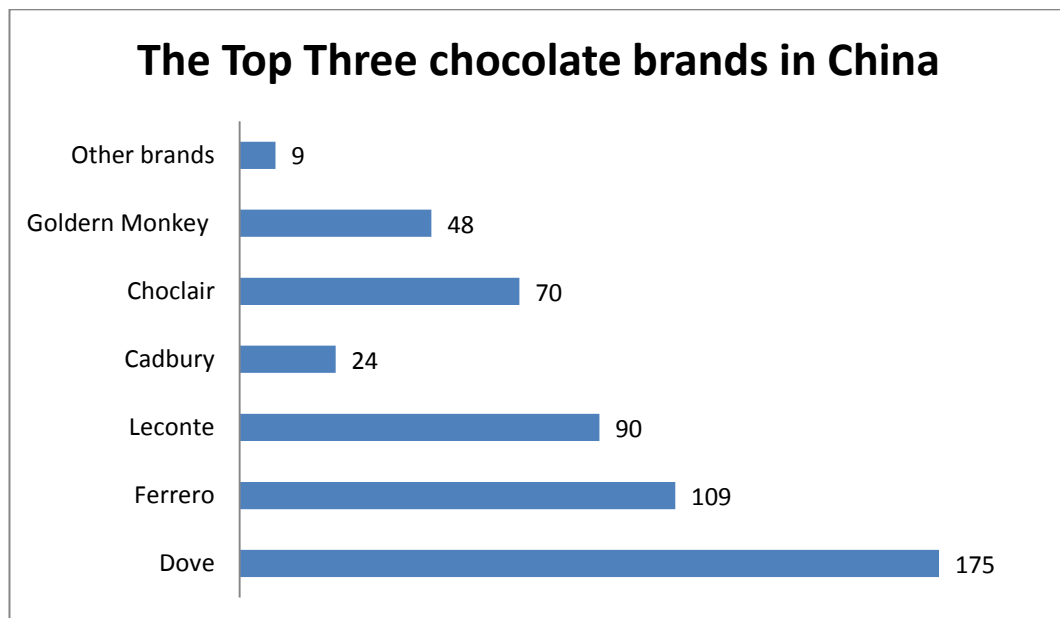


Figure20. The opinion of respondents on the Top Three chocolate brands in China

From the survey (See figure20), it is clear to realize the pattern of China's chocolate market and the statue of Dove. 175 respondents gave their votes to Dove, obviously the top position of the list, followed by Ferrero and Leconte. Among these three brands, Dove and Ferrero are foreign chocolates brands, only Leconte is Chinese local brand, the one side compete with multinational giants, while to learn the methods and techniques of advanced science market operations, and gradually worked out a set of laws. In addition, 9 respondents gave their vote to Hershey. It is worth noticing that there are just two local brands, Leconte and

Golden Monkey. Therefore, foreign chocolate brands have an absolute advantage over Chinese local brands in the fierce competition.

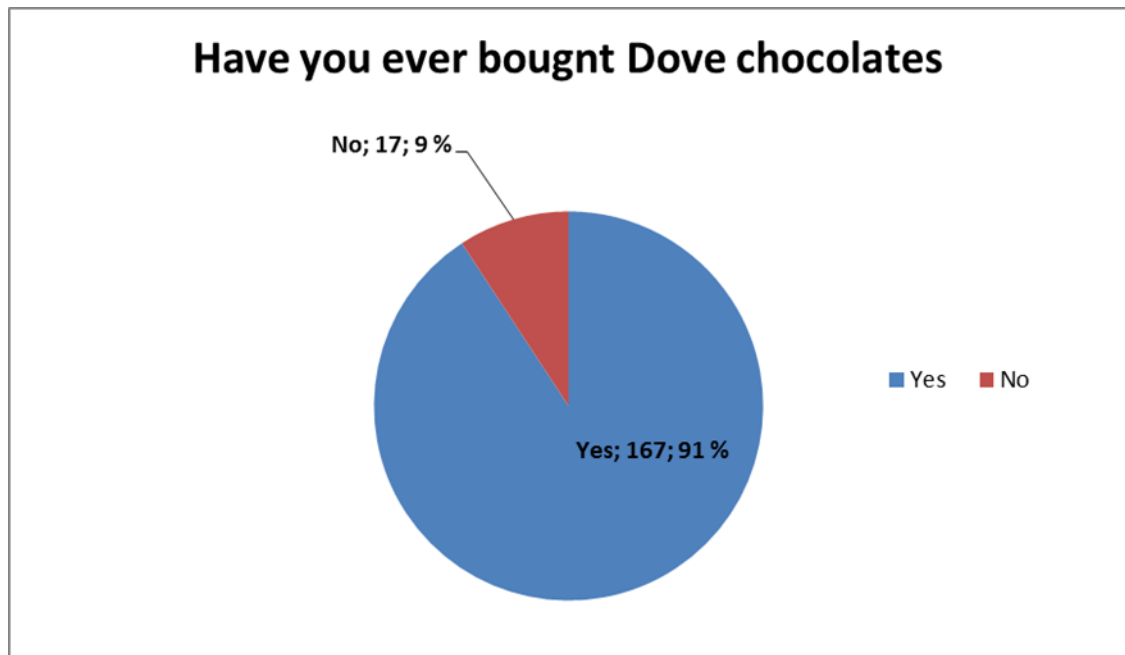


Figure21. If the respondents have bought Dove before?

The following questions involve the statue of respondents' purchasing experiences, the degree of satisfaction and what factors should be improved. Combine figure 20 and figure 21 together to process this survey. Among 184 respondents, 91% of respondents have ever bought chocolate, it means Dove is not luxury but an everyday consumer goods with a high penetration rate.

Only 9% have never bought Dove chocolate before. The groups who have never bought Dove majorly come from small-medium cities (12 respondents) and price is the primary reason why they apart from Dove. The left 5 respondents come from large cities. The reason why they do not have purchasing experiences for Dove is the matter of personal preference.

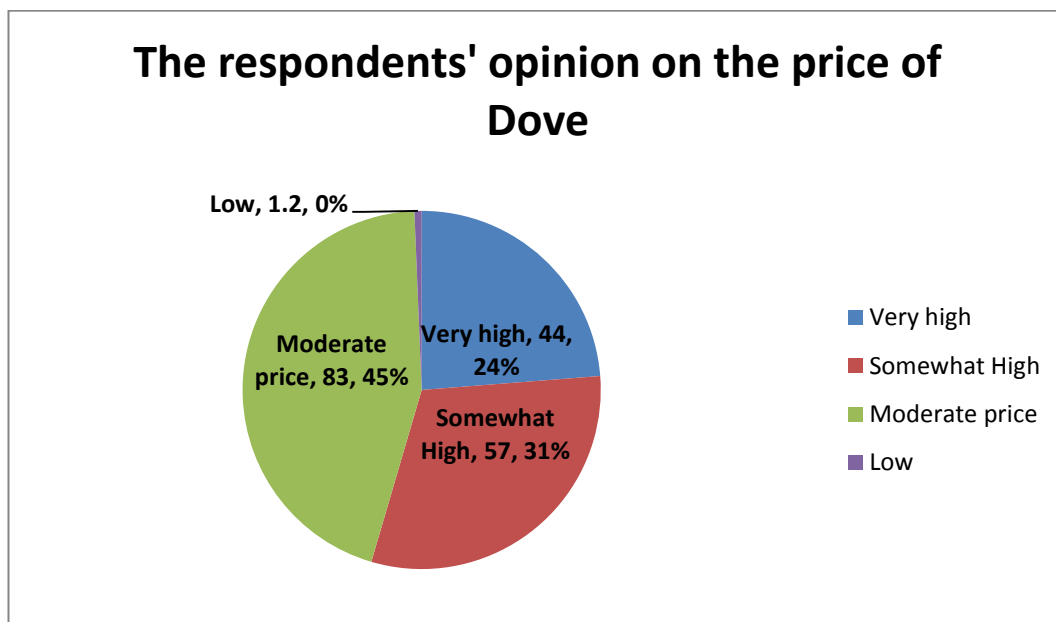


Figure22. The respondents' opinion on the price of Dove.

Although 55% of the respondents (24% of the respondents choose the option very high, 31% respondents choose somewhat high) consider the price of Dove is high. A great majority of respondents have chosen to purchase Dove. This is because customers reduce the price sensitivity, when the product is distinctive and unique, when the substitutes are less and when the products have more quality and prestige. 45% respondents consider Dove chocolate has a moderate price which means there is still a space to raise the price for Dove, especially when launching a new kind of product. Dove can choose the skimming pricing strategy to get more profit.

From the aspect of city size, the majority of respondents who think the price of Dove is very high are coming from small cities, 31 votes. 42 respondents who come from medium cities gave their votes to the option somewhat high. 51 respondents who come from large cities think the price of Dove is moderate for them. It means in large cities, the consumption level of customers is higher than small-medium cities. The position of enterprises should not be exclusive. It means

enterprise should not just focus on the high-ended markets or low-ended market. It is best for enterprises to expand the marketing segmentation, explore new products to different market.

Although there is just a minority of respondents who did not have purchasing experience of Dove before, there is still a need to find out what reasons made them to reject Dove. From the disadvantages of Dove, local brands should not only learn a lesson, but also make full use of these weaknesses. The shortages can bring a great opportunity for local brands to establish the brand awareness, if they do better than Dove in these aspects.

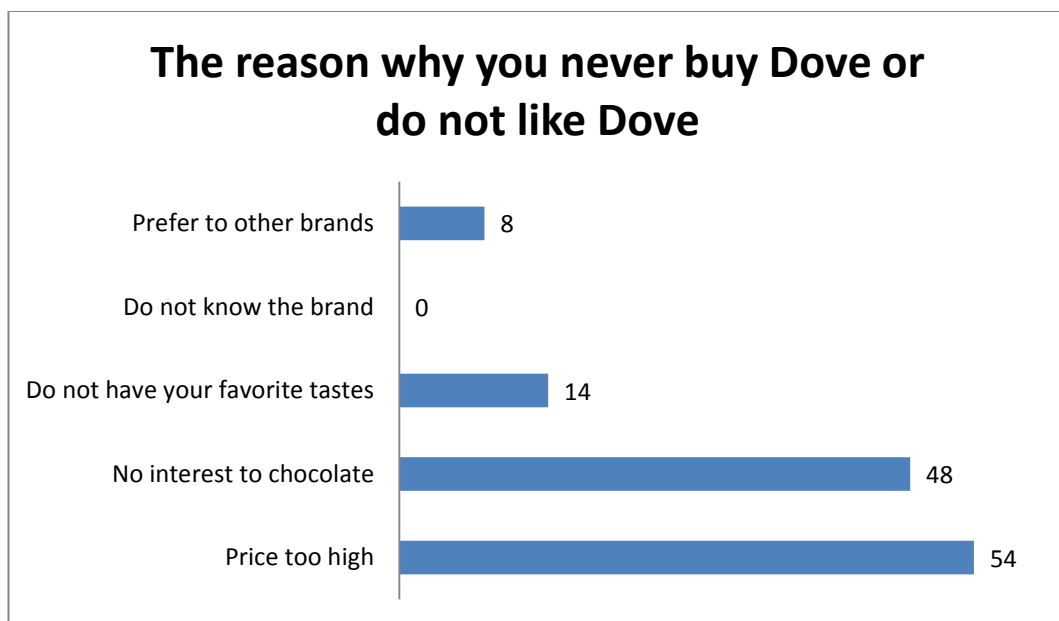


Figure23. The reason why respondents have never bought Dove or no interest in buying.

There are 100 respondents involved in the question why customers never buy Dove or the reason why customers have no interest in Dove. 84 respondents insist that they are satisfied with Dove chocolates. This question is a multiple choice, respondents can choose several options. 54 respondents give their votes to the

high price. There is no doubt that price is the primary problem for Dove and the single pricing strategy cannot satisfy the demand of customers. If Dove reduces the cost, then there will be greater space to decrease price.

From the channels aspect, Dove can adopt directing marketing channels, such as E-commerce and exclusive shop. Customers can get products directly from the manufacturer. The fewer people involved in the marketing channel process, the lower price of chocolates have. In addition, enterprise can maintain the current price, owing to the drop of cost, exclusive shops can hold sales promotion activities frequently to attract customers. Such as a fixed day of each week, 30% sales off of chocolates. For new product, at the beginning stage, enterprises also can adopt price penetration strategy to capture customers. Afterwards, raise the price gradually. Because if the customers think the chocolate is delicious and there is no other chocolate to replace, then they will have lower sensitive to the price.

48 votes go to having no interest in chocolate, for this group it is difficult to change their eating habits which have established for many years. But enterprises still can do something to influence this group of people. Although they do not have interest in chocolate, they still can buy chocolate for others.

14 respondents think Dove cannot provide them their favorite taste. It is worth noticing that all these 14 respondents are coming from large cities, they prefer to world famous chocolate brands, such as Ferrero. 8 respondents gave their vote to the option other chocolate brands, such as Ferrero and Hershey. It is worth noticing that the rate of brand awareness for Dove is 100%, there is no respondent do not know Dove.

Why is the rate of brand awareness for Dove so high? There must be some advantages for Dove that it does better than its competitors. The following question is to find out the superiority of Dove. The results can help local brands to find the way and direction to change their marketing strategies and managements.

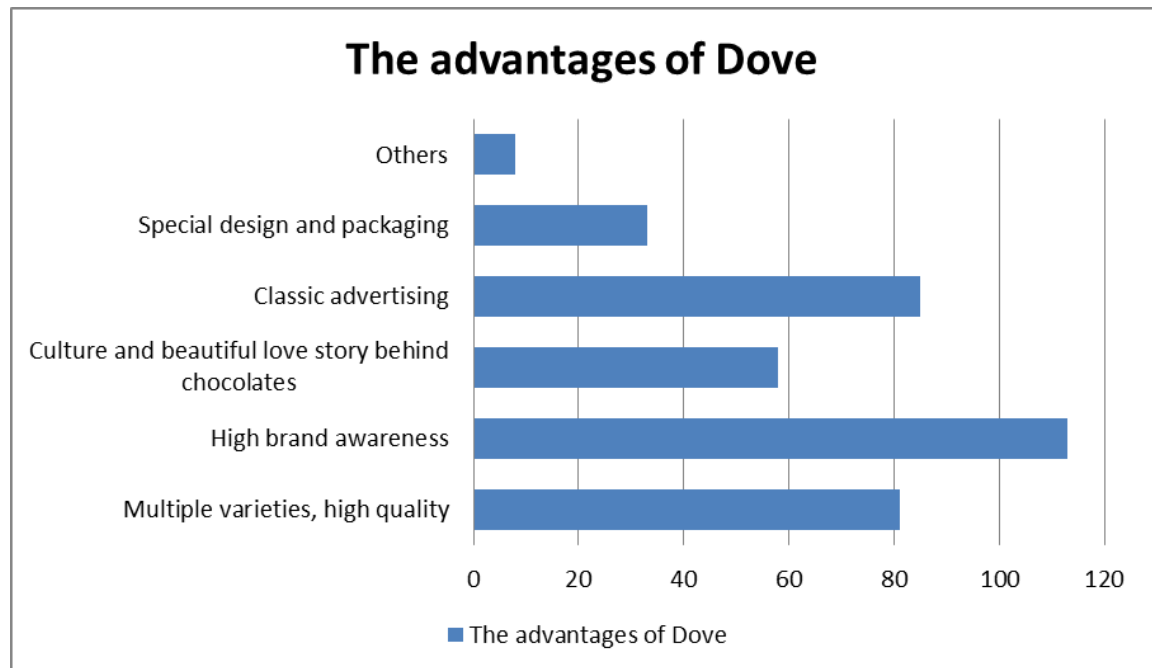


Figure24. The advantages of Dove in comparison to other brands

184 respondents were involved in this question, they could choose several options as they liked. By means of analyzing the advantages of Dove can be explained directly how Dove can own a large proportion of chocolate market share. Firstly, high brand awareness, 113 respondents gave their votes to this option. In the chocolate market in China, the brand is a guarantee for product quality, and only the well-known brand can provide consumers stable, high-quality chocolates.

On the secondary position is the classic advertising (85 votes) which is also an effective way to help the enterprise build brand awareness. The advertising of Dove is full of innovative elements, classic slogans with touching love story. Following is multiple choices with high quality, there are 81 votes. According to the different needs of the consumers, Dove made detailed marketing segmentation, producing different tastes, different shapes, and different sizes of chocolates to satisfy individual consumption.

In addition, a group of respondents think the packaging and design are one of the

advantages of Dove. There is no doubt that well-designed packages can be used as a marketing tool to create value for enterprises. The respondents who choose option others; they believe abundant financial support is the superiority is the advantages of Dove.

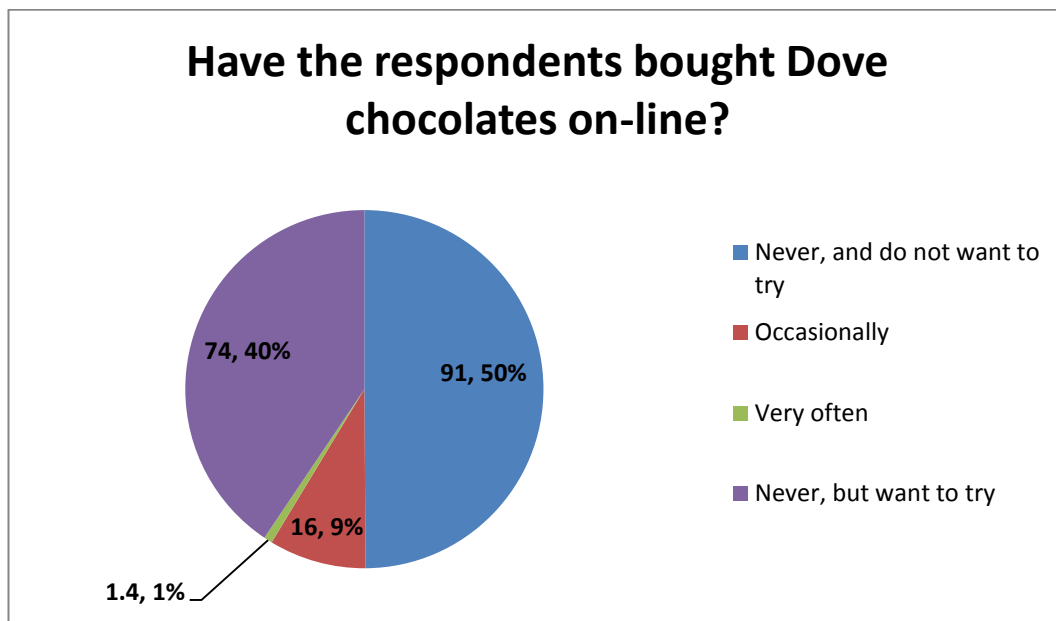


Figure25. Have the respondents bought Dove chocolates on-line?

The purpose of this question is to analyze the current situation of on-line shopping, and find out the quantity of potential customers for Dove. From the pie chart, 89% of the respondents did not have the experiences of shopping Dove chocolates on-line. E-commerce develops in a quick speed, but purchasing chocolates on-line have not been popularized yet in China. There are just 11% of respondents have this kind of experiences before. It is worth to notice that this group of respondents all comes from large cities. Only 2% of respondents have higher on-line purchasing frequency for chocolate.

Although the rate of purchasing on-line for chocolate is low, still 40% of the respondents are willing to attempt shopping on-line for chocolate. Therefore, the number of potential customers for an on-line shop is huge.

The final question is an open-ended question. 90 respondents provided their own suggestions and recommendations to Dove which can be summarized into six aspects:

- ✧ 59 respondents insist that the price of Dove is relatively expensive, the respondents suggest Dove can decrease the price, which can help Dove popularize among Chinese people.
- ✧ 35 respondents insist that the innovative advertising of Dove should be kept up. The theme of Dove also can be friendship and kinship as well as Love between lovers.
- ✧ 30 respondents believe that sales promotion activities of Dove are not very often, merely during some special festivals. Respondents suggest Dove can hold sales promotion activities regularly in the supermarkets or shopping malls.
- ✧ 25 respondents consider that the packaging design is somewhat simple which requires more innovative elements and styles.
- ✧ 10 respondents think that the market positioning of Dove is single, only the high-end markets. Respondents suggest Dove can expand the marketing segmentation, explore new products to direct at the low-end market.

6.3 Marketing Communication Finding

From the interview, 30 interviewees reach a consensus that advertising is the dominant marketing communication tool of Dove. And the advertising has succeeded to assist Dove to promote the brand which is also confirmed by the results of questionnaire. On the other hand, the sales promotion activities should be

strengthened. 25 interviewees suggested that Dove can make full use of the method demonstrations. The manufactures provide customers to visit chocolate factory to see how a product actually works, in order to encourage customers to buy chocolates.

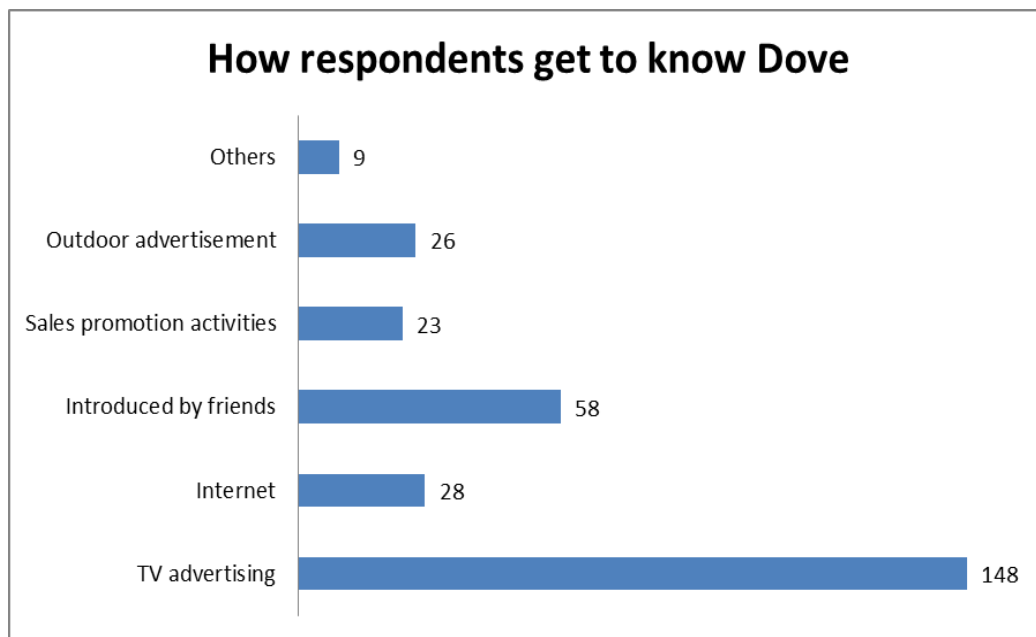


Figure26. How the respondents get to know Dove

Marketing communication is an effective process to assist an enterprise to establish brand awareness. Here from the data, it is clear that television advertising hold the campaign in all promotional tools and with an absolute advantage (148 respondents give their votes to TV advertising). This is consistent with the strategy of the Dove. The major media of Dove is television; auxiliary media are Internet, billboard, newspapers and magazines. In addition, the expenses of Dove chocolate on advertisings are far more than it competing brands’.

The secondary position is introduced by friends. The impact of customers-to-customers communication cannot be ignored. Once consumers are satisfied with the products, they will unconsciously share the products with friends in their daily lives. Equally, if consumers are dissatisfied with the products, complaints also

spread quickly and extensively. This is a good opportunity for enterprises to establish a brand with lower expenditure. Customer-to-customer communication can be regarded as the free advertising for enterprises which is more convincing to customers. On the contrary, complaints and dissatisfaction can bring crisis and trouble to enterprises, especially in a country with a large population of 1.3 billion.

However, based on this survey, Internet advertising is not as significant as TV advertising (28 respondents give the vote to Internet advertising). The popularity of the network is a trend of the future, therefore the influence of network cannot be underestimated, it has a wide coverage, a large number of viewers and the broadest dissemination. There are 26 votes for outdoor advertising and 23 votes for sales promotion activities. According to the statistic, 9 respondents hold different opinions, such as Dove chocolate placed in a conspicuous location, it is easy for consumers to find in the supermarket. Group psychology influenced their buying behaviors which means customers are willing to follow others to buy products. .

In allusion to advertising of Dove, the study also adopts in-depth interview. 30 interviewees reach a consensus that the advertising of Dove gives the public an impressive memory. First of all, the classic slogans of Dove, this can be easily understood and remembered and represented the image of Dove, high quality and great taste. Each advertisement possesses a theme with the same slogans, such as beautiful love story. The arrival of Dove chocolate means the arrival of love. Dove has been more than just a piece of chocolate; it is an expression of love, a kind of relaxation and enjoyment of a spiritual level. In addition, the frequency of broadcast is very high and Dove has set foot in almost all kinds of advertising. It seems that Dove exists everywhere.

Meanwhile interviewees insist that it is clear for Dove to make full use of Social Networking Services (SNS) to broadcast its products. Qzone, RenRen and Sina micro-blog own a large number of visitor volumes. Therefore, Dove should con-

tinue make efforts in this aspect.

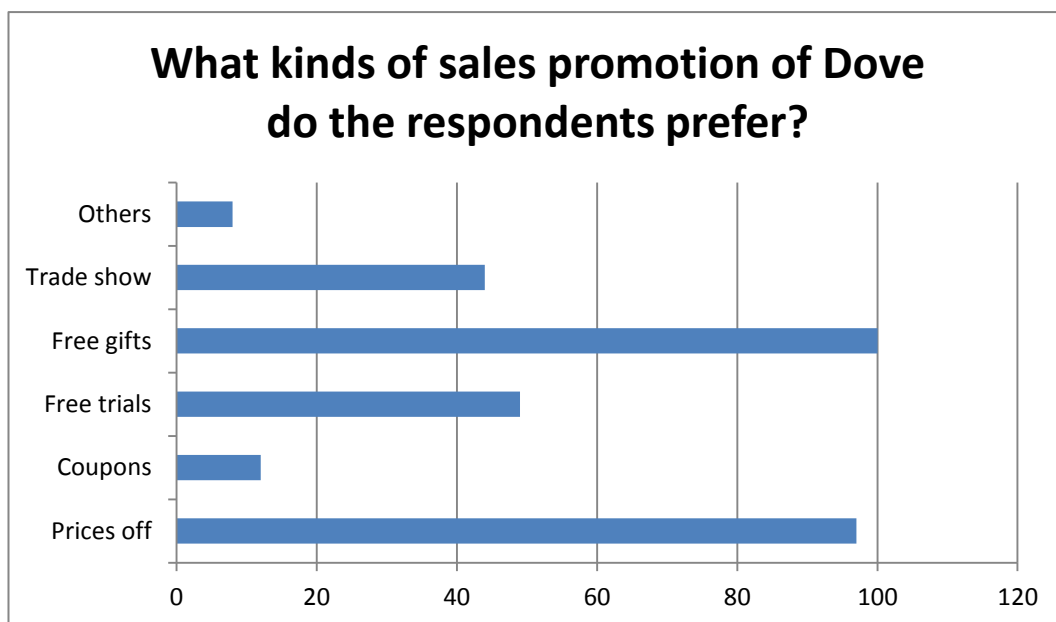


Figure27.What kinds of sales promotion of Dove do the respondents prefer?

According to figure 26, sales promotion activity is also a good method for an enterprise to brand awareness. The purpose of this question is to find out the most welcomed sales promotion ways (multiple choices). First of all, 100 votes have been given to free gifts. Most of the respondents consider that sending free gifts is an attractive way. Meanwhile, this is also a good way to maintain the high price. Sometimes, an attractive gift can let consumers temporarily ignore the price. Therefore, the presents must be innovative and fascinating and the way of sending out presents should be various and interesting, such as luck draws.

97 respondents think price off is appealing. Limited-time sales off can arouse rapid increase in sales, to explore the potential customers. Then trade shows and free trials received a group of the respondents' support. Enterprises can hold different sales promotion activities on the trade show to present the unique features of their brands. Sales promotion activities can help enterprise to promote its brand. For

Chinese people they always have interest to large-scale marketing promotion activities.

7 CONCLUSION

The last chapter of this thesis is the conclusion. In this chapter, the answers to the research questions will be presented. After that, advice to Dove chocolate and suggestions for local chocolate companies will be given. Finally, reliability and validity will be introduced.

7.1 Conclusion of research

The purpose of the research is to find out how Dove chocolate succeeds to build brand awareness in the market of China. In order to achieve the main purpose, the secondary questions are set:

- ✧ What is the chocolate marketing environment in China?
- ✧ What factors will influence the purchasing behavior of Chinese customers for chocolate?
- ✧ What is the attitude of Chinese customers to Dove chocolates?
- ✧ How does Dove chocolate promote itself in an innovative way?

According to the empirical findings, the research problems are solved by the following results:

Firstly, the competition between foreign brands and local brands for the chocolate market in China is fierce and foreign brands have the absolute advantages, high quality with good taste, numerous choices in variety, long history and brand culture. Owing to the monopoly of foreign brands on the chocolate market in China, the domestic local brands are facing enormous challenges and crises. The acceptance rate of the chocolate is relatively high in China, especially in the large cities. However, there is still a group of the public that have insufficient understanding of chocolate. They believe that chocolate is a kind of high-sugar, high-calorie candy which not only cause obesity, but also lead to cardiovascular disease

and diabetes. Secondly, the purchase place for Chinese is supermarkets and shopping malls, because the guarantee of products' quality and taste. At last, comparing with European countries, the purchase frequency of chocolates is relatively lower.

There are many factors to influence the consumers' purchasing behaviors, such as the culture which have been established for centuries. The origin of chocolate is not in China, although it has been introduced for a century, but the fact is that there is still a group of people that cannot accept chocolate. From the gender aspect, the purpose of most females is self-purchasing and the majority of them prefer the taste of chocolates. On the contrary, male choose chocolate as gifts to send out. Meanwhile, there are quite huge differences in the geographical distribution. People in China from different sized cities have quite different opinions on chocolate, also on Dove. In addition, price and taste are the dominant factors to influence chocolate purchasing behavior. If one company can provide good taste chocolate with moderate price, this measure will attract a large number of consumers. Brands are also a guarantee of high quality which cannot be ignored.

The majority of respondents have some time bought Dove chocolate, it means Dove have a high popularizing rate. Although a large amount of the respondents consider that the price of Dove is expensive. According to the survey, the Top Three chocolates brands in respondent's eye, Dove occupy the absolute leading position with a brand awareness rate of 100%. Owing to numerous advantages, such as multiple varieties with high quality, high brand awareness, classic advertising, customers have lower price sensitive to Dove chocolates. In addition, rarely respondents have the experience to buy Dove on-line. But it is estimated there are a number of respondents who are willing to try this new way. E-commerce is the trend of the future that means that Dove on-line shop own a large number of potential customers.

The innovative marketing communication of Dove is successful. First of all, from

the product aspect, Dove adopts advanced craftsmanship and technology to produce high quality and relatively lower calorie chocolates which not only meet consumers' need for chocolate but also solve health concerns of consumers. According to the different needs of the consumers, Dove made detailed marketing segmentation, producing different tastes, different shapes, and different sizes of chocolates to satisfy individual consumption (see figure 27).



Figure28. Different kinds of Dove chocolates

Secondly, the most innovative promotion for Dove is the advertising which helps an enterprise to build brand awareness. The advertising of Dove is full of innovative elements, classic slogans with touching love story. Television is the major media tool; auxiliary media are Internet, billboard, newspapers and magazines. The expenses of Dove chocolate on advertising are far more than it competing brands'. It seems the advertisement of Dove exist everywhere. In addition, a variety of sales promotion activities also encourage the marketing promotion for Dove.

7.2 Advice to Dove Chocolate

From the product aspect, Dove still need to produce a wider variety of chocolate to satisfy individual consumers. Dove can do research abroad to explore more innovative ideas to perfect its products, not only relating to the tastes, but also relating to packaging design and shapes of chocolates. Also Dove can employ some employees who have experiences from abroad that can bring Dove more fresh air.

From the budget of advertising, Dove should gradually reduce the budget of advertising, because it has succeeded to build its brand awareness in China and owned a number of loyal customers. Now the purpose of advertising is to remind consumer to buy its products and maintain the customers. The frequency of the television advertising can be reduced, on the contrary, focusing on the Internet advertising, due to the popularization of network and the lower costs for Internet advertising. This is a useful way to reduce the cost.

There is another way for Dove to reduce cost: decreasing the intermediaries, using direct-marketing channels, which also can guarantee the quality. Or, Dove can just extend its marketing distribution channels. Exclusive shop and on-line shop are decent channels to take advantage of. E-commerce is the trend of future with an immense increasing rate, and there are a large number of potential customers.

For the price of Dove, a number of respondents consider it expensive. If the cost can be reduced, Dove will have a greater space to decrease its price to satisfy the customers. Even through Dove will keep, it can hold more sales promotion activities to attract customers.

7.3 Suggestions for Chinese Domestic Chocolate Company

Most of the respondents regard the taste as the primary factor to influence their purchasing behaviors. For the local brands, improving the taste is the first thing to do. In addition to the introduction of advanced technology, equipment, and high-grade raw materials, it is more important to learn the marketing practices of foreign brands.

China is a developing country. The consumption of the Chinese is the typical "pyramid" shape, 70% of consumers in the lower income levels. Therefore the price has a greater attraction for them. So, in the middle and low market, if local brands can ensure the quality, the taste is just a little different from the foreign chocolate and the price is relatively low, customers will be attracted. Therefore, accurate positioning and marketing strategy is significant for local brands.

In addition, local chocolates company should make full use of different marketing mix elements and different promotional tools to build brand awareness. Advertising is one of the most effective to help company to promote itself. Therefore, a classic and innovative slogan is necessary. Before the advertising, enterprises should clearly know what the customers really want. The message of advertising should be easily understood by the receiver, and an efficient media can assist senders to transmit the message. Meanwhile local brands should make full use of the social network (SNS), such RenRen, Qzone and Sina micro blog. In addition, a variety of sales promotion activities should be taken advantages. Sales off, coupons, free trials and gifts these interesting can also attract the customers' attentions.

When a company launches a new kind of chocolate in the market, it can use the price penetration strategy to capture customers. Consumers generally have the sense of resistance to the new products. Owing to the lower price, customers will reduce the risk awareness. Once they satisfy with the new products, they are will-

ing to purchase this product and then become loyal customers. The pricing strategy will tempt a large number of buyers in a short time and win a larger market share. Higher sales can reduce the costs, so that enterprises can provide further discounts.

7.4 Reliability and Validity

Reliability is the tendency in a respondent to respond in the same or in a very similar manner to an identical or near-identical question. Validity is defined as of the assessment of the exactness of the measurement relative to what actually exists. (Alvin C. Burns & Ronald F. Bush, 2001)

As Winter said in 2000, "Reliability and validity are tools of an essentially positivist epistemology. While they may have undoubtedly proved useful in providing checks and balances for quantitative methods, they sit uncomfortably in research of this kind, which is better concerned by questions about power and influence, adequacy and efficiency, suitability and accountability. "

In my research, all the secondary data are coming from international organizations and academic press with high authority. A large number of references were borrowed from library Tritonia. In addition, the primary data come from interviews and a questionnaire. The questions on the questionnaire are closely connected with the theoretical parts which are suitable for resolving the research problem and achieve the research objectives. The average time that the respondents spent on each questionnaire is five minutes. The attitude of the respondents is serious and the answers to the open ended question are comprehensive. But I have to admit one shortage, the number of respondents is not sufficient, comparing with the population of 1.3 billion.

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APPENDICES

Appendix 1.

Questionnaires in English

Basic Information:

1. You gender:
 - A. Female B. Male
2. You age:
 - A. Under 18 years old
 - B. Between 18—26 years old
 - C. Between 27—35 years old
 - D. Older than 35 years old

The Marketing Environment and Buying behaviors:

3. How do you like chocolate?
 - A. Plenty
 - B. Neutral
 - C. No interest
4. The reason why you don't have interest of chocolate (not necessary):
 - A. The taste is too sweet
 - B. Single variety
 - C. Fattening foods
 - D. The high price
 - E. Other reasons(you can write it down)

(You can choose several answers)

5. Please select the top three chocolates' brand in your eye in China:
 - A. Dove
 - B. Ferrero
 - C. Leconte
 - D. Cadbury
 - E. Choclair
 - F. Golden Monkey
 - G. Other brands (you can write it down)

6. What factors will influence you to buy chocolates:

- A. Price
- B. Taste
- C. Brands
- D. Packaging and design
- E. Sales promotion

(You can choose several answers)

7. How often do you buy chocolates:

- A. Several times a week
- B. Almost one time a week
- C. About one time a month
- D. During the peculiar festival
- E. Seldom

8. The way you often buy chocolates:

- A. From supermarket
- B. From shopping malls
- C. From on-line shop
- D. From exclusive shop
- E. Small shop

(You can choose several answers)

9. Compare with the local chocolate brands, the advantages of Foreign chocolate brands:

- A. High quality with good taste
- B. Numerous choices in variety
- C. Long history brands and brand culture
- D. High efforts for brand promotion
- E. Others

(You can choose several answers)

The Survey for Dove:

10. Have you ever bought Dove Chocolates?

- A. Yes
- B. No

11. How do you think the price of Dove chocolates?

- A. The price is very high
- B. The price somewhat high
- C. Moderate price
- D. The price is low

12. How do you know Dove chocolates?

- A. From the television advertising
- B. From the Internet
- C. Introduced by friends
- D. By sales promotion activities
- E. Outdoor advertisement
- F. Others

(You can choose several answers)

13. Your purpose of buying Dove Chocolate:

- A. Self-purchase behavior
- B. As gift for friends or children

14. The reason why you never buy Dove Chocolate: (not necessary)

- A. The price is too high
- B. Don't like chocolate
- C. Don't have your favorite tastes
- D. Don't know the brand
- E. No channel to buy it
- F. Prefer to other brands (please write down the brand)
- G. Others

(You can choose several answers)

15. What kinds of sales promotion of Dove chocolates do you prefer?

- A. Prices off
- B. Coupons
- C. Free trials
- D. Free gifts
- E. Trade show

16. Compare with other brands, the advantages of Dove Chocolates:

- A. Multiple varieties, high quality
- B. High brand awareness

- C. Beautiful love story behind chocolates, culture
- D. Classic advertising
- F. Special design and packaging
- E Others

(You can choose several answers)

17. Have you ever shopping Dove Chocolate on-line?

- A. Never, and don't want to try
- B. Occasionally
- C. Very often
- D. Never, but want to try

18. Do you have some suggestions or recommendations for Dove Chocolates?

Appendix 2.

Questionnaire in Chinese

中国巧克力市场的基本调查

1. 性别 [单选题]

- 男
 - 女
-

2. 您的年龄 [单选题]

- 18 岁以下
 - 18-26 岁
 - 27-35 岁
 - 35 岁以上
-

3. 您是否喜欢巧克力 [单选题]

- 喜欢
 - 一般
 - 不喜欢
-

4. 您不喜欢巧克力的原因 [多选题]

- 味道太甜腻
- 品种单一
- 容易发胖
- 价位较高
- 其它

提示：非必答题

5. 请选出您眼中的中国前三名巧克力品牌 [多选题]

- 德芙
- 金帝
- 费列罗
- 吉百利
- 金丝猴

- 怡口莲
 - 其它
-

6. 什么因素影响你对巧克力的购买 [多选题]

- 价格
 - 口感
 - 品牌
 - 包装设计
 - 促销活动
 - 其它
-

7. 您购买巧克力的频率 [单选题]

- 每周至少一次
 - 大约一个月左右一次
 - 特殊节日时候购买
 - 很少购买
-

8. 您通常购买的途径 [多选题]

- 超市
 - 大型商场
 - 网购
 - 专卖店
 - 小商店
-

9. 您认为国外进口巧克力与中国本土巧克力相比, 优势在哪里 [多选题]

- 品质高, 味道香浓
 - 品种多样, 选择性更广
 - 品牌历史悠久
 - 品牌推广度大
 - 其它
-

10. 你是否曾经购买过德芙巧克力 [单选题]

- 是
 - 否
-

11. 您觉得德芙巧克力普遍价位如何 [单选题]

- 价格太高
 - 价格稍高
 - 价格适中
 - 价格较低
-

12. 您是通过什么途径了解到德芙巧克力 [多选题]

- 电视广告
 - 朋友介绍
 - 网络
 - 促销活动
 - 街头广告
 - 其它
-

13. 通常情况下，您购买德芙巧克力的原因 [单选题]

- 喜欢吃德芙巧克力
- 作为礼物送给朋友或孩子

提示：如果没有购买过，可以不作答滴，直接去 14 题

14. 您没有购买过德芙巧克力或者不喜欢德芙巧克力的原因 [多选题]

- 不喜欢吃巧克力
- 价位太高
- 没有喜欢吃口味
- 不知道这个品牌
- 没有购买渠道
- 有其他喜欢的品牌
- 其它

提示：非必答题哦

15. 您喜欢德芙的哪种促销方式 [多选题] [必答题]

- 限时折扣
- 赠品促销
- 免费试吃
- 面对面销售
- 促销展会

其它

16. 与其他巧克力品牌比，您认为德芙的优势在哪里 [多选题]

- 品质高，种类多
 - 较高的品牌知名度
 - 浓厚的品牌文化
 - 经典的广告宣传
 - 新颖的包装设计
 - 其它
-

17. 你尝试过网上购买德芙巧克力么？ [单选题] [必答题]

- 没有尝试过，也不想尝试
 - 偶尔在网上购买
 - 经常在网上购买
 - 没有尝试过，但想尝试
-

18. 您对德芙巧克力有何建议或以意见（比如价位太高啊，种类少等） [填空题]

提示：不是必答题，但希望踊跃发表想法

Appendix 3.

The Questions for Depth Interview

1. What factors make Dove chocolate stand out in the chocolate market of China?
2. How does Dove promote itself in innovative ways?
3. Why do you think Dove advertising give you a deep impression?
4. What kinds of sales promotion do you prefer (According to the experience of living abroad)?
5. Why do you think customer prefer to buy chocolate from supermarket or shopping malls?
6. What do you think the importance for enterprise to establish brand?
7. Do you have some suggestion for the survey or for Dove?