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## **Rebranding in Preparation for International Expansion**

Case Study: Rebranding of SME SunSpelt Oy

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## ABSTRACT

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This thesis was developed to support the commissioning company SunSpelt Oy, as well as other companies, with their rebranding process and potential expansion to a foreign market. The thesis aims to identify what methods can be used to successfully rebrand, as well as which factors should be considered before expanding to an international market. The theory included focuses on informing the reader of the components of branding, rebranding and international expansion.

The theoretical framework identifies a wide range of methods that should be considered during the rebranding and expansion process, including the brand identity prism, rebranding continuum, SWOT, PESTLE and CAGE distance analyses as well as explaining the process of an international strategy framework. The theoretical framework is then applied in practice through the research method, which is a case study of the commissioning company. This case study provides a detailed example of market research, the creation of a brand identity, logo and packaging, as well as a developed international strategy for the company's target market.

The results achieved from this study recognize that if a company wishes to have a successful rebranding campaign, combined with a potential international expansion, then there are various methodologies to consider utilizing. The outcome emphasizes the need to understand the motivations for rebranding, the importance of brand identity and being aware of how to construct it properly, as well as choosing the most suitable expansion strategy. The case study oversees the multiple steps taken in the rebranding process to achieve a successful new brand.

To further measure or develop the results of this thesis, authors may wish to study the rebranding of a larger organizations, such as multinational corporations. The resources of SME's are limited, and therefore results of rebranding larger enterprises with greater finances may provide a completely different rebranding process.

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Keywords: Branding, Rebranding, International Expansion, Brand Identity, International Strategy

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# 1 INTRODUCTION

David Needle (2015, 12.) describes globalization as “a process in which the world appears to be converging economically, politically and culturally.”, whilst the World Bank (2000, 1.) offers the standard definition as “The global circulation of goods, services and capital, but also of information, ideas and people.”. Now a dominant force in the business world, globalization is allowing and encouraging businesses to expand internationally and enter new markets.

This trend of internationalization throughout the years has proved to help increase growth in not only the trading of goods and services, but also in information and development of global networks - all of which are greatly beneficial to businesses. The impact created by internationalization has also led to the growth of liberalization, universalization and westernization. Increased liberalization has seen free markets around the world thrive, with e-commerce being used as a great example for creating more availability worldwide. Universalization introduces rules and regulations that should be met universally, with organizations such as The World Trade Organization and the European Union offering structured rule sets and frameworks for those operating within. Lastly, westernization and the strengthening of western values, in particular from the USA, has led to cultural changes taking place throughout the world, creating variety and more opportunities worldwide. (Needle 2015, 13.).

With the world in full effect of globalization, doing business internationally has been rapidly increasing and now many small and medium-sized enterprises (SME) have the opportunity and ability to operate in both domestic and international markets. With the opportunity at hand, it is noted by Kevin Lane Keller that the branding policy is of key importance within a company's international marketing strategy. According to Keller, a strong brand not only helps to create identity in the market, but also generates a strong customer franchise for the business. (Douglas, Craig, & Nijssen, 1999, cited 08.11.2016.).

We can understand branding from the perspective of Paul Stobart (1994, 1.), who defines it as the process of identifying and differentiating one product or service from another. Following this, Needle (2015, 451) explains that branding is the process that gives a product its name, logo or symbol in order to offer the previously mentioned differentiation. The importance of branding must be stressed when opting to market internationally, as there becomes an obvious increase in

competition, and the threat of having products or services copied. On top of this, a company's domestic market can be drastically different to that of a foreign one. As mentioned previously by Keller, the branding policy of a company is a key part of their marketing strategy, this statement is strengthened by Needle (2015, 452), who emphasizes branding is "used to create awareness and build up customer loyalty to ensure repeat purchases". Needle later states that a brand can be used as a financial asset in order to give companies a competitive advantage.

When entering these new international markets, companies and their products need to be identified by their new potential customer base in order to be successful, which is why the branding process is of high importance. This thesis is designed to focus on the processes of rebranding in preparation for a company to expand internationally and will provide an overview of branding, international expansion frameworks, rebranding strategies as well a case study of an SME's rebranding process in preparation for entering international markets.

## **1.1 Commissioning Company**

The research conducted in this thesis assists companies who are looking to rebrand, as well as entering new markets outside of their usual domain. However, the main purpose was to assist the commissioning company SunSpelt Oy in their rebranding process and in preparation for their potential international expansion.

SunSpelt Oy is an SME organic foods company located in southern Finland. SunSpelt has a wide product range that focuses mainly on spelt, an ancient indigenous grain that is related to wheat, and dates back some 10,000 years. The product range includes fibre supplements, porridges, liquorice, crisp bread, grains, flours and pastas. Many of the SunSpelt products have already seen considerable success, featuring in the major supermarkets throughout Finland as well as being used in restaurants.

The current business plan in place for Sunspelt is to reach both domestic and international markets. Sunspelt currently exports to five different countries, including Germany, Denmark, Norway, Sweden and China. The company had also previously been involved in negotiations to export to places such as Russia, the Baltic States and Spain. In order to expand and be able to

export to these various countries, the business is aiming to create contacts through food fairs and conventions.

After first being introduced to the commissioner in late 2013, our relationship was strengthened in 2015 when I was able to complete my work practice placement with the company. During this time, SunSpelt had clear goals on expansion and which markets it wanted to gain entry to: Great Britain and the United States of America. To be successful when entering these markets, the company opted to remodel and modernize their brand, with substantial changes to their image and product range.

During this period, I was able to actively participate in, and see first-hand how the company went about the rebranding process. This allowed me to gain insight into areas of the process that were well understood and executed efficiently, but also areas where I believe improvements could be made, or where other companies may struggle. Therefore, this thesis was designed to help understand the rebranding process for companies such as SunSpelt, whilst also providing an insight into what is required when the time comes to enter international markets.

## **1.2 Research Aims & Objectives**

This thesis aims to help the reader understand the overall role of the branding and rebranding process, whilst also constructing a suitable framework that can be followed in order to build, adapt and then implement a new brand into an international market. More importantly, the reader will gain direct insight into how these factors are implemented into the commissioning company, SunSpelt Oy, first hand through observation and case study research.

The main research question for this thesis is as follows:

*What methods can be used to successfully rebrand, and what factors must be considered before expanding internationally?*

To answer this question effectively, the thesis will study branding in terms of what it is and why it exists. The importance of a brand will also be discussed, along with the various types of branding that occurs. This will be followed by how rebranding is defined, and the drivers for rebranding.



Lastly, the reasoning for expanding internationally, as well as the types of markets will also be analysed. These points bring up the following secondary research questions that will be answered in order to support the main research question:

1. *What research methods can be used to support the rebranding process*
2. *What is the importance of brand identity, and how is it constructed?*
3. *What are the motivations for rebranding?*
4. *What strategies can be followed to aid in international expansion?*

The above questions will be answered with both theory and application to the case commissioner through empirical research in the following chapters. To best answer and understand these questions, the structure of this thesis will consist of first researching and identifying suitable methods, tools and theories that can be used when creating or strengthening a brand, as well as in regards to company expansion. Next, an overview of branding will be conducted, along with how and why building a brand identity is important. This will lead into the explanation of the rebranding procedure, explaining what it means to rebrand and why it may be necessary. Following this, a brief review of expanding internationally will take place, informing about reasons for expansion and the types of markets to target. Finally, the theory studied is applied through empirical research based on a case study of the commissioning company.

The conclusion of this thesis will identify whether the main research question could be answered sufficiently, followed by a discussion, detailing what improvements could be made to this research if it were to be performed again.

## **2 RESEARCH METHODS**

### **2.1 Literature Review & Theoretical Framework**

During the process of this thesis there will be several theoretical frameworks and analysis tools used for understanding and explaining how said methods could be applied in practice. This section will introduce you briefly to various frameworks used for both branding, analysis and market expansion that will be studied throughout this thesis.

The tools, frameworks and theories used in order of appearance in this thesis are:

1. The Brand Identity Prism
2. The Rebranding Continuum
3. SWOT Analysis
4. International Strategy Framework
5. PESTLE Analysis
6. CAGE Distance Analysis

#### **2.1.1 The Brand Identity Prism**

One of the first tools to be analysed is Jean-Noel Kapferer's brand identity prism, which helps in creating and communicating a company's brand identity. This tool is used in this thesis to build and develop a brand identity. Essentially, the brand identity prism helps to show how individuals can have similar connections to a brand or product, as they would do with humans (Keller, Aperia, & Georgson, 2012). Altogether, the brand identity prism can be used to evaluate and measure the strengths and weaknesses of a brand's identity through six aspects: physique, personality, culture, relationship, reflection and self-image.

#### **2.1.2 The Rebranding Continuum**

To help understand the reasoning behind rebranding, the reader will be introduced to the rebranding continuum model, illustrated by Laurent Muzellec and Mary Lambkin. Muzellec &

Lambkin (2006, 805-806.) help to identify the two dimensions involved with rebranding, and explain the process as either being revolutionary or evolutionary as well as having either major or minor changes to the brand.

### **2.1.3 SWOT Analysis**

Paul Joyce (1999, 36.) identifies SWOT as a technique and strategy that helps to ensure a fit between an organization and its environment. SWOT, an acronym for strengths, weaknesses, opportunities and threats can be used to both list and summarize potential issues for businesses venturing into new domains.

The SWOT analysis operates firstly by identifying which factors are internal or external. In this case, internal factors relate to the organization's strengths and weaknesses, whereas external factors involve threats and weaknesses that are presented by happenings which are outside of their control.

Described by the university of Cambridge (Decision Support Tools, cited 09.11.2016), a strength is a "resource or capacity the organisation can use effectively to achieve its objectives", whilst weaknesses are identified as "a limitation, fault, or defect in the organisation that will keep it from achieving its objectives". Furthermore, they state that opportunity is any beneficial or advantageous situation in the organisations surrounding environment, whilst opposingly, a threat is any detrimental or adverse circumstance that could harm the company's strategy.

### **2.1.4 International Strategy Framework**

An international strategy created by Gerry Johnson, Richard Whittington and Kevan Scholes (2011, 265.) provides a theoretical framework which analyses different categories that should be considered by companies in preparation for expanding internationally. It allows a business to discover drivers for wanting to expand, advantages, types of strategies for performing expansion, and the method of execution. This framework is also supported by two other tools that help determine the strategy: PESTLE analysis and the CAGE distance analysis.

### **2.1.5 PESTLE Analysis**

The PESTLE analysis stands for Political, Economic, Social, Technological, Legal and Environmental and uses these categories to study environmental influences. Political influences are generated through a country's leadership; Economic is in regards to factors such as unemployment, interest rates and general economic growth; Social takes into account the change of culture or demographics, as well as income distribution; Technological portrays any new inventions or advancement in communication systems, infrastructure or engineering; Environmental represents issues such as 'green' policies, pollution and waste matters; Lastly, the Legal category refers to legislative constraints or changes, including employment laws, tax policies and health and safety legislation (Johnson et al., 2008, 55.).

Johnson et al., (2008, 55-56.) claim that it is important for companies to study what these environmental influences are, and how they will possibly change in the future in order for them to understand how they affect or influence their organisation. They also state that many of the factors are linked together, and give the example of how development in technology can lead to the creation of jobs (economic factor), better healthcare from the new technology (social factor) and finally reducing energy consumption (environmental factor).

It is important to identify the key drivers for change when using the PESTLE analysis, which vary by different industries. These key drivers consist of the most important environmental factors that are likely to determine whether a business's strategy is successful or not. As an example, a company that manufactures personal computers will be more concerned about changes in the technological category, such as increased performances in graphic or central processor units (Johnson et al., 2008, 56-57.).

### **2.1.6 CAGE Distance Analysis**

The CAGE distance framework identifies the differences that are found when crossing borders into new territories, and helps to analyse them. These differences that are found between countries consist of cultural, administrative, geographic and economic categories, which the framework emphasises importance of. The framework allows countries to be identified by key differences, but also compared with dimensions that are relative. This is particularly important as

it allows those using the framework to see distances between countries, helping to identify what considerations to take and what may or may not be suitable or successful when entering markets in each country. The CAGE distance framework also provides users with the ability to view both bilateral (country-pairs) and unilateral (singular country) distance influences. (Ghemawat, 2007, 33-40.).

Johnson et al., (2011, 278.) provide examples of how cultural distance relates to factors such as different languages, religions and social norms, with Pankaj Ghemawat (2007, 40-42.) stating that it is these cultural differences that usually reduce economic interactions between countries, with language being the most obvious. The administrative categories are used to measure the distance of factors such as laws, policies or other items that are the outcome of politics. Whether countries are part of the same trading bloc (such as the European Union), or if they share a common currency are also prime examples of administrative distances.

Geographic attributes in the framework are mostly due to natural events, however may also be the cause of human involvement. Elements such as the size of a country, ease of access (via land or water etc.), time zones, climates as well as infrastructure are used as measurements (Johnson et al., 2011, 279.). Finally, the economic category relates to distances in terms of wealth. Size of economy and gross domestic product (GDP), as well as consumer wealth and the cost of labour help in determining the biggest economic differences and distances between countries. (Differences and the CAGE Distance Framework, cited 09.11.2016).

## **2.2 Methodology: Empirical Research**

The empirical research conducted in this thesis is based on case study work conducted by myself during my work placement at SunSpelt Oy. I oversaw and took part in a major company-rebranding scheme, and have access to materials and information that was used in the rebranding process to assist in my study. Due to this, the majority of my research will be qualitative.

Strauss & Corbin (1998, 11.) describe the term of qualitative research, as “any type of research that produces findings not arrived at by statistical procedures or other means of quantification.”. They further state how it can refer to research about lived experiences, behaviours,

organizational functioning, social movements, and cultural phenomena. Choosing this type of research may be due to preference but is mostly because of the research problem chosen. Strauss & Corbin go on to describe the three components of qualitative research: data, procedures and written and verbal reports. The procedure component aims at interpreting and organizing the data, usually resulting in conceptualizing and elaborating the information collected – this will be apparent throughout my work.

A case study is the preferred strategy when “how” or “why” questions are asked, and when the researcher does not have much control over the events taking place. Case studies can also be conducted and written with many other motives, such as the focus on individual cases, which corresponds with this thesis. There are five components to the research design of case studies: a question to initiate the study, propositions that needs to be studied, a unit of analysis such as a company or individual, logic that links the data to the propositions and lastly, the interpretations of the findings. (Robert Yin, 2003, 1, 13, 21-22.).

The case study conducted in this thesis will revolve around studying all aspects of the commissioning company’s actions, experiences and motivations from the period of August 2015 to January 2017. In particular, the case study will examine research methods used by the commissioner, some of which that have been introduced in section 2.1, as well as my own direct involvement in the company’s operations.

### 3 BRANDING

Needle (2015, 454.) provides many reasons for why branding exists. Firstly, he states that it is used to create distinction and appeal. When a product is appealing, and stands out more, it gains more recognition on a stores shelf, which is beneficial in markets where consumer goods have become lacklustre or unattractive. Needle also mentions how brands also help consumers find certain goods, as many shops may organize their products brands.

When a brand becomes more popular it has the ability to obtain market leadership, this in theory leads to an increase in sales and revenue. Needle continues by introducing the idea of brand loyalty, where companies can achieve repeat purchases of goods from their consumers. With the idea of brand loyalty, organizations should also be aiming to encourage 'brand-switching', essentially taking one customer and from a rival company to their own. He then goes on to mention how brand image can play a vital role in the success of launching new products and entering new markets. The idea revolves around these new products obtaining the reputation of the previous products that are from the same brand. As a strong brand image can help with organizations entering new markets or industries, Needle also mentions how it is important for businesses to protect their brand names by registering such as trademarks. This protects the company as well as the consumer from being misled.

Stobart (1994, 11.), reinforces the importance of branding by further explaining the various features that should be included in a valid brand. Stobart claims that the core of the brand must be legally correct, with registered trademarks and other intellectual property rights. He further stresses the importance of brand characteristics, and that both the tangible and intangible aspects of the brand must be uniquely recognisable. If brands cannot be distinguished from each other then a brand personality cannot be created, resulting in the consumer having nothing to relate to and therefore no reason to show liking from one brand or another.

A brand must be desirable to the consumer, whether done through its design or name, as well as displaying the qualities and attributes that make it an attractive purchase for the user. Stobart continues by stating a brand should be consistent and in uniform, in both appearance and fulfilment. Stobart claims that a brand requires support for advertising, promotion and distribution in order to allow the consumer to be aware of the brand and have the availability to purchase.

Finally, Stobart touches on the need to provide careful management of the brand over a continued period of time. The quality of the brand and its products must be preserved as well as keeping availability at suitable levels to keep customers loyal to the brand.

It is important to understand that there can be more than one type of brand. Firstly, and most commonly, a brand can represent a product in which a brand name is given to an individual product or entire range. Secondly, a brand can be a representation of an entire organization. In this situation, the company as a whole is likely to have more meaning to the consumer rather than the actual product. A prime example of this would be the case of Apple Inc., where it can be argued that consumers care more about having the Apple brand, than the actual products themselves. It is also common for organizations to create their 'own brands', where generic products are sold by the company themselves. In most cases, these own brands focus more on appealing to consumers via low cost rather than the products design, packaging or even quality. (Needle, 2015, 452-453.).

Another possibility is for organizations to use an individual as the brand. This can be done by having the person's name included in the brand, for instance with Donald Trump and The Trump Organization, owners of the Trump Tower and the Trump World Tower in New York City, along with Trump Entertainment Resorts. Another example would be Air Jordan, owned by Nike Inc., where products are endorsed by the retired professional basketball star Michael Jordan. Nation branding is another type of brand that is very apparent in the world today. Switzerland is associated with having expertise in luxury goods and watches in particular (Country Brand Index 2014-2015, cited 15.11.2016), and therefore consumers may opt to buy their product from an organization based in that country. (Needle, 2015, 453).

### **3.1 Building Brand Identity**

Johny Johansson and Kurt Carlson (2015, 6.) state that for a brand to be successful it must have a clear identity. A brand is identified by its name, picture or logo, age, country of origin and how its product is classified - similar to having a passport. They both continue by mentioning that a strong brand should have a unique and distinct identity, where the consumers are aware of company's philosophy and the expected outcome of the product.



The brand identity prism, shown in Figure 1, is a tool that helps to understand and create a brand's identity. Split into six different sections, creator Jean-Noel Kapferer recognizes the aspects of brand identity as: physique, personality, culture, relationship, reflection and self-image. These six sections are then divided between dimensions that represent a constructed source and constructed receiver, as well as external and internal expressions. Physique and personality fall under the constructed source dimension in order to help represent the brand as a human being, whilst reflection and self-image can do the same for the targeted consumer. Similarly, the physique, relationship and reflection categories tie in as social aspects that are represented externally, whilst included internally is the brands personality, culture and self-image (Kapferer's Brand-Identity Prism model – EURIB, cited 23.11.2016)

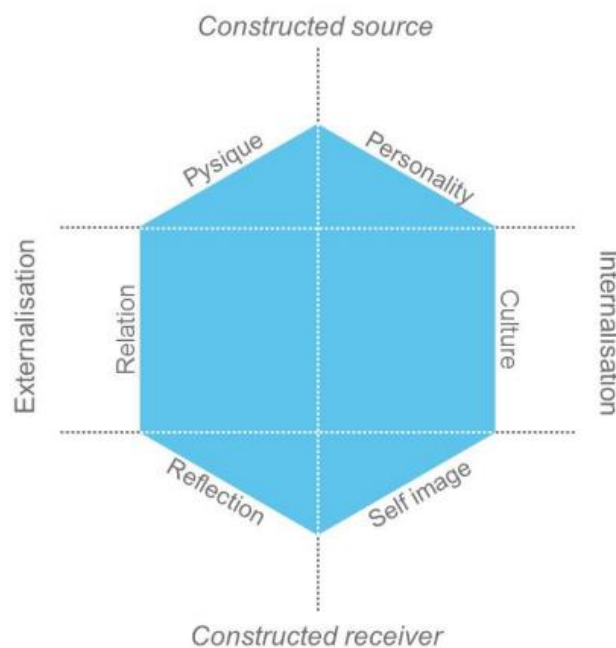


Figure 1. Kapferer's Brand-Identity Prism model (EURIB, cited 23.11.2016).

The physique aspect is representative of what the brand looks and feels like both physically and mentally, it is the image that consumers will see on the shelves in a shop but also in their mind when they hear the brands name. Consistency of the brands physique is key in helping to keep the brand recognizable to the public, which is why most branding is kept universal. Functionality of the product should also be accounted for; this can include the type of packaging used or how the product is stored. As the only tangible aspect in the prism, the physique of the brand will be of major importance in how it is identified.

Communicating a brand's personality allows it to build its own persona and identity, which is where the aspect of being human like comes from. Many companies use a spokesperson, figurehead or other endorsers to create this personality, although it can also be achieved through specific writing styles, storytelling, colour schemes or design. Brand personality also paves the way for how advertising will be conducted, as the marketing will often be in uniform in terms of the font's and colour schemes used.

The culture of a brand is identified by, and based on, the values or philosophy from its organization. Many aspects of a brand's culture are linked back to their country of origin, for instance German car brands depict efficiency and integrity. The consumer can adopt brand cultures if it fits their own ideologies, by doing this; individuals can display to others what their way of life is through the brand.

A brand also has the ability to create relationships between itself and the consumer, as well as between the consumer and someone else. A prime example can be seen in the skin care industry, with organizations offering products that "care" for the individual, providing the consumer with a relationship designed to help them look after themselves. Another example could be in industries that provide products for mothers and their children, as both the child and the parent create a relationship between themselves when using it, as well as to the brand itself during the process. It is important to realise that whenever a brand is offering a service, a relationship is created with the individual. Due to this, there may be a difference in how the brand in question conducts itself or communicates around its customers.

Overtime brands will have a reflection of how individuals view them. The reflection of a brand should not be focused around the individuals they are trying to target, but instead reflect how the individuals would want to appear. Using Red Bull as an example, they primarily want to target younger individuals who are energetic and outgoing; however, this is not what they base their reflection on. Instead, Red Bull opt to reflect on professional extreme sport athletes which appeal to their consumers as it is what they might aspire to be like. Kapferer (2012, 162.) supports this idea by stating that a realistic representation of a brand's target group is not necessary; instead present a person or group that will be attractive and relatable to the people of that target group.

The final aspect, self-image, is how the consumer sees themselves, or wants to be seen, when using the brand's product. Using Red Bull again as an example, the user will likely have a self-

image of being adventurous, energetic and full of courage. Another example is through owning brands as status symbols, an individual can believe they are rich and desirable by purchasing an expensive sports car. Altogether, the intrinsic beliefs that a consumer may have of themselves after purchasing a brand's product plays a large role in creating a successful brand self-image, as it is the person themselves who is able to believe what outcome the product gives to them. (Kapferer's Brand-Identity Prism model - EURIB, cited 23.11.2016; Kapferer, 2012, 162.).

Whilst the brand identity prism is not the final stage of a brands development, it helps in identifying what will be created, who has created it, who it was created for, and what those individuals will receive from it.

## 4 REBRANDING

Muzellec et al., (2003, 32.) describe rebranding as a term commonly used to describe a change in an organizations name, logo, colour scheme, product design or brand positioning. However, they do make note that the term “rebranding” is a newly founded word. The combination of “re” and “branding” may give the idea that the current brand is simply returning to a previous state of an image or identity, although it appears that in the business world it is rarely used in this context. Altogether, the exact definition they provide of rebranding is “the practice of building anew a name representative of a differentiated position in the mind frame of stake-holders and a distinctive identity from competitors.”.

Figure 2 displays the model used by Muzellec & Lambkin (2006, 805.) that illustrates rebranding as a continuum. According to this model, two dimensions are associated with rebranding, one being a change in positioning and the other being a change in marketing aesthetics. Both are then further identified as being either evolutionary or revolutionary rebranding, with the former referring to a small change in the aesthetics or positioning and the latter to a large and easily recognizable change that reshapes the company. The authors also state how every organization will go through this process at some point as, even if only maintaining the gradual evolutionary stage, they are at least still developing their brand.

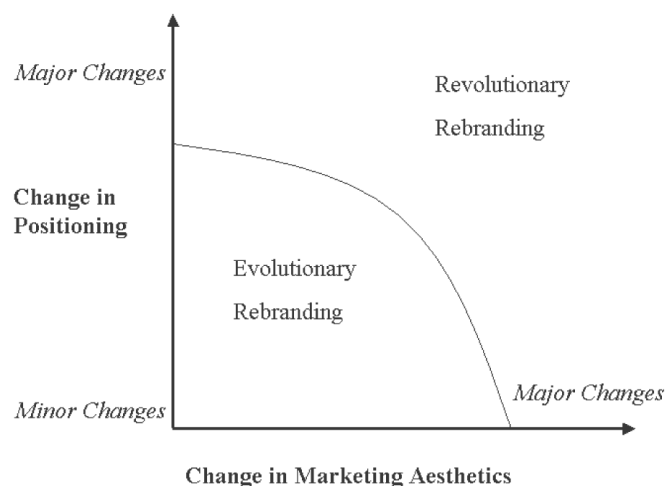


Figure 2. Rebranding as a continuum (Muzellec & Lambkin, 2006, 805.).

Aidan Daly & Deirdre Moloney (2004, 30-31.) also present a rebranding continuum that provides three change categories consisting of minor changes, intermediate changes, and finally a complete change. Minor changes are recognised as changes to the brands aesthetics, as is explained by the authors as varying from “a simple face lift, to restyling, to revitalising the brand appearance or aesthetics”. Secondly, intermediate changes involve repositioning of the brand, where particular use of marketing tactics, involving communication and customer service techniques, adjust the brands image in a positive way. Finally, Daly & Moloney provide a complete change category, which identifies as total rebranding. Complete change would bring stakeholders to a point where the brand name is new to them, as well as not knowing what it stands for. This means that a new identity will have been created, with a new image and values that need to be communicated back to the stakeholders.

#### **4.1 Drivers for rebranding**

Muzellec et al. (2003, 33-34.) identifies four main drivers for rebranding, consisting of a change in ownership structure, corporate strategy, competitive position or a change in the external environment. A change in ownership structure can relate to mergers and acquisitions, where the organizations that are being combined will need to evaluate the current brands. By doing so, they are able to identify which has the stronger brand, or if they need to create an entirely new one. Rebranding is essential here in order to ensure that there is a consistent business culture and standards, and once a new and appropriate identity has been created, it can be communicated to others.

Changes in corporate strategy, including situations such as internationalisation and localisation, tend to happen at a slower pace over a longer period of time before reaching a point where rebranding is conducted. This is similar to changes made in an organizations competitive position, the brand may slowly start to become out dated, or the name becomes tarnished by reputation problems over a period of time, both of which lead to a rebrand involving a name and identity change. (Muzellec et al., 2003, 34.).

Lastly, the authors state that change in the external environment also act as a driver for rebranding. This may be due to legal issues or certain catastrophes that have occurred in the

surrounding areas. For example, trademark issues may occur, especially during a period of expanding internationally which would force a rebrand.

Jack Kaikati & Andrew Kaikati (2004, 47, 49.) provide various proactive and reactive motivations for rechristening. The definition of rechristen is to “give a new name to.” (Stevenson & Waite, 2011). One of the major proactive motivations for renaming a brand is to create a global brand consolidation. Organizations that operate on a multinational scale can combine their multiple brands into one global brand. This helps to eliminate extra costs spend on separate brand marketing, product and distribution. An example of global brand consolidation can be seen when Unilever successfully changed their brand Jif in the UK to be called Cif, how it is recognized worldwide. Another proactive motivation is expanding the brands core business. Certain brands may have new products or services that are not reflected well by the company’s name, slogan or design. Rebranding provides the ability to communicate that a company has moved on from its past field of operations, or is conducting new forms of business alongside. A prime example of this is the renaming of British Petroleum to BP, followed by a campaign to indicate that it can now stand for “Beyond Petroleum, relating to their new developments in solar technology. One final motivation is to be able to target a broader market. A brands name can limit the type of audience an organization can reach. Brands that have a name that includes their product or service will particularly struggle when wanting to expand into a different sector. For example, Universal Foods Corp. rebranded as Sensient Technologoies Corp. in order to show that they offer other services, rather than just food additives.

Many reactive motivations happen due to negative situations. Rebranding can help in disguising companies that have encounter negative publicity or developed a poor image. Political correctness has also been a driver for rebranding in the past, with many companies facing pressure from the public in particular to make the change, although in the modern era organizations tend to be much more careful beforehand when deciding a name. Brands can also be the target of theft and copyright infringement, with consumers having access to markets globally thanks to e-commerce; brands and products can be copied with ease and distributed worldwide. This leads to potential rebranding as the company can gain negative publicity if consumers mistake the illegal products as genuine without realising. Surprisingly, it is possible for reactive motivations to cause an organization to revert to previous branding. Unsuccessful rebranding may leave stakeholders confused and unsatisfied, and the negativity put upon the organization can lead them to undo their changes. (Kaikati & Kaikati, 2004, 49.).

## **5 PREPARATION FOR INTERNATIONAL EXPANSION**

By expanding internationally, organizations can achieve distinctive growth and financial gain that would not be achievable within their own domestic markets (Parthasarthy, 2007, 146.). For an organization to expand into international markets, an international business strategy must be put in place. John Ellis and David Williams (1995, 7.) give the following definition of international business strategy as being: “concerned with the strategic management process by which firms of all sizes evaluate their changing international business environment and shape an appropriate organisational response that involves the crossing of international borders.”. Ellis and Williams go on to describe the three focuses of an international business strategy: spatial perception of competitive opportunities and threats, customer base as well as scope and complexity.

Spatial perception of competitive opportunities and threats relates to identifying how and why the company’s strategy is moving towards being international. The customer base factor relates to broadening the number of consumers that the company can reach, an international strategy will allow businesses to reach people internationally rather than just domestically. Finally, scope and complexity focuses on acknowledging the difficulties and potential disruptions that will be caused when opting to expand internationally. These difficulties arise with not only needs for resources or more demand on staff, but also with customer requirements or cultural differences. (Ellis & Williams, 1995, 7-8.).

### **5.1 Types of Markets**

When looking to expand internationally, two of the potential types of markets to enter are emerging markets or mature markets. Emerging markets are described as markets that have previously failed to look after the consumers, with their needs and wants unaccounted for, until recent entrance of global and new brands. This opportunity of lacklustre products provides businesses the opportunity to enter emerging markets with a new, exciting and desirable product for the consumers. In many cases for emerging markets, consumers are more concerned with purchasing a product based on the brand, rather than the price.

On the other hand, organizations have the opportunity to target mature markets. These mature markets can be targeted by global brands as they can offer new and fresh products in a market that is stagnant in certain product areas. Successful brands in the mature markets are likely to have originated from highly developed countries that can offer either luxury goods or services or innovative products ranging from electronics to automobiles.

Depending on the type of market chosen by the organization, it is important to remember that it will not take long before consumers desire a new or better brand to enter the market. It is difficult to determine how long a product will stay “new” for, therefore making it important that businesses are developing their brands to potentially create or adapt to the next market demand. (Johansson & Carlson, 2015, 176, 177).



## 6 CASE STUDY: REBRANDING SUNSPELT OY

As mentioned in section 1.2, this thesis was conducted to help the case company SunSpelt Oy rebrand in preparation for their potential expansion to a foreign market. The case study is based upon my time at the company from the end of the summer in 2015 and to the beginning of January 2017. During this time, the company expressed its desire to expand into the US markets with three of its products: Spelt fibre supplement, liquorice and crisp bread.

After initial enquiries into entering the market, the company discovered that the process involved in venturing into said market would be a lot more difficult than first anticipated. This is due to procedures such as registering the company and its products, along with protecting them both, being extremely costly as well as time consuming for an SME. The CEO of SunSpelt also emphasized the need to be wary as a company, stating that whilst the world is full of opportunities, they can still be dangerous without taking everything into account. However, the company made it clear that the project of expanding to the US will not be discarded, although a lighter approach would be taken.

The SunSpelt business plan already accommodates for some international activity, however as the company aims to expand into the US markets, a slightly different approach needs to be taken than when doing international business with more relatable countries in Europe. Altogether, the company aims to perform rebranding that will include many changes including the logo, colour schemes, packaging design, product adaption and all marketing and communication materials. Essentially, there will be a new brand identity in anticipation of the US market.

There are many drivers involved in SunSpelt wanting to expand further in international markets. To list some of these briefly, they include growth opportunities, the ability to network, as well as various foreign market drivers. In regards to growth opportunities, of course the company hopes to achieve overall business growth by entering a larger market with a bigger reach of consumers. By venturing internationally, it also allows the company to not be dependent on a single market. Networking in particular has played a pivotal role in the development of SunSpelt's desire to expand further and the rebranding process involved. Having connections with individuals who have previous experience in the US markets, as well as with business' already showing interest in the products provides a great stimulus in wanting to take business opportunities to the next step.

Furthermore, identifying and understanding that there is a need or want for the product, or at least similar ones, that your company can provide is a strong driver for further expanding.

The philosophy adopted by SunSpelt can also be used as motivation to venture into other international markets. The company believes in creating and maintaining relationships with those who share the belief in sustainable development and ethical standards, which can be found in companies operating in other markets. It is also more likely to encounter other companies who share the ideology of fair trade and acting responsibly when operating on an international level.

Altogether, what SunSpelt Oy hopes to achieve by expanding internationally and rebranding parts of the company, is to create a brand that is successful in creating relationships with consumers, helps to build brand awareness, can gain a realistic amount of the market share, and will provide an increase in sales and profit. Whilst SunSpelt are committed to offering respect, equality and fairness toward all they interact and share relationships with, including partners, suppliers, customers and employees, they will be expecting to receive the same treatment in return.

## **6.1 Research**

### **6.1.1 Market Research**

Market Research is described by Needle (2015, 446.) as “the collection and analysis of information to assist the marketing planning process” and that it is particularly concerned with “collecting and reviewing information about competitor’s products, pricing, promotions and distribution policies. He further states that other than current marketing activities, market research is also concerned with product launches and testing a markets response to new product proposals, which reflects exactly what SunSpelt are aiming to do.

One of the major parts of the company’s market research was their visit to New York, where the team would be able to visit stores that stock the products of their potential future competitors. The members of SunSpelt would also be attending the Nordic Food Festival. By visiting and experiencing the market first hand, SunSpelt were able to gain an understanding of what some of the common brand factors are, which could then be applied to their own branding. When studying

the brands in the market, SunSpelt identified the main differences to be in brand logos, product packaging and presentation, as well how they are stored.

Figure 3 displays the FINN CRISP brand, part of Vaasan Ltd, a Finnish bakery company that operates in the Baltic countries, as well as the US market. Their packaging has the sentence, “The Goodness of Nordic Nature. Since 1952.”, identifying the origin of the product. Just by mentioning that the product is from the Nordic region can increase its value, especially when media reports that Scandinavian food is taking over New York (Pedersen, 2013, cited 06.12.2016).



Figure 3. FINN CRISP brand packaging.

The packaging for the products also provided an open view of the contents inside, possibly to help the consumer identify what the item is since it may be unusual to them. There also appeared to be a trend with displaying an illustration on the packaging that relates to the product. In Figure 4 below, the brand lesley stowe displays pictures of the relevant ingredients for their crisps, with the left image displaying a rosemary leaf and an oat seed on the right.



Figure 4. lesley stowe brand packaging.

Many of the brands reviewed had a similar theme of displaying an image of the product on the front of the package, or the product itself being used. For example, Figure 5 below shows brands selling crisp breads, displaying what the product looks like as well as a demonstration of how to use it. This is beneficial as it supports the consumer in understanding what they are buying and what the possibilities are with the product.



Figure 5. Example of crisp bread products on display in New York stores.

Aside from visiting stores, SunSpelt had also arranged to participate in various dinner services held at the United Nations residence alongside other Finnish companies looking to expand to the US. Attending these types of services allowed the company to showcase its products and their

qualities to potential buyers. Furthermore, it provides a great platform to network, not only to buyers but also to collaborators, which can provide more opportunities in the future.

An effective way of communicating to potential customers ahead of an expansion is using social media and websites. As SunSpelt have no physical presence outside of Finland, providing an updated site in the English language allows users to research the company and its products further. After reviewing various websites of competitors, there was a clear trend in the platform being used for website development. WordPress is a free and easy to use platform that allows for the creation of a unique website, it lets the user incorporate e-commerce systems, video and plenty of customization in general (Hussey, 2014, 16.). By using WordPress, SunSpelt would be able to create an interactive and attractive website that acts as a point of contact for potential clients outside of its current markets.

### **6.1.2 SWOT Analysis**

As described in chapter 2.1.2, the SWOT analysis helps us to identify the strengths, weaknesses, opportunities and threats for the company's position. The SWOT analysis shown in Table 1 was created to understand SunSpelt's current environment as well as factors that are relevant to the US market.

	<b>Strengths</b>	<b>Weaknesses</b>
<b>Internal</b>	<ul style="list-style-type: none"> <li>• Providing an organic &amp; healthy product</li> <li>• Unique product, with few competitors</li> <li>• Award winning product / company</li> <li>• Employees who have experience in US market</li> <li>• Strong belief in sustainability, fair trade and other ethical standards</li> <li>• Finland regarded as a healthy and high quality country, overall good image.</li> </ul>	<ul style="list-style-type: none"> <li>• Not as financially strong as other competitors</li> <li>• Currently has a small product range for the new market</li> <li>• Uncommon product for target market</li> <li>• No brand recognition in US</li> <li>• Difficult and expensive to export the product from Finland to US</li> <li>• High priced product</li> </ul>
	<b>Opportunities</b>	<b>Threats</b>
<b>External</b>	<ul style="list-style-type: none"> <li>• Nordic food / products trending in US</li> <li>• Possibilities of networking or collaborating with similar companies</li> <li>• Introduce rest of product range</li> <li>• Consumers show increasing concern in sustainability, fair trade and other ethical standards</li> </ul>	<ul style="list-style-type: none"> <li>• Entry of similar products</li> <li>• Healthy lifestyle or Nordic trend may disappear</li> <li>• Costs may increase (Export, registrations, etc.) &amp; may be too expensive for operating</li> <li>• Regulations &amp; other legalities may be overwhelming</li> <li>• Demand may be too high for the company</li> </ul>

*Table 1. SWOT analysis, SunSpelt vs. US Market.*

A major strength for SunSpelt is that they will be entering a market with a unique product that does not have as many competitors. This can create interest from consumers who may be intrigued by a product and brand that do not know much about. All SunSpelt products are organic and good for the body, which is again a strength as there is definitely a trend in the US for living a healthy lifestyle. When the consumer identifies SunSpelt as a Finnish brand, it will gain the positive reputation that comes with the country. Finland boasts many high-ranking positions in various world rankings. For example, Finland has ranked first in human wellbeing in the

Sustainable Society Index for the last 10 years, indicating exceptional levels of personal development, health and society. Even more relevant to SunSpelt, the Sustainable Society Index also ranked Finland ninth out of 154 countries for the amount of organic farming areas. (Sustainable Society Index, cited 07.12.2016).

SunSpelt can also boast the fact that they are an award-winning company inside of Finland. In 2013, SunSpelt were announced as the organic company of the year by Luomuliitto, an organic federation that promotes organic food in Finland (Luomuliitto, cited 07.12.2016). Another strength for the company is that it fosters the use of sustainable methods to be used in all processes, from agriculture through to distribution. This promotes the idea that they are a mature and responsible company that can be trusted. Finally, even though the company itself has never ventured into the US markets, SunSpelt have recently recruited employees who have previous experience and knowledge of working there. This is beneficial as it allows them to gain a better understanding of what are the norms or customs in that particular region.

As SunSpelt is an SME with only a small workforce, it does not have the same financial backing that some of the bigger brands have. Competitors therefore have the potential to create bigger marketing campaigns to overshadow SunSpelt. As SunSpelt would be entering an international market, they require much more funding. High exportation costs as well as registration and trademark requirements will require a large portion of SunSpelt's funding. This in turn leads to the products needing to be priced at a higher cost, and ultimately limits who can afford the higher pricing.

There are three other weaknesses identified that relate directly to the brand and the product. The products offered by SunSpelt could be considered uncommon in the US markets, which can create curiosity and interest; however, it can also potentially cause uncertainty and result in the consumer avoiding making a purchase. In addition, the fact that SunSpelt are looking to only introduce three products out of their entire range means that they will not be able to compete for a large share of the market. A final weakness is that the brand will have no recognition to American consumers in the early stages of entry, which will make it harder to persuade consumers who are loyal to other brands to make a change.

As mentioned in chapter 6.1.1, there is currently a good amount of demand for Scandinavian and Nordic products in the US, which provides a great opportunity for SunSpelt to target the market.

Judging by the success of their first three products, SunSpelt will have the opportunity to introduce more of their product range into the market. Whilst attending the NORTH Nordic Food Festival in New York, as well as the planned Winter Dinner event, SunSpelt had the opportunity to create valuable contacts and strengthen networks with organizations already in the US market, as well as those looking to expand into it. Consumers in the US markets are also showing general awareness of fair trade, with Fair Trade USA, a leading third-party certifier of Fair Trade products in North America, indicating that “consumers want accountability, responsibility and sustainability from the companies with which they do business,” (Fair Trade USA, cited 02.12.2016). This provides a SunSpelt with a great opportunity of demonstrating their core company values of being dedicated to sustainability and ethical standards in order to gain the consumers support.

There are various threats that SunSpelt must also be aware of. Entry of similar products creates more competition, which may be difficult to overcome, as the company is only an SME. It is also possible that the trend of Nordic products, or living a healthy lifestyle, will come to an end, leaving SunSpelt with products of lessened desire. Once again, due to the size of the company it may experience difficulties in financing the exportation of products, as well as the costs of registrations and other legalities likely being expensive. Lastly, the extensive size of the US market means that there could be an overwhelming amount of demand if the products are successful, which may be difficult for a company of SunSpelt’s size to supply.

Overall, there appeared to be numerous factors in each of the sections that SunSpelt needs to be aware of. Even though there are plenty of threats to be wary of, the strengths of the company and its brand combined with the opportunities available show that a very positive outcome is possible if going ahead with a market expansion. Furthermore, with the weaknesses identified there is the possibility to resolve these overtime and should not be seen as a large deterrent.

## **6.2 Creating a New Identity**

Referring back to chapter 2.1.1, we were introduced to Kapferer’s brand identity prism and further examined it in 3.1. In this section, we will use the tool to create a brand identity for SunSpelt (Figure 6) that is suitable for the targeted US market, as well as remaining effective in its domestic market.



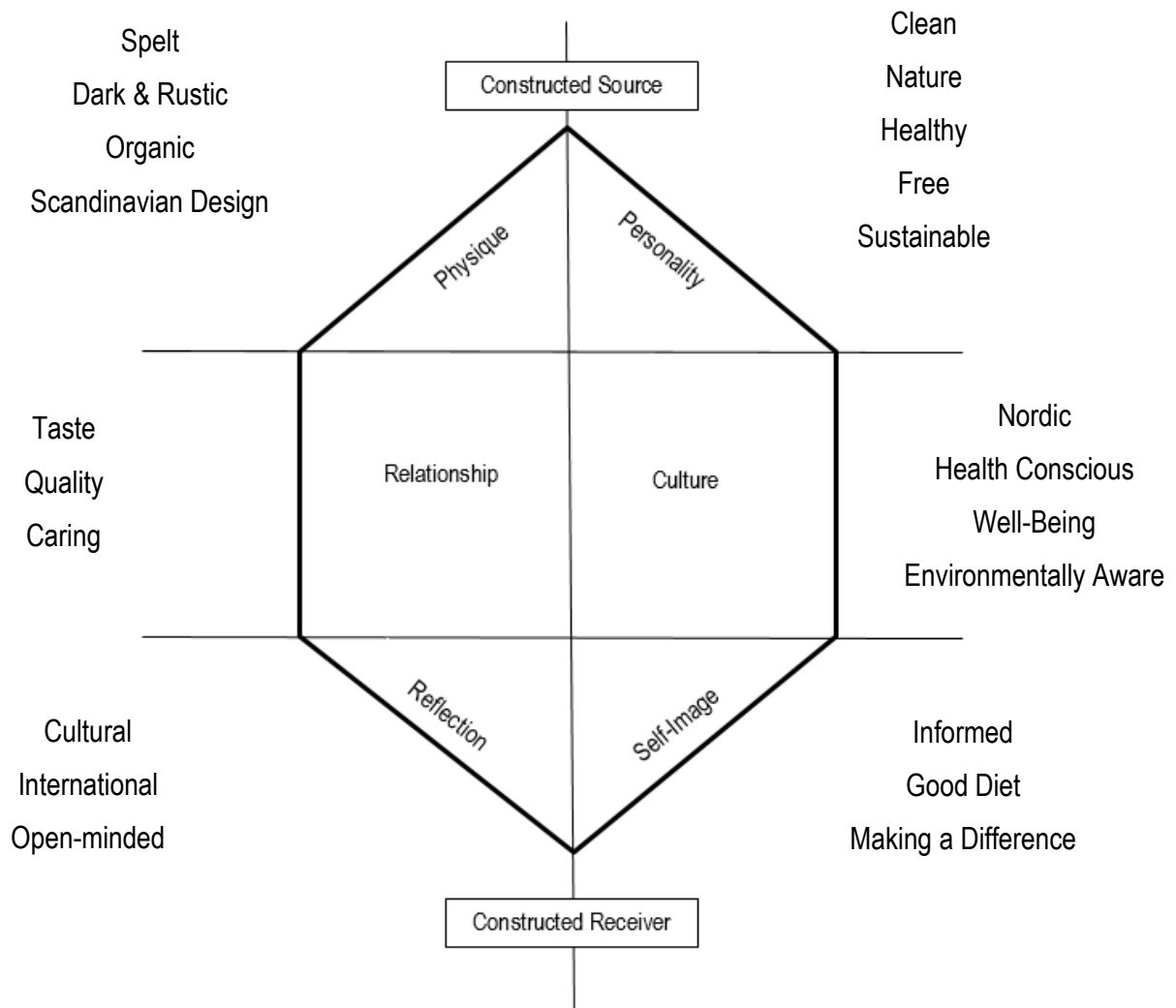


Figure 6. SunSpelt's new brand identity.

As stated earlier, the physique aspect of the identity prism represents what the brand looks and feels like. The spelt grain can be seen as one of the main physiqués of SunSpelt's brand, as without it the brand cannot offer any products. To give a visual example, the packaging of the product can display the spelt grain in its original form, or after it has been milled. SunSpelt also have the opportunity to incorporate an element of spelt into their new logo. The company's colour scheme has moved towards a dark and rustic theme, which is both attractive and unique. Choosing a rustic style helps in order to portray the rural aspects of the brand, as well as enforcing the organic feeling of the product. Overall, the consumer is left with a memory of SunSpelt's Scandinavian design, simple and functional.

The personality aspect refers to the character of the brand. Firstly, as a Finnish brand, SunSpelt embraces the identity of coming from a country that is known for its nature and its cleanliness. Spelt, which is highly nutritious, is the main ingredient of the company's product and therefore provides the positive health aspect to the brand's personality. As the spelt that SunSpelt uses is grown on biodynamic and organic farms, and is completely clear of being genetically modified, it helps promote the brand's character as being free and sustainable.

The culture that the brand presents relates to Nordic customs, those who are health conscious, concerned about well-being as well as environmentally aware. Nordic customs are communicated through the products themselves, especially through the love of liquorice and unique crisp bread. The nutritional values of spelt also accommodate for consumers who are conscious of what they consume, and the effects it has on the body. The SunSpelt brand also communicates the fact that it is a company that is greatly concerned with sustainability, ethical standards and fair trade. This makes it an ideal brand for individuals who are aware of the negative impacts that can happen to our planet.

When creating a relationship between the brand and a consumer, SunSpelt hopes to build around the taste that their products provide, the constant high quality of their produce, along with the care that the company holds for the end user. SunSpelt creates a relationship through taste by offering unique products and flavours that may be hard to find elsewhere. This is similar with the type of products they are offering, as an example crisp bread will only have few competitors for the consumer to choose from in the US market. For quality, SunSpelt offers products that have been looked after throughout the whole process. The organic ingredients are sourced ethically and sustainably, and this level of support is continued throughout the whole process right up until the consumer's interaction with the brand. This approach provides the consumer with the idea that in order to maintain receiving high quality from these types of products, then they need to keep an active relationship with SunSpelt. This is similar for the care that is portrayed by SunSpelt. The healthy products are effective in helping a consumer identify that SunSpelt cares for what they are putting into their body, and that altogether they are part of a relationship that cares about the consumer's well-being.

The reflection part of the identity indicates how users want to be viewed after becoming customers of the brand. The SunSpelt brand provides its users with two key factors that represent them in a positive and distinctive manner. Firstly, due to SunSpelt offering a variety of products

that are unique to the Nordic region, the user instantly gains recognition of someone who is internationally and culturally aware. Adding to this, being a customer of a brand that offers unusual or uncommon products introduces the idea that you are an open-minded individual.

Finally, the brand will create a self-image for how the end users view themselves after purchasing the product. Once again, as the brand is international and unknown in the US, the user will be identified as someone who is informed about the latest food and international trends. The brand also indicates that the user is someone who cares about their diet and what they put into their bodies, as the products are entirely organic and are focused on nutritional values. The organic products and the transparent sustainability from SunSpelt also help to provide a self-image of care from the user, indicating that they are individuals who want to help 'make a difference' in the world.

### **6.2.1 Brand Design**

When focusing on the design of the brand, SunSpelt have the option of using a relatively low-budget style of brand development. This method involves using a geographic image that includes stereotypes that the consumers have of cities, regions or countries. There are numerous ways in which a brand can be linked to its geographic origin, such as mentioning it directly in the brands name, with Finnair, Nokia and Iittala being prime examples in regards to Finland. Alternatively, it can be mentioned indirectly in the brand name. Using French car companies as an example, André Citroën and Armand Peugeot both have names that are recognised as originating from France.

A more common way of indicating a brands geographic image is by simply stating 'Made in...' on the product or packaging. Apple have adopted this approach heavily and changed it slightly by putting 'Designed in California' on their packaging and devices. Another frequent method is the use of slogans to depict the country of origin. Slogans are also very efficient in communicating the geographic image, the Swiss chocolate company Lindt created a brand logo that states how they are the "Master Swiss Chocolatier" (Lindt Shop UK, cited 09.12.2016). Finally, it is also possible to use national symbols near the brand name; this could include a country's flag, coat of arms or geographic location on a map. (Riezebos et al., 2003, 94-95.).

To gain an advantage in the US markets from using a geographic image, SunSpelt have experimented in creating new slogans and phrases that help portray their country of origin. Three of the following slogans were constructed to best help convey the image:

1. Nordic flavours
2. Nordic flavours from Finland
3. Bringing you a taste of Nordic sunshine
4. This is the taste of Finnish nature: clean and pure
5. Gluten-free super-food from the pure Nordic nature
6. Grown under the Midnight Sun

A short but expressive text was chosen to surround the company logo. "Nordic flavours from Finland" identifies where the brand is from, and what the consumer can expect to receive in terms of an experience and taste. "Bringing you a taste of Nordic sunshine" was adopted as the company's slogan and is to be used as a headline statement in their marketing methods. It is also important that the company continues to support using their geographic image in areas such as their product descriptions or story lines. "We use only the best ingredients grown under the Midnight Sun: organic, sustainable and ethically produced." This provides an example of how the company can incorporate its geographic location into its brand more subtly.

After creating a new identity for the brand in chapter 6.2, SunSpelt need to create a logo that is consistent with it. This is due to the logo playing a large role in communicating the identity to the consumer, and is one of the key representations of the overall brand. The logo will be a major aspect for brand recognition to the consumer and therefore acts as a method of identification. A logo that offers differentiation also helps the user in deciphering one brand from another, therefore a creative and unique logo is important. The design of the logo should also be attractive to the consumer, and whilst it should help to communicate the brands values, it also needs to provide a sense of familiarity. (Riezebos et al., 2003, 139.).

Riezebos et al., (2003, 140.) state that consumers are especially attracted towards logos that are made of natural and harmonic shapes. For example, a natural shape could be circular, and a harmonic shape could include a square balanced equally inside a larger one. Important elements for designing a logo are described as the shape, material and structure, text and typography, calligraphy, colour, illustration, photography and composition. The authors go on to describe how

psychological aspects should also be considered when designing a logo. They mention how the 'Gestalt' theory, which expresses that 'the whole is greater than the sum of its parts', identifies that each piece of the logo is dependent on the other. This means that no part of the logo's shape will be viewed as individual, and instead all shapes will be combined to determine the overall vision of what the user sees. Furthermore, it is said that a brand's shape can become so familiar to a user that it can be recognized separately from the brand's name itself. Apple Inc. and their logo depicting an apple that has been bitten into, show a prime example of this. In fact, it is very rare to see any text next to the logo itself.

Another defining factor for the brand is the colour. Riezebos et al., (2003, 141, 142.) again state that there are various psychological meanings to different colours that are used. This includes having effects on an individual's emotional values and even nervous system. The authors explain that different colours lead to different levels of stimulation, with the order of highest to lowest levels being in the following order: yellow, orange, red, blue, green and purple. How the colouring is organized is split into three categories: the shade of colour and whether it is primary, secondary or tertiary, its tone and its brightness.

The current brand for SunSpelt offers a logo that is disjointed and unreflective of the brand's values and what it has to offer to the consumer. As shown in Figure 7, the image of the logo is slightly obscure and only gives the indication of the letter 's'. The logo has potential to identify the brand for quick recognition time, however the lack of differentiation should be concerning, as single letter logos are fairly common and its familiarity may get confused with a different brand.



*Figure 7. SunSpelt's current logo.*

To help create a new logo for the brand, a professional illustrator and graphic designer was employed to work alongside the company's current art director. The new brand must be consistent with its new identity that was created earlier whilst still being unique. It was mentioned previously that consumers are especially attracted to logos that are made up of natural or

harmonic shapes. Because of this, SunSpelt have opted for the basis of their new logo to be circular.

The colours yellow and orange were stated to offer the highest levels of stimulation. They are also often reflected as colours of warmth, which suits not only SunSpelt's company name (Sun), but also their philosophies and ultimately their products intentions. Many of these colours already featured in the company's previous marketing materials, and the company will continue to work with them.

An early experimental logo can be seen in Figure 8. The foundation of this logo is built upon a simple and organic image, which matches with SunSpelt's values. The hand drawn image provides a natural feeling, and whilst being quite basic, maintains a sense of uniqueness. However, feedback that was received informed the development team that the logo appeared to be too feminine and lacked charisma overall.



Figure 8. Two early experimental logo designs for SunSpelt.

Further research conducted by the design team lead them to base the logo on a stamp-like design, allowing more graphical elements to be added to the natural shape. They also believed that having extra features in the design would help it stand out further from other parts of the

brands design and provide more masculinity. Sticking to their brands identity of having a clean personality that also relates to nature, SunSpelt decided to experiment with incorporating elements such as earth, wind or water into the logo with small illustrations. The updated logo can be seen in Figure 9.



*Figure 9. Two updated logo designs for SunSpelt*

In this newer design, one of the previously mentioned slogans, “Nordic flavours from Finland” is written in a banded fashion along the outside of the image. Even though the Nordic region is widely known, the company believes that there would not be any harm in mentioning directly that the company comes from Finland. Including the country of origin in the logo also helps in the Finnish domestic market. As SunSpelt’s products are considered luxurious and high-end, it is possible that the logo will also feature a golden foil design, shown on the right in Figure 9.

Whilst the logo is now very reflective of the company’s identity, it could also be seen as quite overcrowded and overwhelming. To ensure that the consumer recognises the most important parts of the brand, SunSpelt decided to remove the extra illustrations, leaving only the spelt grain. To make the logo stand out more, it was also decided that the circular shape would have a more rugged design. The direction of the company’s colour scheme in other areas, such as their product packaging, also favoured a white coloured logo - although in some circumstances, orange and yellow may still be used. The final version of SunSpelt’s new logo can be seen in Figure 10.



Figure 10. Two final versions of SunSpelt's new logo design

### 6.2.2 Packaging Redesign

The role of packaging is described by Riezebos et al., (2003, 87.) as being either passive or active. When packaging has an active role on a brands development, the design actively contributes to the brands image. In the case of SunSpelt, having the image of a blueberry smoothie on the front of their fibre supplement packaging would allow the consumer to identify the healthy uses of the product. Altogether, the active role helps to communicate the meaning of the brand to the user and the content used must have an appeal to them. On the other hand, the authors mention that a brand with passive packaging mostly relies on advertising to provide content to the brand image. After consumers are exposed to certain amount of advertising, the packaging will then link effectively to the brand image for them.

Riezebos et al., (2003, 136.) define packaging design as “the form and the graphic style of the material in which a good is packaged and which can be used as a means of communication to the market and to consumers”. Aside from the functional aspects of the packaging (such as protection, containment or storage), the packaging needs to correspond with the brand in communicating the brands identity and attracting consumers to it. In an active packaging role, visual signs should be created so that the consumer can revert to in order to remember and identify the brand. Uniform branding, such as colour schemes or imagery can be extremely beneficial in these circumstances.



Figure 11 shows SunSpelt's packaging design for their fibre supplement product before the rebranding process. The design itself is simple and minimal, but does not work as actively as it could do. The image of the product itself may be difficult for consumers to understand if they do not already know what the product is. A smoothie is shown on the front, but there is no mention of the product also being useable in other ways, such as in yogurts or porridges. SunSpelt aims to fix this by having text that tells about realistic usage possibilities on the packaging. This is especially important when entering a market with an uncommon product.



*Figure 11. SunSpelt's current fibre supplement product packaging.*

The text on the packaging also could be seen as being too passive. One of the unique selling points is that the product is manufactured using a nutritious spelt grain, however the 'spelt' text is fairly small. The colours of the background and the text also do not offer enough contrast, making it difficult for the consumer to read the packaging effectively or especially at distance. This could be altered by having text in a much larger font size and style, making it easier to see and read. The new text could also be placed on top of a colour scheme that has a much larger contrast, such as white on black.

The original cardboard box design has been effective in the past; however, SunSpelt opted to go take a different approach with their packaging materials during this rebrand. Instead, the company have opted to use more modern standing bags to contain their produce. The new packaging was shown to be very popular amongst the US market when research was conducted, with many similar products being packaged in this way. These bags are beneficial in many ways, such as being soft and flexible as to avoid being crushed, having a re-sealable feature, compact and space saving, and overall very durable. The material of the new packaging feels of high quality, which also aids in the user experience.

Figure 12 shows one of the earlier packaging designs that was developed by the art team. Here, a darker colour scheme was implemented to help the text stand out more, as well as using a much larger front size to emphasize the product information. The font style used is also more masculine than that of the old, which felt quite feminine alongside the light packaging. The design now shows a better example of how the product can be used, with a clearer image of a smoothie on the front.



*Figure 12. Early stage packaging development for fibre supplement.*

After reviewing the second design, the SunSpelt team then developed a new style of packaging that they felt portrayed their identity and product sufficiently, is very attractive, and is made of high quality materials. The new rebranded packaging can be seen in Figure 13 below.



Figure 13. Final version of SunSpelt's rebranded fibre supplement packaging.

Firstly, the SunSpelt team identified that the background of the packaging still needed to be provide a greater impact, as well as playing more of a role in reflecting their identity. A dark and rustic image of wooden panels gives a sense of the natural and organic Finnish countryside, whilst also being a perfect base for lighter colours to be placed on top of. The actual design itself is created as a large sticker, with a matte-like finish, which allows more detail and customization to be added to the front of the new packaging, which otherwise would be bland.

The white logo on the dark background now has the potential to be eye-catching, and is much more visible now in its new position. The inclusion of a small sticker-like shape filled with ideas of other uses for the product was also added to the front of the packaging. This provides the user with more confidence and understanding of the product. The nutritional values are also displayed on the front as well as on the pack of the packaging. The back of the package provides readers

with further and more in-depth recipes of how to use the product, as well as a brief story of how it is made, what it contains, and why it is good for you.

### 6.2.3 Product Adaptation & Standardization

With SunSpelt's newly created brand, the company also needs to determine whether their products will be adapted for different markets, or to standardize them completely. Adaptation is defined as making changes to fit a particular culture, environment or conditions, whereas standardization is producing the same products for many markets. In this case the company has opted for standardizing their product range. The general advantage of product standardization is the cost savings in areas such as production and marketing, as well as overall economies of scale.

Due to lack of information and research from the case study in this area, the product standardization of SunSpelt will only be discussed briefly, with the focus being on their spelt liquorice product. Figure 14 shows SunSpelt's original spelt liquorice product, where originally it used the conventional bag-like packaging, containing individual pieces, or 'bites', of liquorice.



Figure 14. Spelt Liquorice Original Packaging

As SunSpelt is looking to expand to the US market, they will also be looking to update their other products which were not yet selected to feature in the process. Whilst unifying the liquorice packaging, they decided to adapt the product to what they deemed as necessary to be successful in the US market. Per the company's research, they found that it would be beneficial for them to adapt their product from the individual 'bites' to a regular 'bar' type form. The outcome of the liquorice product adaptation can be seen in Figure 15 below.



*Figure 15. New Spelt Liquorice Bar*

### **6.3 International Strategy**

The following section will identify and discuss how SunSpelt could take their current products from their domestic market in Finland, and enter the US markets by using an international strategy. Gerry Johnson, Richard Whittington and Kevan Scholes (2011, 265, 266.) help in explaining how to create an international strategy using a framework with five main themes. Figure 16 displays the themes included in the framework, consisting of internationalisation drivers, geographic advantages, international strategy, market selection and entry mode.



Figure 16. International Strategy Framework (Johnson et al., 2011)

The framework operates by first identifying internationalisation drivers and geographic advantages, in order to best determine which strategical approach to take. Once the best strategy has been chosen, the next step is to best choose which markets to select and which to stay clear of. Lastly, how to enter the chosen markets must be decided.

### 6.3.1 Internationalisation drivers

Internationalisation drivers refer to the reasoning behind why the company wants to expand internationally. Using an adapted version of George Yip's globalisation framework, the drivers of internationalisation are split into four categories: Market, Government, Cost and Competitive drivers. Market drivers identify market characteristics, such as if customers have similar needs to what a company currently offers in its home markets, or if the company's marketing can easily be transferred. In regards to SunSpelt, their research indicated that there was a sufficient interest and trend in Nordic food products, especially in the New York City area. As SunSpelt are currently enjoying success in their domestic markets with similar products that are in demand in the US markets, then they have a good opportunity of being successful.

Cost drivers relate to how costs can be reduced when operating internationally, such as with economies of scale (with an increase of both production and purchasing). Favourable logistics also works as a cost driver, depending on the product, it may be beneficial to store or manufacture it in a country with a better transport infrastructure or central location. As SunSpelt

operate as a SME, there may be few cost drivers for them to benefit from. A larger production scale could be beneficial, but it also comes with a large risk in the beginning if the company fails abroad. The distance between Finland, where the products are currently manufactured, and America is also great. This could prove costly for SunSpelt when exporting their product, possibly resulting in higher prices for the end product. (Johnson et al., 2011, 266-269.)



Figure 17. Internationalisation Drivers (Johnson et al., 2011)

Johnson et al., (2011, 269.) mention that government drivers revolve around issues such as trade policies, currency and rules and regulations relating to company ownership and operations. These drivers may vary in seriousness from one company to another depending on the industry, as some countries may have greater restrictions than others. However, organizations such as the World Trade Organization and the European Union are among some that aim to help improve transparency.

It is difficult to define the exact government drivers for SunSpelt as it was not something that was openly discussed. However, we are aware that the US provides policies that ensure products are of high quality and standards within their markets. Policies put in place by the United States Food and Drug Administration (USFDA) and the United States Department of Agriculture (USDA) may be of interest, or concern to SunSpelt. On one hand, they may help keep the company's product

clean and safe, although they may also create higher costs for the business if there are new or extra guidelines that need to be followed.

Lastly, the competitive drivers are referred to as relating specifically to globalisation as a worldwide strategy, instead of a more basic international strategy. Interdependence of operations allows the drive to go global appear more feasible and realistic, as countries or companies will depend on each other for different products or materials. Furthermore, companies may feel forced into going international through the prospect of competitors. For those companies who do not have a well-constructed international strategy, they become vulnerable compared to those that do. In the case of SunSpelt, their international competitive drivers are most likely to be small scale, such as creating positive relations between similar businesses that share similar interests or operations. The United States placed second on the amount spent for world product imports in 2014, with approximately \$1.5 billion spent (World Integrated Trade Solution - World Bank, cited 21.12.2016). This amount is almost triple of what other countries spend on imports, and because of this, it provides a strong driver for SunSpelt to aim at exporting to the US market.

### **6.3.2 Geographic sources of advantage**

Geographic sources of advantage are found in two areas: locational advantages and international value networks, with the first relating to benefits that an organization can use located in their home country, and the latter to sourcing advantages from foreign locations. To best understand how locational advantage works, we can use the diamond model developed by Michael E. Porter. (Johnson et al., 2011, 269.).



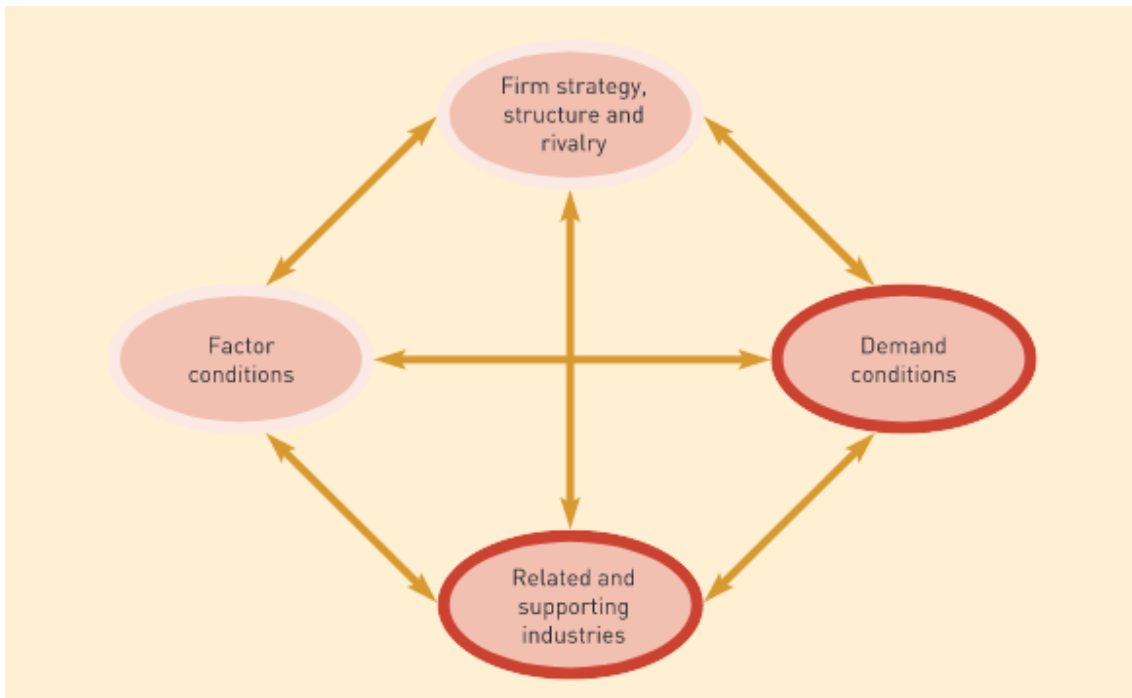


Figure 18. Geographic Sources of Advantage (Johnson et al., 2011)

Porter's Diamond helps to identify the conditions in how locational advantages are met, with the model being split into four segments that interact with one another. These four segments include factor conditions, home demand conditions, related and supporting industries and lastly firm strategy, industry structure and rivalry. By using Porter's Diamond model, SunSpelt will be able to study each of the above points to understand how they can best create home-based advantages, which in turn will help to create a competitive advantage for international purposes.

Factor conditions refer to a country's infrastructure, production or labour force that are required in order to create a product or service. When analysed further these factor conditions also include capital resources, physical resources and knowledge resources. Inspecting these conditions altogether, a nation can identify how strong or successful are the skills of its workforce, their technical or scientific knowledge for research and development, which raw materials they are in abundance of, or how efficient and reliable their transportation and communication methods can be.

Operating in Finland, SunSpelt have access to a farming community that is well established. This is important as their brand relies solely on the spelt grain. Despite being a comparatively small nation, Finland ranked second in the Knowledge Economy Index conducted by the World Bank in 2012. The index provides a scale of how the country performs with economic incentive,

institutional regime, education, innovation, and information & communications technology (Knoema – Knowledge Economy Index, cited 21.12.2016). More negative home factor conditions for SunSpelt is the countries climate and geographic positioning. For almost half of the year, the ground is frozen and snow covered, adding limitations and creating higher agricultural costs. The cost of exporting and transporting from isolated regions also creates complications.

Home demand conditions relate to the needs and wants of consumers within an organization's country of origin. For instance, pressure can be put on companies to innovate and improve faster or to risk losing consumers to other businesses. On top of this, by focusing on the demands of those in the home markets, companies can use this anticipation as an indicator that these needs will also be apparent in foreign markets also. Altogether, focusing on home demand conditions can lead to a business being suitably prepared for international markets. SunSpelt have already gained a strong demand for their product in their domestic market, and it is possible that they have also received conditions from retailers who they cooperate with on improvements that need to be made to the product range.

The related and supporting industries segment, sometimes known as business clusters, identifies if it is possible to group and work together with a collection of local industries to support each other and create a competitive advantage. A prime example of these clusters can be seen in Silicon Valley, located in the US. The area is known for being a leading location for cutting edge technology, with business clusters operating in software, hardware, and research markets. For an organization to have much of what it needs local to them, it creates benefits in terms of accessibility to required equipment, early access to new methods or technology, the sharing of information, as well as reliability. SunSpelt has strong relationships with its partners, and by working together, it allows each side to grow stronger. When the businesses who are growing the crops and performing the milling process have a good year of business, it also reflects positively on SunSpelt, who will now have a larger amount of stock.

The final area, firm strategy, structure and rivalry, looks at how companies are created, organized, managed and rivalled. For example, in some countries, businesses follow a very structured hierarchy, whilst others can be run in a more family like manner. These differences in organization, and whether or not they are successful, depend on whether the national environment is suited to the type of industry. Innovative businesses looking to avoid creating the same standardized products may opt for a more flexible structure, in order to allow for more

creativity. Rivalry also plays a big part in both creating and reducing competitive advantages. Competition amongst businesses helps drive for innovation and development, however if there are no rivals then it is easy for companies to become complacent.

Operating as an SME with few employees, SunSpelt provides a working environment that is suggestive, creative and built on shared values. The employees each believe in the products and use them often, which helps in identifying improvements that could be made. It is common that people with certain expertise can be involved in performing other activities, which altogether allows the company to be more flexible and complete tasks at a faster rate. A more relaxed hierarchical approach can also create a more productive workforce in some cases. (Porter, 1998, 71-76, 91, 107-108.; Johnson et al., 2008, 269-272.).

Having an international value network focuses on structuring a company's value chain in regions that can be best utilized to create an advantage. These locational advantages are categorized through cost advantages, unique local capabilities and national market characteristics. Firstly, cost advantages, which include elements such as labour, transportation and communications costs, can be achieved through global sourcing. Outsourcing jobs in the IT industry from a British company to an Indian company is a prime example, where the employee's wages would be significantly lower. Similarly, basing your distribution centre in a country that has good infrastructure, geographic location or high exports is likely to be more efficient and cost effective than operating in a remote location with an unfavourable logistics infrastructure.

As SunSpelt aim to manufacture products that are strictly sourced from the nature of Finland, they do not have much freedom or possibilities in utilizing any advantages that are outside of the country in agricultural terms. This is one of the reasons why the price of the product may be higher than its competitors. If they were to source their grains from a different and more cost-effective location, then they would lose the unique selling point of having "flavours from Finland".

An example in the case of unique local capabilities can be made when we look at the collaborations between certain organizations, for example with universities and hospitals. By working together, universities can provide methods of offering practical experience to their students through use of the hospitals, and in return, the hospitals can receive qualified staff as a result. This same method can be applied internationally by organizations that can venture to

different regions, and altogether shows that advantage and value can be made through other ways than just exploitation.

National market characteristics can provide competitive advantage using product differentiation. Using Great Britain as an example, the British are known for their expertise in the tea industry. Whilst often drunk with either milk, lemon or even black and known as black tea or breakfast tea, British tea companies are still viewed superiorly in regions such as Asia, when selling differentiated products such as green tea or fruit tea. This shows how national market characteristics can be transferred over from one region and product, to another.

Whilst venturing further internationally to find these locational advantages can be beneficial, it is important to remember that with a wider and more complex network, organization and the maintenance of relationships becomes more difficult (Johnson et al., 2011, 272).

### **6.3.3 International strategies**

When studying the types of international strategies Johnson et al., (2008, 304.) introduce us to what is known as the global-local dilemma. This dilemma looks at to what length a product or service can be standardized across national boundaries, or whether they may require adaptation in order to meet certain requirements of a country's market. Within this global-local dilemma, there are four types of strategies that can be used based on the international configuration of the organization's activities. Such configurations are usually based upon how and where the company will distribute, manufacture and develop its products geographically, whether these processes will remain localised or decentralized. The concluded four international strategies consist of: Simple export, multidomestic, complex export and global strategy (Johnson et al., 2008, 305.).

Simple export is based on the focus of activities in a single country. As shown in Figure 19, the simple export strategy has a highly concentrated configuration and a low level of coordinated activities. The marketing, pricing, and packaging is likely to be decided from the organization's home perspective. Any marketing for the export destination will tend to be the same as in the products home market, although it may be organized slightly different in the other markets if the company chooses to use independent agents. Businesses that have a strong locational

advantage can benefit greatly from the simple export strategy. This can include certain types of manufacturing, natural resources or transportation costs. (Johnson et al., 2008, 305.)

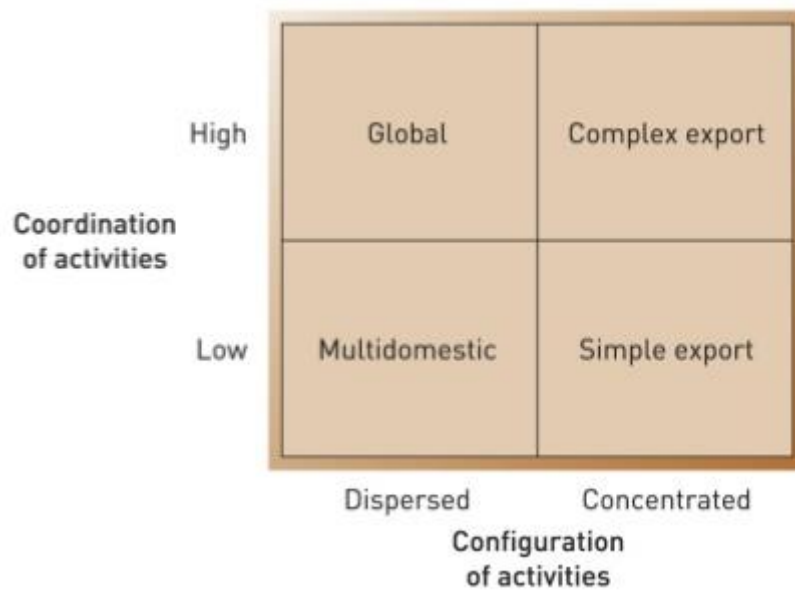


Figure 19. International Strategies (Johnson et al., 2011)

Using a multidomestic strategy allows the company to cater to different international regions through needs localised to them. For example, this means having a product made specifically tailored to the region as well as the marketing. The idea behind the multidomestic strategy is that the needs of the consumer vary greatly from location to location, and that a product gains a large advantage by catering for the specific need or want. Unlike in the simple export strategy, the manufacturing is done locally to each national market, this allows for swift adaptation to counter competitive rivals as well as other local threats or opportunities. However, the disadvantages of such strategy include factors such as higher production and distribution costs. (Parthasarthy, 2007)

Complex export is described by Johnson et al., (2008, 306.) as a strategy that involves having most of an organization's operations in one country, whilst using more coordinated marketing between each national market. As shown in Figure 19 and similar to the simple export strategy, this causes the configuration of activities when using complex export to be very highly concentrated to one location, while the coordinating of activities is also high. The strategy is suitable for companies looking to keep the locational advantages that they have whilst still being able to build a more focused and international brand across numerous countries.

The fourth and final strategy, offering widely spread but extremely coordinated activities, is the global strategy. This strategy allows businesses to compete with others on an international level by providing a product that is universal throughout. It is usually focused around an organization's belief that the approach taken in their domestic market will also be successful in every other region of the world (Parthasarthy, 2007). Each activity can be efficiently placed in the region that gives the best competitive advantage to the organization, leaving the possibility that the manufacturing, distribution and marketing operations could all be done in separate locations (Johnson et al., 2008, 306.).

Once again, due to the size of SunSpelt, it would only be realistic for them to use a strategy that focused around simple export. The company would struggle to have their activities widely spread with such a small workforce, and using a simple export allows them to keep tasks in one location and under strict control. This strategy involves keeping all production within Finland, which allows the company to keep the products Nordic identity, and the company can still boast that their ingredients are grown under the 'midnight sun'. Research and feedback obtained by SunSpelt also appeared to show that the products branding and packaging designs were received positively in both their home market and internationally, meaning they would be able to keep determining these activities locally since they translate well to other markets.

#### **6.3.4 Market selection**

After sourcing advantages and selecting a strategy, organizations need to make a decision on which markets to enter and in which country. Some countries may be more appealing to a business than others, and there are various tools that can be used to compare and understand which may be best selected. Elements of the PESTLE analysis, specifically political, economic, social and legal help in identifying the positives of a country. Table 2 displays a brief evaluation of the USA in regards to these four areas.

<b>Political</b>	<b>Economic</b>
<ul style="list-style-type: none"> <li>• Political security</li> <li>• Politically stable</li> <li>• Enforced laws &amp; regulations (Industry specific)</li> <li>• Relationship with European Union</li> </ul>	<ul style="list-style-type: none"> <li>• Strong / reliable economy</li> <li>• Healthy currency</li> <li>• Large number of consumers</li> <li>• Economy high in imports</li> </ul>
<b>Social</b>	<b>Legal</b>
<ul style="list-style-type: none"> <li>• Strong demographics</li> <li>• Suitable &amp; various cultures &amp; lifestyles</li> <li>• Basic and higher education</li> </ul>	<ul style="list-style-type: none"> <li>• Safety &amp; health regulations &amp; policies</li> <li>• Trade agreements</li> <li>• Consumer protection</li> </ul>

*Table 2. PESL analysis of the US*

Firstly, the US is seen as a very politically stable country, and corruption is not something that is usually associated with it. Although this is similar with many European countries, other regions in the Americas do suffer from political corruption. Since the political system in the US is unlikely to change drastically, SunSpelt can avoid worrying too much about political unrest in the future. SunSpelt can also take comfort in knowing that the political institutes in the US enforce their laws and regulations vigorously. The fact that the US and the European Union have the largest trade and investment relationship in the world provides also works as a positive for SunSpelt (USA-EU - international trade and investment statistics, cited 10.01.2017).

Secondly, as a country the US has a strong and reliable economy, even through periods of financial crisis which acts as a type of security for SunSpelt. Furthermore, whilst the US Dollar is not the strongest currency, it is certainly healthier than others, which is something that SunSpelt can be confident in when doing business. The population of the country, roughly 323 million, also acts as a positive, as there will be a wider reach for the company to achieve. The US also ranked first in the world for imports, spending approximately \$2 trillion each year. (The World Factbook: UNITED STATES, cited 10.01.2017).

In regards to the social aspects, the United states has strong demographics. As mentioned earlier, it is a country with a vast population. It maintains a healthy age structure, with a steady population growth, birth rate and death rate. Due to the population size, it is likely for SunSpelt to attract a wider audience to their products, especially as there are numerous cultures and lifestyles that would benefit from them. As many Americans receive basic and higher education, it is likely that they are more cultured and aware of countries such as Finland. They should also be aware of the importance of a healthy lifestyle, fair trade, and sustainability, all of which is offered by SunSpelt.

Finally, the US has policies and regulations that relate to health and safety. Realistically, many of these should already be met by the products offered by SunSpelt, however there may be small adjustments that need to be made compared to the standards of the EU. Entering a market that requires different manufacturing methods or materials will add extra costs to SunSpelt, however the differences here are not likely to be so impactful. As a country, the US also offers many trade agreements, which help in making trading easier and more efficient. Currently, the US are in negotiations regarding the Transatlantic Trade and Investment Partnership (TTIP) with the European Union, which could be beneficial for SunSpelt (Free Trade Agreements: United States Trade Representative, cited 10.01.2017). Consumer protection law also plays a large role in the United States, designed at protecting consumers as well as businesses against types of fraud or unfair practices to gain an advantage. The laws also apply to protecting fair trade, which is an important part of SunSpelt's philosophy. (Federal Trade Commission: Enforcement, cited 10.01.2017).

To analyse the match between SunSpelt and the United states more closely, we can use the CAGE distance framework, as discussed in chapter 2.1.6. Here we will be able to identify the differences in between the two countries cultural, administrative, geographic and economic factors, in a bilateral analysis of the countries.



<b>Country Pairs, Finland &amp; United States</b>	<b>Culture</b>	<b>Administration</b>
	<ul style="list-style-type: none"> <li>- Unshared language</li> <li>+ Finns usually have a strong grasp of the English Language</li> <li>+ Shared majority of Christianity as religion</li> <li>+ Shared social norms / customs</li> </ul>	<ul style="list-style-type: none"> <li>- Different trade blocs</li> <li>- Different currencies</li> <li>- Different legal systems</li> <li>+ Low amounts of corruption</li> <li>+ Good political relations with each other</li> </ul>
	<b>Geographic</b>	<b>Economics</b>
	<ul style="list-style-type: none"> <li>- Great distance between locations</li> <li>- Limited connectivity / Remote location</li> <li>- Limited logistic options</li> <li>- EET/EEST vs several US time zones</li> </ul>	<ul style="list-style-type: none"> <li>+ Comparable GDP per capita</li> <li>+ Similar Human Development Index rating</li> <li>+ Overall strong economic infrastructures</li> </ul>

*Table 3. CAGE Distance analysis of Finland & United States*

To begin with, the cultural factors between Finland and the United states are mostly shared. The countries have different languages, however due to Finns having a well-developed educational system, many of them have a strong understanding of the English language and can communicate fluently. The two countries share common ground in having Christianity as the most practiced religion, resulting in shared national holiday dates between them both. Lastly, Finland and the US also share many social norms, especially in business etiquette and protocol. Table manners, gift giving, forms of greetings and dress code customs are very similar between the two countries.

In terms of administration, the two countries have separate trade blocs, with Finland being part of the European Union that has the European Economic Area (EEA). The United States on the other hand participates in the North American Free Trade Agreement (NAFTA), meaning that trade between Finland and the US is not as simple as if doing business between nearby countries. The countries both operate using different currencies, which can create difficulties when doing business. SunSpelt would need to decide which currency they would use for each operation, as

well as being aware of possible fluctuations to the exchange rate. The countries both have different legal systems which may also create more difficulties for SunSpelt if any legal issues did arise. However, both countries share good political relations currently and received scores of 89 (Finland) and 74 (United States) out of 100 on the Corruption Perceptions Index in 2016, the highest score was achieved by Denmark and New Zealand at 90 (Corruption Perceptions Index 2016, cited 08.03.2017).

Geographic issues between Finland and the US are apparent when realising the great distance between the two locations. Adding to this, Finland is located in the north of Europe and is therefore further away from key logistic hubs in the more central areas. As Finland is landlocked between Sweden, Norway and Russia, with the Baltic Sea being its only exit point, the country is restricted in its choice of transportation methods. Another geographical factor that may hinder SunSpelt's operations is the time zone differences. Finland operate using Eastern European Time (EET) or Eastern European Summer Time (EEST), whilst the US has several different time zones. Usually, Finland is around 7 hours ahead of the US, which again can create communication issues between those operating in each country.

Both Finland & the United States can boast good economic situations as they share similar results with each other. In regards to gross domestic product (GDP) per capita, whilst the US is still ahead of Finland, it shows that both countries are on similar levels of performance in regards to product output (The World Bank, GDP per capita, PPP (current international \$), cited 08.03.2017). Also, the two countries share a high score in the human development index rating, showing that both countries are providing their citizens with a long and healthy life, knowledge and a good standard of living – this altogether improves the image of doing business in those countries (Human Development Reports, cited 08.03.2017). Finally, both countries appear to have a strong economic infrastructure making business activity easier. This can be seen through their communication, transportation, distribution and financial systems that are in place.

Altogether, whilst there are negative factors shown in this CAGE distance analysis, the economic situation of the US still provides SunSpelt with a great deal of opportunities and potential for success. Trade blocs between the US and the EU, such as the Transatlantic Trade and Investment Partnership (TTIP) could still be formed to benefit SunSpelt, however that remains to be seen.

### 6.3.5 Entry mode

The final stage of the international strategy is identifying how to enter the selected market. The four common options that are presented include exporting, licensing and franchising, joint ventures and wholly owned subsidiaries. Those involved with determining which entry mode to take should also be introduced to the staged international expansion model, defined by Johnson et al., (2011, 282) as the “process whereby companies gradually increase their commitment to newly entered markets, as they build market knowledge and capabilities”. Essentially this means that companies have the possibility to first enter the market using methods requiring the least amount of resource commitment, such as exporting, licensing and franchising, before then moving onto other methods once local know-how, confidence and exposure has been obtained.

However, Johnson et al. (2011, 282.) go on to mention how the staged international expansion model is being challenged by two phenomena: ‘born-global firms’ and emerging-country multinationals. Born-global firms are described as new small companies that begin their internationalization process very early on and at a fast pace. For many new businesses, having an international strategy is a requirement, and with technology in the modern world that now helps to connect firms with suppliers and customers worldwide, the requirement becomes a possibility. Along with this, emerging-country multinationals operate quickly through entry modes, as the companies are often the result of unique local capabilities that have been developed in their country of origin. The reason for operating at such a quick pace is due to the threat of competitors catching up with their development, so the need to spread as fast and far as possible is great in order to maximise advantages and profits.

Despite SunSpelt being a fairly young company and already wanting to operate internationally, they do not qualify as a ‘born-global’ firm. Although having a close comparison, the desire to compete at an international level was not an original aim for the company, and their main focus has always been the Finnish domestic market. Many of the born-global firms have differentiation strategies in place from the beginning of their business life, developing designs and products that suit a targeted niche market. In SunSpelt’s case, their products were manufactured to be suitable for their domestic market right from when the company was founded. (Tanev, 2012, 6.).

The breadth of competitive advantage in the market, as well as tradability, is used to help decide which market entry mode to take when gradual staged expansion is not suitable. The breath of

competitive advantage identifies whether a firm can enter the market using only its own capabilities, or whether it requires assistance from local partners or others. Tradability focuses on if the company can rely on trading relationships, rather than having to be in the new market themselves. This can be decided by how easy it is to get the product from the country of origin to its new target market, as well as the legalities in the new markets country. (Johnson et al., 2011, 283.).

Figure 20 displays the modes of entry in accordance to tradability and competitive advantages. Export is best suited to companies that have strong home-based competitive advantages and whose product or services can easily be transported from their home market to the target market. Licensing and franchising can be used when the home company does not have the resources or requires the capabilities of others, as long as the new market has a sufficient legal system. Joint ventures with shared ownerships become an option when again the company needs support but also due to not being able to trust franchisees with their intellectual property rights. Finally, it is possible to operate as a wholly owned subsidiary with sufficient competitive advantage to be able to operate independently. The subsidiary can be either a greenfield investment or an acquisition, either starting the company from scratch or purchasing the company in a takeover move.

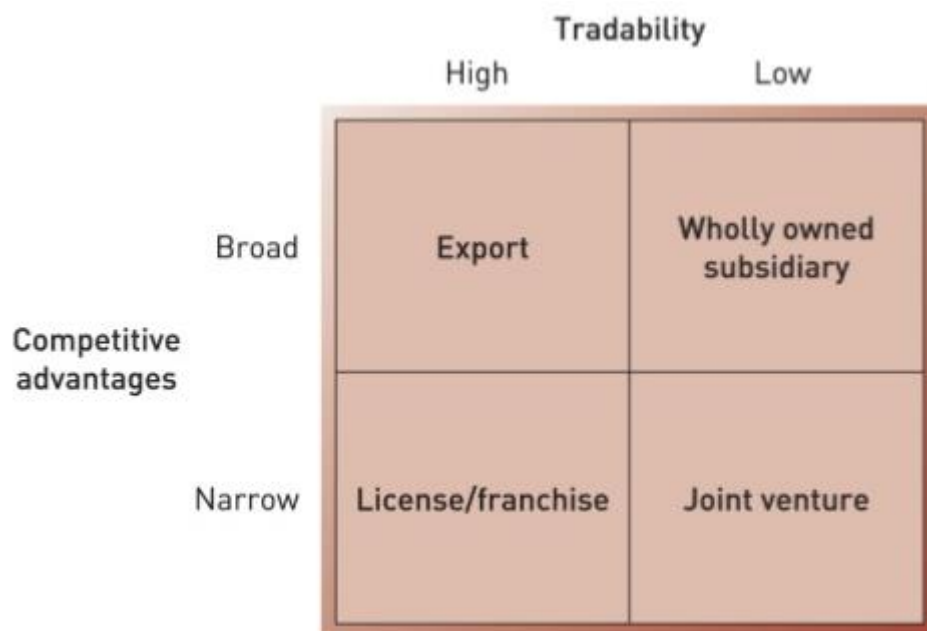


Figure 20. Methods of Market Entry (Johnson et al., 2011)

Again, due to the size of SunSpelt and the mode in which they operate, the most likely method of entry to the US market for them would be general export. It is possible for SunSpelt to take

advantage of using overseas sales representatives in the foreign region, to aid in local marketing and legalities. SunSpelt had previously been working with a marketing company who have experience in the US market, who have helped in creating networks and sales leads for the company to follow up on. It is also a possibility for SunSpelt for work with importing distributors, who purchase the products from SunSpelt in order to resell to wholesalers or retailers in the country.

Altogether, simple export is a safe option for the position that SunSpelt is in, it ensures that there is more protection of the company's trademark and product properties, and requires less financial commitment than the other methods. Exporting also works as a low risk entry method compared to the others, so if the company decides to discontinue the process the consequences will not be as severe.

## 7 CONCLUSION

The overall objective of this thesis was to provide the reader with detailed theory and research of the rebranding and international expansion process, whilst specifically applying the findings to the commissioning company. The thesis was conducted in order to support SunSpelt in rebranding in preparation for their international expansion to the United States. To be able to answer the research question developed for the thesis, "*What methods can be used to successfully rebrand, and what factors must be considered before expanding internationally?*", the paper answers four supporting questions regarding what research methods to use, information regarding brand identity, motivating factors for rebranding, and finally international strategy.

Firstly, the commissioning company has stated that the information provided to them through this thesis has been both informative and helpful in achieving their goals. The company now has an updated brand which is both healthy and growing in their home market, and is receiving great interest from international markets as well. As the content of this thesis has been applied to the commissioning company through the case study, the research conducted can be seen as being sufficient and successful.

In the beginning, the reader is introduced to branding and is guided through why it exists, what it is important for, as well as the various types. The introduction of the brand identity prism provides a step by step guide of how to successfully build a brand identity, giving insight into the development of a brand's physique, personality, relationship, culture, reflection and self-image. Altogether they are provided with the notion that having a clear identity for a brand is vital if it wishes to be successful.

After gaining an understanding of branding, the definition of rebranding and the motivations for doing so are then explained. The rebranding continuum provides an explanation as to the types of rebranding, being either evolutionary or revolutionary, and whether there are major or minor changes to either the brand's positioning or aesthetics. The reader also gains the understanding that rebranding can occur in three degrees, minor, intermediate or complete. To provide reasoning for why rebranding takes place, the study explains the drivers for rebranding, citing change in ownership structure, corporate strategy, competitive position or change in external environment. Furthermore, both proactive and reactive motivations are also explained. The

outcome from this section provides companies with an understanding of when and why rebranding should take place, which in turn will make the process more efficient and effective. This section is key in answering the third supporting research question, “*what are the motivations for rebranding?*”.

The final theoretical stage explains the benefits of expanding internationally, stating financial gain and growth as some of the benefits. This chapter identifies three factors of an international business strategy, including understanding why the company is moving towards being international, how to increase the number of customers, and identifying potential problems. To aid with further preparing for an international expansion, the various types of markets are also introduced, helping to understand whether a business should be targeting emerging or mature markets.

The above theory is then put into practice through the case study. The reader is provided with real world brand examples taken from the US markets, and studied further to understand various parts of the brands identity. Methods such as the SWOT analysis help in reinforcing the reasons as to whether the commissioning company should be expanding to the US market. The execution of the brand identity prism also shows first-hand how to create and justify a new brand identity, which is then used to develop and support a new brand, including a logo, packaging design and brand uniform for SunSpelt.

After the relative methods, have been applied in practice and the new brand has been developed, an in-depth review of the international strategy framework provides the commissioning company with information in which internationalisation drivers to be aware of, and the geographic advantages it has. This is studied to best determine which international strategy to take. Both PESTLE analysis and the CAGE distance framework help to effectively determine whether certain markets are suitable, and without using them companies may discover their chosen market to be less desirable further down the line. The final factor in completing the international strategy was to select a compatible entry mode into the market. This is mostly dependable on the size of the company, the product on offer, limitations to resources or capabilities, or required protection. The combination of each of the above leads to the creation of a realistic and comprehensive strategy that can be executed effectively.

The overall application of the collected theory and methods to the commissioning company has proven to be extremely successful. The outcome indicates that by understanding the process mentioned above, a company can appropriately determine what branding is, why they might rebrand and how to succeed in doing so. Referring to the original supporting questions, we can identify that the research methods used to support the rebranding process involve the rebranding continuum and the brand identity prism. We can also now answer that brand identity is hugely important in the success of a brand, and that it is constructed using the previously mentioned method, the brand identity prism. Finally, the international strategy framework that was applied to the commissioning company through the case study, as mentioned before, was realistic and comprehensive.

Therefore, the research question of this thesis, *“What methods can be used to successfully rebrand, and what factors must be considered before expanding internationally?”* should now be able to be answered by the reader.



## 8 DISCUSSION

Firstly, I would like to thank SunSpelt for the opportunity provided by them to conduct this thesis. During my work practice placement with the company, I learned a great deal about business in general and could develop my skills further by putting theory from my degree into practice. Whilst working at the company, previous discussions of rebranding soon become a reality. Due to having a strong interest in branding, I felt that the rebranding of the company would make a great subject for my thesis. I also believe that it was important for me to choose a topic that I was passionate about to get the best results.

The relationship that I had with the commissioning company was also extremely important. Since the main part of the thesis was conducted through a case study of SunSpelt, it was vital that I had frequent communication and good relations with the company. The company was very open with me in regards to what they wanted to gain from the thesis, what they were willing to provide me with, as well as what kinds of support I would receive when conducting the work.

Whilst I had a tremendous amount of resources and information from the company, it was not possible for me to be present at every meeting, or receive every piece of data, regarding the companies rebranding. Unfortunately, lack of access to some of the company's plans is apparent in the thesis, particularly in the product adaptation and standardization section. There were also limitations to the study through the sheer amount of information and details that I would need to include if I was to report on certain areas. For example, information regarding the rules and regulations of exportation, importation and agriculture would be far too overwhelming to be able to report effectively.

Continuing from the vast amounts of information regarding the subject, at times I found it difficult to determine what knowledge or data I should be including, or excluding from the thesis. Unfortunately, this may be clear to see in the thesis, and at times may confuse the reader instead. Also, the structure of the thesis could possibly be improved, as at times it feels slightly disjointed. Again, this may be due to myself wanting to include more information than necessary.

I feel that the overall research that I gathered and analysed was sufficient for the topic. In the early stages, I felt that I had more than enough data, however looking back now it may have been

beneficial to present even more. As branding is such a vital part of a business, there are numerous studies about the subject already published. Hopefully, by focusing on the rebranding of a Finnish company, the research in this thesis may entertain a niche audience.

If I, or anyone else, would recreate this study in the future, I would suggest collaborating with more than one brand to provide extra analysis. I would also recommend researching the opinions of consumers regarding brands, rather than focusing solely on the expert opinions and theories. Alternatively, it may be interesting to compare the differences in rebranding of both large enterprises alongside SME's.

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