

Seinäjoki University of applied science

THESIS ABSTRACT

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Author: Xu Guanyu

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Supervisor: Miia Koski

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The purpose of the thesis is the Finnish food brand in Chinese market.

The whole thesis will be divided into five chapters. The study area focuses on the Finnish food brand in Chinese market, elaborates the Finnish food brand in China, its possibility, predominance, problems, position and process.

This thesis will be based on analysis of different companies' cases, combine international marketing, international operation theoretical with the real cases; to elaborate the possibility of Finnish food industry and brand enter into Chinese marketing.

The whole thesis focuses on the Finnish food brand in Chinese market, then extended to real situation for the Finnish food brand to China.

After analysis and study of Finnish brands cases, compare the advantages and disadvantages of Finnish brands for marketing; provide suggestion for entering into Chinese market method to Finnish food brand.

Keyword: Finnish food brand, Chinese food market, process into Chinese market

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1. Introduction

This thesis takes a look into the Chinese food market and Finnish food brand into Chinese market. The purpose of the whole research is to describe how the Finnish food companies go into Chinese market.

According to the case analysis, thesis's goal is one Finnish company decided to export the milk products to China, especially baby's foods. So under this background, I would like to utilize the theoretical and practical approach to analyze and research an amount of aspects relating to International foods brand into Chinese market.

Understand how the Finnish food brands into Chinese market, no doubt the first action we need to know the Chinese food market. Therefore, I will begin the thesis from the theory of the Chinese food market. After the general conception of the Chinese food market, the basic knowledge of Chinese food market can be understand, the next step focuses on the International food brand in Chinese market, mainly is concern to some biggest International food companies.

Of course, the thesis's most important part is for the Finnish food brand into Chinese market; consequently, after the description of the International food brands, the international food brands in Chinese market will be elaborated. "How to do the business in China", "Why do the business in China", its development and situation currently all will

be stated in this part. And the research and analysis should be deeply and detailed, I would like to expound" Finnish food brand into Chinese market" from every relative aspect.

One Finnish company, Nutriciababy Finland will be as the samples in this thesis to illustrate the Finnish food brand into Chinese market for the topic of thesis.

In the multimarket, multicultural environment, the Finnish food companies should need a new way to developing themselves. Certainly, the Chinese market as the most important. According to current economic situation and the development trend, the Chinese market should be the necessary trend for the Finnish food companies in the future, even currently; Other international food companies have been developed well in Chinese market.

1.1 Goal of thesis

The main goal of the thesis is the Finnish food brands into Chinese market, according to this goal; the whole thesis will elaborate the Finnish food companies, background of the Chinese food market, relative with the Finnish food companies' development and into Chinese food market.

Based on Chinese marketing situation, combine with Finnish food companies operation and development; the thesis will analyze the possibility of entering Chinese marketing for Finnish food companies.

The study of Chinese marketing will start from the problems, situation, advantages, disadvantages and opportunities for Finnish food brand.

Certainly, the Finnish food brand into Chinese market will analyze with the case together, and through the cases, the goal can be more clear.

1.2 Structure of the thesis

In this thesis, I divided it into 5 main parts. The first part, I elaborate the Chinese food market, especially the situation of the Chinese food market situation. In this part, I will also take look some biggest food brand in Chinese market, the situation and the development.

The second main part is about the milk market. It will make the whole thesis focus on the Finnish food companies. I will give some milk quality problems in Chinese food market and bring the Valio Company into this part and analyses it.

The third part is Chocolate market. In this part, I will use the Fazer as the Finnish food brand, and making marketing analyses for the chocolate company –Carl Fazer.

The fourth, I will go into the daily food part. Let the problem of the daily food market exposures.

The last part, the thesis will relate with the case analysis and empirical part. Connect with the theory part and background to analyze the case.

1.3 Introduction of case companies and the problems

In this thesis, the Nutriciababy Finland will be my case analysis part. It will relate the Finnish food brand into Chinese market.

Nutriciababy Finland is one of most famous baby food company, which uses the Valio product line to produce the baby's liquid milk and the baby's milk powder. The brands name are Tutteli and Nutrilon.

And they also have the baby's main food which is muksu rice flour, and subsidiary food – fruit jam, vegetable jam , meat jam and fish jam. The subsidiary food brand is Muksu.

I choose the Nutriciababy Finland as my case study subject, because there are the huge problems in the Chinese baby's milk market. And I am personally interested in the baby's food market. And I am also working on bring the Muksu and the Tutteli into Chinese baby's milk market.

2. Chinese food industry situation

According to the economic and the social development and the economic globalization, the food demand has increased rapidly. Food is no longer as a tradition "food" just for people eating and feel not hungry. The hygiene and the safety have become more important factors for the daily life. "Magdala red incident", "Sars incident", and "Melamine milk powder" are all affecting the vast population. After the all of the food safety incidents occurred, the food safety an issue has raised to a high degree of the public matter.

2.1 Safety situation in Chinese market

There are more and more food safety problems happen in recent years. In 2003, Jinhua ham contained pesticide which can cause people death. And In 2004, low quality baby's milk powder causes the lack of the nutrition, which can also be deadly serious. In 2005, Nestle excessive iodine milk affected thyroid function. In 2006, pork with lean meat powder can cause human consumption, dizziness, nausea, trembling hands, and even cardiac arrest caused by coma and death; in 2008, melamine in infant formula may lead to renal stones, kidney failure and other urinary tract diseases, severe cases can be deadly. The frequent exposures of the food processing inside problems for the

consumers are no longer strangers. The inspection from the authorities never stopped, even though in the new year's Day and spring festival and other major festivals to increase law enforcement for this inspection. Moreover, in 2007, it also conducted a national food security risk investigation, and has developed a variety of laws and regulations, such as "Food hygiene law of the People's republic" "PRC agricultural product quality safety" and so on. All of these show that Chinese food safety rectification with iron wrist. However the poor quality of food is still emerging, a serious threat to people's lives and health.

(Ministry of health of the people's republic of China
<http://www.moh.gov.cn/publicfiles//business/htmlfiles/wsb/index.htm>)

2.2 Causes of food safety issue

2.2.1 Authorities inspection

Because of the lack of the authority's inspection for the Chinese food industry, illegal production and sale of substandard food problems reappeared. In China, the food inspection is separately too many parts, when each part doing the inspection, always happens that a lot of department checks the same things several times, or they just pull the problems to another department. Thus they provide the opportunity for the food industry to produce the illegal production and sale substandard food.

2.2.2 Food law

Chinese legal system on food safety there are many drawbacks and problems, many problems for the food that provided a living space. Chinese food safety provisions of the law are too general and too hard to operate; some regulations and standards have seriously lagged behind some of existing food safety provisions of the standard level. Many of the indicators are far below international standards; a number of important criteria have not yet been worked out. It is also a reason for the food problems.

2.2.3 Money

Money is most important reason.

There is a huge profit for the producer who produces the illegal food and sale them out. Because the corruption of the government, if there are some problems is found, they can pay some money to the government for hiding the problems.

So that the normal customer did not trust the Chinese food producer and the authority's inspection. And they are looking for the international food brands and trust them.

2.3 International food brands in China

2.3.1 Nestle

Being the world foremost Nutrition, Health and Wellness Company, Nestle has a long-established presence in China since it opened its first sales office in Shanghai in 1908. Nestle was one of the first leading international companies to enter the Chinese market. In 1990 the company already started its local production by establishing its first factory in Shuangcheng, Heilongjiang Province, China.

Today, Nestle operates 21 factories in the Greater China Region and employs 13,000 regular employees. 98% of nestle products sold in Mainland are locally manufactured.

Well-known Nestle brands marketed in the Greater China Region include: NESCAFE, NESLAC, NESPRAY, KLIM, CARNATION, LACTOGEN, NESTOGEN, NAN, NUTREN, NESVITA, NESTEA, MILO, POLO, KIT KAT, CRUNCH, FIVE RAMS, CHEERIOS, FITNESS, EAGLE, DAIRY FARM, PAK FOOK, PURINA, NESTLÉ PURE LIFE, NESTLE DEEP SPRING, MAGGI, TOTOLE, HAOJI, etc. In 2008 sales was RMB14.3 billion (1.43 Billion EURO).

In 2011, Nestle planed to buy 60% shares of the biggest Chinese local candy brand – XU FUJI. It will cost 1.7 billion USD.

(Nestle Group website

<http://www.nestle-chinese.com/aboutnestle/nestleinchina>)

2.3.2 Danone

Group Danone is one of the most famous food and beverage groups in the world with its headquarters in Paris and 90,000 staff members worldwide. Group Danone is a Global Fortune 500 company with a long history and large size. Danone develops its business across over 120 countries focusing on three core categories: fresh dairy products, biscuits (in which it ranks second worldwide) and beverages (in which it ranks first worldwide).

Founded in 1966, Danone has followed an active expansion strategy throughout the world since the 1990s. In less than 40 years, Danone has become a giant of the food industry, owning many famous international brands such as Danone, LU, Evian, and more.

Since the end of the 1980s, Danone began to develop the production and business in China extensively by investing in building factories. Now, the main business of Danone in China concerns yogurt, biscuits and beverages.

Danone has 70 factories in China, including Danone Biscuits (in Shanghai, Suzhou and Jiangmen), Robust (in Guangzhou), Wahaha (in Hang Zhou), and Health (in Shenzhen). The products are not only sold in China, but also exported to different countries.

(Danone group website. Introduction and history

<http://www.danone.com/en/company/history.html>)

Danone's brand.

DANONE: The leading brand worldwide for fresh dairy products; Danone represents almost 20 percent of the international market. Danone is present in 40 countries worldwide.

(Danone group website

<http://www.danone.com/en/brands/business/fresh-dairy-products.html>)

Evian: the best selling mineral water brand, with 1.5 billion bottles sold every year. Present in 125 countries across five continents. It is also the most famous brand in China for Danone.

(Evian China http://www.evian.com/zh_CN/54-PET)

Lu: the second brand worldwide, the first Biscuits brand of danone, which represents almost the half of the sales for the Biscuits and Cereal Products division. LU is mainly present in Western Europe.

(LU Wikipedia website

<http://en.wikipedia.org/wiki/Lef%C3%A8vre-Utile>)

Wahaha(Chinese local brand): the leading brand for refreshing still water (water, readymade tea, fruit juices). The brand is one of the most popular in China, with more than 1.5 billion liters of water sold each year.

(Wahaha Chinese website

<http://www.wahaha.com.cn/aboutus/history/>)

Danoen in China

1. In 1987, Guangzhou Danone Yoghourt Company was established.
2. In 1994, Danone and Bright Dairy jointly launched two yoghourts in Shanghai, Danone has 45.2 percent of these projects.
3. In 1996, Danone acquired 54.2 percent of Wuhan Dongxihu Beer Company, and established five joint ventures with Wahaha Group; Danone holds 41 percent of these joint ventures. During the financial crisis in Asia, Danone acquired the shares of Hong Kong-based Company and became the biggest shareholder of those companies, holding 51 percent. In 1996, Danone also bought 54.2 percent of Shenzhen Health Food Co Ltd.
4. In 2000, Danone bought 92 percent of Guangdong Robust Group.
5. In 2001, Danone Asia Ltd purchased a 5 percent stake in Bright Dairy.
6. In April 2006, Danone Asia increased its stakes in Bright Dairy, and became the third-biggest shareholder of the company. By the end of April,2006, Danone raise its ownership of Bright Dairy to 20.01 percent.
7. In July, 2006, Danone became the second-biggest shareholder of huiyuan Group. In February this year, Danone increased its stakes in the company to 24.32 percent.
8. In December 2006, Danone formed joint ventures with China Mengniu Dairy Co, in which it holds a 49 percent stake.

(Danone China website

<http://baike.baidu.com/view/60432.htm>)

For Foreign food brands and companies in China, the thesis has listed above brands' development situation in Chinese marketing currently; however, for analyzing Finnish food brands enter into Chinese market

should begin from Finnish food company development situation in China now. According to the real situation, there is only Valio which is Finnish most famous milk Production Company has entered into Chinese market for long period. In next chapter, it will base on analyzing the existent Finnish food brand in China, and then study the possibility for other Finnish food brands.

3. Milk

Chinese did not have a long history for drink the milk. The first milk cow was given by a gift from the Nederland during the Second World War. And for the Chinese people, there was report said 30% of Chinese people have a little allergy, most of the allergy is they cannot 100% accept protein from the milk, and also some people had diarrhea after drink the milk.

But still the milk is the most important food for incept the protein, even the government support the milk industry.

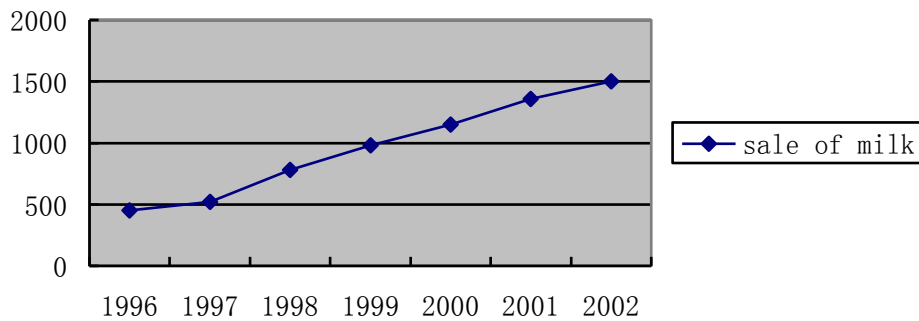
"I have a dream," Prime Minister Wen Jiabao of China once said. But his dream wasn't about civil rights for all or racial harmony. It was about a future where every Chinese people would have enough milk to drink — a half-liter a day for each child, to be exact.

3.1 Chinese milk market

The demand of the Chinese milk market had exploded risen since 1997. The total sale was 519K tons in 1997. The total sale was 1500K tons, risen was 189%. The total profit in 2002 was 36 billion RMB. The consumer realizes the milk is the best portent nutrition food for the daily life.

(Chinese milk, www.chinagoodmilk.com)

Number of milk sold from 1996 to 2002



(Source: Statistic of China, <http://www.stats.gov.cn>)

3.1.1 Chinese Local milk brands

Chinese milk market has been divided to 4 parts:

First are some big and tradition companies, such as SanYuan, YiLi, MengNiu, SanLu, WanDaShan.

Second are some new companies, their main product were bottle water, they don't had so much experiences in milk market, but they do have is large capital to invest into milk market. They just went to milk business recently. Such as Huiyuan, WeiWei, Wahaha.

Third are some medium companies which had large market share in the local areas. Such as; GuCheng, XiaLi.

Forth are some small companies which are had niching market in the small cities.

Because the cow farms are located in the north part of China, and the bigger milk markets are located in the south-east part of China, so the bigger milk brands can also be divided into two different types.

Raw material company: they build the production line close to the raw material areas, their brand can be related to high-quality, the price is a little high also. Such as YiLi, MengNiu.

Market areas company: they have a bigger market and their distribution channels are much more better than others, and their price is more accepted by the normal people. Such as GuangMing, SanYuan.

3.2 Chinese milk market problems

After the 2008 Chinese milk crisis, the Chinese agriculture department made a new standard for the fresh milk. The new standard is: the capacity of the protein should be more than 2.8% per 100g milk, and the germ number should not be more than 2 million per 100g.

If we take a look at the milk standard made in 1986. The standard is 2.95% protein per 100g milk, and germ number should not be more than half million per 100g milk. We can realize that the new standard is worse than 25 years old standard.

That is the reason of decreasing of standard level since 25 years ago.

Firstly, 70% of the cow farms are quite small. They do not have high tech to feed the cows, and want to pay less money for the feedstuff, so the milk from the cow is really low quality milk, the experience from

the developed countries, the cow farm should be more than 50 cows in each farm , and also need to feed them best feedstuff. But in China, there are 32.4% of cow farm had less than 5 cows in the farm, for them is hard to get high quality milk.

If the milk standard goes up, like EU standard, it will more than 70% cow farm will bankrupt, so the government don't want to take the risk.

Even the Biggest milk brands also had some problems in the milk.

Yili was implicated in the baby milk scandal after tests found its infant formula contained melamine. Yili recalled tainted milk powders and apologized to the public. Shares in other listed dairy companies fell strongly the next day. On discovery that their liquid milk was also contaminated, Yili was stripped of its status as a 'Chinese national brand'.

(YiLi Group website

http://www.yili.com/about_yili/background.shtml)

Hong Kong and Singapore authorities ordered a recall of Yili products after 8 out of 30 tested positive for melamine. Mengniu, whose product tested negative in Hong Kong government tests, and Yili liquid milk was immediately de-listed by supermarket chains after tests showed that contaminated samples had been found on the mainland.

As of 18 September 2008, no one is believed to have been made ill because of the tainted yoghurt. However, Hong Kong doctors found a

stone in the left kidney of a three-year-old girl who had been drinking the contaminated Yili milk for 15 months

Not only YiLi, all of the Chinese brands milk involved the 2008 milk scandal, no single brand can be trust any more.

For some of the consumer are really disappoint. They understand the standard why is so low, but they also want high quality standard milk for drink. So they start to look some foreign milk brand.

So it is a good choice for the international milk brands into Chinese market.

3.3 Finnish milk - Valio

3.3.1 about Valio

Valio Ltd is the biggest milk processor in Finland by net turnover at 1.8 billion euros. Valio is the market leader in all key dairy product groups in Finland and a world class pioneer as the developer of functional foods. Valio is a company owned by Finnish dairy farmers that secures milk production in Finland and the vitality of the nation's countryside by processing milk into tasty products that promote health and well-being.

The milk produced on a Valio dairy farm is of excellent quality, and you can be certain of its origin and safety. This is why Valio can state

with confidence that “Valio produces the purest milk products in the EU.” Quality, expertise and responsibility have served as Valio's guidelines for more than a century.

Valio is the leading brand in Finland and strongly positioned in neighbouring countries Russia, Sweden and the Baltic States with subsidiaries in the USA, Belgium and China, too. Valio Ltd has 15 production plants in Finland, two in Estonia, one cheese packaging facility in Belgium and a Customer Service Center including production facilities in Moscow. Valio also commands global sales in food ingredients. International operations including licensing encompass 65 countries accounting for one third of turnover.

(Valio Ltd website

http://ammattilaiset.valio.fi/portal/page/portal/valiocom/company_information/valio_in_finland24112009141623)

3.3.2 Valio in China

Valio Shanghai Ltd.

Turnover of China business: EUR 24 million

Personnel: 6

Products/Brands:

Valio DEMI Demineralized Whey powder

Valio Skimmed Milk Powder

Valio Zero Lactose Skimmed Milk Powder

Valio Mineval Milk Powder

Probiotics LGG

Valio's first experience of China was in 1987, when the company participated in a co-operation programmer between the Finnish government and the Chinese Ministry of Agriculture. Soon after, in 1991, Valio's DEMI 70 became the first Valio product to appear on the Chinese market. In these early days Valio worked through a foreign trading company, before opening a representative office in the heart of Shanghai in January 2001. As of March 2008, Valio's newest subsidiary carries the name Valio Shanghai Ltd.

Valio is well known in China for its Valio DEMI powders and has expanded the product range to include some value added ingredients. Valio ingredients are highly respected among the leading infant formula manufacturers across the country.

Thanks to the pure Finnish nature and high quality milk Valio hold Green Food Label status for its ingredients. Some of the products are also certified to be China Organic Food.

In August 2005, Valio signed one agreement with YiLi. They decided Co-operate with YiLi for 5 years about the LGG (lactobacillus rhamnosus GG).

(Valio Shanhai Ltd

http://ammattilaiset.valio.fi/portal/page/portal/valiocom/valio_worldwide/subsidiaries/valio_ltd._shanghai_representative_office04082006150253)

4. Chocolate

4.1 The global chocolate market

4.1.1 The chocolate has began to entre another development phase

The chocolate is not only a kind of candy, but also has its functionality. With the development of production technology and economic, the chocolate is not only cocoa butter, the producer has improve their chocolate according to current demands.

More and more people start to focus on the chocolate functionality, many research show that chocolate is good for healthy, also included in physical healthy.

The black chocolate has a kind of natural antioxidant---flavones. It has many positive protect for angiosclerosis, and many heart diseases. And actually, the cocoa butter cannot impact the cholesterol.

4.1.2 the development gap is very huge between the Europe and China in chocolate area.

The statistics show that the Chinese chocolate market is increasing in 10%-15%; the consumption potential will be reach 20 billion RMB (2 billion Euros). Even Chinese chocolate market increase rapidly, however, the per capita consumption level of chocolate cannot teach the 1% compares with US,UK, Sweden est. There are many huge

market spaces and potential markets for chocolate product. For example: In Europe, the chocolate consumption is more than 7 KG per person/year; In Japan or Korea, the chocolate consumption is about 2 KG per person/year; but in China, the chocolate consumption is only 40-70 G per person/year.

4.1.3 Chocolate culture

Chocolate has very long history in Europe, during hundreds of years, now the chocolate has very developed in Europe. Almost every famous chocolate has its own background and special history. The chocolate appear in different ways and style, tastes. Chocolate is the one of few foods which has the taste preference, the chocolate is not only a kind of candy but the feeling and cultural identity.

The chocolate industry is well-developed, and also commercialization. For example, the European Chocolate festival hold every year, also there are lots of chocolate shows and fairs hold every year and everywhere around the world.

This is the list of the top 10 Chocolate brands, most of they are from Europe. And also written down the Chinese name after them, just to say they had their own Chinese name and they are well-known in China. There is one statistic list for top 10 Chocolate products in Chinese market as example to elaborate the chocolate in Chinese market.

Top10 from EU

- 1 SWISS THINS 瑞士莲 (1845Belgium)
- 2 GUYLIAN 吉利莲 (Belgium, by the royal)
- 3 FERRERO ROCHER 费列罗 (1946 Italy)
- 4 MAXINM"S 马克西姆 (France)
- 5 DUCD'O 迪克多 (Belgium)
- 6 KINDER BUENQ 建达缤纷乐 (Italy)
- 7 DCOSLE 多利是 (Belgium)
- 8 M&M's 巧克力 (1941 America)
- 9 BELGIAN 白丽人 (Belgium)
- 10 TOFFKFEE 乐飞飞 (Germany)

And there are also have some brands outside EU. But only HERSHEY'S (USA) can compare with the top 10.

(Source: Haodun Yingfei Pinpai statistic

<http://www.doc88.com/p-635738169144.html>)

4.2 The Chinese chocolate market

4.2.1 Local market

Currently, with the changing of economy situation of the world, the global chocolate market increase slowly; however the Chinese chocolate market's view is exceptionally good. The Chinese chocolate market increases in so fast speed for 10%-15% per year, the consumption potential will reach at least 20 billion RMB per year.

According to now Chinese consumption in chocolate, the per capita level even does not reach the 1% of US or some European countries.

The Chocolate consumption is keeping escalating trend, but in China just 4-5 brands carve up the whole chocolate market. And there are still little gap in the market, no brand occupy this blank area.

The most important point is that China is a huge potential but undeveloped chocolate market, in future decades; it will have very exciting opportunity. Now the chocolate yearly consumption is about 3 billion RMB, per capita consume 40-70 G /year, but Europe per capita consumption is more than 7KG.

The Chinese neighbor countries: Korea and Japan, the per capita chocolate consumption already reach 2KG/year, so we can assume conservatively, if the consumption is 1KG/year, the profit at least will be 40 billion RMB. With the development of chocolate understanding

and consumption, the consumption should be higher and higher, just think about if the consumption reaches 2KG, 3KG....the profit will be...

4.2.2 Chinese local chocolate market problems

There are several parts in Chocolate market in Chinese market, they are:

- Fewer brands, singleness taste.

In China, there are just fewer chocolate companies entre Chinese market, and almost occupy the huge market share. And the chocolate is a kind of special candy food, it needs to establish the taste preference, but now a day, in China, the taste is still singleness. The Chinese people still do not have many choices in chocolate market.

- The process and equipment are unsuitable.

The producing process and equipment cannot suit the Chinese situation, the local Chinese producer do not have the professional chocolate producing equipment, the foreign producers go to china, the material cannot keep the same standard, it lead to the taste changed directly.

- Weakness in capabilities of product developing.

Just the few kinds of chocolate in the market for many years, no development and changing, no new products and new taste appear in the market; or the consumers hardly find some food products in the market.

- Regenerate slowly.

The products regenerate so slowly, you can find the products always there, no any regeneration in products, taste, package and so on. So the Chinese consumer need new and attractive brand and product appear in the market, fill their demands.

4.3 FAZER

For analysis chocolate products development in Finland, the Fazer will be mentioned in this thesis. Although Fazer is a group enterprise, the business included in food service, chocolate and other food products; however, in this thesis, just chocolate of Fazer is chosen as analysis part.

The origins of Fazer Group lie in a family company founded in 1891 when Karl Fazer opened his first café in Helsinki. Today Fazer offers meals and bakery and confectionery products, and operates in eight countries.

Fazer Group's operations are based on passion for customer, quality excellence and team spirit. Fazer has two business areas, Fazer Food Services and Fazer Bakeries & Confectionery, which are committed to creating taste sensations.

Fazer is the leading contract catering company in the Nordic and the Baltic countries, offering customers delicious food and tailor-made service solutions. Fazer has almost 1,200 restaurants in Finland, Sweden, Norway, Denmark and Russia.

Services include private and public sector personnel restaurants, student restaurants, café-restaurants, restaurants at conference and meeting venues as well as food services for schools and public service organisations. Fazer offers also catering services for special occasions for its customers. Fazer Food Services' brands are Karl Fazer, Fazer, Amica and Wip, among others.

Fazer is the leading bakery company in Finland and one of the leading ones in the Baltic region. Bread and pastries are manufactured in Finland, Sweden, Estonia, Latvia, Lithuania and Russia, where Fazer operates under the name Hlebnyi Dom. Fazer has a total of 21 bakeries. The brands, in addition to Fazer, are Oululainen, Skogaholm, Hlebnyi Dom, Druva and Gardesis. Bakery products are exported to over 15 countries.

Fazer Mill & Mixes in Lahti, Finland, is not only a supplier of raw materials to bakeries but also a raw material management, research and development centre. Most of the production of Fazer Mill & Mixes is sold to customers outside Fazer Group.

Fazer is Finland's leading confectionery company and a strong player in the Baltic Sea region. Fazer's three confectionery factories are located in Finland: in Vantaa (chocolate), Lappeenranta (sugar confectionery) and Karkkila (chewing gum). Fazer has many strong confectionery brands, for instance Karl Fazer, Geisha, Dumle, Tutti Frutti, Marianne, Tyrkisk Peber, Pantteri and Xylimax. Confectionery products are exported to ca 27 countries.

Fazer's ethical principles are based on the Group's values and the international principles of the UN Global Compact initiative. The

ethical principles guide Fazer's employees in their everyday work and also define the Group's ethical responsibility as an employer and as a business.

(Fazer Group website

<http://www.fazer.com/About-us/markets/>)

4.3.1. Advantages of the fazer chocolate

- Long history and good background.

The company has more than 100 years, very professional experience in chocolate producing. Comes from Europe; the beautiful country-Finland. In Chinese people's mind, the chocolate should come from Europe, the taste and quality should be best. And most young people advocate the foreign chocolate, especially European countries. They think the chocolate is not only the candy can be taste, but you can feel the chocolate culture when eat chocolate.

- Original producing area.

Pure and non-polluting environment provides natural material. All people know Finland has the most pure environment, so the raw materials will keep high quality, and best taste.

- Products and technology.

Professional technology and many years' experiences is high quality, best taste products. From fazer's history, we know that Karl Fazer has developed scale and professional chocolate producer through very

long time. So I believed that Karl Fazer can provide standardized production and high standard quality.

- Brands assets.

As a famous brand in the world, fazer experience long time test in the market, it has abundant brand assets. We can utilize the brand assets and public impression to marketing the fazer brand.

4.3.2 Disadvantages

- Stress of localization marketing.

Need time to understand the Chinese market, the consumer behavior, the marketing mode, understand the Chinese customers' demand diversification, the foreign company will have challenge.

- Lack of understanding to China.

Culture, area variation, consumer psychology, consumer behavior, food culture, different tastes even the location.

- Consumers' misunderstanding to chocolate.

Chinese consumers do not have enough understanding to chocolate, they all think that chocolate has high calorific value, and will lead to some angiocardopathy (disease). This impression result in many people wants to taste, but they scare to taste.

But every new brand enters a new market will have these kinds of problems; Fazer can reduce the risk furthest. So for this opint, the

Finnish food company aimed at the advantages and risk, cooperation with a Chinese partner will be a better choice.

The local partner can provide: firstly, understand the Chinese situation, marketing mode and consumers' behavior. Secondly, Utilize the shortest time understand and control the local market structure and distribution channel. Thirdly use the suitable promotion which the local people can accept, establish the brand and change the misunderstanding or incorrect cognitions.

4.4 Fazer's prospect in China (4ps analyze)

In analysis of Fazer's prospect in China, the 4Ps in marketing will as the main elements to elaborate and study the possibility for entering into Chinese market for Fazer; at same time, compare dis- and advantages to currently Chinese market situation to analyze the Fazer's development in China.

4.4.1 Products

- Abundant products category
 - a) Many different chocolate and candy products
 - b) Different taste and bet taste
 - c) For different target consumer
 - d) Update products

- e) Products development capability
- f) High quality material and production process
- g) Cultural background and brand assets

- Market segments – according to the demands, consumer's behavior and psychology. In China, the consumer of chocolate has some characteristics:

- a) The age from 15-30, main is the single young people; the percentage is about 82%.
- b) Consumption frequency has very strong relationship with the age , the low age has high buy frequency, the high frequency percentage presents diminishing.
- c) The young person is very important group. Under 30 years old, people buy chocolate buy themselves, this percentage is very high, especially 15-24 years old as the self consumption main group, but above 35 years old group, most of them buy chocolate for children and young people, especially 35-44 years old group, this percentage reach 86.3% (Data from China Marketing & Media Study --CMMS).

- In social status point, there is still some different asking for the products.
- a) For children, launch the unconventional and new tastes, and infuse the cartoon elements or popular elements, emphasize the nutrition' important to children.(mummy)

- b) For students and fashions, pay attention to the package, pattern and design individuation, stand out the unique and fashion, (Fazer Blue)
- c) For the office people, need to push the functionality of chocolate, can help them renew the energy rapidly.
- d) For the white collar, should give the relaxation, leasing the pressure, "petty bourgeoisie" atmosphere (Geisha)
- Launch the new products, should use the Nordic elements, package individuation. And establish brand awareness, brand marketing.
- a) Brand communication and promotion
- b) Improve the Fazer brand awareness index, consumers' loyalty.
- c) Introduce the brand, the company history. (History video)

4.4.2 Price

In the price analysis, the different price according to several impact elements:

- Differential pricing

According to different products and target consumers, make the price strategy. Base on different places, location and contribution channel.

- Different packages.

Use the price discrimination, establish fazer brand through the high-end product. Also establish the brand awareness through the popular products.

The Idea for pricing is that give the consumer a conception, fazer as a Finnish brand, every can taste and buy it for any purpose.

4.4.3 Place

- Establish the specialist stores, franchised stores.

Let consumers feel Fazer is a high quality and high level brand, improve the brand influence and perception.

- The popular products can be shown in all super markets.

This can increase the marketing share, improve the brand awareness, everyone can buy fazer. (Fazer blue)

- Internet sales, making a sale plant.

Let the Fazer products can be google on the internet, and also can let people knows brand and increase the brand awareness.

- Point of sale net.

Built up the point of sale net, accept the affiliate shop, at least build one point of sale shop in the biggest city in China. (Population over 5 million)

- Entertainment places.

Fazer also can be the best present and gift for friends, lover and so on, so some entertainment places also in the consideration. KTV rooms, computer house, soft bar are the main target, people can easily buy some snack for recharge their power, and also buy some for the friends.

- Office buildings.

Give the office people and white collar the high quality products and service; let them feel Fazer is a status symbol. Of course the products should be high quality and nice packed. They are lovely to pay more money for the high product.

4.4.4 Promotion

The promotion is always the most important for every product. It is a part of marketing. For Fazer, the suggestion of promotion as below:

A. Buzzing marketing.

The idea is play the Fazer history ads video in the specialty shops, let every consumer understand Fazer's background. Show over 100 History Company to the customer; build the brand image to the customers.

B. Advertisement.

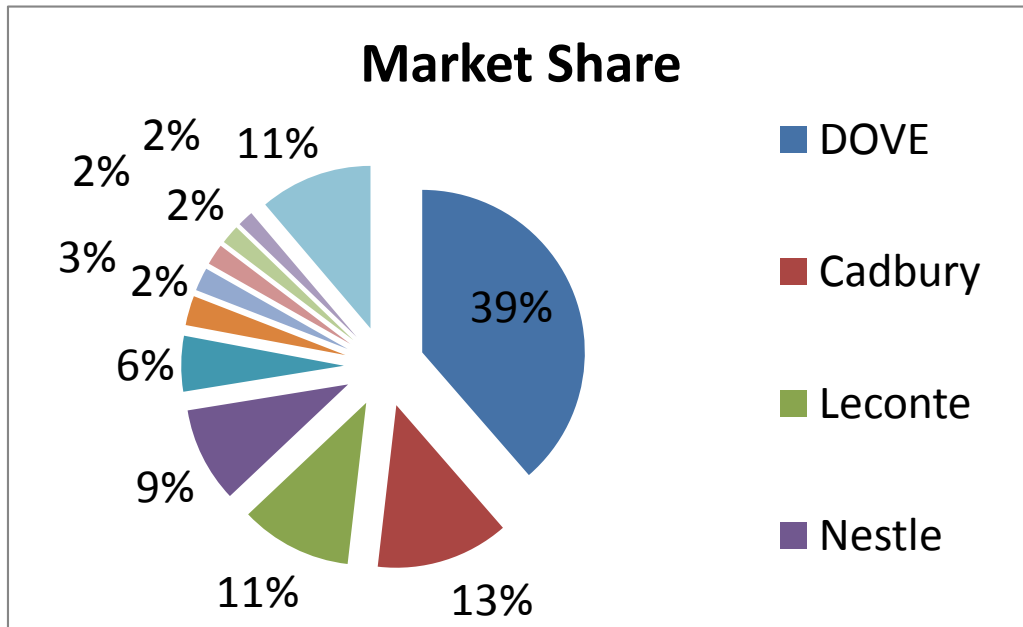
Making advertisement in newspaper with colorful extra papers, establishing the brand awareness and attract the people attentions. The reason chooses newspaper is low price. And making a small brochure, print delicate ad brochure for introduction includes: the Fazer Company, background, culture, and all products. The idea is that gives the correct chocolate idea to consumers, let them understand the chocolate history and culture, understand Fazer in all-range. Establish the Fazer brand culture and brand value.

C. Interaction promotion.

Stress the Fazer's original country from Finland which is Santa Claus's home. Which can give the customer a image, the Fazer chocolate are the romantic chocolate from the Santa Claus's home. And also another most famous brand is Nokia, it is remarkable for the high quality and attractive design, and Fazer also comes from Finland which is particular for quality area.

4.4.5 Competitors

In the Chinese chocolate market , it is hard to see a single Chinese local brand, most of them are from Europe and US, only few are the local , all the local brand chocolate strategy are lower the price for the lower level market.



(Source: Haodun Yingfei Pinpai statistic

<http://www.doc88.com/p-635738169144.html>)

Golden monkey, Jinsha, Shenfeng are Chinese local brand. The total market share of them is only 18 percent. The foreign brands took the over 80 percent of the market share of China.

Take look the detail of each competitors.

Dove: the producer is USA mars. The company main products are pet food and snack food. Dove emphasizes quality, taste and crunchiness. It gives consumer the relaxation and romantic. The name of DOVE is Do-yOu-loVe-Me. Most of customers buy DOVE for their lovers or for the relatives; they feel DOVE can make them more get together and more romantic.

Cadbury: It the Candy producer, also produce the drink in America and Australia, 200 years history, shape the high quality, pure

raw-material and best taste impression. For the Chinese customers, the long history is always a good thing. Pure raw-material are the Chinese people most care about, so Cadbury is the second biggest chocolate brand in China.

Loconte: Sound like Europe chocolate brand, but it is a 100% Chinese company. The owner of the company knows that Chinese people think the chocolate should be from outside of China, so they just made a western name for their products. It is easier to attract the people interest. They doing well and they got the third in Chinese market.

Nestle: nestle is the famous food company, the chocolate product "kit-kat" is very popular. Also other product than chocolate are very famous too, so the awareness of the brand is high. So they can give the people a idea which is the biggest brand food company can make the best chocolate for their customers.

Hershey's: Hershey Company has 103 years history, the "kisses" is the most famous chocolate in china. Hershey's company strategy, they first sent a sales team to Shanghai China. They promote their chocolate as pure import from a small village in USA which the whole village is a big chocolate factory. And the village has over 100 years history just like a "Charlie and the Chocolate Factory". So people think they are from the Charlie chocolate factory, it must be so good and so romantic. Fazer also has a resource is they from the Santa's village, and it much more romantic compare the Charlie factory.

Ferrero Rocher: the producer is Italy Ferrero Company, it founded in 1946. The special point is the package, use gold foil for individual packing, the package box is transparent, and decoration is very

luxurious. The most famous is hazelnut chocolate. They used classical golden color, can be referring to Roma empire. And they offer the empire life to normal people if buy and eat the Ferrero chocolate. When the customer bought the chocolate, they think they are living in the noble society.

MM 's : The producers Mars, give the chocolate bean many colors coats, and then let consumers remember them. Special for the children, they more prefer the colorful candy , and they can taste different from each color, the products giving more fine and more entertainment to the customers.

4.4.6 SWOT analysis about FAZER

<p>Strength</p> <p>Long history</p> <p>Company background</p> <p>Abundant producing experience</p> <p>Brand asset</p> <p>Long time market test</p> <p>High quality standard</p>	<p>Weakness</p> <p>Stress of localization market</p> <p>Lack of understanding to China</p> <p>Chinese consumers' misunderstanding</p> <p>Do not know the regional disparity</p> <p>Cannot master the marketing channel</p>
<p>Opportunity</p> <p>Huge potential market</p> <p>Fewer brand ,singleness taste</p> <p>The process and equipment unsuitable</p> <p>Weak product developing capabilities</p> <p>Regenerate slowly</p> <p>Less choice</p> <p>Have the consumption market scale</p> <p>Have the awareness level</p>	<p>Threat</p> <p>Less people know the brand</p> <p>Problems in sales channels</p> <p>Cultural Clash</p> <p>Do not understand taste preference</p> <p>Several competitors(there are some developed chocolate brand in China already)</p>

Strength

Firstly long history is a really important for the Chinese customers. And also company background. In 2010 Shanghai world exhibition, Fazer chocolate has been present at the Finnish venue, and has been given to the visitor as a gift. And it can give the customer a image that the Fazer chocolate is the from Finland and the Finnish people proud of Fazer brand.

Secondly, original producing area, made in Finland is the most attract people point, Finland has the best natural and they also have the best knowledge for the taste of the chocolate.

Thirdly, Fazer is not only chocolate producers, but also they are good at provide the food service and the bakery. Both of the area can help the Fazer brand to expend and increase the brand awareness.

Weakness

Stress of localization market, Fazer only had few market areas so far, all of them just around the Baltic sea. Even didn't go to the south Europe, you can buy the Ferrero chocolate in Finland but cannot find Fazer in Italy.

Lack of the knowledge about Chinese culture is a big problem. Fazer doesn't know the customer behavior; don't know which kind of the taste Chinese people prefer and what kind of the package most people like.

Opportunity

Obviously China has a huge potential market, last year the sales risen for 18%. And only few brand can be choose by the customers, so Fazer can provide the more taste for the Chinese chocolate market.

Threat

There are few people know about Finland and Fazer. But this is not so big problems; use the promotion to increase the Finland and Fazer awareness and reputation. And at the beginning of Fazer into the Chinese market, they maybe some problems with the sales channels, how to set up new brand store, how to control them. Culture issue is always a hot one, totally different perceive from Finland and China, Fazer should not use the Finnish way; they need find new way to deal with the Chinese market. Competitors are strong, all of them have huge capital in the chocolate market, and they also have brand awareness from other products such as food, coffee, milk and so on.

Compare with the competitors in China what does Fazer have can be concluded as below:

1. Best taste
2. The European background and long history of company
3. Professional chocolate producer
4. Abundant species and products innovation
5. Different products aim at different consumers
6. Pure import
7. Keep the pure material quality

4.4.7 Review Fazer plan into Chinese market

Still use FAZER as the logo in China, didn't change into Chinese character or translate into Chinese. Relative with chocolate cultural background, the most Chinese people think chocolate is "exotic", emphasize the original producing country, and comes from Finland, use the Finnish name.

According to Chinese consumption preference, age 8—35 is the main target group. Social role: Children, student and fashions, office people, white collar.

Analysis of consumers' psychology: The most Chinese people think that chocolate should come from Europe, the young people want to taste real high quality chocolate, experience foreign products. So Fazer stress "pure import", it will follow Chinese consumers' seeking and recognition. Sometimes Chinese like high price, should keep the quality.

Package: Fazer needs different kind of packages products. Individual packing, gift packing is necessary, Chinese people usually eat the chocolate little by little, so the individual package is suitable for this behavior.

Sales and promotion: Franchised store is a good way to build the brand awareness, and give the customers high quality image.

Brochure and video is necessary. Special play some videos about the

Santa clause and Nokia, relate them together and tell people all of they come from Finland. And Finland is most romantic and high quality country.

Future plan: Import other products of Fazer(bread, chocolate drink ,even food service). Establish the cafeteria, not only taste the Fazer's products but buy them.

5. Daily food

5.1 Chinese Daily food industry

When the Chinese food industry entry a new century. The developing of the food industry is hyper growth. In 2001 year, the increase rate up to 10.5% compare to last year, and in 2002, this number is changed to 16.6%. In 2003, the new record was 19.8%. And in 2004 years, the total production is 161,638 Billion RMB, and compares 2003; the increase rate is 25.2%. Food industry has 10.09% of the whole Chinese GDP.

In food industry, the production and demand is almost balance. The profit from the food industry is stable and increasing. And more and more people investing the money to the food industry, in this situation, so there are also some people saw it is also an opportunity for produce some disqualification food, so there are also has huge problems with the quickly grossing about the Chinese food industry.

5.2 Huge problems

In recent time, there are a lot of food qualities problems happened. Such as feed the special drugs to pigs, the drugs can make the pigs grows more meet but it has some damage to the human. And also use special chemical stuff to make the breads look nicer. So everyone ask

themselves how can we eat the safe food? Normal people have loss their faith for the food safety issue.

The food safety is relative to the economy situation, China is still a developing country, and also China has the biggest number of the population. The demand of the food is really huge. But the food industry developing is not quick as the economy developing. The mass food producer is quite few, and the standard and the producer lack of the truthfully. Most of the food producers still are like small individual workshop, even when they farm the foods, the individual workshop still take the main part of the food producers.

Here is the example. There are 70K pig's farms in the USA, the number of pig's farms is 67,000K in China. And there are 96.6% pig's farms have over 500 pigs in the USA, but the number in China is 31%. The 4 biggest meet producers in the USA take over 90% of market share, but the top 10 meet producers in China take only less 10% of the market share. The producers and sellers are quite small and the number is quite huge, it is really tough stone for the authority to supervise and control.

Food safety is really a sensitive issue for the normal people; people can live in the rent house and don't care about the price of the apartment, because they don't need to buy. People don't care about the cars and gas price because they can take the bus when they go outside. But foods, is the most close problems for the normal and effect everyone's daily life. They can easily find the food problems through the internet, sometimes the problems is not so seriously, but it happen, no one knows do they involve into the problems or not,

everybody think that they have the chance eat the unsafely foods, so they just consider that the problems are so big, finally they lost the trust of the food industry. Chinese people expend 2M tons rice, vegetable and meet per day, if calculate by the percent, the unsafely food is very small number, but because everyone can have a chance, so it is a big small problem.

There are three damages for the unsafely foods. First and most seriously is harming the people health. Although the average Chinese people age had reach to 73 years, the unsafely food is still the biggest killer for the people health. Second is harming the economy and can cause people lost their jobs, such as the melamine milk event happen, over 10K workers lost their job and 2.4M cow's farms kill the cows and dumping the milk away, during that half year, import of the milk is from 350K tons rise to 597 tons, it is a huge impact for the Chinese milk producers. Third is the credibility of the government is a big impact too. People lost their trust for the food, and start to complain to government didn't do their work, and also effect the export of the food business.

5.3 Opportunity for Finnish brand into Chinese market

The biggest daily food brand in Finland is atria.

Atria Finland Ltd is a subsidiary of Atria Plc responsible for the Group's operations in Finland. The company develops, manufactures and markets fresh food and related services.

Atria Finland's business units are

- meat operations
- meat product operations
- meal and poultry operations

Atria Finland's customers are consumer goods retail trade, Food Service customers, industry and the export trade. Its production plants are located in Nurmo, Kuopio, Kauhajoki, Forssa and Karkkila.

Atria Finland's core strengths are

- Strong market position: Atria is the market leader with a market share of approximately 30 per cent.
- Good consumer experience and management of customer relations: Having good knowledge of consumers' purchasing and eating habits is a central challenge in the food industry. Atrium manages this task well. Atria works with the leading players in consumer goods retail trade.
- An efficient production structure and good management of change processes and the delivery chain: Atria has met the challenges for change presented by the consumer goods retail trade and the entire business environment through extensive investments that increase the efficiency of its production structures. (Atria Group Finland website: <http://www.atriagroup.com/en/AtriaGroup/atriafinland/Pages/default.aspx>)

5.3.1 Way to China

Mainly Atria is producing the meat products. If consider the transportation and the frozen technical, it is really hard to export to China straightly, we need think to export the technical and the management to China.

Firstly, make a new standard. After we are looking through above, we can notice that Chinese people don't trust the government control for the food safety, and people even don't trust the authority announcement about the safety foods list and supervisor checking report. So Atria can bring their own food safety standard and quality control team. Of course Atria are following the EU standard, in Chinese consumers mind, the EU standard is much higher than the Chinese one. If Atria want to have a high quality raw material, they should invest a capital to build their own farms, because the Chinese local individual pig's farms cannot provide high quality meat for Atria.

Secondly, still keep the management during the process. Bring the experience works and technical team to China; use their experience to teach the local works, and keep the high health standard during the process, and the checking report can be public on the website and make sure every works can follow the rules. It sounds easy for the Finnish works and Finnish culture, but it is very hard for a Chinese local producer and workers.

Thirdly, Use a platform to carry the products. Restaurant is the best way for carry the food product. Atria can set up some restaurant for just cook the Atria products. Of course the restaurant should be high level place, combine the restaurant and food together, and show to the customer that we are the high quality and safety. Atria should give

the customer an image that only Atria can serve the best food to the people.

Put all together. Food business for the Finnish company into Chinese market is really tough task. And also need a big number of capitals. But after you in, it will be a huge profit waiting for you , just like first time when the Chinese people hear the organic food, no one knows what is that, but look at the know , the organic food price is ten times higher than the normal food, but people still want the organic food for their own health .

6. Case study Nutriciababy Finland

6.1 The reason for choose the Baby food

I was doing the internship in a Finnish company; the company is a fabric wholesale in Finland. I was working as an assistant for buy the products from China. So I had a lot of chance to contact the Chinese suppliers. The contacts persons in China ask me do a favour for them personal after they know I working in Finland; they want me buy some baby milk powder for them. I told them the price is much higher than in China, but they insist want the powder because it is pure import, they don't trust the Chinese baby milk brand and even the foreign brands which produce the powder in China, because the raw material is really unsafely.

So I start to notice that sale the pure import baby milk powder is a really good chance for me to earn some extra small money, so I start to do some research about the Chinese baby food market, after that; there is a huge market appear front me. So I decide to import some baby's food and sell them in China, not just make small extra money, make it as a career and a real business.

6.2 Market analysis

Population of China is such huge number: There are 20-30 million babies were born every year in China, 45 million 8-36 months old babies, 3.2 billion children and 80 million consume group for 0-4 year's old baby.

Chinese birth of baby structure and situation analysis: Laws apply that only one child in one family in China. So in the normal Chinese family, there will be six adults with one child. And these generations of the young people are only child in their family, and they have a lot of new ideas and open minds, they want to provide safer and better things for their only child and their grandparent want the same thing to their grandchild. So the family structure is triangular, the baby becomes to the top of the family.

The social effect and cultural effect: China is still a large population country in the world; the amount of new birth baby is huge. The fourth baby boom is coming, so that mean the demand of baby food will be increased sharply. In a family, all the people pay attention to child so much; in traditional culture, Chinese people think the children are the most important in the family, they like to pay more for children, and hope can receive the best products and service.

The sale of baby food in China:

The sale of baby food in 2007 is 232.4 billion RMB. Increase 27.5% compare with sale in 2006. The quantity of sale about baby food in 2007 is 289 400 tons. In 2010 the sales have increased more than 2008 and it should be developed in the future.

(Online report documents share

<http://www.doc88.com/p-617991222020.html>)

Chinese milk powder's demand.

Demand is 300 000 tons yearly, and it still increase by a large margin every year. Import milk powder brands are more popularize.

Baby formula milk powder become to polarization situation; high class, middle class and low class obviously.

Foreign baby brands have stronger and more advantages. Even for the foreign baby food company, the competition is weak comparably. They took the most of the Chinese baby food market, but the market is still so huge for the comer.

For the Chinese baby's food customers, the baby liquid milk is a biggest blank

After research the Chinese baby's food market, there is a good opportunity to bring the Finnish baby's food brand into Chinese market.

6.2 Start the Business

After I decide to do this business, I consider the liquid milk will be the best product in Chinese market. And I start to find out what is the legal issue about import the foreign food.

First I need to apply for the Chinese label. If I want to import the foreign food for sale, I need a Chinese label on the each package, and the label should be store in the Chinese commercial trade database. For apply the Chinese label, I contact the Finnish producer (NutriciaBaby Finland) and ask for the document for apply the Chinese label.

The necessary documents are:

1. The label of the products (7 pieces of each product)
2. Ingredient list
3. Certificate of original (Made in Finland)
4. Health certificate or sanitary inspection
5. Sale certificate (or company register paper)

NutriciaBaby Finland promise me to provide all the document to me, but I need to contact Kespro, because in there system, they do not sell the products to the customers, they sell the products via Kespro only.

I knew that kespro is the biggest monopoly food dealer in Finland, so I took one month to contact the right person in Kespro. And I made a meeting with the Kespro contact person, he is really positive to help me to do the business.

So far, I got the necessary document for apply for Chinese label, and the purchase process is right, so the Finnish side is ok now.

6.3 Transportation

After I settle the purchase problems down, the next problems is transportation.

I ask the logistics agency about the price for the transport fee from Helsinki, it will cost 3 Euro per KG by air, and it takes one and half week. It cost 0.4 Euro per KG by surface, but it takes 45 days.

Consider that baby's milk expire for six months, and at the begins stage of the liquid milk, it need a time for the customers to accept that, and also need a little longer time to sell, so by air will be the better chose at the beginning. After the products sale for a while, and make some brand image and the sale goes up, the surface will the better choose.

6.4 Declare the custom

After the Chinese milk crisis happen in 2008, the foreign baby's food brands took a big market shall. Chinese government wants to protect the local milk industry and want to make fully control the quality of the baby's milk powder. They made a new agreement about how to pass the Chinese custom. If the foreign milk products want to sale in China, the producers need to fill a special form and need their government guarantee for the products.

SUOMI



FINLAND

VETERINARY HEALTH CERTIFICATE FOR EXPORT OF MILK PRODUCTS FROM FINLAND TO THE PEOPLE'S REPUBLIC OF CHINA
芬兰共和国向中华人民共和国出口乳制品之卫生证书

Reference number of the veterinary health certificate: 卫生证书号: _____

1. Competent central authority in Finland 芬兰共和国国家主管当局:		2. Competent local authority in Finland 芬兰共和国地方主管当局:	
I. Identification of the product(s) 产品说明			
3. Country of origin 原产国:			
4. Description of the consignment 产品描述:			
5. Name of the product(s) 产品名称:			
6. Condition or kind of treatment 处理方法:			
7. Health mark 卫生印记:			
8. Lot(s) identification number(s) 批号:			
9. Production date(s) 生产日期:			
10. Validity period (shelf life) 有效期:			
11. Required temperature for transportation 运输或贮藏时的温度:			
12. Type and size of packaging 包装类型及大小:		13. Number of packages 包装数量:	
14. Net weight 净重:		15. Gross weight 毛重:	
16. Container number(s) 集装箱号码:		17. Seal number(s) 印章号码:	

Specimen

Finnish special milk products import form 1/2

II. Origin and destination of the product(s) 产品原产地及目的地

18. Name, address and approval number of the manufacturing establishment 生产厂名称、地址及官方批准号码：
19. Name, address and approval number of separate cold store 独立冷库的名称、地址及官方批准号码：
20. Name and address of the consignor 发货人的名称及地址：
21. Name and address of the consignee: 收货人的名称及地址：

III. Attestation 兹证明

I, the undersigned official veterinarian of Finland hereby certify that 芬兰官方兽医在此证明：

1. Finland is free from foot and mouth disease, rinderpest, swine vesicular disease, vesicular stomatitis, bovine tuberculosis, bovine brucellosis and enzootic bovine leishmaniasis. According to the classification Finland has a status of negligible risk for BSE. 芬兰没有口蹄疫、牛瘟、囊状皮炎、牛结核病、牛布鲁氏菌病和牛源性的利什曼原虫病。根据世界卫生组织 OIE 的分类，芬兰基本不存在疯牛病的风险。
2. The raw material of the milk product(s) was obtained from healthy animals from dairy farms which are free from brucellosis, tuberculosis, paratuberculosis and anthrax. The raw material is from the 12 months prior to the date of manufacture. 该产品的原料是来自过去 12 个月中未发生布鲁氏菌病、肺结核、副结核、炭疽等疾病的牧场中的健康奶牛。
3. The milk product(s) was manufactured, stored, packed, transported, stored and transported in an establishment approved by the competent local public health and veterinary authority. The manufacturer, the storage establishment and the manufacturing, packing, storage and transportation of the product(s) are under supervision of the competent local public health and veterinary authority. 该产品的生产和贮藏所在地符合当地公共卫生和兽医当局的要求。生产、贮藏、包装、贮藏及运输过程，均受芬兰当地公共卫生和兽医当局监督。
4. The milk product(s) is manufactured from milk that received a pasteurization treatment (min. 72 °C / 15 seconds) or a temperature treatment of equivalent effectiveness. 该产品的原料奶经过 72°C/15 秒的巴氏杀菌，或者具有同样杀菌效果的时间/温度处理。

The product(s) has been manufactured in accordance with the existing Finnish and EU food regulations and is fit for human consumption. The product(s) complies with the legislation of the People's Republic of China as certified in this veterinary health certificate. The product(s) contains no harmful levels of contaminants. 该产品按照芬兰和欧盟的现行法律法规生产，符合人类食用。该卫生证书中描述的产品符合中华人民共和国有关法律和法规规定。根据有关监控体系，该产品不会有有害水平的污染物。

Done at (place) 颁发于 (地点)	On (date) 于 (日期)
Official stamp 公章	Signature of the official veterinarian 主管官方兽医签名
	Name clarification in capital letters 姓名大写字母

The signature and the stamp must be on a colour different to that of the printing 签名及公章颜色与打印部分颜色必须有所不同

Finnish special milk products import form 2/2

(China import and export inspection and quarantine center)

Annex 2a

The list of the official inspectors and samples of their signatures

Establishment approval number: FI 60407 EY
 Establishment name: Valio Oy, Haapavesi production plant
 Local veterinary authority: The city of Haapavesi

Table: The list of the official inspectors and samples of their signatures




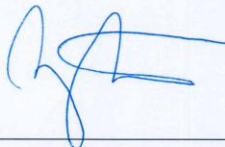


The official stamp	Title	Name clarification	Signature
	Official veterinarian	Sami Savolainen	 Eläinlääkäri Sami Savolainen 1450
	Official veterinarian	Sirkka Hankonen	 ELÄINLÄÄKÄRI SIRKKA HANKONEN ELL 1851

The list of the Official inspectors and samples of their signatures 1/5

The list of the official inspectors and samples of their signatures

Establishment approval number: 60203
 Establishment name: Valio Oy, Joensuun tehdas
 Local veterinary authority: The city of Joensuu

Table: The list of the official inspectors and samples of their signatures




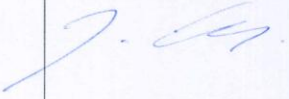

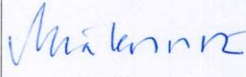
The official stamp	Title	Name clarification	Signature
	Official veterinarian	Marjo-Riitta Hämäläinen	
	Official veterinarian	Keijo Hämäläinen	
	Official veterinarian	Jari Aho	

The list of the Official inspectors and samples of their signatures 2/5

The list of the official inspectors and samples of their signatures

Establishment approval number: FI 60220 EY
 Establishment name: Valio Oy, Lapinlahti production plant
 Local veterinary authority: The city of Lapinlahti

Table: The list of the official inspectors and samples of their signatures





The official stamp	Title	Name clarification	Signature
	Official veterinarian	Petra Lihtamo	
	Official veterinarian	Jussi Mykkänen	
	Official veterinarian	Mia Koivisto	

The list of the Official inspectors and samples of their signatures 3/5

The list of the official inspectors and samples of their signatures

Establishment approval number: 60310
 Establishment name: Valio Oy, Seinäjoen tehdas
 Local veterinary authority: The city of Seinäjoki

Table: The list of the official inspectors and samples of their signatures






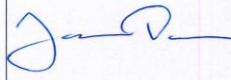
The official stamp	Title	Name clarification	Signature
	Official veterinarian	Seppo Kangas	
	Official veterinarian	Helena Koskentalo	
	Official veterinarian		

The list of the Official inspectors and samples of their signatures 4/5

The list of the official inspectors and samples of their signatures

Establishment approval number: 60137
 Establishment name: Valio Oy, Vantaan tehdas
 Local veterinary authority: The city of Vantaa

Table: The list of the official inspectors and samples of their signatures

The official stamp	Title	Name clarification	Signature
	Official veterinarian	Kirsi Hiltunen kaupungineläinlääkäri stadsveterinär Official Veterinarian	
	Official veterinarian	Nina Mäki-Petäys 1. kaupungineläinlääkäri stads veterinär Chief Veterinary Officer	
	Official veterinarian	Johanna Puro kaupungineläinlääkäri stadsveterinär Official Veterinarian	

The list of the Official inspectors and samples of their signatures 5/5

(General administration of quality supervision, inspection and quarantine of the People's Republic of China

http://jckspaaj.aqsiq.gov.cn/ybzspjyjj/ggshrzpzyb/201004/t20100412_140769.htm)

The official form is needed for the declare custom, so before send the shipment, the entire documents should be prepared and so I can save valuable time.

6.5 Sale in China

After all the things settle down, I will face the most important part; sale in the right way.

I want to make the Tutteli milk brand as a high level baby's food, I personally don't want to sell the products in the supermarket, and I want to establish a brand store. I can fully control the quality, and also allow other people who are interested in the products to join the brand store. Every brand store should be decorated in the same design. Full control is what I should force on, because I want to keep the brand at a high level and give the people the same image.

The baby liquid milk is totally new in China, so it will take time for people to accept that, but no matter how long, if I can keep the high quality and pure import from Finland, it will have a good future. People will finally notice that the Finnish baby's food is the best in the world.

7. Conclusion

For this thesis, it is not the traditional thesis like just following the theoretical books' mentions and ideas, trying to argue or evaluate the theory's correctness. Actually, this thesis more like a case analysis or a business plan for one real company.

However, from the aforementioned of this thesis, it is not difficult to see that it is a study of the Finnish food industry and analysis of market development for real business or brand.

This thesis has totally analyzed the food safety issue and food industrial development in both China and Finland. Base on this, try to figure out the possibility or probability of entering into Chinese food market for Finnish food brand. In this thesis, I choose several famous brands of food in Finland, analyze their advantages and disadvantages, their applicability for Chinese market; at same time, the Chinese market is also construed, the lacking of Chinese market, problems of Chinese food environment. Combine all of things what have mentioned in the thesis, the advices and suggestions are given to the Finnish companies who wants to enter into Chinese market.

The probability plan to Chinese market included not only the Finnish food companies' advantages from themselves, and the whole Finland's food industrial environment; but also Chinese market problems, Chinese cultural and political difference, even the marketing method and possible channel in Chinese market. Most of them are based on the real case study, and no doubt, also analysis according to the real Chinese market situation currently.

Thus, although this thesis is an imaging of Chinese market development for Finnish food industry in some aspects; in fact, it has absolutely possibility to practice and implement for most of Finnish food brands or companies. Moreover, this thesis is, no doubt, based on international marketing management and international operation

management theory, but it is apt to real cases and real situation analysis studies.

The results after the study and analysis about the Finnish food companies enter into Chinese market, it is obvious that current situation is a most valuable opportunity to all Finnish companies who want to enter or plan to enter Chinese market. The thesis totally based on conclude the Finnish food company who has entered into Chinese market and the problems, and then make a possible plan for other Finnish food brands from different aspects in Chinese market. The aim at guide the Finnish food brands and companies to enter into Chinese market and development.

All in all, according to the real case what has happened between Finland and China, for instance, the Valio brand development in Chinese market; the extension of other Finnish food brands, it is indeed an opportunity to enter into Chinese market for every company who wants to enlarge or develop the business in globalization. It is not only some advices, but more like a plan for businesses' further international business.

8. Reference

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www.chinagoodmilk.com

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Haodun Yingfei Pinpai statistic

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Online report documents share

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General administration of quality supervision, inspection and quarantine of the People's Republic of China

http://jckspaqj.aqsiq.gov.cn/ybzspjyjj/ggshrzpzsyb/201004/t20100412_140769.htm