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Date: June 1st, 2017

Word Count: 17.986



Reaching the Chinese consumer successfully

A Digital Communication Plan for Kägi

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Client Organisation: Mediaplus

Non-confidential



mediaplus

Acknowledgements & Foreword

This thesis is the result of my four-year education in International Communication at the Hanze University of Groningen. I am looking forward to graduation, as I am fueled with motivation to continuously shape my life through all the input it gives me.

I am looking forward to continue learning every day.

Studying in an international setting, with students from all over the world, was a challenging gift which I hope much more people will receive. It taught me patience, understanding and above all, working together in a team. Studying in the Netherlands was a beautiful coincidence, which I am so grateful for. I was welcomed with open arms and am still amazed daily by the open-mindedness, the helping hands and kindness, of not just students, but all people alike in Groningen.

Holland, you have treated me well!

During the time of my studies I got to explore who I am and where I want to go in life. I am amazed every day by the opportunities I am given and I want to express my gratefulness.

Before anyone, I need to thank my parents Bettina and Hans-Werner Kroeger, for allowing me to take those steps independently. You have always supported me with all that you have, and I need for you to know just how grateful I am.

Secondly, I would like to show my appreciation and gratitude for the involvement of my supervisor, Antonia Hein, who helped making this thesis what it is today. You have been there for me through the whole process, with valuable feedback and motivational words, which helped me push through those months. You have really taken the time to be there and I appreciate you went the extra mile with me.

To my company supervisor, Christian-Kumar Meier, you have amazed me with the trust you have put into my work. I am so honored to have written my thesis in your company, as the very first student you have ever allowed to do so. I truly have enjoyed my time at Mediaplus, merci!

Thanks to everyone that has helped me out significantly, by providing input to my data collection in the form of opinion and expertise.

I have grown so much in the process, I have found my strengths as well as my weaknesses. With this in mind, I am closing this chapter of my life, to open up a new one. Hopefully as surprising, interesting and rewarding, as the four years of studying at Hanze University Groningen were.

Executive Summary

This thesis will help the traditional Swiss chocolate manufacturer K&g in establishing itself in China. Starting point to this research is the fact, that the Swiss chocolate market has become extremely crowded with brands trying to sell their products, using the exclusive “Swiss quality” label, while consumer buying power is limited. With the saturated home market Switzerland, expansion is encouraged. This should be done while staying true to K&g’s strategy of producing high quality products which make the people happy.

From the research it has become clear, that China offers rapid growth opportunities, which seem to further persist. Most of the Chinese market is occupied by foreign chocolate brands. Chocolate goods are a relatively new product to the Chinese market. It is often still considered to be exotic or a luxury. Not surprisingly, domestic companies are not yet able to compete with the foreign brands entering the market. There is a steady trend amongst the consumers for premium products.

Therefore, the goal of the research report is *to give well-founded recommendations in the form of a digital communication plan on how to create online brand awareness among Chinese chocolate consumers, by exploring and analyzing the online communication experts and the potential customers, with regards to consumer behavior, online marketing and branding*. This is necessary, as thus far, K&g has no experience on the Chinese market.

With an annual 30% growth and China’s large population and potential, for companies wishing to do business in China, an understanding of the market, its consumers and the right communication strategy, is necessary. The research was carried out in a culturally-sensitive manner, trying to present recommendations which allow for K&g to essentially keep current strategies, yet adjust them where necessary, to guarantee the success on the Chinese market.

Through the research it became clear, that the potential consumer can be efficiently reached through digital communication. Brand awareness can be built on the unfamiliar market, by making use of Chinese social media channels. Western channels, which are currently in use by K&g (Facebook, Instagram, Twitter, YouTube), will be of no use in China due to country-wide internet restrictions. Yet, existing content can be adjusted and distributed through the Chinese equivalent channels. From the research on the potential customer, we know that WeChat is the most frequently used social media channel in China. It incorporates many of the functions that are known from the Western social media platforms, and allows the user even further usage.

Similar as with the familiar channels of Instagram etc., also WeChat is now home to national and international brands, reaching out to their customers and encouraging engagement. Kägi can make use of this application and join the conversation, to increase brand awareness in China. A guide to help with the transition to using WeChat for brands abroad has been part of the research and is exclusively available for Kägi.

It is inevitable for Kägi to provide the Chinese customer with a Chinese interpretation of the company website. The Chinese website needs not only to be translated, but it also needs to integrate local preferences of the content presented. For example, the potential Chinese consumer must be able to find recommendations and product reviews on Kägi with ease. The trust in peer recommendations online and offline, is immense. A buyer persona of the potential Kägi customer in China is the result to the investigated subjects of consumer needs, buyer motivation and decision-making amongst the Chinese potential consumer, and can be found as part of the research report.

In order to facilitate the information process of potential customers, Kägi needs to be easily found through Chinese search engines. Again, previous knowledge from Western search engine optimization will not be very helpful in China. Instead, new knowledge around the most used Chinese search engine needs to be obtained. From the research it became clear, that this is Baidu. The thesis includes a guide which will help with search engine optimization through Baidu. When Kägi manages to rank higher in the local search results, it will aid the process of brand awareness among potential customers.

The main advice for Kägi is to work on the above-mentioned measures when expanding to China:

- 1) Get to know the potential customer through the created buyer persona and continuous research. Establish a relationship with the potential customers through the social media platform WeChat.
- 2) Make sure you are working with international communication experts, to ensure intercultural-sensitivity.
- 3) Launch the Chinese interpretation of the company website and use SEO for Baidu to rank higher in the search results.

To facilitate the integration of the advice, an implementation plan with steps to follow, in order to build a customer base in China, is included. Additionally, an overview over the time and money, which will need to be invested, was created. If Kägi decides to follow all the steps, the brand will have all the tools necessary for successful brand communication in China.

RESEARCH REPORT

WORD COUNT: 13.419

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1. Project Context

1.1 Problem Analysis

Mediaplus is a full-service media agency, currently facing a communication problem which shall be solved with the research to this project: How can Mediaplus help its client Kägi with its first steps for establishing itself in China? Kägi is an original Swiss chocolate brand that has trusted Mediaplus with their services for years. Mediaplus is responsible for the channel planning of the brand. This includes finding the right channel for the client's campaign, at home and abroad. Since 1934 it has been Kägi's goal is to bring "*happiness*" to the people with their products. Kägi provides that sweet special treat that you share with your loved ones. Through the strategic use of social media, and also with the brand logo, the company illustrates their traditional Swiss origin (Appendix 7). Customer pictures are shared through Instagram, which show happy people enjoying their Kägi moments.

Kägi's home market Switzerland is becoming saturated, as it is a relatively small country with limited consumer buying power. The total population is estimated to be 8.4 million as of this moment, which is equivalent to 0.11% of the total world population (Worldometers, 2017). Obviously, there is room to grow. At the same time, the Swiss chocolate market has simply become extremely crowded with brands trying to sell their products, using the exclusive "*Swiss quality*" label which is well-known worldwide (Zhang, 2017). Therefore, Kägi is now looking to expand internationally, while staying true to their approach of delivering high quality products that make the people happy. From the research done, it became clear, that China can be a great choice for an expansion of the brand.

From preliminary research, it seems that most of the Chinese market is occupied by foreign chocolate brands. Chocolate goods are a relatively new product to the Chinese market. It is often still considered to be exotic or a luxury. Not surprisingly, domestic companies are not yet able to compete with the foreign brands entering the market. A thrilling 90% of the market is occupied by foreign brands such as Dove, Cadbury and Ferrero (Appendix 7). There is a steady trend amongst the consumers for premium products. And even though, the consumption of chocolate at this point is lower than in Europe, huge growth potential can be found (Appendix 7). China has been chosen as a potential market for Kägi because of its rapid growth opportunities, which seem to further persist (McKinsey, 2016). This emphasizes the importance for the research, to investigate, how Kägi can use this trend to its advantage and for establishing itself in China.

The challenge that Kägi faces is that the brand is currently unaware of its target group in China. No previous research gives indications on the buying or communication behavior of potential customers. Chinese social media and search engines are completely different from the familiar Western ones, which makes successful brand communication impossible, if the necessary research is not being done. Current digital marketing efforts, such as through Facebook or Instagram, are useless to reach the Chinese customer, due to internet restrictions in China. Adapted social media and search engine optimization therefore serve as tools to increase brand awareness in the digital marketing landscape. For Mediaplus to advise their client in their communication efforts in targeting the Chinese market, research concerning an analysis of the Chinese target group, and their buying and communication behavior is inevitable. With the relevant data obtained, it was possible to give recommendations regarding a fitting digital communication plan for Kägi.

Thus, this assignment includes research on how the current communication strategy of Kägi can be interpreted for the Chinese market. Further, it was investigated how cultural differences can be integrated throughout digital media. At this moment, there has not been done any research on intercultural aspects of communication and the transformation towards an international communication strategy. It is also unclear how cultural differences can be dealt with in regard to digital media. The focus of this research lies on the development of a digital communication plan to create online brand awareness in order to reach potential clients in China. This was done by gaining insight into branding, online marketing, consumer behavior, and the buyer persona of the potential Chinese customer. The relevant potential customers are not yet known or defined by Kägi for the Chinese market. Chances are, that they are as prone to associate "happiness" with sharing something they like, e.g. a Kägi, with family and friends, just like the Swiss consumer. Similar targeting can then be initiated. This research report includes a discussion of those aspects and introduces fitting approaches to reach the Chinese consumer, while explaining how those can increase brand awareness.

The goal of Mediaplus is to make it as easy as possible for its clients to stay on top of their game in their marketing efforts. By being culturally sensitive, this can be improved. The GA Assignment shall lay the foundation. Consequently, this research will help consulting Mediaplus' clients like Kägi, wishing to improve their media mix by taking cultural differences into account for further business operations nationally, but also internationally.

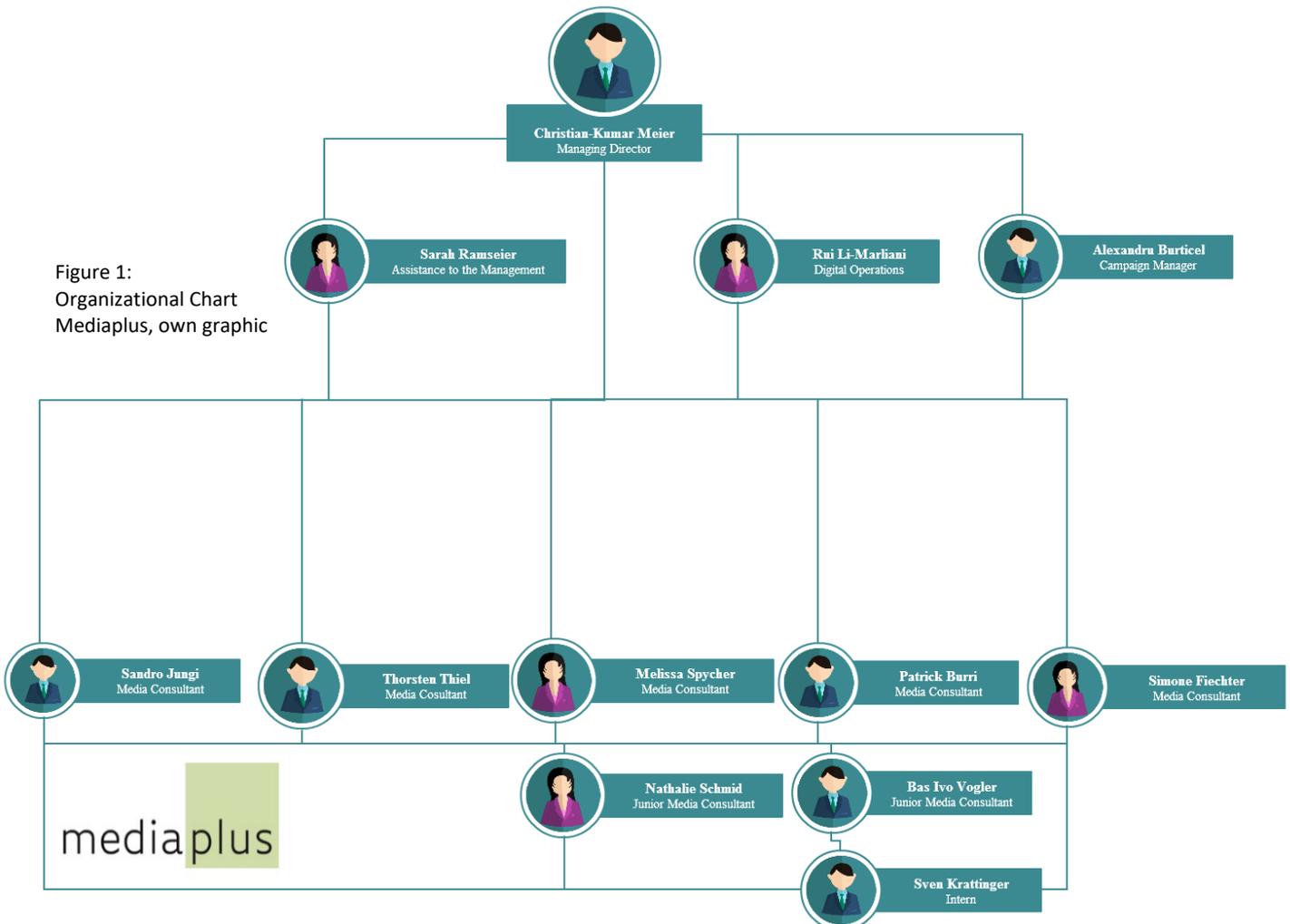
1.2 Organizational Context

1. The Organisation: Mediaplus

Mediaplus is a full-service media agency based in the capital of Switzerland, Bern and founded in 2006. With competencies in analysis, strategy, planning, purchasing, controlling and reporting, Mediaplus advises its clients in the creation and execution of their media mix (Mediaplus homepage, 2017). Mediaplus' objective is to connect people with brand messages. Mediaplus is the current employer of 12 professionals, its CEO is Christian-Kumar Meier. Each employee is specialized in certain media and it is therefore, that the organization can offer its clients comprehensive all-media consulting (Appendix 1.1). One of those clients is Kägi. *For an overview of clients, services offered, and work of Mediaplus please see the appendix 5.1 & 5.2.*

The relatively small size of the overall young company's team allows for a flat organizational structure with no stricter sense of hierarchy. The CEO oversees all operations, yet each professional is responsible for their area of expertise and specific clients. Communication is horizontal and all information can flow freely within the departments. Information on Kägi can be found in the appendix 7.1:

Organizational Context of the Client.



2. Theoretical Framework

With the client's issue successfully established, a theoretical framework was constructed to guide the research. The theoretical framework serves as background to the analysis and as a basis for the research framework.

Preliminary research confirmed the significance of the theoretical areas for the creation of the Chinese buyer persona. The research perspective is based on those findings. The aspects which are researched in detail are part of the diagnostic research framework. It also shows all information sources from which the information is obtained. To start with the design of an appropriate digital communication plan, previous research on the Kägi brand has been done. A first diagnosis can be found in the appendix 7.

Research towards consumer motivation, decision making processes and consumer wants and needs has determined buying and communication behavior of potential Chinese customers. As well as appropriate digital communication channels and consumer persuasion techniques for the identified buyer persona. A concise competitor analysis and positioning map has illustrated the current state of the market and where Kägi is best to position itself.

2.1 Target Group Characteristics

To define Kägi's target group in China, the potential consumer needs to be examined. A buyer persona can then be formed as part of the communication advice. The buyer persona is a better tool for this, compared to a simple definition of the target group, because it allows for staff to really get to know the potential customer. Everyone involved in the success of the brand is able to see the persona, understand what drives her, what she fears. This way, a much better relationship and understanding will be established, which will help in creating the best customer experience. As the persona represents the average potential customer, this will enable the firm to focus its marketing efforts on effectively reaching the consumers who are most likely to become customers, influencers or even brand advocates; sharing the same values, lifestyle and opinions as the buyer persona (Heinze et al., 2016). With such a precisely defined buyer persona, marketing efforts can be tailored directly to the potential target group.

Hofstede's Six Dimensions of Culture shall ensure the cultural sensitivity of the research (Hofstede et al., 2010). By careful examination of differences in cultural characteristics between the unknown Chinese and the familiar Swiss market, the buyer persona can be investigated more efficiently. Lifestyle and opinions may differ within one culture, but they certainly are different across cultures

(e.g. Switzerland compared to China). This will become clear with the illustration of a buyer persona. Hereby, the research will concentrate on the potential Chinese customer of Kägi and not current ones in Switzerland and elsewhere.

According to Armstrong and Kotler market segmentation is “dividing a market into distinct groups of buyers who have distinct needs, characteristics, or behavior and who might require separate products or marketing mixes” (Armstrong and Kotler, 2005). In the process of forming a buyer persona, market segmentation is necessary for brands to gain a better understanding of their potential target audience and with it being able to create more effective marketing messages (Gunter and Furnham, 1992). It allows the brand to get more concrete about the needs of the target group. By putting the wants and needs of the customer first, the company will have happier customers and is therefore able to expand their competitive advantages (Dibb and Simkin, 1996).

To create the buyer persona, **cultural**, **demographic** and **psychographic** traits were analyzed. Characteristics such as age and gender are part of the **demographics**. Brand loyalty and occasion are behavioral traits. The **cultural** factors are bound to the Chinese culture. The consumer’s **psychographic** traits were considered with regards to lifestyle, personality and personal values.

Market Segmentation			
Geographic	Demographics	Psychographic	Behavioural
Grouping customers based on defined geographical boundaries	Grouping customers based on customer personal attributes	Grouping customers according to lifestyles	Grouping customers based on actual customer behaviour toward products and services
For example: <ul style="list-style-type: none"> ▪ Region ▪ Country ▪ Population ▪ Climate 	For example: <ul style="list-style-type: none"> ▪ Age ▪ Gender ▪ Nationality ▪ Ethnicity ▪ Occupation ▪ Income ▪ Social class ▪ Family size ▪ Religion ▪ Education 	For example: <ul style="list-style-type: none"> ▪ Lifestyle ▪ Personality ▪ Values ▪ Attitudes ▪ Opinions ▪ Interests 	For example: <ul style="list-style-type: none"> ▪ Brand loyalty ▪ Benefits sought ▪ User status ▪ Usage rates ▪ Occasion ▪ Readiness to buy

Figure 3: Market Segmentation. Source goo.gl/19d1uy

2.2 Consumer Buying Behavior

Now let's move to a more specific level of segmentation and take a look at the needs of the consumer. Based on theories by Hirschman and Holbrook (1982) and Simmank (2013), the research on the consumer's buying behavior was divided in the following three areas: **Buyer motivation**, **consumer needs**, and **consumer decision making**.

In order to understand the potential customers' behaviour and reaction to a brand's efforts, their motivations, needs and decision-making have to be understood. According to Hirschman and Holbrook (1982) **buyer motivation** can have either hedonic or utilitarian motives. When the consumer is driven by hedonic motivation, he/she is looking to experience emotions together with his/her decision to purchase a product. The utilitarian motivation on the other hand, is rational and sees the purchase mainly as a task that needs to get done. Mediaplus needs to discover what Kägi's potential Chinese customers are motivated by to make sense of the buying intent.

Understanding **consumer needs** means understanding what the consumer needs to get out of his/her purchase. Exploring those variables, the consumer can be targeted more successfully with marketing directed directly to their needs (Simmank, 2013). By doing so, value can be created for Kägi's potential customers in China. The Kano Model is a visualization of a model for studying consumer needs. It therefore helps with the creation of a buyer persona.

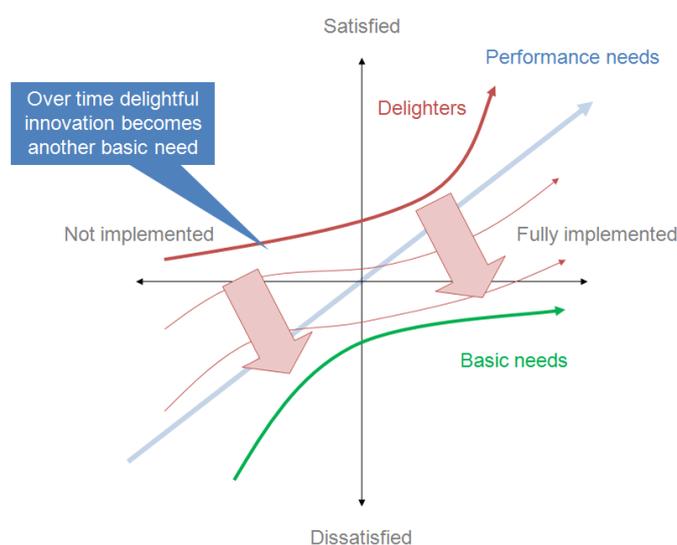


Figure 2: The Kano Model. Source: goo.gl/JxeRlZ

The Kano Model explains consumer needs based on three variables: **Delighters**, **performance needs** and **basic needs**. *Delighters* are features which are not expected by the consumer, but when confronted with them, the consumer reacts extremely satisfied. *Performance needs* represent consumer evaluation of products and demand. The higher the performance features to the consumer, the higher his/her satisfaction. The *basic needs* are the overall consumer expectations towards the product. Basic needs do not increase satisfaction levels with the customers, as they are regarded as a natural, given aspect of brand communication. Nevertheless, a lack of basic needs would result in strong dissatisfaction.

The last of the three variables is **consumer decision making**. With recent developments in technology, today's consumers have an easier access to product information than ever before. Those information sources largely influence consumer decisions and buying behavior. Simonson's and Rosen's Influence Mix theory lists all the crucial factors which together influence the consumer's purchase decisions.

2.3 Brand Communication

Branding

Branding is a necessary part of the research objective as this report's goal is to increase Kägi's brand awareness in China. The key to a successful brand strategy is using the brand core values to seek a unique competitive advantage (Li et al., 2015). Preliminary research on the Kägi core values can be found in the appendix 7. Such core values can build and maintain brand loyalty through consumer-brand relationships, where the brand's core values are generally considered to be different from other brands and offer unique benefits and value to customers (Li et al., 2015).

Keller (2009) his work on brand equity and relationships between the company, brand and the consumer will add depth to this part of the research. Brand equity is an important concept as it illustrates the necessity of a strong brand. Without it, marketing efforts can have less of an impact, as they are lacking the added value for the consumer. The ultimate goal is to create brand awareness which will attract potential customers. It is therefore, that brand awareness is presented as a direct variable in the conceptual model (3.3). According to Keller (2009), in order to communicate effectively and efficiently, marketing must happen where the customers are to be found, and more and more this place is online.

Online Marketing

In today's world, being customer centric is a very large competitive advantage (Belleghem, 2017). Therefore, this was of great importance to keep in mind for the research objective and regarding the potential Chinese consumer of Kägi.

"Marketing communications are the means by which firms attempt to inform, persuade, and remind consumers - directly, or indirectly - about the products and brands that they sell." (Kotler & Keller, 2009). By exploring the communication behavior of potential consumers, the target group can be examined. For this **online communication channels** were researched (Appendix 8.3).

A vital part of the effective branding and marketing, is the correct positioning of the brand.

Positioning means to "occupy a clear, distinctive and desirable place relative to competing brands in the minds of target consumers" (Kotler, 2015). In order to position itself on the Chinese market, Kägi needs to be perceived as a strong and unique brand. All branding and marketing efforts shall contribute to the successful positioning of the brand. All three components go hand in hand, not following one another. For this, first of all information needs to be collected on the characteristics of the target group. After, it needs to be explored in detail, how this specific group of people can be reached most effectively through online communication tools and how Kägi can be found through the available search engines abroad.

Online Marketing Channels

According to Wurtz (2005) and Tingru, Wang & Teo (2015), it is highly recommended to supply a culturally sensitive website to an international brand's consumers. For any brand to expand to China, it is logical to create a Chinese version of their online presence or website. Such a website adaption requires more than a translation (Cyr, 2008). Wurtz (2005) differentiates between high- and low-context cultures for generating culturally sensitive website content. The potential target group of this research project is part of a high context culture (China) and knowingly prefers a culturally adapted company website (Zhong, 2014).

Table 1 Summary of observations

Parameter:	Tendency in HC Cultures	Tendency in LC Cultures
Animation	High use of animation, especially in connection with images of moving people	Lower use of animation, mainly reserved for highlighting effects e.g., of text
Promotion of values	Images promote values characteristic of collectivist societies	Images promote values characteristic of individualistic societies
Individuals separate or together with the product	Featured images depict products and merchandise in use by individuals	Images portray lifestyles of individuals, with or without a direct emphasis on the use of products or merchandise
Level of transparency	Links promote an exploratory approach to navigation on the website; process-oriented	Clear and redundant cues in connection with navigation on a website; goal-oriented
Linear vs. parallel navigation on the Web site	Many sidebars and menus, opening of new browser windows for each new page	Few sidebars and menus, constant opening in same browser window

Figure 1: Wurtz (2005) Content design in cultures

3. Research Design

In the following sections, firstly, the research objective is formulated. Secondly, in order to demonstrate the reasoning, a research framework and a conceptual model. Moreover, a set of research questions are formulated in order to ensure that the research objective is achieved. Furthermore, the methodology which specifies the means of data collection and data analysis, to yield relevant answers to the research questions, is outlined.

3.1 Research Objective

The following research objective is derived from the practical problem at hand and the theoretical framework. The research presented through it is a diagnostic opinion research. As Mediaplus is aware of the communication problem, a lack of awareness regarding potential clients of Kägi in China, the report falls into the diagnostic stage of the intervention cycle. Mediaplus has acknowledged that helping their client enter the Chinese market is only possible by identifying potential target group characteristics.

***The research objective** is to give well-founded recommendations, in the form of a digital communication plan, on how to create online brand awareness for Kägi among Chinese chocolate consumers (A)*

by exploring and analyzing the opinion of online communication experts and potential Chinese customers, with regards to target group characteristics, consumer buying behavior and brand communication. (B)

3.2 Research Framework

With the research framework, the internal structure of the research project is illustrated. It shows the steps needed to be undertaken to give well-founded recommendations to Kägi on how to successfully approach the potential Chinese consumer. The research objective can be achieved by following all necessary actions indicated in the research framework.

The research framework is divided into the following parts:

- A) Research into relevant communication theories
- B) Conceptual Model and objects
- C) Analysis results
- D) Recommendations

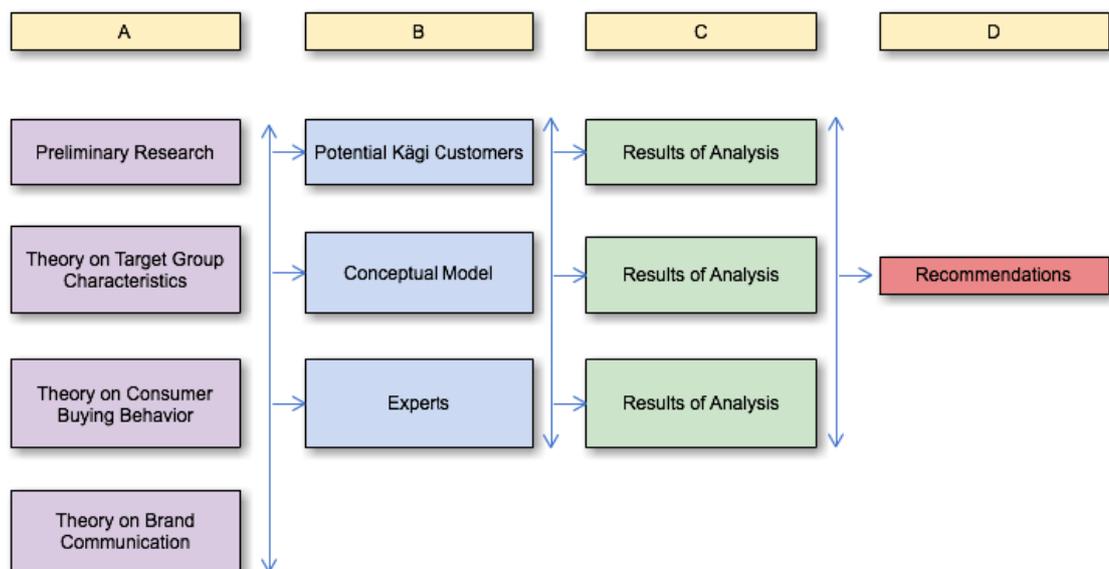


Figure 5: Research Framework Kägi, own graphic

First, the research perspective was generated (A), which is used for input for the conceptual model (B), from which results can be derived (C), which will ultimately lead to the recommendations (D).

Illustrated in the research framework are the three research areas (A) **target group characteristics**, **consumer buying behavior** and **brand communication**, which form the base to the whole project.

The chosen research areas of target group characteristics, consumer buying behavior and brand communication, with special regard of the necessary cultural sensitivity, have provided great data that has made a suitable advice possible. Within those three, more areas of interest have been explored in detail, such as search engine optimization (SEO), search engine marketing (SEM), branding and Chinese social media channels. All of the above mentioned are feasible for Kägi and do not require excessive spending in the first stages of the brand entering the unknown market.

As an addition, **preliminary research** has been added to the framework, to ensure the most thorough know-how. Based on the selected theories for the three research areas the **conceptual model** (B) was constructed. The research objects (B) are **experts** and **potential Kägi customers**. These two were essential for data collection.

Communication **experts** (Rui Li-Marliani of Mediaplus, Qianyu Zhang as external source) provided information regarding the potential target group traits, the target group profile and buyer persona. The choice to interview one internal expert of Mediaplus and one external expert was purposefully made to generate greater insights from varying backgrounds. With the survey directed towards **potential Kägi customers**, insights such as consumer buying behavior and communication behavior were measured, as well as target group traits. As a third layer of the research framework, in section (C) we will have the results of the analysis which lead to recommendations (D).

Summarized it can be said that the theories from (A), together with the preliminary research and the interview and survey results of (B), lead to an analysis of all data (C) that enable Mediaplus to advise its client Kägi by presenting the recommendations (D).

3.3 Conceptual Model

From the theoretical framework areas, the conceptual model was derived through confining key concepts from the studied research areas. It illustrates the relationships of all core concepts in a coherent overview. The theories from the research framework (A; Figure 5) meet the research's *independent variables* in the conceptual model (Figure 6). By doing so, it sets the boundaries for the research by specifying what exactly will be studied within the research project. The *independent variables*, as can be found in the conceptual model, directly influence the *dependent variables*, which are the target group profile and the communication plan.

As this project is about the necessary research regarding a Swiss firm thinking about expanding to the unknown foreign market of China, the intercultural aspect is presented within these variables and shall be discussed with the relevant literature. The theory has been carefully chosen to ensure the inclusion of intercultural aspects.

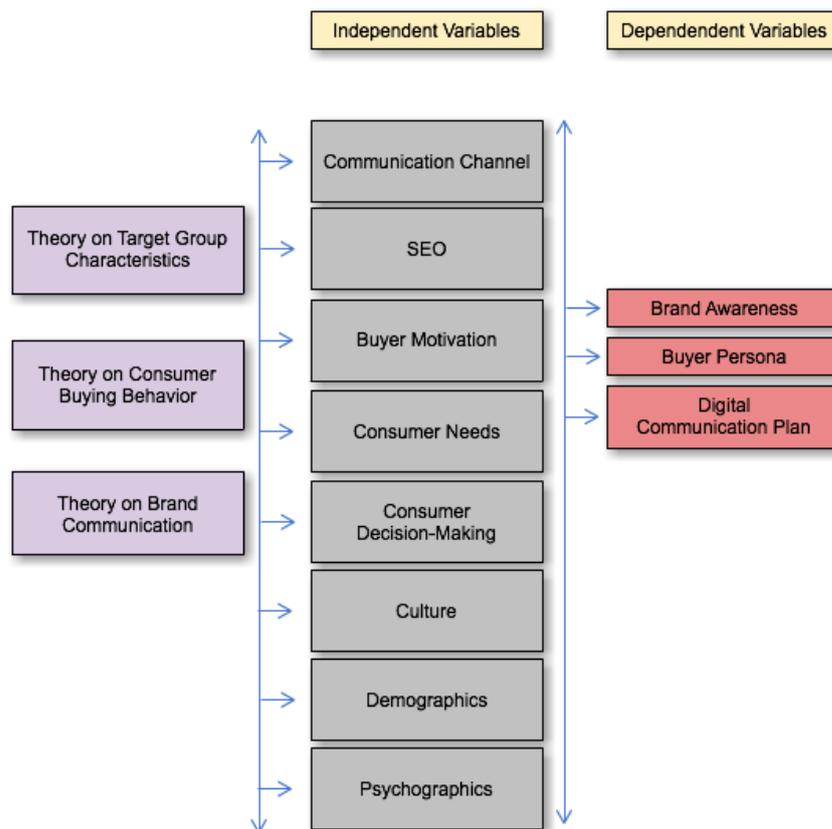


Figure 6: Conceptual Model Kägi, own graphic

3.4 Research Questions

Target Group Characteristics

1. Central Question:

According to Kägi's potential customers, expert opinion and the relevant literature (e.g. Hofstede's Cultural Dimensions), what are the main characteristics of the Chinese chocolate consumer that need to be taken into account for the creation of a Chinese Kägi buyer persona?

Sub-questions:

- 1.1 According to Kägi's potential customers, expert opinion and the relevant literature, which cultural factors influence the Chinese chocolate consumer?
- 1.2 According to Kägi's potential customers, expert opinion and the relevant literature, which demographic factors influence the Chinese chocolate consumer?
- 1.3 According to Kägi's potential customers, expert opinion and the relevant literature (e.g. Kano Model) which psychographic factors influence the Chinese chocolate consumer?

Consumer Buying Behavior

2. Central Question:

According to Kägi's potential customers, expert opinion and the relevant literature, what influences consumer buying behavior among Chinese consumers?

Sub-questions:

- 2.1 According to Kägi's potential customers and expert opinion, what are the specific needs of the potential Chinese chocolate consumer?
- 2.2 According to Kägi's potential customers and expert opinion, what motivates the Chinese consumer in their buying decision?
- 2.3 According to Kägi's potential customers and expert opinion, what are the drivers that play a role in the decision-making process of the potential Chinese chocolate consumer?

Brand Communication

3. Central Question:

According to Kägi's potential customers and expert opinion, to what extent do the media usage preferences of potential Chinese chocolate consumers determine the visibility of the brand awareness?

Sub-questions:

- 3.1 According to Kägi's potential customers, to what extent do the media channel preferences of potential Chinese chocolate consumers align with Kägi's currently used online media channels?
- 3.2 According to Kägi's potential customers, the relevant literature and expert opinion, what are the most suitable approaches for media channel usage in China?

3.5 Research Methodology & Strategy

Research Approach

The research approach for this project is deductive. Its goal is to test existing theory with the collection and analysis of primary data. It is characterized by going from general to specific knowledge gained from the research (Kothari, 2004). The hypothesis to the *empirical research* is developed upon existing theories and only after the research approach is formulated to be tested (Silverman, 2013). It is best suited for projects with the goal of comparing results, as from a survey or interview, with the one of previous secondary research (Wiles et al., 2011).

Expert interviews have been conducted in the first stage. The semi-structured interviews provided data regarding all concepts from the research areas. The interviewees are Mediaplus' experts and external communication professionals. The expert interviews were (1) held online through messenger providers, such as Facebook and Whatsapp, after the initial questions were sent via email and (2) held in person at Mediaplus in Bern. Reason for that was the availability of the respective expert. All interviewees received the questions prior to the interview, to get familiar with the subject. An explanation of the company and the research project was provided. The interview questions were created based on information collected through primary research. Open and closed questions were asked, allowing to go in depth where needed. Content, context and responses could therefore be explored in greater detail than a fully structured interview would allow.

The interview with Li-Marliani (head of Digital Operations at Mediaplus) was held face to face at Mediaplus. The interview with Zhang (external international communication expert and founder of Leisurewell international traveling agency) was conducted via email, and for clarification communication through Whatsapp and Facebook was used. The duration of the interviews varied between 45min and 1h to ensure all questions were answered. During the interview notes were taken and a follow up on the following day ensured the validity of all information.

The goal of the interviews was to test the theory and to generate key areas which needed to be investigated further with the online survey. *All interview summaries can be found in the appendix 1.*

The potential customer online survey (Appendix 2) was created based on the key areas generated with the expert interviews. The survey has further defined and proven the data previously derived, by using a larger sample size of actual Chinese chocolate consumers.

The participants were personal and business contacts, as well as people which were referred by those, fitting the target group. To generate even more responses, the survey was shared through professional networks and groups on LinkedIn and Facebook. The participants are potential customers of Kägi. They are Chinese natives, and expats that have spent a significant amount of time in China, and therefore are aware of local preferences.

With the survey, insights regarding the target group's buying and communication behavior were gained. It was designed to please the potential, mostly female target group and was restricted to 10 questions, which on average took the participant 3.50 minutes to complete. This way, the potential drop-out rate could be kept low, and most questions were thus answered by all the survey participants, which helps with the overall reliability of the data collected.

By comparing the answers of the survey with the information obtained from the relevant theory and interviews, real insights into the potential target group were generated at first hand, which helped significantly in the creation of the buyer persona. *The survey results can be found in the appendix 2.1.*

For better understanding and exploration of the core concepts of all research areas, **secondary research** has been applied to gain insight into the core concepts of each research area. It was utilized to compare the relevant theory to the primary data collected through the survey and interviews of this research project. The results have provided indications towards the reliability of the gained information and which areas needed further research.

3.6 Data Collection Techniques

The chosen approach to gather research data to answer the research questions is regulated by the research strategy (Saunders et al., 2007). A well-designed research strategy is necessary to find answers to the research questions (Verschuren and Doorewaard, 2010). In order to answer all research questions and to achieve the overall objective of this research, different methods were used simultaneously to collect and to analyze the data. The answers to the research questions originate from this data.

Techniques and Procedures

Quantitative and qualitative methods were used in combination in this mixed-methods exploratory research. Triangulation allows for greater and more accurate information. It further guarantees the reliability and validity of this research project and helps with the evaluation of the research findings and the conclusions we can draw from those (Saunders et al., 2009). The results to the research were critically reviewed, trying to find meaning in its main points. This is also how the findings are presented.

Decisions made in this research stage contribute to the validity and reliability of the project (Saunders et al., 2007). The data can be separated into primary and secondary data. The collection of this data and its later analysis, very much depend on the methodological approach that was previously chosen (Bryman, 2012). The following section includes detailed explanations to the research techniques. *An overview to all the research methods used to answer each research question can be found in the appendix 6.*

Primary Data

In-depth information is necessary and therefore, the following steps were undertaken: Semi-structured interviews were held to collect qualitative data from experts in the field. Based on the results, and as part of the quantitative data collection, an online survey for potential customers was created of which the results have further helped to define the targets group's wants and needs. The primary data is real time, first hand data, which collection time lasted over an extended period of time. The great advantage of such primary data is that it is specific to the researcher's need. It is therefore more accurate and reliable than much of secondary data may be.

The interviews provided **qualitative data**. The data is non-statistical, and helped develop an initial understanding, with insights coming from a small number of experts. The results are a non-representative sample. The data determined the depth of understanding to the research, using a

subjective approach and exploratory research methodology. The data collection happened unstructured, allowing greater depth in the information-seeking process.

The survey results provided **quantitative data** from a randomly recruited large sample size of survey participants meeting specific characteristics. The data is statistical, and can therefore be measured and expressed numerically. It helped determine the level of occurrence to opinion by using a large sample-size. No participant was fully excluded in the process, yet to certain questions only some answers are significant. E.g. questions to social media use are only directed at the participants using social media, and only those results are considered for the research. The approach is objective and the research methodology conclusive. The data collected is structured, as the questions to the survey were previously determined.

Secondary Data

The research was also conducted by a large part through the execution of secondary research. Secondary research was carried out to gain in-depth knowledge about the research areas. The secondary data was collected by other researchers previously to this project. Thus, it is past data and the collection time and effort are shorter. Yet, the results taken from secondary data may, or may not, be specific to the researcher's need. Accuracy and reliability are therefore less than from primary data. **Qualitative data** sources, such as websites, books, journal articles and internal records have helped with the collection of secondary data.

3.7 Validity & Reliability

According to Saunders et al. (2009) the validity and reliability of any research relies on the way used to collect its data. The focus for this research on one specific market is due to the saturated home market and the brands eagerness to further expand. China has been chosen because of its affinity for Swiss made chocolate products and its steady market growth (World Economic Forum, 2016).

The research objective has been formulated SMART, which means it guarantees specific, measurable, achievable, relevant and time-bound research. Quantitative and qualitative methods were used in combination in this mixed-methods research. This allows for greater and more accurate information for answering the research questions. The exploratory research chosen for this project demands for triangulation, which is using multiple ways of data collection. Together with the multiple research methods, triangulation further guarantees the reliability and validity of this research project.

The expert interviews were followed by a consumer survey to gain clearer and more specific results. The data derived serves as a confirmed generalization. To ensure the greatest chance on reliable results, the interviews and survey were matched with the research questions and objective in their content. All interview and survey questions were constructed and tested to bring forward, or confirm, new information to the research. Testing was done in Switzerland and China to guarantee the understanding of the participants and the correct display of the online survey in the foreign internet browsers. To make sure results could be compared easily, all survey participants were given the exact same questions. This adds to the reliability of the results and with it, the answers could be analyzed sufficiently. The survey was sent out via Facebook and LinkedIn messages and groups, WhatsApp and e-mail to designated candidates, who then further distributed it to suitable participants. Specific questions in the beginning of the survey allowed insights into whether the participant was in fact suitable for the research.

Transcripts to the expert interviews were made right away for them to be accurate summaries of the conversation. The professional and cultural backgrounds of all interviewees, whom were selected regarding their own knowledge in the field vary, which adds perspective and further reliability. They know the Swiss, the Chinese and international markets and have been therefore extremely valuable for the data collection of the project.

3.8 Limitations

There are limitations to the research, such as sample limitations. A survey is a great tool to receive consumer insight quickly, yet does not explicitly guarantee for an equal distribution between gender, age, or social class. Besides this, the whole research is concentrated on China's metropolitan areas due to the large country size. The results therefore do not represent all of China's potential consumers, but the ones living in the cities. With Kägi's intention of entering the markets within the big cities at this point in time, it shall not negatively influence the research to this project.

Depth is limited and the knowledge obtained concern only certain aspects of the research objects (Verschuren and Doorewaard, 2010). This means that no matter how thorough and in detail the interviews and survey have been conducted, it is impossible to fully understand the potential consumer. This research aims at approaching him/her in the best way possible. We get to know the average persona "Li Na" (Appendix 8.1) as good as we can, yet we will never know every thought that goes into her buying decision.

Another limitation to the research are biases. One of the experts already had some experience in working with Kägi which might have left her biased for the interview. Other survey participants might equally have been biased for various reasons outside of our reach (e.g. former experiences or personal preferences). The author of this report might have been biased due to preference or chance, which might lead to ignoring certain research articles or theories which might have put the outcome of the research in another light. Another limitation is the way the interviews were executed. Since the author of the report is also conducting the interviews, the questions might have been asked in a certain way, provoking a certain response from the interviewees.

Having had only a couple of weeks for the collection and analysis of a project this size is very little time and certainly required a very committed approach. The survey was online for only two weeks, but due to the time and effort spent in reaching out to all participants personally, it still generated more results than expected. From previous projects, some limitations were already known, which helped in engaging the target group this time around. For example, a suitable platform which is accessible in China was quickly found. Other limitations, such as a general cultural neglect when it comes to targeted surveys, could not be avoided.

It would have been favorable for the scope of the research to be able to interview Kägi's current Asia Sales Manager or someone with a similar professional background of the company, to receive better insight into the operations. This was nevertheless, due to the limited time and resources, not possible.

4. Research Findings

In order to provide recommendations on how Kägi can successfully establish itself in the unknown Chinese market, extensive data was gathered. All insights were gained through secondary research, expert interviews and an **online survey** which has been filled in by the target group of potential Kägi customers living in China. They have been chosen from personal and business contacts and by referral of such. The survey generated 41 responses and it can be found in the appendix 2. The **expert interviews** were held with Rui Li-Marliani, head of Digital Operations at Mediaplus and Qianyu Zhang, external international communication expert and founder of Leisurewell international traveling agency (Appendix 1). The interviews provided valuable insights into consumer buying behavior, the potential target group characteristics, possible branding and online marketing strategies. The secondary research conducted was used to confirm the research results. Its analysis, together with the answers to all research questions, are discussed moving from quantitative data to qualitative data.

Following are the analyzed results of all the data collected through the online survey, expert interviews and secondary research. Based on this, recommendations can be given to Kägi regarding a digital communication plan for the expansion to the Chinese market. The research questions were answered using all relevant data as listed below.

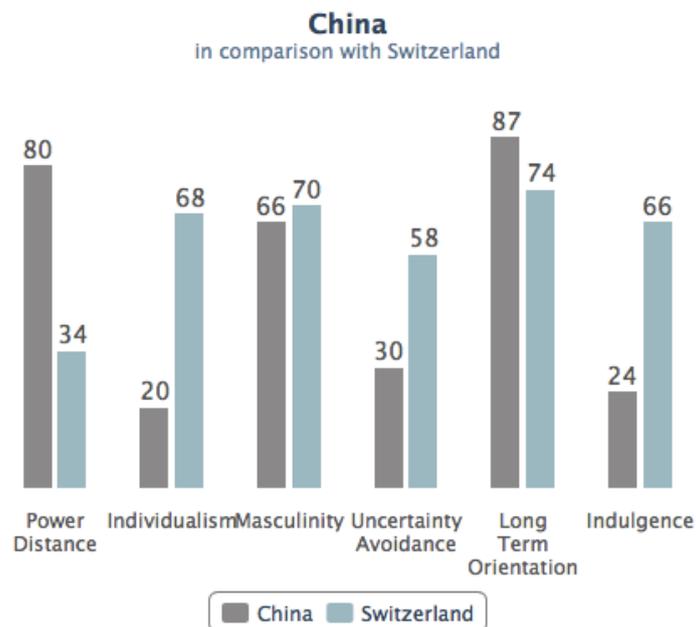
4.1 Research Area 1: Target Group Characteristics

In order to be able to work on a digital communication plan for any brand, a general understanding of the potential target group is inevitable. Following are all the relevant findings to answer the first research question.

1. Central Question:

*According to Kägi's potential customers, expert opinion and the relevant literature (e.g. Hofstede's Cultural Dimensions), what are the main characteristics of the Chinese chocolate consumer that need to be taken into account for the creation of a Chinese Kägi **buyer persona**?*

The graph below provides a good illustration on how large the differences in cultural dimensions are between China and Switzerland. The information was taken directly from Geert Hofstede's homepage and is therefore a reliable source on the cultural dimensions. Taking the cultural dimensions into account when doing business in China is extremely important because not understanding them can damage the relationships which you are trying to build. They should be studied thoroughly before Kägi can enter the Chinese market.



Cultural Dimensions; Graph 1 (Source: goo.gl/1wdaaJ)

China ranks significantly higher in *power distance*. Individuals in society are not equal and this is widely accepted by the people. Power abuse is common and it is believed that individuals should not have aspirations beyond their rank. With the survey and interviews this became clear, as participants mentioned the huge importance of status in China.

The country ranks very little on *individualism*, especially in comparison with Switzerland. People think of “we” rather than of “I”, care for each other in groups in exchange for loyalty. Those in group-considerations also include hiring family members before higher skilled external workers. Li-Marliani pointed out that it is still a long way for the Chinese to become more independent as individuals. It is a highly collectivistic country. The survey emphasized this further, as the participants mentioned how important peer recommendations and approval are to them, especially by family and friends.

The two countries rank similar on *masculinity*. What this means is that people are trying their best to be successful in the work place, they live competition and achievements. This is carried out through school systems and organisational life. Often in China, family time is sacrificed for work. It is not uncommon that factory workers for example, leave their families for most of the year, to work and earn money. What motivates people of masculine countries is being the best. Members of a feminine society are motivated by doing what they enjoy doing, while standing out from the crowd is not

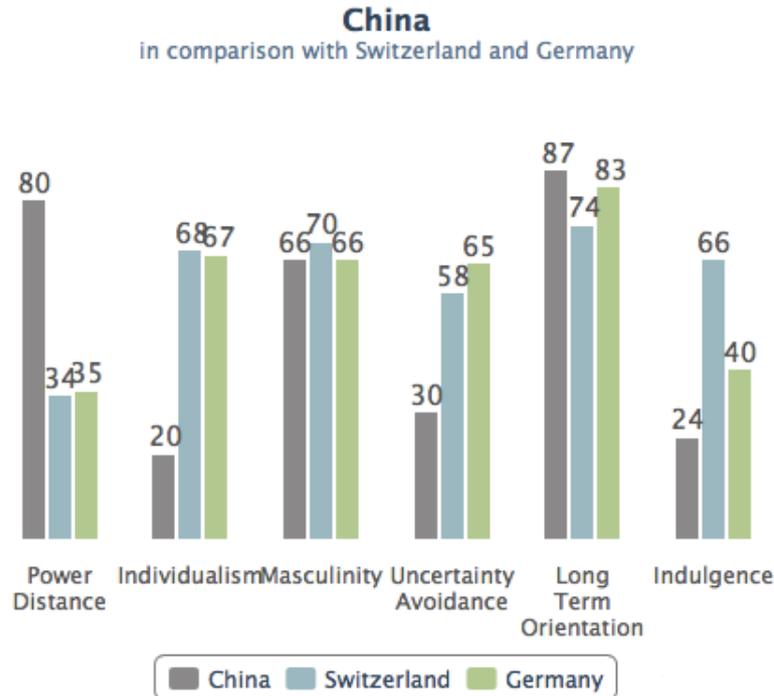
necessarily desirable. The Chinese idol-affinity, which people expressed also in their survey answers, would therefore not work as well in a highly feminine country culture.

What came as a surprise during the research is how low China ranks on *uncertainty avoidance*. They are adaptable and entrepreneurial in their actions. Swiss people seem to try a lot harder to avoid ambiguous and uncertain situations. In line with this, from the survey it became clear, that the potential customer finds joy in trying out a new snack. Similar things can be observed with the Chinese language, it is quite ambiguous and hard to interpret with all its characters and meaning, unless it is one's native language.

The Chinese rank extremely high on *long term orientation*. They focus on persistence and perseverance, and are willing to dedicate as much time as needed to reach their goals. This can be observed in Chinese business negotiations, in which the time to build trust and relationships comes before any decision. The Chinese are pragmatic, value traditions, and focus on long-term relationships rather than short term goals. Ranking high on masculinity too, this is proof for the survey results claiming just how hard-working the potential Chinese customer is.

The last dimension is *indulgence versus restraint*. From the graph it is obvious, that the Swiss people indulge more than the Chinese do. Swiss people might be hard-working too, yet they strive much more for a work-life balance. The average Chinese person tries to control their desires and impulses. According to Hostede (2017), members of this culture have the perception that their actions are "*restrained by social norms and feel that indulging themselves is somewhat wrong*". The primary research showed that leisure activities for the Chinese are mostly kept to the weekends. In Switzerland, people like to meet friends for a drink after work also during the week. This is widely tolerated and has a very different connotation than in China.

Interesting is also a comparison of the cultural dimensions between China, Switzerland and Germany. Kägi already has experience with the German market. The graph below shows, that while Germany and Switzerland might rank similar on the dimensions, China indeed ranks very differently.



Cultural Dimensions; Graph 2 (Source: goo.gl/1wdaaJ)

To conclude, for the creation of the buyer persona, it is important to keep the above-mentioned characteristics in mind. The potential Kägi customer in China is extremely collectivistic, is used to high power distance and a masculine culture. Relationships are very important and strong work ethic comes before family activities. He/she likes to try new things, yet lives rather restrained.

Sub-questions:

*1.1 According to Kägi's potential customers, expert opinion and the relevant literature, which **cultural factors** influence the Chinese chocolate consumer?*

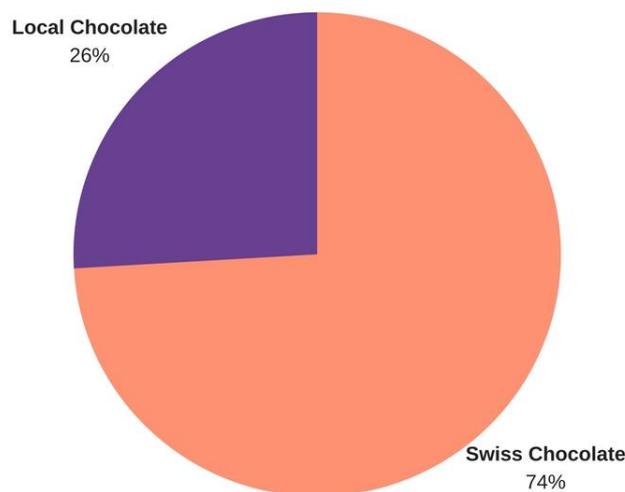
In the survey, people that belong to the target group of Chinese chocolate consumers, and people that have spent a significant amount of time living in China, have been asked about factors that influence them. With steering questions asked, we know that 17/41 participants are Chinese (41%). 33/41 stated to live or have lived in China (80%). First of all, 80% is a great outcome and proves the results to be a reliable representation of the Chinese target group. Not included in those 80% are all those Chinese people, that might very well have grown up in traditional Chinese families, with Chinese values, but were located outside of China. With 33 participants that have lived in China and 17 of those being Chinese, we can assume that 16 participants are expats that spent time in China and likewise are familiar with its culture.

China is big on snacking

- Snacks occupy **30% of the F&B category** in E-commerce.
- Based on retail value, **Nuts and seeds** (RMB 263.7B), **Biscuits & Cakes** (RMB 126.6B), **Chocolate & sugar confectionary** (RMB 115B) are top 3 largest categories in the market.
- Chinese consumers are becoming **more international in their taste for snacks** due to rising income levels and an increase in overseas holidays. 42% of them have professed an interest in trying international brands that they haven't encountered before.
- Chinese snackers are **explorers**. In WeChat alone, there are over 21,285 articles about snacks recommendation.

Image Source: Golin Magic; Kägi internal communication

Hosting neighbors and colleagues regularly is much more common than in Switzerland, which is why *snacks are always available in every household*. The Chinese love their snacks. They also often bring expensive products a favor for family/friends from vacation, as they can be sure they are not buying fake branded products and they save on taxes this way. Snacks are considered a real gift, foreign brands are considered as very valuable. Their associations are different from how Europeans would think about a snack as a gift. It certainly counts as far more than a nice gesture.

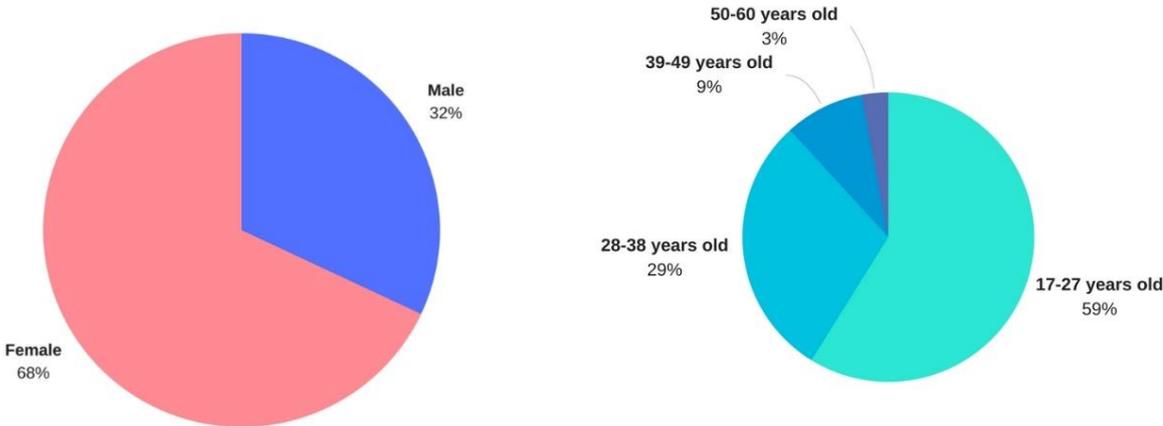


Own graph: Preferences of chocolate origin of potential customers

The general population prefers foreign products, trusting their high quality. It is therefore, that foreign products are considered premium, higher priced alternatives. Some brands that are not considered premium in Europe, take that as their advantage and make the Chinese believe through online advertising, that their products are in fact very great and desirable. It has become a trend to order premium products online which are not available in China, especially Belgian Pralines and Japanese sweets. People have jobs, importing such premium products and selling them in China. People trust the foreign brand and the foreign packaging only adds to the credibility and does not bother the consumer. For brands that want to establish themselves in China, it is a different story. Zhang explained that due to the large population, Chinese people easily feel overlooked or insignificant, for example in the work place. This goes in line with Hofstede’s cultural dimensions of power distance and masculinity, which were discussed in the previous section. When Kägi is presented as a treat for the individual’s hard work, the brand can help with this pain point.

1.2 According to Kägi’s potential customers, expert opinion and the relevant literature, which demographic factors influence the Chinese chocolate consumer?

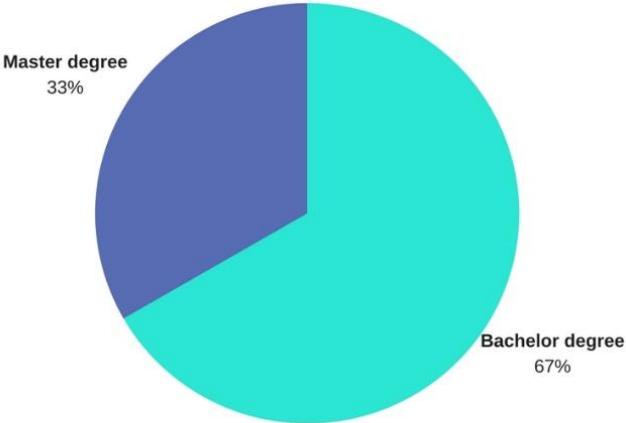
68% of the survey participants are *female*. From the experts, we know that women in China are known to enjoy sweets more than men. It is therefore helpful, to hear especially from them, what their preferences are. 32% identified as male, which means everyone chose their gender and we can be sure about the male/female ratio. 71% of all participants claim to be a chocolate fan. This is a good base and fulfills the expectations to the survey outcome.



Graph source: Customer online survey

The largest part of the participants was between 17 and 27 years old (59%). 29% were between 28 and 38. 9% between 39 and 49. Only 3% were between 50 and 60 years old. First of all, we now know that only 34/41 chose to give away their age, or that the rest was either younger than 17 years, or older than 60 years of age. Li-Marliani thinks that *everyone under the age of 40 should be targeted, especially young women*. This aligns with the survey results. She says that women have the image in China to always be snacking. Older generations did not grow up with chocolate, therefore it is not as important to them.

19/41 of the survey participants graduated from high school, and 18 of those have graduated from university, holding a bachelor degree. 5 hold an additional master's degree. 14 claimed to be financially stable, while 7 struggle with money. 19/41 are in a relationship at the moment. 17 are single, which leaves 5 that chose not to tell. 7/41 claims to be living on their own. This goes in line with the cultural dimensions earlier defined for China. The *people are very collectivistic and hard working*. Social class is especially important for the potential target group.



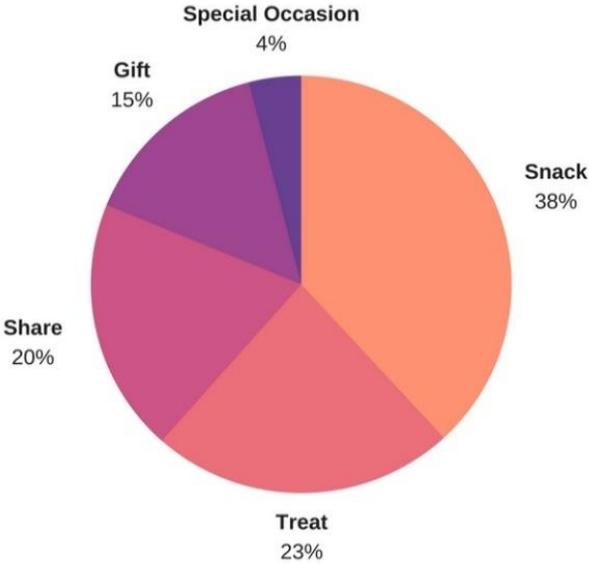
Graph source: Customer online survey

Zhang explained, that social class and education were great factors which determine one's status in China. Li-Marliani agrees, that *status in China is very important*. She gave the example that in Switzerland, everyone might be able to buy a Kägi, while in China this would be a sign of status and might just be considered as a foreign treat to offer guests. People like to show off their wealth, and this also concerns what they eat and what they can offer their guests. Hereby, what you offer a guest is always a status symbol. Li-Marliani advised, to certainly sell Kägi as a luxury product in China,

aiming for high status. The Chinese believe that Swiss chocolate is the best, regarding the quality. She is surprised that there are no other brands using this to their advantage yet.

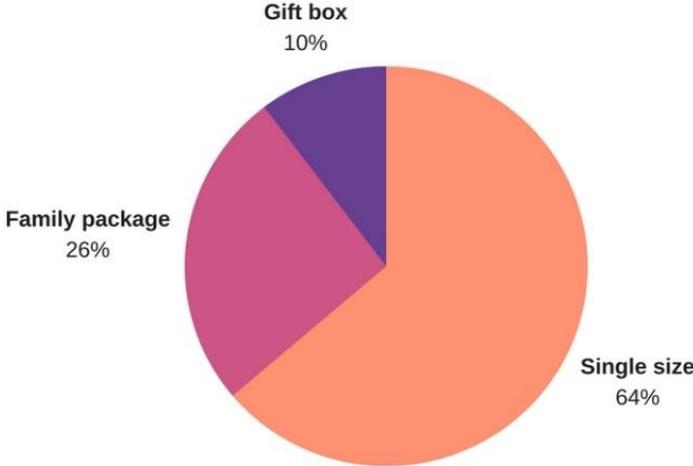
*1.3 According to Kägi’s potential customers, expert opinion and the relevant literature (e.g. Kano Model) which **psychographic factors** influence the Chinese chocolate consumer?*

38% of the participants see Kägi as a snack on the go and only 4% claimed for it to be a thing to be kept for special occasions. This was surprising and contradicting in a way with what has been found through secondary research and the expert interviews, where the exclusivity of foreign chocolate was pointed out. This could have many reasons: For one, we do not know, which of those participants still live in China, neither do we know which age group goes with which answer. It could be, that Chinese that moved abroad have changed their habits. It can also be, which seems most logical at this point, that the large percentage of young participants have impacted this result. Young people tend to be very busy, working and studying long hours. This would explain that they rather consumer Kägi as a snack on the go or as a treat between work (23%). Older generations at the same time tend to be more traditional, and might rather keep such products for special occasions. Also, as we know from the expert interviews, because they just eat a lot less chocolate overall.



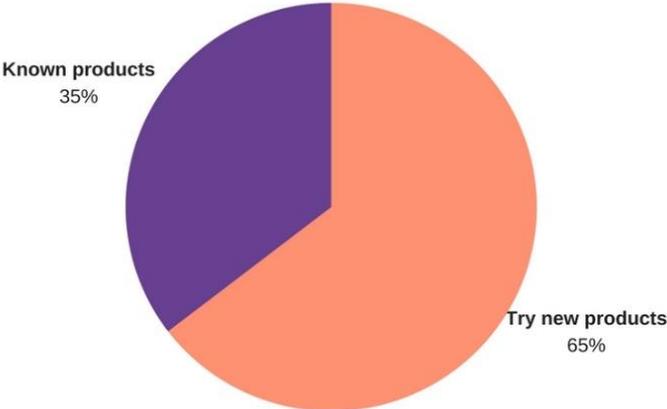
Graph source: Customer online survey

As to the occasion, according to Li-Marliani, the Chinese would snack a Kägi at the office, to reward themselves for hard work. Or while they read a book in their spare time, at home. Not so much during trips, as the trips they take are mostly trips to the mall on the weekends with family, where they eat quite differently. It makes sense then, that 64% prefer the single packed Kägi, as it is easier to consume on the go. 26% would enjoy Kägi family packages with individually wrapped sweets and 10% would like to see Kägi gift boxes they can give to family and friends.



Own graph: Package size preferences by the potential customer

65% of the survey participants are happy to try something new. 63% mentioned that they are more likely to trust a product and to purchase it, if recommended by friends. 38% read online food reviews and recommendations and 18% rely on social media influencers. Li-Marliani says that the Chinese get more individual as people, but it will take a long time for them, as they are still very concerned about what family and friends say/think about them.



Own graph: Willingness of potential customers to try a new product

According to Zhang, lifestyle and attitude influence the consumer greatly. “Made in Switzerland” will positively affect the consumer’s image of a brand, while factors such as sustainability or innovation are not important. Li-Marliani adds that tradition is another highly valued variable. The health trend which can be perceived in Europe is not part of Chinese lifestyle yet, and therefore will not affect Kägi. Both experts agree, that people are not concerned. Li-Marliani pointed out that while the trend exists all over the world, the Chinese still not have the negative connotation of snacks that Europeans do. They do not realize they should cut back on snacks. This has never been an issue for them. In the part history of the country, sweets were always rare. Most snacks were salty, such as tofu or nuts. This is why, they do not think of snacks in a negative way, when it comes to health. Though, also this will change at some point. So far, the health trend is nothing Kägi needs to react to. People enjoy snacks as they are.

4.2 Research Area 2: Consumer Buying Behavior

Understanding the consumer buying behavior is important for the digital communication plan for Kägi. Below all relevant data collected to answer the second central research question is reported.

2. Central Question:

According to Kägi's potential customers, expert opinion and the relevant literature, what influences consumer buying behavior among Chinese consumers?

The research has shown that the Chinese consumer values one thing over anything else and that is peer reviews. Consumer buying behavior is positively influenced by online and offline recommendations. They are an extremely important part of a brand's marketing and hold much more value than in Europe. If the potential customer is unable to find product reviews, he/she will get insecure, unsure, and will not be as likely to purchase the product. Kägi should spent time and effort on the collection and display of positive reviews. After this is done, the second most important thing is for those reviews to be read by the right people, so that they in turn, convert into loyal customers.

In order to do so, *search engine optimization* (SEO) is advised. *Search engine marketing* (SEM) is another step that can be undertaken, in which case Kägi would have to pay for ads displayed to the target group. Those methods have been looked at in detail during the phase of secondary research. It is advised to explore further, what the exact customer behavior is, when using search engines, and which keywords Kägi could invest in. For now, extensive secondary research has been undertaken to research the functions of Baidu, China's most used search engine. This includes methods of ranking higher in the search engine results and how Kägi could use this to promote its products in China.

Zhang thinks that the Chinese consumer will be persuaded to buy Kägi before another already well-known brand because it is a new brand on the market and therefore fun to try out. Li-Marliani adds that hence Kägi is different from what is offered at the moment, people will enjoy and like it. So far, there are no other wafer snacks (especially with chocolate coating) on the Chinese market. She says that the Chinese consumer will be persuaded to buy Kägi before another already well-known brand, if it is communicated as *"the traditional wafer with quality Swiss milk and chocolate"*.

Sub-questions:

*2.1 According to Kägi’s potential customers and expert opinion, what are the **specific needs** of the potential Chinese chocolate consumer?*

The experts interviewed agreed that the Chinese consumer would enjoy a variety of different sizes for a product like the Kägi wafer. Bigger packages, such as family boxes, should be provided as well as individually wrapped snacks. Li-Marliani adds that Chinese people are food hoarders, especially the older generations. Huge fridges and freezers are constantly filled in every home. This is due to memories of the 3-year mass starvation followed by 20 years of food shortage. After the recovery of the economy people were buying in bulk, still do it unconsciously. This supports the idea of offering large family packages in China.

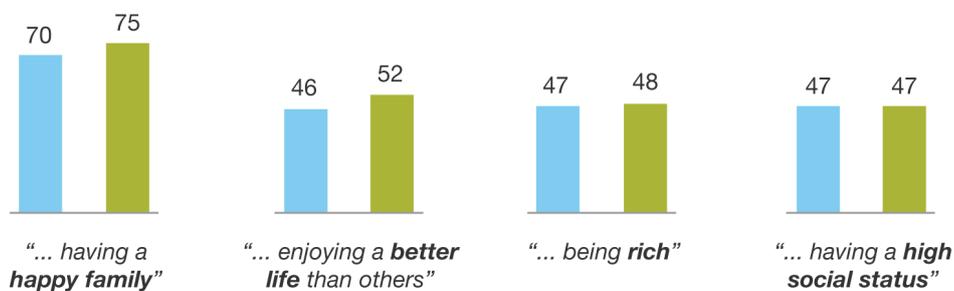
The experts also agreed that the Chinese consumer is looking to experience emotion with his/her decision to purchase a Kägi. They want to feel pride in their product choices. It is all about the status. Family pictures will work well on family packages, yet smaller snacking versions, which you will be able to get at the kiosk or mini supermarket, should definitely not have family pictures on them, as they will be purchased as a treat during work hours. Seeing family pictures would make the consumer sad about the time he/she cannot spend with his/her loved ones. A message that grants them a break from work (e.g. “A *crispy break, refreshing like a mini holiday in Switzerland*”) is preferred. According to the experts, Kägi should communicate its wafer as something you share with a friend, as a snack, or as a gift.

Chinese consumers’ needs and values continue to center around family.

Being successful means ...

% of respondents who selected “strongly agree” or “agree”

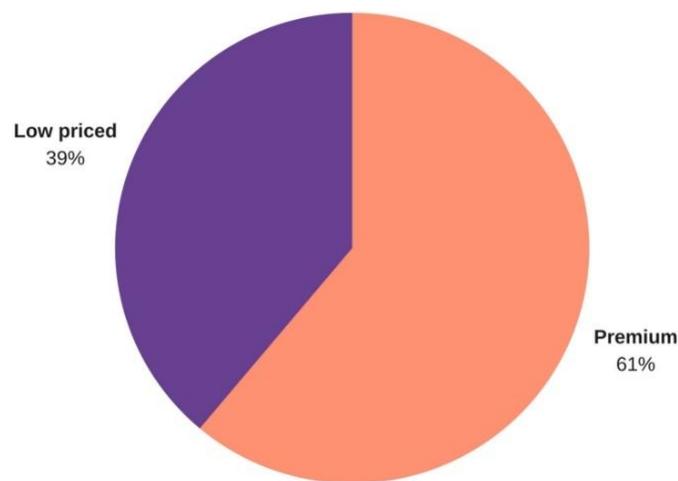
■ 2012 ■ 2015



McKinsey&Company | Source: 2012 and 2015 McKinsey surveys of Chinese consumers

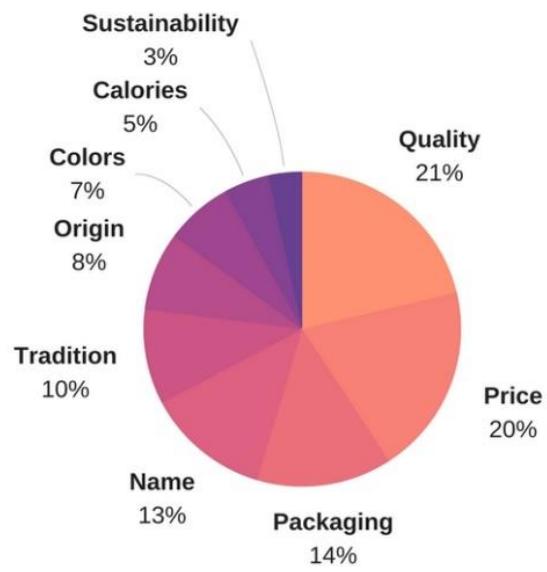
2.2 According to Kägi's potential customers and expert opinion, **what motivates** the Chinese consumer in their buying decision?

From the survey results the emphasis on the high quality of Kägi became clear. Especially the younger people desire premium products to show off their family's wealth. Yet, they should still not be too expensive as otherwise they will look for ways to purchase alternatives over the internet at a lower price.



Own Graph: Desired price segment of potential customers

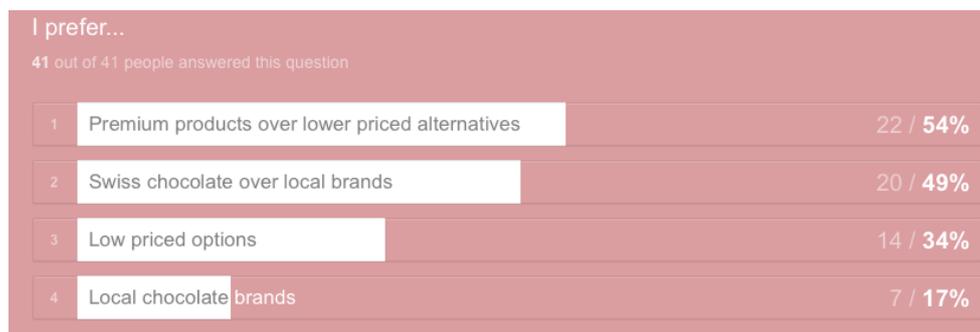
90% of the participants are motivated by the quality of products in their buying decisions. 83% pay attention to the price, which could again be an indicator of the rather young age group. Students and young professionals tend to have less money to spend. 59% enjoy an attractive packaging and 54% pay attention to the product's name. Only 41% spend a lot of attention on the brand's tradition, which again, might be due to the average age of the participants. Origin follows with 34%, the colors of the packaging with 29% and "Made in Switzerland" is only a reason to purchase a product for 20%. Less surprising is that the same small amount of people is influenced by the amount of calories in the treat. Sustainability (15%) and innovation (10%) are, as pointed out by the experts, no important factors to the Chinese population. *The above numbers originate from the fact that multiple answers were possible. The following graph shows the product features ranked by importance.*



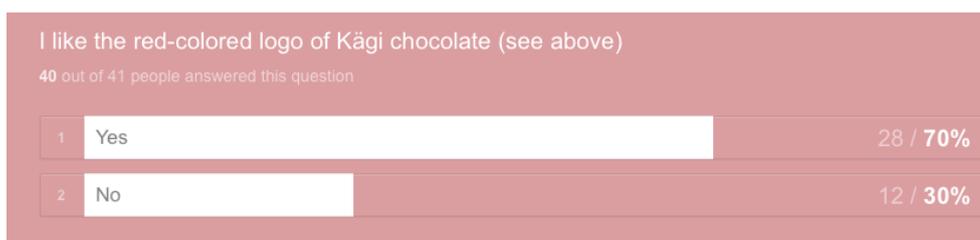
Own graph: Product features influencing the buying decision of potential customers

2.3 According to Kägi's potential customers and expert opinion, what are the drivers that play a role in the **decision-making process** of the potential Chinese chocolate consumer?

We already know, that the participants pay attention to the quality and price of their purchases. 54% state that they overall prefer premium products over lower priced alternatives. “Made in Switzerland” was only rated by 20% as a factor they base their buying decision on. Yet, almost half (49%) of the participants do prefer Swiss chocolate over local brands. It fits with the statement made by the experts, that the Chinese consumer generally mistrusts Chinese consumer goods due to low quality standards.



Zhang thinks that a wisely chosen slogan and the quality of the Kägi wafer will motivate the Chinese consumer in his/her buying decision. Li-Marliani adds that the red color of the Kägi logo is great and the Swiss flag on the wrapper shows its foreign origin. Yet, the Kägi packaging does not look premium enough for the Chinese market. Where Swiss consumers appreciate the original packaging, the aluminium foil will be perceived as cheap in China and will not match the high-quality Swiss product. The participants did like the red color or the Kägi logo (70%). Red is considered a lucky color in China as it is a symbol of prosperity, health and happiness. For the Chinese New Year or weddings for example, people hang up red lanterns and give money as a gift in red envelopes. Gifting a premium product like Kägi, with red packaging, could be an optional treat to those occasions.



The brand name was only appealing to half of the people asked. This is in no way a surprise, as the name is difficult to pronounce for the Chinese. The experts mentioned those concerns early on.



The reason that the slogan “happiness is a Kägi” is only appealing to 50% is very likely to be based on the reason mentioned above. Next to the brand name, also “*happiness*” is difficult to pronounce for the Chinese. Li-Marliani pointed out, that even those with good English skills will dislike the slogan, as it is English and includes sounds unfamiliar to their ear. It is advised, to consider changes in name and slogan for the Chinese market. Coca Cola and Sprite, for example, changed their names with great success (Coca Cola = “*tastes good*” / “*brings joy*”; Sprite = “*Snow, green, fresh, clean*”). The new names are no direct translations but appealing interpretations with a nice sound to them. Also, Li-Marliani said, the Chinese signs need to have a beautiful meaning.



4.3 Research Area 3: Brand Communication

With the expert interviews and the secondary research, the most used social media channels were investigated. According to the experts interviewed, people will be likely to become loyal customers if the quality of the Kägi wafer is right, and rightly communicated. Something very important which cannot be forgotten is, that a brand that wants to establish itself in China, *needs to know Chinese politics*. Li-Marliani suggests to hire a local PR firm from the start to possibly even make use of political events strategically. Some firms have done this with great success. People attach great emotions to their country and politics. A company that plays along with it and portrays those values can gain thousands of new customers by making the right PR decision to a political event. Under no circumstances can anything against the regime be shared through corporate communications. This also includes hiring celebrities for advertising purposes, which have the right reputation.

3. Central Question:

*According to Kägi's potential customers and expert opinion, to what extent do the **media usage preferences** of potential Chinese chocolate consumers determine the visibility of the brand awareness?*

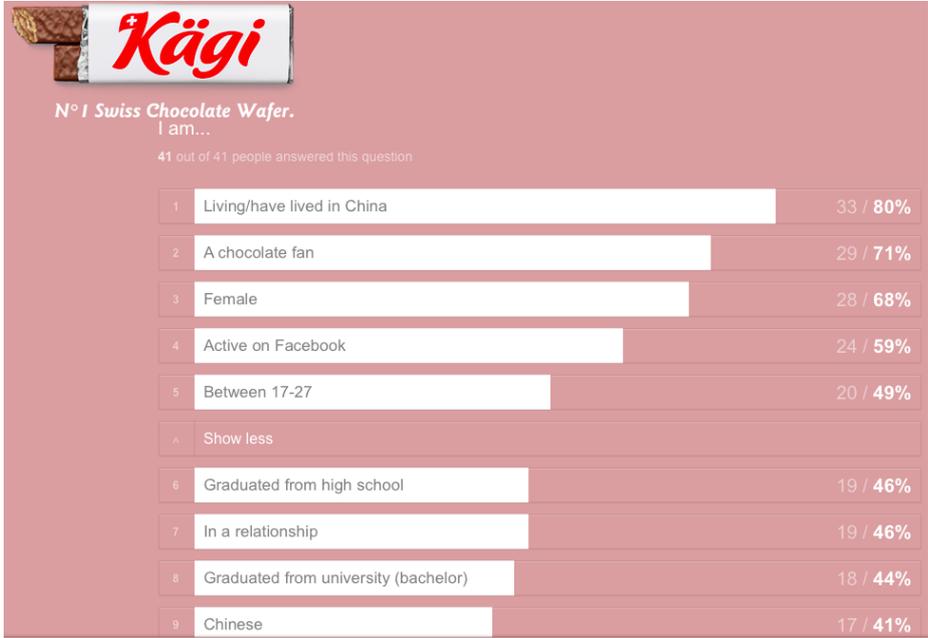
Exploring online *communication tools* for Kägi, it can be stated that a Chinese interpretation of the brand's website is crucial for the consumer to be able to inform himself about the brand. The *website content and design* should be paid special attention to because of the strong cultural differences. Correct mobile display is necessary. Most participants filled in the survey using mobile devices. If the website fails to work on those, Kägi will lose lots of potential customers looking for information online. With a new brand entering the Chinese market, it is inevitable to make use of the very same media channels, which the potential target group is most active on. According to the experts, otherwise it will be very hard for a brand to establish itself. If Kägi can use social media channels like WeChat, the customers have the chance to share Kägi content, which will further help the brand's visibility.

Sub-questions:

*3.1 According to Kägi's potential customers, to what extent do the **media channel preferences** of potential Chinese chocolate consumers align with Kägi's currently used **online media channels**?*

Regarding Western social media, there are 24/41 survey participants active on Facebook, 17 on Instagram, 11 on YouTube and 5 on Twitter. Obviously, people can be active on multiple social media platforms at once. We have earlier concluded that 16 people were temporarily in China, meaning that they have left the country and therefore regained legal access to those platforms. Now if 24 people

are using those platforms and 16 were expats, that means that 8 Chinese participants have either a) left China or b) make use of those platforms through complicated ways of working around the restrictions. It would have been helpful to ask for WeChat and Weibo at this point, to back up the conclusions drawn from the numbers mentioned.



Currently used online media channels of Kägi, such as the above-mentioned Instagram or YouTube, will be of no use in China due to country wide online restrictions. Chinese alternatives are in place. As Zhang and Li-Marliani previously explained, WeChat and Weibo are the social media platforms most commonly used. Contests work especially well on WeChat. Many companies have participants win prizes by sharing a brand’s content. WeChat is the bigger platform, but it is not as easy to get a public account and the content shared by other users. Weibo is like Twitter, it is easier to be visible,

but its reach and marketing opportunities are smaller. It is easy on Weibo to get customer feedback about, e.g. packaging, price and taste. A community can be easily build around the brand and the target group can be reached precisely. It is a great way to create a more approachable, friendly company image. For Chinese people the mentioned services, WeChat and Weibo, are also places where it is possible for them to meet their favorite influencers. *Below is an example of a Weibo account by a foreign brand which has established itself in China.*



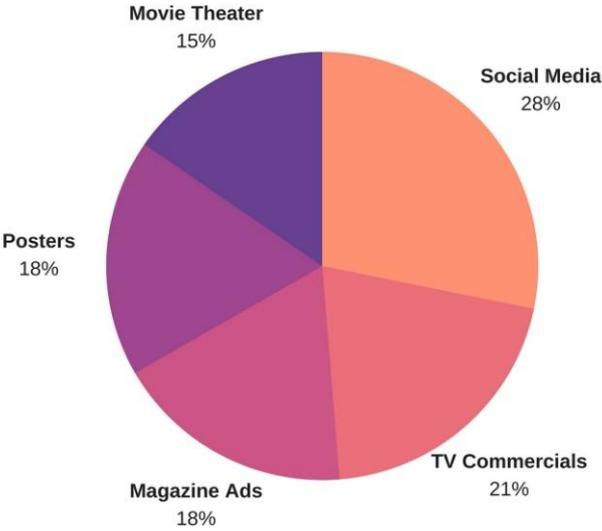
Image source: goo.gl/MDoyf8

3.2 According to Kägi's potential customers, the relevant literature and expert opinion, what are the **most suitable approaches** for media channel usage in China?

After the company website, the second most important channel for a brand's content is a social media platform (Regalix, 2015). Due to censorship and restrictions based on internet protection laws, China has build their own social media landscape. Instead of Facebook, Instagram, YouTube etc., Kägi now needs to get familiar with the Chinese equivalents WeChat and Weibo.

More than half of the participants (54%) said that they would like advertising on Social Media platforms. This promotes the idea of this research, to explore ways for Kägi to successfully approach the Chinese consumer through online measures. Next up was the option 'commercials on TV' with 39%. Even though, it might seem surprising, that the consumer actually enjoys TV commercials, this phenomenon was already mentioned by the interviewed experts. Considering the Chinese' affinity for seeking out role models in celebrities, and the advertising industry making use of that, it is in fact

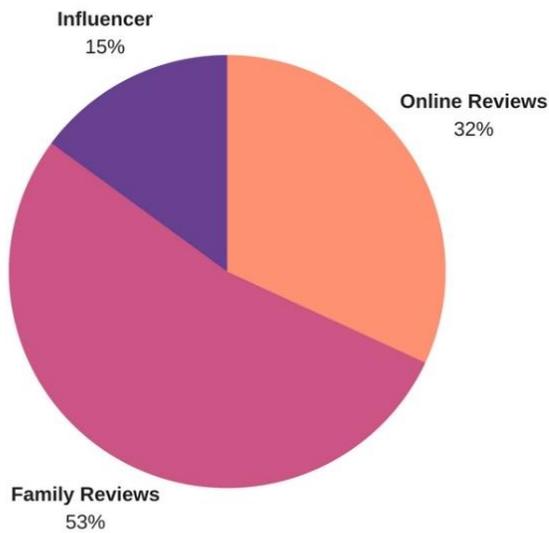
no surprise that the consumer likes to be entertained by his/her idols in the commercial breaks. The experts interviewed for this research had already confirmed the Chinese’ affinity for this kind of advertising previously to conducting the survey. *The above numbers originate from the fact that multiple answers were possible. The following graph shows the advertising possibilities as ranked by importance.*



Own graph: Advertising preferences by potential customers

The experts were also asked about which offline channels would reach the most potential customers. It is agreed, that this would be TV commercials. Even though, a lot of people are now watching shows online, this will still generate the most reach and engagement. Yet, sponsoring a show will be very expensive. Showing a celebrity in a commercial would be a better start. With young women being the main target group, it is recommended by Li-Marliani, to look for an attractive young actor. Funny commercials also work well, or extraordinary things people will talk about.

Li-Marliani confirmed that influencer marketing would create a huge positive reaction in China, no matter the specific market, and Zhang believes that it would impact sales significantly. Li-Marliani could imagine that influencers from other markets might even be considered more credible, as people will believe if *even they* are so highly speaking of the product, coming from a different niche, it must certainly be great. The only requirement is, that the influencer has enough followers on social media. She suggests comedians, as apparently, they work really well, telling a fun story around a product. Higher priced, and even more successful are celebrities, such as actors and singers.



Own graph: Sources of influence to the potential customer

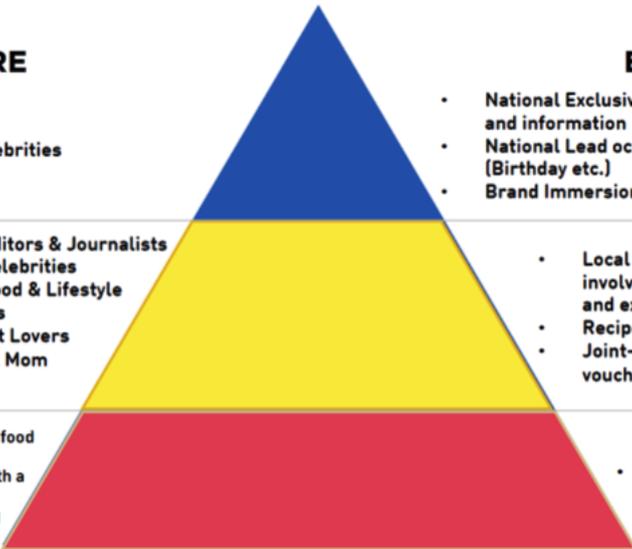
Building An Influencer Pyramid

WHO THEY ARE

-  • Top Celebrities

-  • Local Editors & Journalists
- Local Celebrities
- Local Food & Lifestyle bloggers
- Gourmet Lovers
- Peacock Mom

-  • Everyday food lovers / moms with a taste for value and quality



ENGAGEMENT

- National Exclusive access to Kägi products and information
- National Lead occasion based gifting (Birthday etc.)
- Brand Immersion Trip

- Local Campaign level involvement, sneak previews and exclusive gifts
- Recipe creation
- Joint-promotion and offer e-voucher for their followers

- Monthly Product seeding of existing range



Image Source: Golin Magic; Kägi internal communication

Finally, making use of search engine optimization (**SEO**) is highly recommended to facilitate the processes around online media usage in China. From the survey it is confirmed, that the potential consumer is active on different online channels and likes to find reviews to a product he/she might consider. With Kägi working on SEO, chances to be discovered are higher, and therefore brand awareness is helped significantly. The SEO guide for the Chinese search engine Baidu (Appendix 8.4) has been created to help with the process of SEO in China.

5. Discussion & Analysis

In the following, the results of the survey and interviews will be analyzed regarding the different sections and key concepts. The research data is discussed, considering the corresponding theory from secondary research. The conclusions from this will provide for further knowledge that can be used for the digital communication strategy and advice.

5.1 Discussion: Target Group Characteristics

An exploration of the potential target group was necessary and of great importance in order to develop the digital communication plan for Kägi. The creation of the Chinese buyer persona requires in depth data analysis, as in the end it should be most helpful to the specific client. The buyer persona represents the ideal customer of Kägi in China. Hence, the potential consumer will appreciate finding her as part of the marketing efforts. He or she will see him-/herself in the buyer persona and automatically pay more attention to its recommendations (advertising and brand messages report, 2013). The interview and survey results confirmed this. Potential customers care highly about peer recommendations to products or services.

Information Processing

The consumer will only carefully think about a message if he/she is motivated and able to process the information. For Kägi this means that marketing messages which are adapted especially for the Chinese market, are a must, to guarantee that the consumer is motivated to process Kägi's marketing efforts directed at him.

The Heuristic-Systematic Model describes two modes for information processing. The routes operate independently and can occur simultaneously. The systematic processing tends to be thoroughly thought through, conscious and analytical. Heuristic processing is like a reflex, it is about automatic decisions. It relies on shortcuts based on decision rules. How much the consumer will be persuaded by a brand's message depends on the elected way of processing. This means, in order to give better advice about how to best communicate with the consumer, it needs to be investigated, what the target groups' way of processing is.

The experts confirmed that the potential Chinese customer tends to make his/her decisions rather conscious and analytical. He/she can thus be reached best through systematic modes of information processing. It matches the cultural dimension of Hofstede, which gave insights into indulgence of restraint. The Chinese customer is not lead by impulses. Marketing messages should therefore be created accordingly.

5.2 Discussion: Consumer Buying Behavior

Branding

As written in the Business Dictionary (2006), branding is „*the process involved in creating a unique name and image for a product in the consumers' mind, mainly through advertising campaigns with a consistent theme. Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers.*” Definitions of the term are constantly changing. A brand is its name, logo and values that represent the firm. Best case scenario is, when those factors make the brand stand out against other competition on the market. Kägi has already done their branding for the Swiss market. Now is the time to adjust parts of it, to present the brand to the Chinese consumer. The advertising in Switzerland fits the Swiss' need for a healthy work-life balance. Family and leisure are points which have been communicated so well, that the consumer associates them with the brand. In China, the situation is slightly different. The consumer is long-term oriented and works very hard to achieve his/her goals at work.

According to Boulding (1956), people do not react to reality but perceived reality. What this means is that the reality of a brand really is created the moment it stands in contact with the consumer. Therefore, understanding the basic psychology behind such processes is valuable in understanding the consumer. Finally, Kägi as a brand is the consumer's ideas and feelings attached to the product. Companies can stir those thoughts through strategic marketing efforts in the desired direction. Yet, Mishra (2012) claims that „the concept of brand is dynamic and changes along with changes in social (cultural), economic, political, technological, and legal systems and across the geography”. This further highlights the necessity of partnerships with, for example, local PR firms. As the markets are changing, so are brands. By staying informed through their partners, this can be advantage rather than a challenge to Kägi.

It was pointed out, that the Swiss image of Kägi might clash with the target consumer's needs when applied unadjusted to the Chinese market. Kägi should aim at altering the reality of the brand Kägi in China towards a market friendly alternative. The Chinese average person might be working very hard, yet, he/she is still collectivistic and will enjoy the idea of sharing and gifting behind the brand. So, if snacking sizes can be presented as a “*well deserved Swiss mini-vacation*”, as suggested earlier, then the current approach needs little adaptation. Bigger, family sizes can still contain images of families on the packaging for example.

Concluding it can be said that for companies to excel in their branding efforts, they continuously need to improve their chosen strategies according to new market trends and innovation. Helpful with

that can be the evaluation of customer feedback and steady research in the field. This way a brand like Kägi can stay informed, alert and ready for potential changes as they occur. By analyzing what the customers are wishing for, and comparing this to the general demand on the Chinese chocolate market, Kägi will be able to implement improvements quicker than the competition and with this build higher customer satisfaction.

5.3 Discussion: Brand Communication

Channel Usage

For Kägi to effectively communicate its message to the potential Chinese consumer, firstly it needed to be determined, which communication channels are preferred by the target group. The interviews and online survey gave great insights regarding social media use in China. The common consumer communication channels in Europe, are not used in China. Instead WeChat and a corporate website can be fitting alternatives.

Social Media Channels

According to Cao (2012), the ideal combination of media capabilities in communication is through the use of the right social media channels. He also stated the importance of choosing a brand's preferred social media channel as part of the communication strategy, so that it could highlight the most efficient way of communicating information to the customers. From expert interviews and secondary research, it can be concluded that WeChat is by far the most used social media platform for the Chinese population, followed by Weibo. WeChat can be very successful as a designated social media channel, though only people who follow Kägi receive the brand's information. Yet, with the WeChat public function, it is possible for brands to share content once a day, to possibly increase overall reach. Brands can use social media to enhance their visibility to the target group, while communicating with them through those same channels. *Collaboration* is important in terms of influencer marketing, famous spokespeople of the brand etc. Those collaborations can be further shared via social media channels, by the brand, partners and their customers, to encourage further engagement. The expert interviews gave insight into the huge success of influencer marketing in China. Since the general population trusts those influencers greatly and is likewise influenced by celebrities, which they perceive as role models, a cooperation with influencers is highly recommended. Hereby, it is not important to stick to e.g. food bloggers. The interviewees guaranteed an even greater success with a well-known influencer from a different niche. This way the message that the product advertised is in fact a great one, would be highlighted even more, recommended by someone that usually shares content of different nature.

6. Conclusion & Recommendations

Based on the research to this project, enough data could be gathered to present the following conclusions and recommendations to Kägi:

6.1 Conclusion

During the course of 10 weeks, research has been done in order to develop a digital communication plan for Kägi to establish itself on the Chinese market. The Chinese market was thus far unknown and unexplored. Therefore, the most suitable communication tools for Kägi were identified. The conclusions are based on the analysis of the research results. A presentation of the recommendations follows the conclusion.

The most important thing to start with is, to take **cultural differences** into consideration. It would be foolish to think, all customers across the globe are the same in their wants and needs. The opposite is very much the case. At the same time, Kägi needs to still be perceived as the traditional Swiss company that they are. This way status and credibility can be enhanced and a competitive edge can be created. This applies to everything: Website design, social media etc.

It must also be mentioned, that most participants filled in the survey using **mobile devices**. This observation makes it very clear that Kägi, for the brand to establish itself in China, needs to pay attention to mobile device friendly display of their website abroad. If this is not guaranteed, a lot of the remaining efforts will not be fruitful. For example a Chinese interpretation of the website, will simply not be seen, or (even worse), perceived as low quality, which is the opposite of how Kägi wants to position itself.

From the research results it can be concluded, that **positive reviews and recommendations** from strangers, celebrities, and family/friends are the best way to establish a positive brand image for Kägi in China. Famous spokespeople can add to the brand's credibility and create a huge increase in sales (Zhang, 2017). In Western culture, reality is perceived differently. Often, in Europe quality and origin are valued far over peer reviews. Those are equally important in China, but for the consumer to pick up a new item, he/she first needs to be reassured by positive reviews on the product. Only then, quality and origin can be fully valued by the consumer. A strong market presence can only be established by obtaining a positive brand image.

The **origin of the product** needs to be communicated as its main characteristic and shall also be displayed in overall style and packaging. In China, “*Made in Switzerland*” stands for highest quality standards and it is well-known that the best chocolate comes from Switzerland. Made in China contrarily, stands for poor quality standards, which the consumer does not trust (Li-Marliani, 2017). This is why, 90% of the chocolate market in China is occupied by foreign brands. It is highly recommended to work together with a local PR agency to minimize risks and to take advantage of trends and political events (Li-Marliani, 2017). In any case, it will be easier to establish the brand with the help of a culturally sensitive network.

Investigated were the ways in which Kägi can present its brand through online channels, such as the official website and local social media. Being found through search engines is likewise necessary. It is inevitable to understand and make use of Chinese social media. After the **company website**, the second most important channel for a brand’s content is a social media platform (Regalix, 2015). As for social media in China, Kägi needs to start from the beginning, with the social media landscape being 100% different from European standard. Due to censorship and restrictions based on internet protection laws, China has build their own **social media** landscape. Instead of Facebook, Instagram, YouTube etc., Kägi now needs to get familiar with the Chinese equivalents WeChat and Weibo. The channels used so far by Kägi (Instagram, Facebook, YouTube) will be of no use due to the above-mentioned country specific restrictions. Instead WeChat, as the most commonly used social media medium in China, is recommended. **WeChat** hold a public profile function, through which brands can share content once a day and possibly increase their reach by that.

Regarding the search engines, the common service is Baidu. **Search engine optimization** should be used simultaneously with the creation of a Chinese website. Scoring high in the search results will increase Kägi’s chances of gaining new customers. The chances to be found are nowhere near random, but include a complex construct of factors that need to be taken into consideration in the construction of the website. In order for **Baidu** to recognize the website, keywords which the potential customer might search for, need to be identified, used and analyzed frequently. Baidu Index can help with finding those keywords. The keywords then can be used in the site’s HTML description and title.

6.2 Recommendations: Target Group Characteristics

- Products should be represented as “Western” as possible, while keeping in mind local preferences.
- Customer loyalty will be strengthened and brand awareness will be build, through references by actors, comedians etc.
- The average buyer persona works very hard. Kāgi therefore can help the persona, providing a pick up treat during long work hours, and communicating this quality effectively.
- The average buyer persona fears the most for a family member to fall sick. Keeping the family-friendly feel to the brand will be positively associated by the potential consumer.

6.3 Recommendations: Consumer Buying Behavior

- Baidu Index is a good way to explore and analyse relevant keywords, such as frequency of use of the consumer, who the consumer is, and where he comes from.
- The display of positive brand reviews on social media and the website is highly recommended. An in-depth understanding Chinese social media is essential.
- It is advised for all marketing efforts to be culturally approved and tested.
- It is recommended to hire a local PR firm with knowledge in current politic affairs. Some large brands, like Coca Cola, are strategically making use of public opinion in their marketing efforts with great success. This can *not* be taken care of from outside of China but requires local experts! Besides, having personal relationships in China is always beneficial.

6.4 Recommendations: Brand Communication

- Influencer marketing is highly recommended in China.
- “Made in Switzerland” is displayed on all products and digital content connected to the brand, as it stands for the highest possible quality.
- A lot of pictures should be used on the Chinese website.
- All information should be accessible on one page, rather than hosting several sub-pages.
- An ‘about us’ page will enhance trust in the consumer.
- A well-chosen title and description to the pages is essential, as the Chinese consumer will judge the relevance of the webpage through those factors.
- WeChat is recommended as the social media platform of choice for brand communication.
- A Chinese website is essential to be found via Baidu.
- All social media channels should be easily found and link to one another and the website.
- A user and mobile device friendly display of the website in China is important.
- SEO on Baidu is necessary to rank higher in the search engine results.

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1. Introduction

The now following advice has been produced keeping in mind the research objective, to explore ways for Kägi to enter the unknown Chinese market. The goal is to *give well-founded recommendations, in the form of a digital communication plan, on how to develop online brand awareness for Kägi among Chinese chocolate consumers, by exploring and analyzing the opinion of online communication experts and potential Chinese customers, with regards to target group characteristics, consumer buying behavior and brand communication*. This is necessary, as thus far, Kägi has no experience on the Chinese market. With the saturated home market Switzerland, expansion is encouraged, and from the research it has become clear, that China offers especially great growth opportunities (Research Report; 4).

All research questions were answered with the help of extensive research in the last weeks. During the research, options were investigated on how to best communicate the brand to the potential Chinese consumer. The recommendations formed for Kägi below are all based on the collected and verified data from secondary research, expert interviews and an online survey aimed at potential consumers. The focus hereby lies on digital communication and ways for Kägi to approach the Chinese consumer through the use of different online channels. As there had not been done any research previously, the brand is currently unaware of how to communicate with the potential customers, in order to be seen as an attractive new brand, entering the foreign chocolate market.

In consultation with Rui Li-Marliani, head of Digital Operations at the client organization Mediaplus, three communication means have been created which will facilitate all processes for Kägi. Those are **(1)** an illustration of the Chinese buyer persona, **(2)** a guide to Chinese social media for brands and **(3)** an SEO guide for the Chinese search engine Baidu.

To facilitate the integration of the advice, an implementation plan with steps to follow, in order to build a customer base in China, is included. Additionally, an overview over the time and money, which will need to be invested, was created. If Kägi decides to follow all the steps, the brand will have all the tools necessary for successful brand communication in China.

2. Brand Communication

Most Chinese consumers use the internet on their mobile devices, such as smartphones. While in Europe, at this point people still use computers and laptops much more frequently, this too will change. The change to a preference of mobile devices simply occurred a lot quicker in China (Knupfer, 2016). This trend could also be observed with the online survey to this research project (Appendix 2). Most participants filled in the survey using their smartphones, computers only came after. Tablets were used as well. Those observations make it very clear that K&gi, in order for the brand to establish itself in China, needs to pay even more attention to mobile device friendly display of their website abroad, and all other presentation through online media channels.

A Chinese interpretation of the K&gi website is necessary, so that potential customers can find information on the brand easily. It will be a valuable tool for **SEO purposes** and it can **help increase the popularity** of the brand significantly. It will likely **influence potential customers** with its content and design. Overall, it will help **create a brand image** for the consumer. *An example of a Chinese website interpretation can be found below.*



Image source: godiva.cn

From the interviewed experts and secondary research, it can be concluded, that WeChat is the most used social media platform in China. Over 60% of the people that go online regularly in China use WeChat (Verot, 2016). Through the platform, brands can reach their target audiences and potentially grow a loyal customer base. It is therefore evident, that WeChat is a great social media channel for Kägi to be used in China. The guides attached to this report shall help in understanding those channels quickly so that they can be used for the implementation of the digital communication plan.

This intervention fits into Kägi's communication strategy and is a logical choice based on current choices of the brand's online channel usage. Kägi has picked up on the fact, that brands no longer need to only push messages to their customers, but really engage with them. This can be observed on the social media channels used at home, such as Instagram, where content of Kägi customers is shared and conversation is encouraged (see Kägi Instagram). This matches the family-friendly feel the brand has attached to its products. In order to engage the Chinese consumer, similar methods need to be considered. With Instagram, Facebook etc. being no option, due to country restrictions, it is logical to turn to the Chinese equivalent, such as WeChat.

For illustrations of the messenger services provided by WeChat please see the appendix 8.3.

3. Communication Content

3.1 Channel Integration

Research indicated, that the majority of potential Kägi customers in China are in favor of online media and advertising in the form of TV commercials. At this moment in time it is not advised to enter the market with TV advertising, as the brand is completely unknown and the prices would be extremely high for this kind of campaign. Instead, to approach the customer successfully, which is the goal of this communication plan, online channels are highly suggested and have thus been further investigated and discussed in the research report. In order to guarantee and facilitate the success of the implementation, the communication media tools shall be integrated.

3.1.1 Buyer Persona

Following indications of the research results and Mediaplus, the creation of a buyer persona has been evaluated as helpful for Kägi in understanding their potential Chinese customers wants and needs. The buyer persona serves as a visualization of the generalized target customer of the brand, and may help Kägi in understanding how to reach and communicate with the customer most efficiently. As the expert interviews, the online survey and the secondary research pointed out, the potential Kägi customer in China values recommendations to a product a lot. Kägi can use this to their advantage, in creating a trustworthy internet presence in China, which gives space to authentic customer reviews. The brand may even choose to introduce the buyer persona as part of the campaign. As the buyer persona represents the ideal customer of Kägi in China, the potential consumer will appreciate finding her as part of the marketing efforts. He or she will see him-/herself in the buyer persona and automatically pay more attention to its recommendations.

According to the research results, with the buyer persona, Kägi can communicate better with the potential customers and thereby be more successful in increasing awareness for the brand in China. It allows for a more personal contact with the customer, knowing what he/she is like and what his/her preferences are.

It is important to mention that the persona needs to be *updated frequently*, so that it can stay true to the level of customer insights generated by Kägi. Those new insights can be generated by distributing an updated version of the survey to even more potential customers. Possibly through newly obtained Chinese social media channels, such as WeChat. The random sample size for this research project is not large enough to ensure a fully accurate buyer persona. It should rather be seen as an example of how the creation of the persona should be handled and act as a facilitation in the process. *For an easier adaption please see the target group template in the research report appendix 8.2.*

For the **implementation**, it is necessary that everyone working for Kägi in China is aware of the buyer persona created. Staff needs to be briefed thoroughly in order to serve the customer sufficiently, to understand him and to communicate successfully. The buyer persona is only useful in positively influencing a brand's communication, if everyone in the company understands her characteristics and incorporates those in his/her work.

It is highly suggested to offer a mandatory **workshop** to all staff members to educate them about the buyer persona Li Na, what she stands for, on which channels she can best be reached and how this can be integrated into Kägi's digital communication strategy for China. Only when everyone is aware, the buyer persona will help Kägi in their communication efforts. With an existing persona, but a divergent communication approach, Li Na is useless to the company. Rather, the buyer persona should be the core to the chosen communication strategy and aid in its creation. Consequently, it is highly advised for Kägi to **incorporate the buyer persona** in the digital communication strategy.

Buyer Persona Li Na

(own graphic)

Li Na



NAME - LI NA
GENDER - FEMALE
AGE - 27 YEARS
STATUS - ENGAGED
LOCATION - SHANGHAI
BACHELOR OF ART
RECEPTIONIST
INCOME 7,980 CNY

A DAY IN THE LIFE

- 07:10 Wakes up
- 08:00 Starts work
- 01:00 Lunch break (30min)
- 07:30 Finishes work
- 07:40 Takes the bus home
- 07:50 Buys groceries
- 08:30 Cooks
- 09:00 Studies online
- 10:00 Watches TV
- 11:00 Goes to bed

GOALS

- Aims for a position higher than the receptionist at the law firm, which is why she studies courses online at night
- Hopes to marry her boyfriend as soon as they have saved enough money

TRAITS

- Sociable, likes to be around friends and family a lot
- Shy around strangers
- Really enjoys chocolate
- Keeps up with her favorite TV shows and everything around her favorite singer Luhan
- Owns a cat with the name Lucy
- Her boyfriend lives on campus
- Goes to the mall on Sundays

SOCIAL MEDIA

- WeChat
- Weibo
- Believes in product & service reviews, recommendations & word of mouth by her friends and idols

"I work very hard, but enjoy my Sundays with the family. That is very important for me. Even though I don't have too much time for myself, I like to check my phone for updates throughout the day."

FEARS

- Not to make a higher position at the firm and to be too old to start someplace new
- To be financially unstable
- For her mother to get ill

For a more detailed description of the buyer persona, please see appendix 8.1.

Selecting the most suitable channels

This research purposely focused on digital channels. Firstly, because entering a new market, it is beneficial not to spend enormous amounts of the budget all at once (TV commercials). Rather, it is recommended to build a relationship slowly, which can last. Secondly, the target group research indicated, that online channels are indeed the perfect way to increase awareness.

From the research, it became clear that Kägi must start from scratch when using digital communication in China. So far, the brand is familiar with channels such as Facebook, Instagram, YouTube and Twitter. Now, the staff has to get used to using WeChat and Weibo due to restrictions abroad. WeChat is highly recommended and further explained in the social media guide (Appendix 8.3). Next to it, a Chinese interpretation of the Kägi homepage is a must. Kägi is highly encouraged to make use of search engine optimization opportunities on the Chinese search engine Baidu, to make sure the brand can be easily found by potential customers.

In the following please find a short introduction to the above mentioned social media platform WeChat and search engine optimization for Baidu.

3.1.2 WeChat Guide for Brands

To help with a clean start to WeChat, a guide was put together for Kägi. The implementation as an official social media platform in China might not be easy, as it is completely new to the brand, yet with the tips collected, it shall be a lot easier to do so. *For the full guide please see appendix 8.3.*

8.3 Social Media Guide China



WeChat logo (Source: goo.gl/O7XXWZ)

Introduction to WeChat

In the advice, we have already established, that WeChat is the most used social media channel by the potential Kägi customer in China. WeChat (Chinese name: Weixin) can be described as an app which combines WhatsApp, online banking and so much more. For users of the app, it is possible to:

- *Order food*
- *Shop online for clothes*
- *Buy movie tickets*
- *Call a taxi*
- *Read the news*
- *Make use of social media*
- *Make a doctor's appointment*
- *Check in for a flight.*

3.1.3 Baidu SEO Guide



Baidu logo (Source: goo.gl/DyimT6)

As previously explained in the research report, search engine marketing (SEM) and search engine optimization (SEO) are two tools used to rank a website higher in the search results, so that it can be found easier by potential customers. Search engines are a frequently used way for the consumer and other businesses, to find your brand and to get informed about latest developments. If Kägi manages to rank high on Chinese search engines, this will promote the brand image of a premium product brand further. From research we know, that when it comes to chocolate, this is what the Chinese consumer is looking for. Kägi can therefore be positioned wisely in the unknown market, by using SEO. SEM is not advised, as the public largely distrusts paid-for advertisements on search engines. In their opinion, SEM is unfair and not ethical. As Kägi is trying to be perceived positively by the Chinese consumers, it is advised for them to make use of SEO rather than SEM. SEO is very time consuming, yet Kägi will save money, which would otherwise have to be spent on bidding on keywords for SEM.

For the full guide please see appendix 8.4.



BAIDU SEO GUIDE

HOW TO RANK HIGHER ON THE CHINESE SEARCH ENGINE

Extract of Baidu SEO Guide. For the full guide please see appendix 8.4

Producing content which can easily be used on different channels

Especially keeping in mind that Kägi has to start pretty much from the beginning with the online channels in China, it is advised to create content which can be used e.g. for the website *and* WeChat alike. By integrating and linking all channels used, the awareness among the consumer can further be increased with an increase in exposure. By doing so, a consistent brand image can be communicated.

Integrating those channels

As mentioned above, the channels used need to be connected with one another. This facilitates the information process for the consumer and increases overall chances of awareness creation. Therefore, what will be posted to WeChat must link to the website and the website must communicate the use of the social media channel WeChat. It is beneficial to keep the same theme to present a clear branded and positioned product to the customer. This means, if the latest post on WeChat is discussing the tradition of the brand, then the blog or website also needs this piece of information in focus at that time. It is advised to mention the topic on WeChat while linking to the website for more information. This way the customer can be guided to the conversion site for in-depth knowledge about Kägi.

4. Implementation

The media products buyer persona (3.1.1), WeChat Guide for Brands (3.1.2), and Baidu SEO Guide (3.1.3), are three sources of insight information on how to communicate the brand Kägi in China and how to approach the potential customer successfully. They are based on weeks of secondary research, a large potential consumer data collection, and they are created under consultation of the experts interviewed for this project.

- *The buyer persona* makes it possible for Kägi to not just target the potential consumer successfully, but also understand his/her motivation, goals etc. Consequently, the targeting can happen in a much more strategic and efficient way.
- *The WeChat Guide for Brands* gives first insights into the social media platform in China, which is used the most by Kägi's desired target audience. It shows how to make use of the app and how Kägi can use it for business. It provides a highly-recommended channel for communication with (potential) customers.
- *The Baidu SEO Guide* helps in understanding how search engine optimization can be used in China to aid the process of brand visibility, and with it, overall customer awareness.

For the implementation process it is of highest priority, that the Kägi team, selected to carry out the expansion on the Chinese market, has full access to those sources (media products 1, 2 & 3) and studies them conscientiously. Only when everyone involved is educated on those parts and believes in their success, they can carry out the work authentically and, most importantly, efficient and effectively. If the Chinese marketing team for example, does not believe in the buyer persona, a very different group of people will be targeted. This should only happen after extensive research, careful consideration, discussion and an update of the presented persona.

A specific training for the different teams (marketing, SEO etc.), with in-depth briefing and consultation provided, is recommended in order to guarantee that everyone working on the successful expansion of the brand is educated on the points made within the media products.

A debriefing after the first four weeks upon implementation can help with any changes that need to be made or any questions which are left unanswered. As usual, communication is key, and especially in the beginning phase it is advised to take the time to listen carefully and to give guidance, where guidance is needed. This way, a strong foundation for Kägi can be build in China.

4.1 Kägi's Policy

The advice to this research should be linked to Kägi's policy and support the company in their vision and long-term goals. Kägi's mission is to bring "happiness" to the people with the help of their chocolate wafers. As of this moment, the company's focus is on known territory in Europe, rather than on exploring new potential markets. Yet, as those familiar markets provide for limited customers only and are overall quite saturated, with this research a very promising potential market was investigated. In the long term the company wants to grow, as any other business, and by offering advice in that direction, this report supports Kägi's policy throughout. Hopefully, with the help of this advice, the brand can spread *happiness* over China soon, as the research indicates real market opportunities.

Kägi's 'recipe for success' is a *skillful combination of tradition with innovation* (Kägi website, 2017). The promise to follow the highest quality standards is deeply rooted in the brand's Swiss origin and communicated in detail on the company website. The founder Otto Kägi is quoted saying: "*The quality of the raw materials, production steps and processes are absolutely paramount.*" and it goes on: "*The quality of the ingredients, work steps and processes is the be-all and end-all.*" The actual recipes used, originate from the company beginnings in 1934.

The cultural sensitive approach of the digital communication plan for Kägi supports the brand's objectives and will make entering the Chinese market possible. Meeting the company objectives will further help with the target group awareness. It is therefore, that the research done regarding the possible digital communication channels will help Kägi in achieving their goals in the future.

Image Source: Kägi website



4.2 Client's Acceptance and Barriers

The chosen digital communication tools were selected in cooperation with Mediaplus for their client Kägi. Those tools were discussed with the experts from Mediaplus, adapted in the process of it and finally accepted by the firm. Especially the guides were highly appreciated and valued as a good starting point for Kägi, as Chinese social media is thus far completely unknown to the client. The buyer persona was created as a focus point that Mediaplus wished to see in the research and is based on the potential Kägi customer in China.

Kägi needs to be aware of the barriers regarding the implementation of the advice. It is impossible to accurately predict customer behavior. The advice is based on the research results, yet, all success of the digital communication plan depends on the reaction of the target group.

Another point is the buyer persona. It was created based on the opinion of just over 40 participants of the online survey and the experts that were interviewed for this project. China has a population of 1,388,105,334. Consequently, the persona will be nowhere near perfect, and should therefore be adjusted over time, with more research, and possibly depending on a specific geographic location. *A buyer persona template which will facilitate this process can be found in the appendix 8.2.*

The last barrier is that approaching the Chinese consumer always has to do with awareness and awareness is not something you achieve, but instead constantly have to work on. Only by reinforcing the measures, Kägi will stay in the head of the consumer. For the client, this means that the digital communication plan is not finished with this project. Kägi has to fully commit to this mission and make it a priority of constant research and implementation, in the process of expanding to China.

Image Source: Kägi website



4.3 Facilitation of Communication

The advised tools of the digital communication will help Kägi in approaching the Chinese consumer successfully when entering the Chinese market. This will be done in the following ways:

- With an interpretation of the Kägi website the Chinese consumer will have a way to find culturally specific information easy to understand in modern Chinese.
- By implementing cultural preferences in design and structure of the website, the experience of the Chinese consumer, entering the Kägi website will be improved.
- All potential customers will be targeted, based on their personal profile, and in accordance to the research findings, which helps with the overall goal of strategic communication.
- The website interpretation for the Chinese market will represent Kägi as the original and traditional Swiss high-quality brand that they are and attract new customers.
- The SEO guide for Baidu will help with the interpretation of the Kägi website for China. With the incorporation of the points mentioned in it, the brand will be found easier through search engines by the consumer seeking information on Kägi.
- Using WeChat for social media in China will help Kägi in their communication efforts. It is the preferred channel by the potential Chinese customers and a great way to meet them online.

5. Planning

The objective of the digital communication strategy is to help Kägi in approaching the potential Chinese customer when entering the Chinese market. To aid this process, a feasible and clear implementation plan is necessary as it is outlined below with all activities, a time frame and budget planning. The digital communication strategy can be implemented in 8 weeks and includes the realization of the communication tools, followed by an evaluation of its overall success. Involved is the whole team designated to grow the brand in China, in close consultation with the experienced marketing team at home. This includes intercultural experts and preferably a grand majority of the staff coming directly from China, being aware of customs and trends. Kägi wants to stay Kägi, yet offer a culturally-adapted approach abroad to be truly successful.

I. Stage: August 1st – 7th

In the first stage of the implementation Kägi will prepare itself by getting familiar with the research report and the advice. This stage will last for one week and includes all additional research by a chosen team responsible for the brand's expansion. For the kick-off of the implementation process, August 1st 2017 has been chosen. Yet, this date is flexible and should be arranged keeping all other proposed deadlines in mind.

II. Stage: August 8th – 22nd

After the first stage of preparation, in the second stage it is essential for the chosen team to be briefed in detail, using the provided guides for social media and search engine optimization in China (*please see appendix 8.3 & 8.4 for example guides*). Next, a final decision on the budget is made, depending on the staff members needed. Extra costs for social media and SEO are not included in the cost calculation (see table below), as it is believed that the guides provided serve as a good start when implemented correctly. The guides are based on thorough research on the topic and the goal is, for all staff to be fully informed, so that an easier transition to Chinese social media and SEO can be guaranteed. With this, the use of e.g. WeChat will be more successful for Kägi.

At this moment in time, the team decides on tasks for everyone involved and external professionals for help are hired where needed. Again, culturally sensitive staff from China and intercultural experts are recommended to be hired for this process. It is advised to spend two full weeks on the planning.

III. Stage: August 23rd – September 30th

In the main stage, the proposed digital communication tools will be implemented by the allocated team members. The goal is to approach the potential Chinese consumer most effectively. Detailed information on how to do so can be found later in the advisory report. Five weeks will be necessary to get all tools up and running.

IV. Stage: January, 2018

Lastly, the effectiveness of the digital communication plan should be measured. Simultaneously, an assessment of whether or not the research objective has been met will be made. From the research, and as explained earlier in the report, we know that measures such as search engine optimization take a long time to pay off. Nevertheless, they are necessary. Three months after the implementation process, the 4th stage takes place. Key performance indicators have been chosen to help with this:

- a. Did the traffic on the Chinese website steadily increase after it was made available to the public? This would be due to the efforts made in search engine optimization, and the website consequently ranking higher on search engines like Baidu. The traffic to a website can be easily seen and analyzed through the options offered by hosting sites such as Wordpress, through Baidu's analytic service *Tongji*, or Google Analytics. Google Analytics is advised, as the responsible team probably already has worked with it and surprisingly, this service is not blocked in China. It is very user friendly and provides a great performance overview. Signing up for Google Analytics is a very easy process and after doing so it will directly track the performance of your website. Kägi will be able to keep track about how many people visit the page and how they get there (e.g. through Baidu, or by clicking a link from another site). It is very important for Kägi to sign up for Google Analytics **before** implementing all changes. Otherwise, obviously, tracking the success will be much harder. By arranging everything in time, it will give Kägi more data to work with and better insight into which actions provoked which corresponding response in the consumer. With an increase in traffic on the website, it can be concluded that people are becoming more aware of the brand. The objective of approaching the potential consumer successfully, would therefore be reached.
- b. Did customers approach Kägi through WeChat? Are they engaged with WeChat moments and is the feedback positive? How many private messages were received and how much Kägi content was shared by customers? This is a very easy way to evaluate WeChat effectiveness. If increased engagement is recognized on WeChat, it means the efforts were fruitful. *Post views, number of fans, impressions, engagement, post open rate, comments, conversion rate* and *reach* should be constantly observed. *Web traffic* (from the website, ads etc.) and the use of scans made from *QR codes* can be tracked. When comparing the number of people choosing to contact the company through WeChat direct messaging, rather than traditional email, it will also become clear, whether the target group in China prefers WeChat over other communication channels. If unexpectedly, the channel will not be used, this means that WeChat was *not* the right choice for Kägi.

The planning below gives an overview of all activities planned for the implementation of the digital communication plan, and the corresponding deadlines that need to be met in the process. The budget has been roughly calculated based on spending applied to a similar earlier project and secondary research, and applies if the plan is followed 100%. The objective here was to stay as low as possible in spending, so that resources can be used for other necessary measures, such as new packaging, distribution etc.

Graduation Assignment Company: Mediaplus; Client: Kägi Student: Francesca Kroeger Student Nr. 311521			Budget
Activity		CHF	
	Website interpretation		250
	Redesign of Kägi images for online		250
	SEO Baidu: SIM Card		20
	Business license China (e.g. for professional WeChat)		7950
	Setting up WeChat account		0
	Content shared via WeChat		0
	Code Academy course on SEO		0
	Google Analytics		0
	Budget for Staff		?
Final Budget (excl. Staff)		Ca. 8470	

Calculated budget of the implementation (own graphic)

For the implementation planning calendar (own graphic) please see the next page.

Planning

Activity	August	1st - 7th	8th - 22nd	23rd - 31st	September	1st - 30th	October/November/December	January 2018
1 Project Briefing & First Steps								
Getting familiar with the report/advice								
Buyer persona briefing								
Additional Research								
2 Detailed briefing of team								
Use of provided guides for social media & SEO								
Amount of staff members is decided upon								
External help is hired where needed								
Final decision on budget is made								
Media tools are prepared for launch								
Tasks are delegated to each team member								
3 Main Stage								
Implementation of all digital communication tools								
Setting up WeChat account								
Link to WeChat is put on website and all other channels								
WeChat e-signature is added to email communications								
Share content on WeChat								
Participation in code academy course for SEO								
Keyword research								
Website interpretation including changes								
4 Evaluation								
Has the research objective been met?								
Evaluation of increased website traffic								
Evaluation of website ranking on Baidu								
Use of Google Analytics								
Evaluation of where the user comes from (Baidu, external link)								
Evaluation of how many people visit the website								
Evaluation of how many people choose to engage over WeChat								
Comparison of email and WeChat messenger traffic								
Evaluation staff meeting								
Final report on performance /key performance indicators								

6. Conclusions

6.1 International Relevance

For a company to expand successfully in an international context, they need to gain an understanding of the markets and the local consumer. In order for any company to excel, they need to understand their customers' needs and wants better than their competition does. Only then can they deliver a product that fits, with the right message, in the right context and to exactly the right group of people, through the right medium and at the right time. The base for this is information, in the form of a detailed and culturally-sensitive buyer persona, can be found in the research report.

The international relevance of this research project is guaranteed, given the fact that besides Kägi, also the host organization Mediaplus has very little international experience. The organization's main focus is on Swiss brands advertising within Switzerland, or in geographically and culturally close environments, such as Germany and Austria. Since the firm is already well established in those markets, knowledge about broadening the company's reach internationally is desirable to offer its clients the best consulting possible, equally at home and abroad.

- A) The research contains international elements in the form of research on Kägi's potential buyer persona in China, and guides to Chinese SEO and the social media platform WeChat
- B) The advice contains an international element with the presentation of the digital communication plan directed at Kägi's potential consumers in China

6.2 Conclusion

The goal of the advisory report for Kägi is *to provide a digital communication plan* for the brand to enter the unknown Chinese market. The data collected through the various research findings allowed for a solid foundation that the recommendations in this report are based on.

This advice is facilitated with three communication tools, the buyer persona, the social media guide and SEO guidelines for Baidu. How each of those shall be used is explained earlier in this report, together with a planning for implementation. Through implementation of this digital communication plan, Kägi will have an easier start in establishing itself in China and in approaching the Chinese consumer successfully. The current knowledge gap can be closed and further research initiated. The awareness of potential customers can be increased and a positive brand image can be build.

The findings, recommendations and advice hold various important conclusions for the brand to expand to China. In order for the brand to effectively approach the consumer and create awareness, Kägi is advised to implement the digital communication campaign during the scope of eight weeks, followed by an evaluation. After this time frame, it will be possible to draw first conclusions and possibly adjust the strategy accordingly. The buyer persona will be used to educate the Kägi staff and create a relationship with the consumer, while all digital channels (website, blog, WeChat) are linked to one another. By staying consistent in those efforts, awareness can be increased in China. The digital communication plan can be seen as the start to Kägi's expansion to the Chinese market. By engaging and continuously communicating through the chosen channels, the foundation for the brand can be build in the foreign market. Lastly, by implementing the advice, Kägi's organizational objectives are met and communication and awareness are facilitated.

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1. Interview Summaries

1.1 Interview 1

Interview file 1	Date: 16.02.2017
Year 4/ Graduation Assignment	Time: 15:00
Main Topic: Intake Interview with the client Mediaplus	Duration: 60 min
Place: Bern, Wasserwerksgasse 17-19	
Name of interviewer: Francesca Kroeger	
Name of interviewee: Christian-Kumar Meier (CEO)	
<p>Goal of Interview:</p> <p>Second meeting after consultation with Mediaplus' clients to see what is needed the most for the research. Further getting to know the client and the company. Discussion of the final topic and general direction of research. Establishment of common ground and taking a closer look at the communication problem.</p>	
<p>Intake Interview Summary:</p> <ul style="list-style-type: none"> • Goals/Objectives of Mediaplus: being a small but excellent agency. Not reaching for the stars as the big players do, yet understanding their business. This is the best way to make the most of the possibilities, as a small agency will not be able to compete with huge ones in any case. So, do what you can well, instead of doing more but at poor quality. • Inbound, more curious than others • Mediaplus was founded 2006, from 2011 on part of Serviceplan network • Mediaplus' product: Knowledge • Vision: To bring people, not only or firstly numbers into the planning. The goal is to connect people with brand messages. The numbers should primarily act as a tool • Key words that make Mediaplus: independence & being a partner to client and team alike • Mediaplus wants to help smaller brands that do not want to 'go big or go home' in large international networks. Those with smaller budgets or trying something new (e.g. new markets/abroad) e.g. Kägi • This is their niche • Project context: Bringing Mediaplus' client Kägi to China • Kägi stands for happiness/luck in Switzerland. Does that work on the Chinese market? • Switzerland is not growing, it is not extremely attractive for brands once they reached a certain point in business • China is growing fast, also in population. Concentrate on cities/where the money is at • Kägi's 4 competitive sets: wafers, bars, chocolate, cookies. If you choose for one, you will not choose for the other • Part of the research: • Target group profile of potential Chinese customers • Buying behavior of potential Chinese customers • Communication behavior of potential Chinese customers 	

- Competitor analysis with special regard to other Swiss brands that went to China (e.g. Lindt)
- Positioning map for Kägi in China

1.2 Interview 2

Interview file 2	Date: 24.02.2017
Year 4/ Graduation Assignment	Time: 09:30
Main Topic: Final Questions Proposal	Duration: 45 min
Place: Bern, Wasserwerksgasse 17-19	
Name of interviewer: Francesca Kroeger	
Name of interviewee: Christian-Kumar Meier (CEO)	
Goal of Interview:	
To establish a better understanding Mediaplus' and Kägi's current communication activities. Discussion of the draft proposal.	
Interview Summary:	
<ul style="list-style-type: none"> • <u>Possible media products for the advice include:</u> • Buyer persona (be critical!) • Buyer persona magazine (blog) post/review of Kägi • Share magazine post on social media (Facebook, Instagram) • Social media guidelines for China • Chinese website interpretation of Kägi • Design of a product for the Chinese consumer • E.g. Kägi mug (red, to be displayed on Instagram pictures) • E.g. Giftbox for Chinese New Year/Valentine's Day • Contest on social media e.g. Kägi baking based on website recipes and others on Instagram • Newsletter (already existing, but does it make sense for a new market)? <ul style="list-style-type: none"> • Snacking • Sharing • Gifting • What is the context of each <ul style="list-style-type: none"> • Can the name be kept? Previously Toggi, Kägi ok? "ä" ok? 	

1.3 Interview 3

Expert Interview Rui Li-Marliani, Digital Operations at Mediaplus

Topic: Potential Kägi customers in China

Place: Bern, Wasserwerksgasse 17-19

Date: 18.04.2017, 13:00 – 13:45



Background:

Kägi is a Swiss brand famous for their chocolate wafers. The brand is now looking to expand to China. The goal of this interview is to establish a better understanding of the Chinese market, and the consumer's wants and needs. All questions are meant in the context of the Chinese consumer. Please feel free to ask me any questions that might occur, and thank you so much for your participation!

Image Source: Kägi website

1. In your opinion, which factors play a role in the consumer buying behavior for a product like Kägi? E.g. gender, age, social class.
 - In China status is super important. In Switzerland, everyone might be buying a Kägi, in China this would be a sign of status, to offer guests foreign chocolate.
 - Chinese prefer foreign products, they trust the high quality of those and see them as premium, higher priced alternatives.
 - The Chinese like to show everyone their status/wealth, also by what they eat and what they can offer guests. What you offer guests is always a status symbol.
 - Social class is very important.
 - It has become a real thing to order premium products online which are not available in China. Especially Belgian Pralines and Japanese sweets.
 - It has established itself as a real job to import such premium products and to sell them in China. People trust the foreign brands.
 - The foreign packaging then only adds to the credibility and does not bother the consumer. For brands that want to establish themselves in China, it is a different story.
 - Chinese often bring expensive products a favor for family/friends from vacation, as they can be sure they are not buying fake branded products and they save on taxes this way.
 - Definitely sell your products as luxury goods! Aim for status!
 - This is also important for people looking to gift and pass on those products
 - Snacks are gifted, foreign brands are considered a very valuable gift. Way different from how Europeans would think about a snack as a gift. It's way more than a nice gesture.
 - Some brands that are not considered premium in Europe, take that as their advantage and make the Chinese believe through online advertising, that their products are in fact very great and desirable.
 - Chinese people love snacks. There always have to be snacks when guests come over.
 - Hosting neighbors, colleagues etc. regularly is way more common than in Switzerland.
 - There are always snacks at the house.
 - The Chinese believe that Swiss chocolate is the best, in regard to quality. Rui is surprised that there are not more brands besides Lindt & Toblerone taking advantage of this yet.

- Everyone under the age of 40 should be targeted. Especially young women.
 - Women have the image to be always snacking
 - Older generations did not grow up with chocolate, therefore it is not important to them.
 - Chinese would snack a Kägi at the office, to reward themselves for hard work. Or while they read a book in their spare time. At home. Not during trips, they make very little trips, mostly trips to the mall on the weekends with family and then they eat differently.
2. In your opinion, what motivates the buying decision for a product like Kägi? E.g. price, packaging, colors, slogan, name of product, quality, origin.
- Red color of Kägi is great, mountains and Swiss flag are great to portray origin.
 - The Kägi packaging does not look premium enough. The aluminum foil looks cheap.
 - While in Switzerland the people might like the traditional packaging, as they have had it from the start, in China this would definitely not be a good idea. They would mind the look.
 - Instead the packaging should reflect Swiss quality.
3. In your opinion, when it comes to a product like Kägi, does the Chinese consumer desire premium products over lower prices alternatives?
- Yes! But it should not be too expensive as otherwise they will look for ways to purchase alternatives over the internet at a lower price.
 - Especially the younger people desire premium products to show off their family's wealth
4. Do you think slogan and/or brand name ("ä", sound of the words, happiness) could negatively influence the brand's reputation on the Chinese market?
- Yes, 100% the slogan and the brand name would have to be changed.
 - Even though people are improving their language skills, Chinese people are definitely not comfortable with English. No one would be able to pronounce "happiness" or "Kägi".
 - Coca Cola and Sprite for example changed their names with great success. No direct translations but pretty interpretations. Also, the signs must have a beautiful meaning.
 - Coca Cola = "tastes good" / "brings joy". Sprite = Snow, green (fresh, clean)
5. Snacking, sharing, gifting – where do you think the Kägi would stand? As a snack, something you share with a friend, or could it be a gift for special occasions?
- Snacking (or also sharing). Also as a business gift e.g. in a food gift basket
6. Kägi comes in the size of a chocolate bar but also offers bigger packages of small individually wrapped sweets. What do you think is the opinion on either of those by the Chinese consumer?
- Definitely offer different sizes of Kägi.
 - Chinese are food hoarders. Especially the older generations. Huge fridges, freezers etc.
 - Due to memories of 3-year mass starvation followed by 20 years of food shortage
 - After the recovery of the economy people were buying in bulk, still do it unconsciously.

7. Do you think the Chinese consumer is looking to experience emotions together with his/her decision to purchase a Kägi, or is he rather rational in the buying decision and sees it as a task?
 - They want to feel pride in their product choices. It is all about status.
 - Family pictures will work well on family packages.
 - Smaller snacking versions you can get at the kiosk/mini supermarket should definitely not have family pictures on them.
 - They work hard. Rather a message that grants them a break from work.
 - It will be a treat for them, a pause during a long day.
 - “A crispy break, refreshing like a mini holiday in Switzerland”.

8. Do you think the Chinese consumer is on average thoroughly thinking through, conscious and analytical about their decision to purchase a product like Kägi, or is it more like a reflex or an automated decision?
 - Very much depends on the person.
 - But all of them follow influencer, are socially very much influenced.
 - Chinese get more individual as people, but it will take a long time for them.
 - They are still very concerned about what Family and friends say/think about them.

9. How much do you think the health/low sugar trend will affect Kägi in China?
 - It won't affect Kägi much. The trend is there, all over the world, but the Chinese do not have the negative connotation of snacks yet that Europeans do. They do not realize they should cut back on snacks. This has never been an issue so far.
 - Sweets were always rare, most snacks were salty, tofu or nuts. This is why they do not think of snacks in a negative way yet when it comes to health. It will change at some point.
 - So far the health trend is nothing Kägi needs to react to. People enjoy snacks as they are.

10. Which communication channels do you think the consumer is using the most and which ones are preferred? E.g. Social Media (Facebook, Instagram, YouTube, Twitter, Snapchat)
 - None of those, currently used channels, will work as they are blocked in China.
 - WeChat and Weibo are the most commonly used.
 - WeChat is bigger, but it is not easy to get a public account/content shared
 - Weibo is like Twitter, it is easier to be visible
 - Contests work especially well on WeChat. Only step to win needs to be to share the content.
 - WeChat and Weibo are the only places to meet the influencer for people

11. Also, which offline channels (think magazine ads, posters, commercials at the movie theater etc.) do you think the consumer is exposed to the most and which ones are preferred?
 - Definitely TV commercials. Even though a lot of people are now watching shows online, this will still generate the most reach and engagement.
 - Sponsoring a show will be very expensive.
 - Show a celebrity in your commercial.
 - With young women being the main target group, look for an attractive young actor

- Funny commercials, or crazy things people will talk about are also an option
- Look for a local PR agency

12. How important are product reviews and peer recommendations to the Chinese consumer?

- Extremely important. Online and offline (word of mouth).
- Definitely way more than in Europe
- If no one has left a recommendation, the Chinese consumer will get insecure and will not be as likely to purchase the product.

13. What do you think is the consumer's reaction to influencer marketing for a product like Kägi?

- Influencer marketing is huge and works in every market
- Influencer from other markets will probably even be considered more credible, as in "the product is so good, I usually talk fashion, but you need to try this chocolate"
- All they need is enough followers
- Comedians that tell a funny story around the product are also commonly used and a great success!
- Celebrities work the very best, but they are very expensive
- Idols are a real extreme thing in China. Celebrities are role models and work well for advertising anything to any whom. As can be observed with other brands.

15. What will persuade the Chinese consumer to buy Kägi before another already well-known brand?

- Kägi is different, and this is why people will like it.
- There are no real other wafer snacks, definitely not with chocolate.
- Reminds her of a wafer sweet from childhood.
- "The traditional wafer with quality Swiss milk and chocolate"

16. Which values are important to point out that will positively affect the consumer's image of the brand? E.g. tradition, sustainability, innovation, "made in Switzerland"

- Yes: Tradition & Made in Switzerland; Nobody cares about sustainability or innovation

17. In your opinion, which geographic factors influence the Chinese Kägi customer? E.g. religion, population, climate

- None

20. In your opinion, which behavioral factors influence the Chinese Kägi customer? E.g. brand loyalty, habit, occasion, eagerness to try something new

- People would buy Kägi as loyal customers when the quality is right.
- Very important: A brand that wants to establish itself in China needs to know Chinese politics
- A local PR firm should be hired from the start to possibly even make use of political events strategically. Some firms did this with great success. People attach great emotions to their country and politics. A company that plays along with it and portrays those values can gain thousands of new consumers by making the right PR decision to an event for example.
- **Never** ever say anything against the regime on social media etc.
- Hire the right people with the right reputation for commercials etc.

1.4 Interview 4

Expert interview file 2	Date: 21.04.2017
Year 4/ Graduation Assignment	Time: 11:30
Main Topic: Potential Kägi customers in China	Duration: 30 min
Place: online/phone	
Name of interviewer: Francesca Kroeger	
Name of interviewee: Qianyu Zhang	
Role of interviewee: International Communication expert & founder of Leisurewell international traveling agency	
Goal of Interview:	
To establish a better understanding of Kägi's potential customers wants and needs in China.	
Expert interview Summary:	
<p>1. In your opinion, which factors play a role in the consumer buying behavior for a product like Kägi? E.g. gender, age, social class.</p> <p><i>Answer: Definitely social class.</i></p>	
<p>2. In your opinion, what motivates the buying decision for a product like Kägi? E.g. price, packaging, colors, slogan, name of product, quality, origin.</p> <p><i>Answer: Slogan and quality.</i></p>	
<p>3. In your opinion, when it comes to a product like Kägi, does the Chinese consumer desire premium products over lower prices alternatives?</p> <p><i>Answer: Yes!</i></p>	
<p>4. Do you think slogan and/or brand name ("ä", sound of the words, happiness) could negatively influence the brand's reputation on the Chinese market?</p> <p><i>Answer: No.</i></p>	
<p>5. Snacking, sharing, gifting – where do you think the Kägi would stand? As a snack, something you share with a friend, or could it be a gift for special occasions?</p> <p><i>Answer: Sharing!</i></p>	
<p>6. Kägi comes in the size of a chocolate bar but also offers bigger packages of small individually wrapped sweets. What do you think is the opinion on either of those by the Chinese consumer?</p> <p><i>Answer: The Chinese consumer would enjoy the variety.</i></p>	
<p>7. Do you think the Chinese consumer is looking to experience emotions together with his/her decision to purchase a Kägi, or is he rather rational in the buying decision and sees it as a task?</p> <p><i>Answer: Emotions are preferred.</i></p>	

8. Do you think the Chinese consumer is on average thoroughly thinking through, conscious and analytical about their decision to purchase a product like Kägi, or is it more like a reflex or an automated decision?

Answer: Thinking tends to be more conscious and analytical.

9. How much do you think the health/low sugar trend will affect Kägi in China?

Answer: Not at all, people are not concerned.

10. Which communication channels do you think the consumer is using the most and which ones are preferred? E.g. Social Media (Facebook, Instagram, YouTube, Twitter, Snapchat)

Answer: Only WeChat.

11. Also, which offline channels (think magazine ads, posters, commercials at the movie theater etc.) do you think the consumer is exposed to the most and which ones are preferred?

Answer: Commercials on TV.

12. How important are product reviews and peer recommendations to the Chinese consumer?

Answer: Very important, essential.

13. What do you think is the consumer's reaction to influencer marketing for a product like Kägi?

Answer: They would like it and it would have a huge impact on sales.

14. What will persuade the Chinese consumer to buy Kägi before another well-known brand?

Answer: It is a new brand and fun to try.

15. Which values are important to point out that will positively affect the consumer's image of the brand? E.g. tradition, sustainability, innovation, "made in Switzerland"

Answer: Made in Switzerland definitely sells. The rest is not as important.

16. In your opinion, which geographic factors influence the Chinese Kägi customer? E.g. religion, population, climate

Answer: Population

17. 18. In your opinion, which demographic factors influence the Chinese Kägi customer? E.g. age, gender, nationality, ethnicity, occupation, income, social class, family size, education

Answer: Social class, education

18. In your opinion, which psychographic factors influence the Chinese Kägi customer? E.g. Lifestyle, personality, values, attitudes, opinions, interests

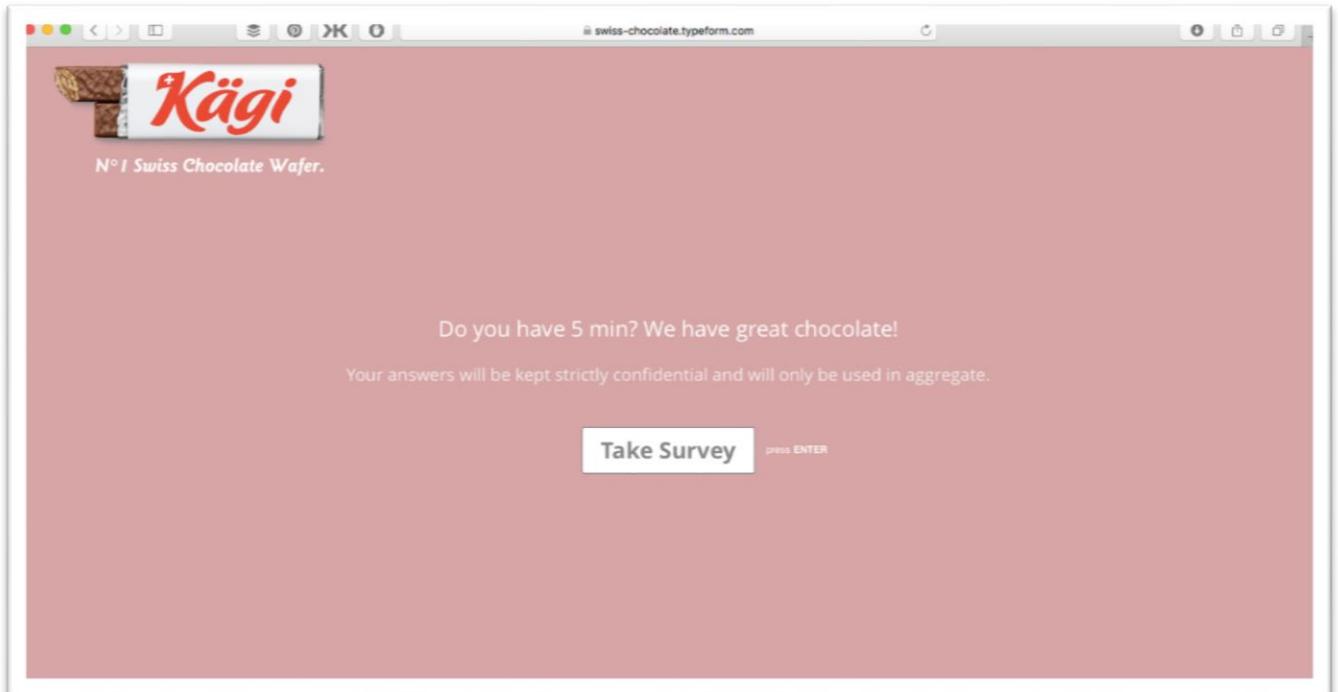
Answer: Lifestyle, attitudes

19. In your opinion, which behavioral factors influence the Chinese Kägi customer? E.g. brand loyalty, habit, occasion, eagerness to try something new

Answer: Occasion, try new things

2. Potential Customer Survey

Via www.swiss-chocolate.typeform.com



The screenshot shows the survey question "1 → I am..." with the instruction "Choose as many as you like". The question is followed by a list of ten options, each in a light red button:

- A chocolate fan
- Female
- Male
- Chinese
- Living/have lived in China
- Single
- In a relationship
- Living alone
- Graduated from high school
- Graduated from university (bachelor)

At the bottom of the form, it indicates "0 of 10 answered".

1 → I am...



N°1 Swiss Chocolate Wafer.

- K Graduated from university (master)
- L Struggling with money
- M Making enough money
- N Younger than 17
- O Between 17-27
- P Between 28-38
- Q Between 39-49
- R Between 50-60
- S Besten 61-71
- T Older than 72
- U Active on Facebook
- V On Twitter
- W On Instagram
- X On Youtube
- Y On Snapchat

0 of 10 answered



N°1 Swiss Chocolate Wafer.

2 → When I buy chocolate products I pay attention to...

Choose as many as you like

<input type="checkbox"/> A Price	<input type="checkbox"/> B Packaging
<input type="checkbox"/> C Colors	<input type="checkbox"/> D Slogan
<input type="checkbox"/> E Name of product	<input type="checkbox"/> F Calories
<input type="checkbox"/> G Quality	<input type="checkbox"/> H Origin
<input type="checkbox"/> I The brand's tradition	<input type="checkbox"/> J The brand's sustainability
<input type="checkbox"/> K The brand's innovation	<input type="checkbox"/> L "Made in Switzerland"

3 → I prefer...

Choose as many as you like

0 of 10 answered



N°1 Swiss Chocolate Wafer.

3 → I prefer...

Choose as many as you like

- Local chocolate brands
- Swiss chocolate over local brands
- Low priced options
- Premium products over lower priced alternatives

4 → I like the red-colored logo of Kägi chocolate (see above)

Yes

No

0 of 10 answered



N°1 Swiss Chocolate Wafer.

- Swiss chocolate over local brands
- Low priced options
- Premium products over lower priced alternatives

4 → I like the red-colored logo of Kägi chocolate (see above)

Yes

No

5 → The brand name Kägi is appealing to me

Yes

No

6 → The slogan "happiness is a Kägi" is appealing to me

0 of 10 answered



I like the red-colored logo of Kägi chocolate (see above)

Yes

No

5 → The brand name Kägi is appealing to me

Yes

No

6 → The slogan "happiness is a Kägi" is appealing to me

Yes

No

0 of 10 answered



The brand name Kägi is appealing to me

Yes

No

6 → The slogan "happiness is a Kägi" is appealing to me

Yes

No

7 → I am...

Choose as many as you like

More likely to buy chocolate I was recommended by friends

More likely to buy chocolate I was recommended by people I follow on social media

0 of 10 answered



N°1 Swiss Chocolate Wafer.

- Yes
- No

7+ I am...

Choose as many as you like

- A More likely to buy chocolate I was recommended by friends
- B More likely to buy chocolate I was recommended by people I follow on social media
- C Reading online food reviews and recommendations
- D Happy to try new chocolate products
- E Happier to stick with what I already know

8+ A chocolate wafer like Kägi (see above) I would...

0 of 10 answered



N°1 Swiss Chocolate Wafer.

- Reading online food reviews and recommendations
- Happy to try new chocolate products
- Happier to stick with what I already know

8+ A chocolate wafer like Kägi (see above) I would...

Choose as many as you like

- A Share with a friend
- B Give as a present
- C Keep for special occasions
- D Snack on the go
- E Use as a treat

9+ Regarding a chocolate wafer I am interested in...

Choose as many as you like

- A Single packed sweets (see above)

0 of 10 answered



N°1 Swiss Chocolate Wafer.

- Keep for special occasions
- Snack on the go
- Use as a treat

9 → Regarding a chocolate wafer I am interested in...

Choose as many as you like

- A Single packed sweets (see above)
- B Mini Kägi's in a large family package
- C Gift boxes I can give to family and friends

10 → Which kind of advertising do you like the most?

Choose as many as you like

- In Magazines
- Posters

0 of 10 answered



N°1 Swiss Chocolate Wafer.

- Mini Kägi's in a large family package
- Gift boxes I can give to family and friends

10 → Which kind of advertising do you like the most?

Choose as many as you like

- A In Magazines
- B Posters
- C Commercials on TV
- D Commercials at the movie theater
- E On Social Media

0 of 10 answered

2.1 Results Online Survey

#	A chocolate fan	Female	Male	Chinese	Living/have lived in China	Single	In a relationship	Living alone	Graduated from high school	Graduated from university (bachelor)	Graduated from university (master)	Struggling with money	Making enough money
0c27d7bcb166c152f1950abd4c47da	A chocolate fan	Female		Chinese			In a relationship			Graduated from university (bachelor)			
b2e54c752772b4e434208c68cd12912	A chocolate fan		Male		Living/have lived in China		In a relationship		Graduated from high school				Making enough money
175b964a1892c0ea0521b99efbc2a8b	A chocolate fan	Female					In a relationship		Graduated from high school			Struggling with money	
910ca00b4cb924f784adbbcb96e2867	A chocolate fan		Male	Chinese	Living/have lived in China	Single		Living alone	Graduated from high school				Making enough money
0084371a5bec2c166a05e4b7b4649527	A chocolate fan	Female		Chinese	Living/have lived in China	Single		Living alone	Graduated from high school				Making enough money
2912892387469e920f735360e8eace8e	A chocolate fan	Female				Single			Graduated from high school			Struggling with money	
ac41a5e3649c165d1e536ca3301790b	A chocolate fan		Male	Chinese	Living/have lived in China		In a relationship		Graduated from high school	Graduated from university (bachelor)			
d9e59e0d4c54313164dc8844e29f			Male			Single							
b61360f608bb1138932ebbee017aeca4	A chocolate fan	Female				Single			Graduated from high school				Making enough money
8aea29dfc0d492e0f10e0959e64473e2	A chocolate fan	Female		Chinese	Living/have lived in China	Single			Graduated from high school				
29e603061f87b4c1f57d357967cd8bbe	A chocolate fan	Female			Living/have lived in China		In a relationship		Graduated from high school				
5a543acb785c73ab0eb17379e9f77eb	A chocolate fan	Female		Chinese	Living/have lived in China	Single				Graduated from university (bachelor)			
238365c7830117a6e44a71114242a		Female					In a relationship		Graduated from high school			Struggling with money	
c2d72429cc8b85ed285dccc5e152b52	A chocolate fan	Female			Living/have lived in China		In a relationship				Graduated from university (master)		Making enough money
4c998031698f5d2bb3a18efc0b744e7	A chocolate fan	Female			Living/have lived in China		In a relationship			Graduated from university (bachelor)			
7edf9e3af34525aa3bc76396e658a	A chocolate fan	Female			Living/have lived in China		In a relationship			Graduated from university (bachelor)			
bccfd4951ee51ec0920c0e33021f2c8	A chocolate fan	Female			Living/have lived in China		In a relationship						
7cfa4cbaa393e992b3166d85981db	A chocolate fan	Female			Living/have lived in China		In a relationship			Graduated from university (master)			
e8a0819c8381e16815a318e395225194	A chocolate fan		Male	Chinese	Living/have lived in China		In a relationship			Graduated from university (master)		Struggling with money	
475e68a61763076326f7e2143dcb4	A chocolate fan	Female			Living/have lived in China		In a relationship			Graduated from university (bachelor)			
a1fcc0b0f1ba8a3abedba9f9952860	A chocolate fan	Female		Chinese	Living/have lived in China	Single			Graduated from high school				
734d7ec17b0c0352091eba95ad2cbee	A chocolate fan	Female		Chinese	Living/have lived in China		In a relationship		Graduated from high school			Struggling with money	
9709c3649f9928e5faae219022113	A chocolate fan	Female			Living/have lived in China		In a relationship		Graduated from high school	Graduated from university (bachelor)			Making enough money
a4396b583b6e1d45d596a3d4c0b21	A chocolate fan		Male		Living/have lived in China	Single		Living alone	Graduated from high school	Graduated from university (bachelor)			Making enough money
69f23e72c6ab3eb3716094e991658		Female		Chinese							Graduated from university (master)		Making enough money
abb9f8d6c398474d7f68a3158c03a58			Male	Chinese	Living/have lived in China						Graduated from university (bachelor)		
875457add4e8824ec942b73c64cfc09	A chocolate fan	Female		Chinese	Living/have lived in China	Single		Living alone	Graduated from high school				
4d52795ac81c7a92646e071044c072			Male	Chinese	Living/have lived in China			Living alone			Graduated from university (bachelor)		
a5019398e2933b61ac90cc42f39b	A chocolate fan		Male	Chinese						Graduated from university (bachelor)			Making enough money
89a54b78f61b75b65418c2f5a0c3f1	A chocolate fan		Male		Living/have lived in China	Single				Graduated from university (bachelor)			Making enough money
ca49391cb7a6b1c3d88bc5fba4f33	A chocolate fan		Male		Living/have lived in China		In a relationship		Graduated from university (bachelor)	Graduated from university (bachelor)			Making enough money
6e20e40b077f86c76da323fed0a4c	A chocolate fan	Female			Living/have lived in China		In a relationship		Graduated from high school	Graduated from university (bachelor)			Making enough money
0d51a8cc462a26dd8107a56bf8a2b		Female		Chinese	Living/have lived in China		In a relationship			Graduated from university (bachelor)		Struggling with money	
5bf84686322215ecaa2fe47125a03b		Female		Chinese	Living/have lived in China	Single					Graduated from university (master)		Making enough money
0092112e7853946605c5da6579dc49			Male		Living/have lived in China						Graduated from university (bachelor)		
a4186bb8a7c8427bc8a23812000907		Female			Living/have lived in China	Single							
b09fb16387d78a8c9fc727546411a5	A chocolate fan	Female			Living/have lived in China	Single		Living alone			Graduated from university (master)		Making enough money
05944026cfa5ea77bc2f2f3401b079		Female			Living/have lived in China	Single		Living alone			Graduated from university (bachelor)		Making enough money
008186f188529511baa8baed6d0e	A chocolate fan	Female			Living/have lived in China		In a relationship		Graduated from high school				Making enough money
8329fc58ac29c35c0a24321dba1c60	A chocolate fan	Female			Living/have lived in China	Single			Graduated from high school	Graduated from university (bachelor)			Making enough money
582ba322696d4e45e6677b47d2d7			Male		Living/have lived in China	Single			Graduated from high school			Struggling with money	

Younger than 17	Between 17-27	Between 28-38	Between 39-49	Between 50-60	Besten 61-71	Older than 72	Active on Facebook	On Twitter	On Instagram	On Youtube	On Snapchat	Price	Packaging	Colors	Slogan	Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27						Active on Facebook		On Instagram		On Snapchat	Price	Packaging				Calories	Quality		
	Between 17-27						Active on Facebook		On Instagram			Price	Packaging				Calories	Quality		
	Between 17-27								On Instagram	On Youtube		Price	Packaging	Colors		Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27						Active on Facebook		On Instagram	On Youtube	On Snapchat	Price	Packaging	Colors		Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27						Active on Facebook		On Instagram	On Youtube	On Snapchat	Price	Packaging	Colors	Slogan	Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27						Active on Facebook	On Twitter	On Instagram	On Youtube	On Snapchat	Price	Packaging	Colors		Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27						Active on Facebook			On Youtube		Price	Packaging			Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27						Active on Facebook		On Instagram		On Snapchat	Price	Packaging			Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27											Price	Packaging			Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27											Price	Packaging			Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27											Price	Packaging	Colors	Slogan	Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27						Active on Facebook	On Twitter	On Instagram			Price	Packaging			Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27						Active on Facebook	On Twitter	On Instagram			Price	Packaging			Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27						Active on Facebook			On Youtube		Price	Packaging	Colors	Slogan	Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27						Active on Facebook			On Youtube		Price	Packaging	Colors		Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27						Active on Facebook					Price	Packaging	Colors		Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27						Active on Facebook	On Twitter	On Instagram			Price	Packaging			Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27											Price	Packaging			Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27											Price	Packaging	Colors		Name of product	Calories	Quality	Origin	The brand's tradition
	Between 17-27											Price	Packaging			Name of product	Calories	Quality	Origin	The brand's tradition

Happier to stick with what I already know	Share with a friend	Give as a present	Keep for special occasions	Snack on the go	Use as a treat	Single packed sweets (see above)	Mini Kagi's in a large family package	Gift boxes I can give to family and friends	In Magazines	Posters	Commercials on TV
	Share with a friend			Snack on the go	Use as a treat	Single packed sweets (see above)					Commercials on TV
Happier to stick with what I already know				Snack on the go	Use as a treat	Single packed sweets (see above)					Commercials on TV
	Share with a friend		Keep for special occasions	Snack on the go	Use as a treat	Single packed sweets (see above)	Mini Kagi's in a large family package	Gift boxes I can give to family and friends	In Magazines	Posters	Commercials on TV
Happier to stick with what I already know				Snack on the go		Single packed sweets (see above)	Mini Kagi's in a large family package	Gift boxes I can give to family and friends	In Magazines		Commercials on TV
Happier to stick with what I already know	Share with a friend	Give as a present		Snack on the go		Single packed sweets (see above)	Mini Kagi's in a large family package				Commercials on TV
Happier to stick with what I already know			Keep for special occasions	Snack on the go	Use as a treat	Single packed sweets (see above)	Mini Kagi's in a large family package				Commercials on TV
Happier to stick with what I already know			Keep for special occasions		Use as a treat	Single packed sweets (see above)	Mini Kagi's in a large family package				Commercials on TV
	Share with a friend	Give as a present		Snack on the go	Use as a treat	Single packed sweets (see above)	Mini Kagi's in a large family package	Gift boxes I can give to family and friends		Posters	Commercials on TV
Happier to stick with what I already know	Share with a friend			Snack on the go		Single packed sweets (see above)	Mini Kagi's in a large family package			Posters	Commercials on TV
Happier to stick with what I already know	Share with a friend			Snack on the go		Single packed sweets (see above)	Mini Kagi's in a large family package			Posters	Commercials on TV
				Snack on the go		Single packed sweets (see above)					Commercials on TV
Happier to stick with what I already know				Snack on the go	Use as a treat	Single packed sweets (see above)				Posters	Commercials on TV
				Snack on the go	Use as a treat	Single packed sweets (see above)		Gift boxes I can give to family and friends			Commercials on TV
				Snack on the go	Use as a treat	Single packed sweets (see above)	Mini Kagi's in a large family package		In Magazines		
Happier to stick with what I already know				Snack on the go	Use as a treat	Single packed sweets (see above)	Mini Kagi's in a large family package		In Magazines		
		Give as a present		Snack on the go	Use as a treat	Single packed sweets (see above)	Mini Kagi's in a large family package		In Magazines	Posters	
				Snack on the go	Use as a treat	Single packed sweets (see above)			In Magazines	Posters	Commercials on TV
Happier to stick with what I already know	Share with a friend			Snack on the go	Use as a treat	Single packed sweets (see above)	Mini Kagi's in a large family package				
Happier to stick with what I already know		Give as a present		Snack on the go	Use as a treat	Single packed sweets (see above)				Posters	
	Share with a friend	Give as a present		Snack on the go	Use as a treat	Single packed sweets (see above)			In Magazines	Posters	
	Share with a friend	Give as a present			Use as a treat	Single packed sweets (see above)	Mini Kagi's in a large family package				Commercials on TV
Happier to stick with what I already know	Share with a friend	Give as a present		Snack on the go		Single packed sweets (see above)		Gift boxes I can give to family and friends	In Magazines		
	Share with a friend	Give as a present		Snack on the go		Single packed sweets (see above)				Posters	
	Share with a friend	Give as a present		Snack on the go		Single packed sweets (see above)		Gift boxes I can give to family and friends			Commercials on TV
				Snack on the go	Use as a treat	Single packed sweets (see above)					Commercials on TV
Happier to stick with what I already know	Share with a friend			Snack on the go		Single packed sweets (see above)			In Magazines	Posters	Commercials on TV
Happier to stick with what I already know		Give as a present		Snack on the go		Single packed sweets (see above)			In Magazines	Posters	Commercials on TV
	Share with a friend	Give as a present		Snack on the go	Use as a treat	Single packed sweets (see above)	Mini Kagi's in a large family package				
Happier to stick with what I already know	Share with a friend			Snack on the go	Use as a treat	Single packed sweets (see above)	Mini Kagi's in a large family package		In Magazines		Commercials on TV
				Snack on the go	Use as a treat	Single packed sweets (see above)				Posters	
Happier to stick with what I already know	Share with a friend	Give as a present		Snack on the go		Single packed sweets (see above)			In Magazines	Posters	
Happier to stick with what I already know	Share with a friend				Use as a treat	Single packed sweets (see above)	Mini Kagi's in a large family package		In Magazines	Posters	
Happier to stick with what I already know	Share with a friend			Snack on the go	Use as a treat	Single packed sweets (see above)			In Magazines		

Mini Kagi's in a large family package	Gift boxes I can give to family and friends	In Magazines	Posters	Commercials on TV	Commercials at the movie theater	On Social Media	Start Date (UTC)	Submit Date (UTC)	Network ID
				Commercials on TV	Commercials at the movie theater		2017-04-12 10:04:19	2017-04-12 10:07:07	b7372c888a
					Commercials at the movie theater		2017-04-12 10:38:09	2017-04-12 10:40:42	79fb22f0cd
Mini Kagi's in a large family package	Gift boxes I can give to family and friends	In Magazines	Posters	Commercials on TV		On Social Media	2017-04-12 10:50:01	2017-04-12 10:53:04	20c5090c1c
Mini Kagi's in a large family package	Gift boxes I can give to family and friends	In Magazines		Commercials on TV	Commercials at the movie theater		2017-04-12 10:49:57	2017-04-12 10:53:50	4a384986aa
Mini Kagi's in a large family package						On Social Media	2017-04-12 11:24:38	2017-04-12 11:27:33	0c0948457
Mini Kagi's in a large family package				Commercials on TV			2017-04-12 15:27:13	2017-04-12 15:29:03	83c71738db
					Commercials at the movie theater		2017-04-12 20:56:22	2017-04-12 20:57:57	45ea5b4093
Mini Kagi's in a large family package						On Social Media	2017-04-13 03:08:42	2017-04-13 03:12:03	7a35e77c1f
Mini Kagi's in a large family package	Gift boxes I can give to family and friends		Posters	Commercials on TV	Commercials at the movie theater	On Social Media	2017-04-13 04:04:54	2017-04-13 04:07:38	e6d9436474
Mini Kagi's in a large family package			Posters	Commercials on TV	Commercials at the movie theater	On Social Media	2017-04-13 04:49:54	2017-04-13 04:53:46	7a427d0b47
Mini Kagi's in a large family package			Posters				2017-04-13 08:55:25	2017-04-13 09:01:15	759ff830c5
				Commercials on TV			2017-04-13 20:34:47	2017-04-13 20:35:52	2dc28b8bd7
				Commercials on TV		On Social Media	2017-04-18 15:07:36	2017-04-18 15:09:58	b29a18b290
			Posters			On Social Media	2017-04-20 10:48:46	2017-04-20 10:50:45	38ccf1199c
	Gift boxes I can give to family and friends			Commercials on TV		On Social Media	2017-04-20 10:47:06	2017-04-20 10:50:55	0ed35b414b
Mini Kagi's in a large family package		In Magazines				On Social Media	2017-04-20 10:54:48	2017-04-20 10:57:29	60246e0389
		In Magazines				On Social Media	2017-04-20 11:14:35	2017-04-20 11:15:50	8cd002293e
Mini Kagi's in a large family package		In Magazines	Posters				2017-04-20 12:02:06	2017-04-20 12:05:28	0eb54dff5
		In Magazines	Posters	Commercials on TV			2017-04-20 12:40:11	2017-04-20 13:09:19	c27a2a13cb
				Commercials on TV			2017-04-20 15:06:02	2017-04-20 15:09:53	38ccf1199c
Mini Kagi's in a large family package					Commercials at the movie theater	On Social Media	2017-04-20 16:21:32	2017-04-20 16:24:44	03bacbe427
			Posters			On Social Media	2017-04-20 17:10:51	2017-04-20 17:16:05	a9693a55ee
						On Social Media	2017-04-20 20:08:27	2017-04-20 20:11:09	7dc804e432
		In Magazines	Posters				2017-04-20 22:38:07	2017-04-20 22:39:41	13fc48863b
				Commercials on TV			2017-04-20 22:45:34	2017-04-20 22:49:20	2606:a000:
Mini Kagi's in a large family package						On Social Media	2017-04-20 23:01:39	2017-04-20 23:07:59	a5afa04491
	Gift boxes I can give to family and friends	In Magazines				On Social Media	2017-04-20 23:07:49	2017-04-20 23:11:54	78a722716f
			Posters				2017-04-21 00:03:38	2017-04-21 00:09:16	211e23c2ca
	Gift boxes I can give to family and friends			Commercials on TV		On Social Media	2017-04-21 03:05:39	2017-04-21 03:10:06	f5cdd75bf2
						On Social Media	2017-04-21 04:26:28	2017-04-21 04:26:30	dd047489f5
		In Magazines	Posters	Commercials on TV			2017-04-21 05:48:37	2017-04-21 05:51:10	2001:250:5
		In Magazines	Posters				2017-04-21 05:58:54	2017-04-21 06:02:31	0cb79b09cb
				Commercials on TV		On Social Media	2017-04-21 06:51:55	2017-04-21 06:54:35	e96ac51266
Mini Kagi's in a large family package					Commercials at the movie theater	On Social Media	2017-04-21 12:49:41	2017-04-21 12:52:19	2602:30a:c
					Commercials at the movie theater		2017-04-21 13:23:57	2017-04-21 13:27:49	2003:62:4d
Mini Kagi's in a large family package		In Magazines	Posters	Commercials on TV	Commercials at the movie theater		2017-04-21 14:26:44	2017-04-21 14:32:30	9d295723dd
		In Magazines	Posters			On Social Media	2017-04-22 06:44:16	2017-04-22 06:47:57	2a00:801:2
							2017-04-22 08:56:54	2017-04-22 09:01:11	e8536dfb18
		In Magazines	Posters			On Social Media	2017-04-22 23:45:31	2017-04-22 23:51:24	71e2e4bf7f
Mini Kagi's in a large family package					Commercials at the movie theater	On Social Media	2017-04-24 13:56:21	2017-04-24 13:58:22	64fe7d2f44
		In Magazines			Commercials at the movie theater		2017-04-24 19:08:26	2017-04-24 19:12:38	12b5a2d53a

3. SWOT Analysis



Figure 1: Kägi SWOT Analysis. Own Graphic

4. Competitor Analysis

4.1 The Big 5 on the Chinese market

Mars Inc.



Figure 2: Source: goo.gl/wlWTbB & goo.gl/Sp7oIY

Origin: USA

Founded: 1911

Major Brands: 3 Musketeers, Bounty, Dove/Galaxy, M&M's, Mars, Milky Way, Snickers, Twix

Revenue: US\$33 Billion (2014)

Information: Clear leader in Chinese chocolate confectionery

Ferrero SpA



Figure 3: Source: goo.gl/ciln6b

Origin: Italy

Founded: 1946

Major Brands: Ferrero Rocher, Kinder Surprise, Kinder Chocolate, Kinder Bueno, Mon Cheri

Revenue: €9.54 Billion (2015)

Nestlé S.A.



Figure 6: Source: goo.gl/AHr6uB

Origin: Switzerland

Founded: 1867

Major Brands: After Eight, Cailler, Chips Ahoy!, Lion, Rolo, Smarties

Revenue: 88,8 Mrd. CHF (2015)

Swiss Brands in China:

Lindt & Sprüngli AG

Founded: 1845

Revenue: 3.65 Billion CHF (2015)



Figure 7: Source: goo.gl/KkybkV

Chocolat Frey AG (Migros)

Founded: 1887

Revenue: 396 Mio. CHF (2015)



Figure 8: Source: goo.gl/9xEVu9

Social Media Use by established foreign chocolate brands in China

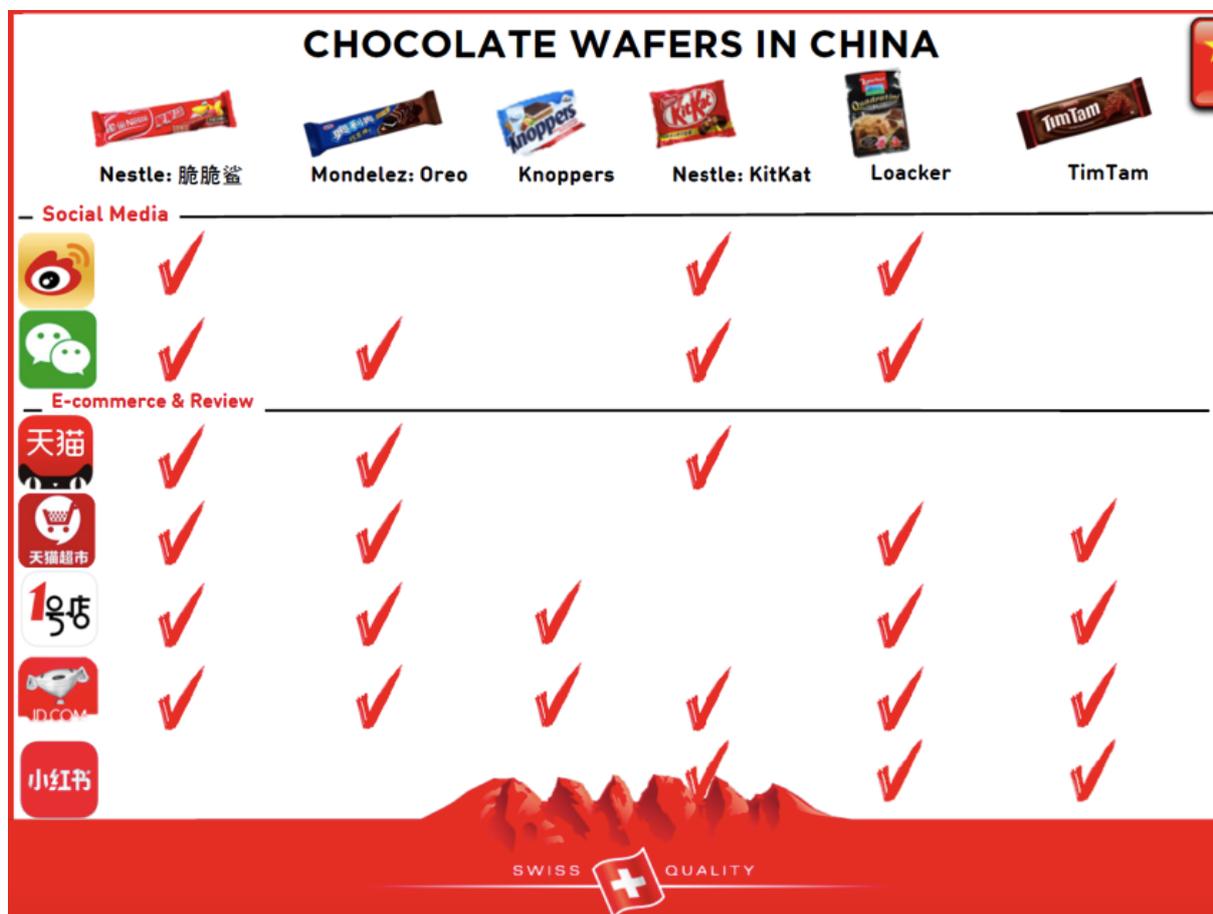


Figure 9: Source: Golin Magic; Kägi internal communication

5. Competition: Positioning Map

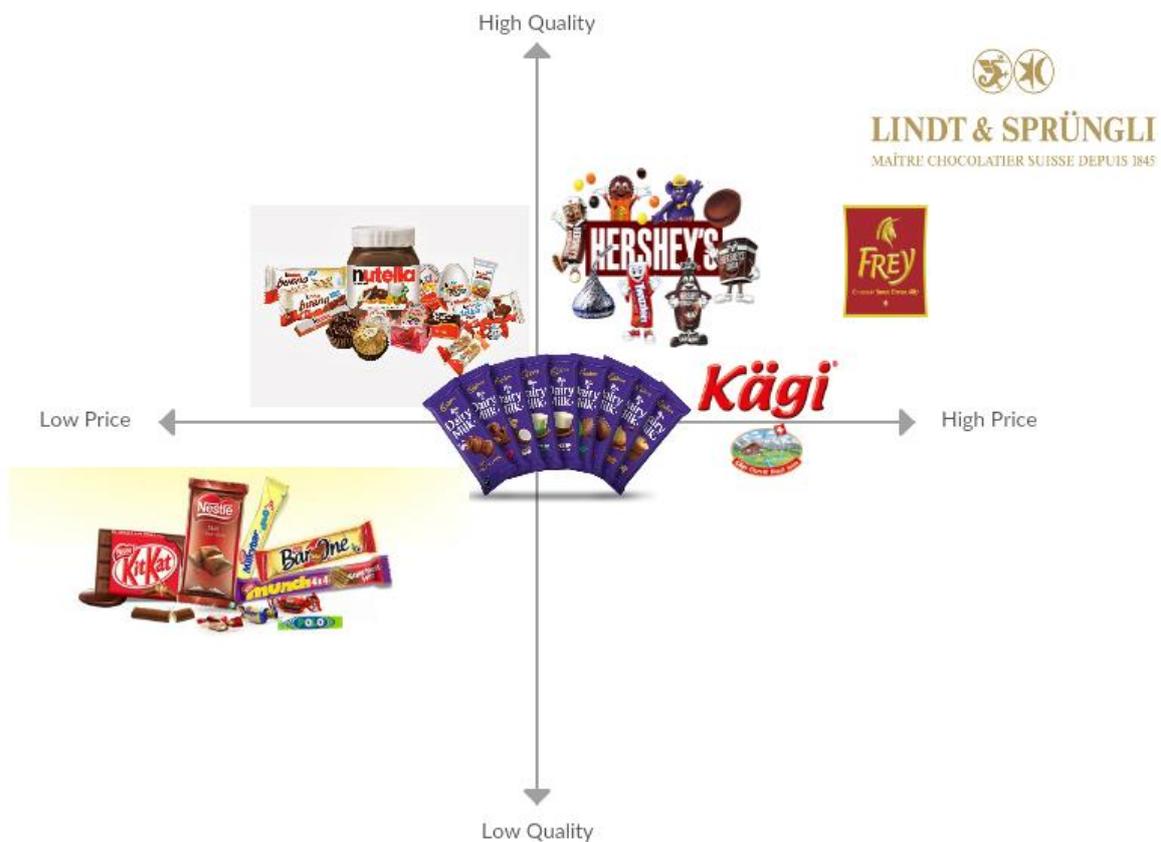


Figure 10: Kägi Positioning Map. Own Graphic

5.1 Mediaplus' Competitive Advantage

Mediaplus' competitive advantage is its personal consultancy, highest quality standards and optimum conditions. This is what sets the company apart from its competitors and helps to create strong relationships with its clients. Being a relatively small but strong agency, personal and independent advice can be given to each client. By partnering up with the best agencies in Switzerland the highest quality in processes and purchasing, and the latest know-how in strategy and implementation can be maintained. At the same time negotiation and purchase can be achieved to better conditions for each client, due to Mediaplus' broad network.

5.2 Mediaplus' Clients

List of Mediaplus customers:

- Appenzeller Cheese GmbH
- Association for Petroleum (EV)
- Association Suisse de Golf
- BERNEXPO AG
- Brewery Felsenau AG
- Federal Office of Public Health BAG
- Capri Sun AG
- CSS Insurance AG
- Engineering Management Selection E.M.S. AG
- Foundation SOS Children's Villages
- Kägi Söhne AG
- Karl Vögele AG
- My Happy End Association
- Orell Füssli Thalia AG
- Sidroga AG (Sidroga, Emser, Valverde)
- Swiss Competence Centre for Accident Prevention BfU
- Valais/Wallis Promotion
- Valiant Bank AG



Figure 11: Mediaplus Clients. Source goo.gl/Vai2wm

6. Research Methods per Research Question

Research Area	Research Question	Research Methods
Target Group Characteristics	1. According to Kägi's potential customers, expert opinion and the relevant literature (e.g. Hofstede's Cultural Dimensions), what are the main characteristics of the Chinese chocolate consumer that need to be taken into account for the creation of a Chinese Kägi buyer persona?	Online Survey, Semi-structured Interviews, Secondary Research
	1.1 According to Kägi's potential customers, expert opinion and the relevant literature, which cultural factors influence the Chinese chocolate consumer?	Online Survey, Semi-structured Interviews, Secondary Research
	1.2 According to Kägi's potential customers, expert opinion and the relevant literature, which demographic factors influence the Chinese chocolate consumer?	Online Survey, Semi-structured Interviews, Secondary Research
	1.3 According to Kägi's potential customers, expert opinion and the relevant literature (e.g. Kano Model) which psychographic factors influence the Chinese chocolate consumer?	Online Survey, Semi-structured Interviews, Secondary Research

Research Area	Research Question	Research Methods
Consumer Buying Behavior	2. According to Kägi's potential customers, expert opinion and the relevant literature, what influences consumer buying behavior among Chinese consumers?	Online Survey, Semi-structured Interviews, Secondary Research
	2.1 According to Kägi's potential customers and expert opinion, what are the specific needs of the potential Chinese chocolate consumer?	Online Survey, Semi-structured Interviews
	2.2 According to Kägi's potential customers and expert opinion, what motivates the Chinese consumer in their buying decision?	Online Survey, Semi-structured Interviews
	2.3 According to Kägi's potential customers and expert opinion, what are the drivers that play a role in the decision-	Online Survey, Semi-structured Interviews

	making process of the potential Chinese chocolate consumer?	
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Research Area	Research Question	Research Methods
Brand Communication	3. According to Kägi's potential customers and expert opinion, to what extent do the media usage preferences of potential Chinese chocolate consumers determine the visibility of the brand awareness?	Online Survey, Semi-structured Interviews
	3.1 According to Kägi's potential customers, to what extent do the media channel preferences of potential Chinese chocolate consumers align with Kägi's currently used online media channels?	Online Survey
	3.2 A According to Kägi's potential customers, the relevant literature and expert opinion, what are the most suitable approaches for media channel usage in China?	Online Survey, Semi-structured Interviews, Secondary Research

7. Preliminary Research Results

7.1 Organizational Context of Kägi

Häppiness is a Kägi

Kägi is a Swiss brand for chocolate treats, most famously known for their Kägi wafer. Their message is to bring “häppiness” to the people through the means of Swiss chocolate since 1934. Kägi is further known to the German and Austrian market. The company uses certified raw materials, high standards and traditional recipes to maintain the world-known Swiss quality.

Kägi advertises its main product as the “N°1 Swiss chocolate wafer” (Kägi homepage, 2017). It comes in different flavors and is well-known to the Swiss consumer. Besides the chocolate wafer, Kägi also produces cookies (Appendix: Primarily Research Results). For the expansion to the Chinese market only the chocolate wafers will be considered at this point.

Current customers are attracted through online and offline communication efforts which spread the message “häppiness is a Kägi”. The main target group is the young millennial, who understands to take a well-deserved break from work from time to time and values a strong work-life balance. He/she is portrayed in the advertisements (Kägi homepage, 2017).

The primary objective of the research is to determine, how Mediaplus’ client Kägi shall be advised to alter the chosen communication strategy to be successful on the Chinese market. Based on own primarily research, it can be said that Kägi already has established an international presence as part of their current digital communication strategy on social media channels such as Facebook, Instagram, Twitter and YouTube from which it communicates with its customers (Appendix: Primarily Research Results).

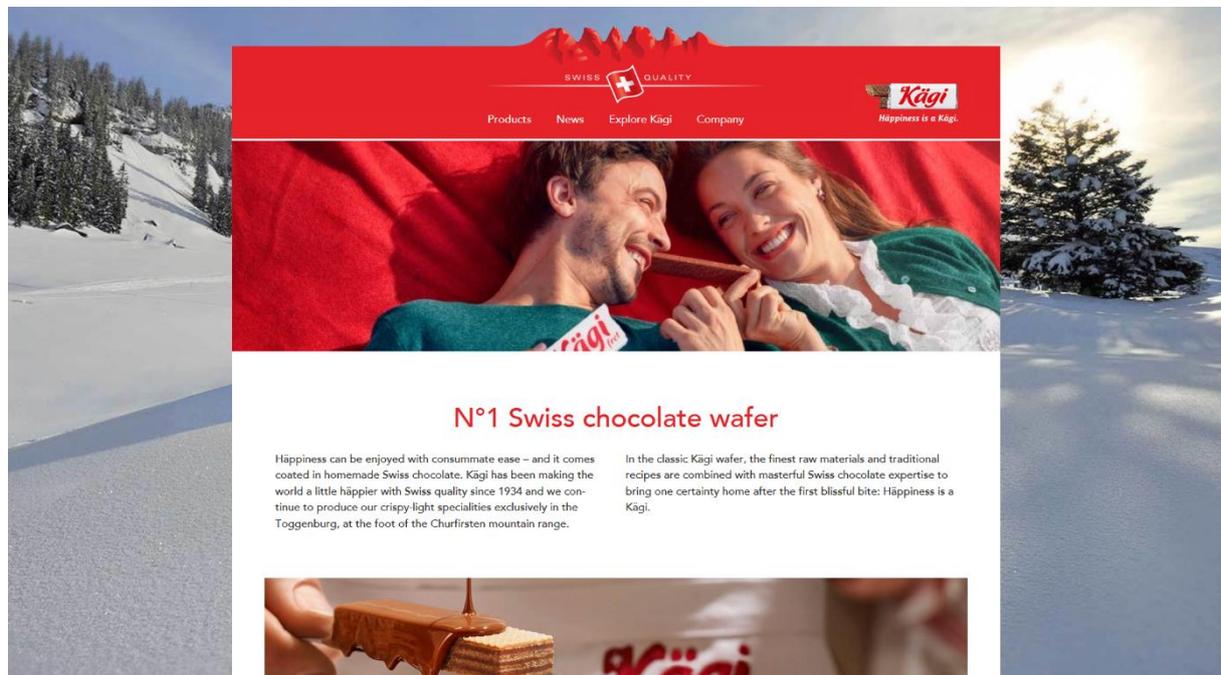
The goal is for the client to be able to better communicate its product through existing and new channels on the Chinese market, by making use of the brand’s strengths, by working on its weaknesses, by seeking opportunities and handling the threats (Appendix: SWOT Analysis). For the company’s expansion, brand awareness amongst the Chinese consumer is most important.

Based on organizational context and the previously stated problem analysis, the external aim of this research will be to formulate recommendations for Mediaplus regarding the development of a digital communication plan including a target group profile for Kägi to be able to expand to the Chinese market.



Brand Logo

Source: Kägi website



Website: <https://www.kaegi.com/en/?nl>

7.2 Kägi Products

Image Source: Kägi website



Kägi Classic



Kägi MÄX



Kägi Dark



Kägi Hazelnut



Kägi Cappuccino



Kägi Dark Orange



Kägi Rum



Kägi Choco



Kägi Toggenburger Alpine Cookies



Kägi Toggenburger Alpine Cookies Caramel



Mini mix



Gift boxes

7.3 Current Communication Channels

Facebook

Kägi
@kaegifriends

Startseite
Info
„Gefällt mir“-Angaben
Beiträge
Fotos
Videos
Kägi @ Instagram
Gewinnspiel
Eine Seite erstellen

Beiträge

Kägi
20. Februar um 04:40 · 🌐

🌟 Looking for a cool breeze? 🌟
Enjoy a Kägi and refresh yourself by thinking about the snowy mountains of Switzerland! 🏔️ 🍫 🌨️

Webseite in Lichtensteig

Suche nach Beiträgen auf dieser Seite

No. 1 Swiss Chocolate Wafer

254.523 Personen gefällt das

Info Ailes anzeigen

www.kaegi.com/
Webseite

Personen >

254.523 „Gefällt mir“-Angaben

Besucherbeiträge >

Gaby Haupt
25. Januar um 06:39 · 🌐

Twitter

SWISS QUALITY

Kägi
@kaegifriends

No. 1 Swiss Chocolate Wafer – the official account // facebook.com/kaegifriends

Lichtensteig // Switzerland
kaegi.com
Beigetreten Juli 2012

172 Fotos und Videos

TWEETS 653 FOLGE ICH 14 FOLLOWER 262 GEFÄLLT MIR 535 Folgen

Tweets Tweets & Antworten Medien

Kägi (@kaegifriends) · 14. Feb.
♥ Glück ist...heute jemanden glücklich zu machen! ♥ Unser Tipp: unter gruessli.kaegi.com Liebesbotschaft gestalten & direkt ausdrucken!

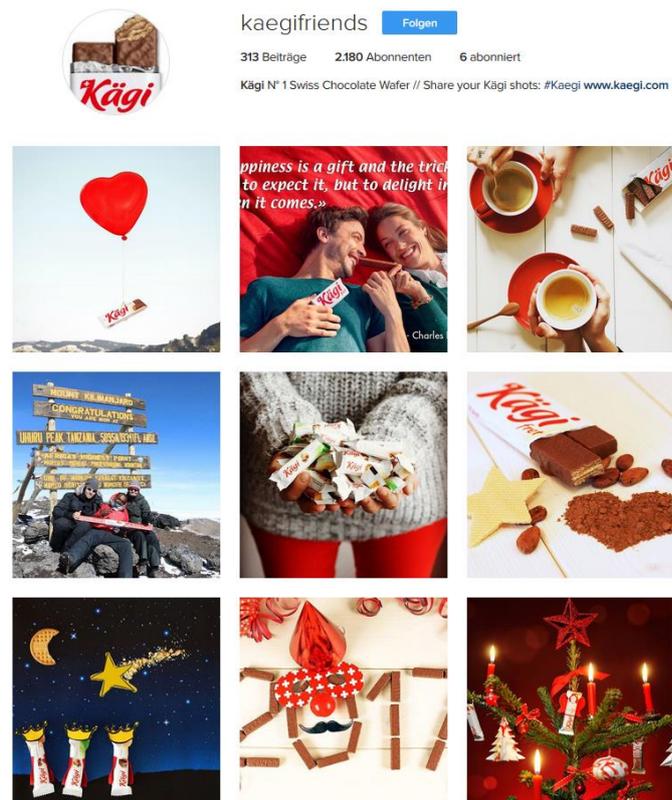
Neu bei Twitter?
Melde Dich jetzt an, um Deine eigene, personalisierte Timeline zu erhalten.
Registrieren

Vielleicht gefällt Dir auch · Aktualisieren

Gary Jenkins @jenkjaw
Alvis Wu @AlvisWuRaiFan
AmanoChocolate @AmanoChocolate
Emil Indrićau @emilindrićau
Bäla Kiss @Blakiss4

Weltweit Trends
#GoonChartAwards
589 Tid. Tweets

Instagram



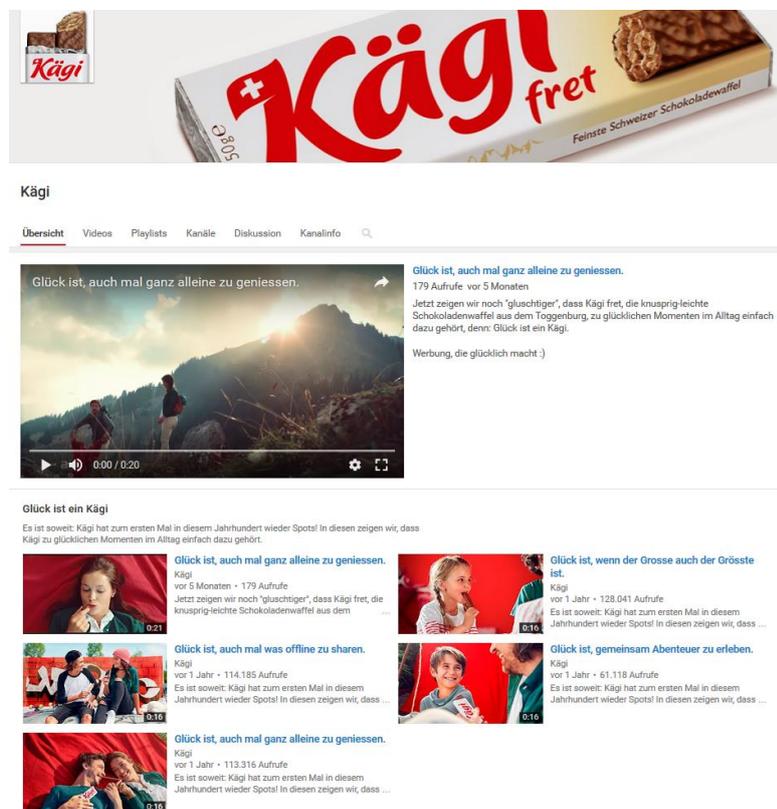
kaegifriends Folgen

313 Beiträge 2.180 Abonnenten 6 abonniert

Kägi N° 1 Swiss Chocolate Wafer // Share your Kägi shots: #Kaegi www.kaegi.com

The Instagram grid features 12 photos: a red heart balloon with a Kägi wafer attached; a couple smiling while eating Kägi; hands holding a cup of coffee with a Kägi wafer; a person sitting on a mountain peak with a Kägi sign; a person holding a large bouquet of Kägi; a close-up of Kägi wafers; three Kägi wafers with crowns; a Kägi character with a Swiss flag pattern; and a Christmas tree decorated with Kägi wafers.

YouTube



Kägi

Übersicht Videos Playlists Kanäle Diskussion Kanalinfo

Glück ist, auch mal ganz alleine zu geniessen.
 179 Aufrufe vor 5 Monaten
 Jetzt zeigen wir noch "gluschtiger", dass Kägi fret, die knusprig-leichte Schokoladenwaffel aus dem Toggenburg, zu glücklichen Momenten im Alltag einfach dazu gehört, denn: Glück ist ein Kägi.
 Werbung, die glücklich macht :)

Glück ist ein Kägi
 Es ist soweit: Kägi hat zum ersten Mal in diesem Jahrhundert wieder Spots! In diesen zeigen wir, dass Kägi zu glücklichen Momenten im Alltag einfach dazu gehört.

Glück ist, auch mal ganz alleine zu geniessen.
 Kägi vor 5 Monaten • 179 Aufrufe
 Jetzt zeigen wir noch "gluschtiger", dass Kägi fret, die knusprig-leichte Schokoladenwaffel aus dem ...

Glück ist, wenn der Grosse auch der Grösste ist.
 Kägi vor 1 Jahr • 128.041 Aufrufe
 Es ist soweit: Kägi hat zum ersten Mal in diesem Jahrhundert wieder Spots! In diesen zeigen wir, dass ...

Glück ist, auch mal was offline zu sharen.
 Kägi vor 1 Jahr • 114.185 Aufrufe
 Es ist soweit: Kägi hat zum ersten Mal in diesem Jahrhundert wieder Spots! In diesen zeigen wir, dass ...

Glück ist, gemeinsam Abenteuer zu erleben.
 Kägi vor 1 Jahr • 61.118 Aufrufe
 Es ist soweit: Kägi hat zum ersten Mal in diesem Jahrhundert wieder Spots! In diesen zeigen wir, dass ...

Glück ist, auch mal ganz alleine zu geniessen.
 Kägi vor 1 Jahr • 113.316 Aufrufe
 Es ist soweit: Kägi hat zum ersten Mal in diesem Jahrhundert wieder Spots! In diesen zeigen wir, dass ...

7.4 Consumer Behavior

Chocolate goods are a relatively new product to the Chinese market. It is often still considered to be exotic or a luxury. Not surprisingly, domestic companies are not yet able to compete with the foreign brands entering the market. A thrilling 90% of the market is occupied by foreign brands such as Dove, Cadbury and Ferrero (Figure 1).

Market shares of chocolate confectionery in China

by Global Brand Owner



Source: 2008 Euromonitor International

Figure 12: Market share of chocolate confectionery in China. Source: goo.gl/OSw6ea

Chinese consumers increasingly desire premium products.

% agreeing with statement



McKinsey&Company | Source: McKinsey 2016 China consumer report

- Consumption of chocolate treats is lower in China than in Europe or the USA
- 200 grams of chocolate/year (yet this number is to be multiplied by the population)
- UK & Switzerland: 12kg, Japan & Korea: 2kg
- Chocolate is still considered exotic & high class, usually given as a gift
- Market is expanding steadily, 30% annual growth
- Chinese trust and prefer European chocolate brands, one reason is food safety
- "Europe", "handmade", or "authentic" are popular words for branding
- Foreign brands occupy 90% of the market
- For the Qixi Festival in August (Chinese Valentine's Day) much chocolate is bought
- Mars Inc. is the most successful foreign brand controlling 40% of the Chinese market
- Nestlé S.A. follows with 11%
- Ferrero SpA with 9 %
- Cadbury and Hershey Company follow
- Chinese competitors are: Golden Monkey and Le Conte, yet they are still struggling to appeal to the Chinese consumer
- The Chinese consumer is not only paying attention to taste anymore, but also ingredients, sustainability, origin and history
- Growing health trend, demand for low-sugar options
- Red is considered a lucky color in China (Kägi logo/packaging is red)

7.5 Simonson & Rosen's Influence Mix

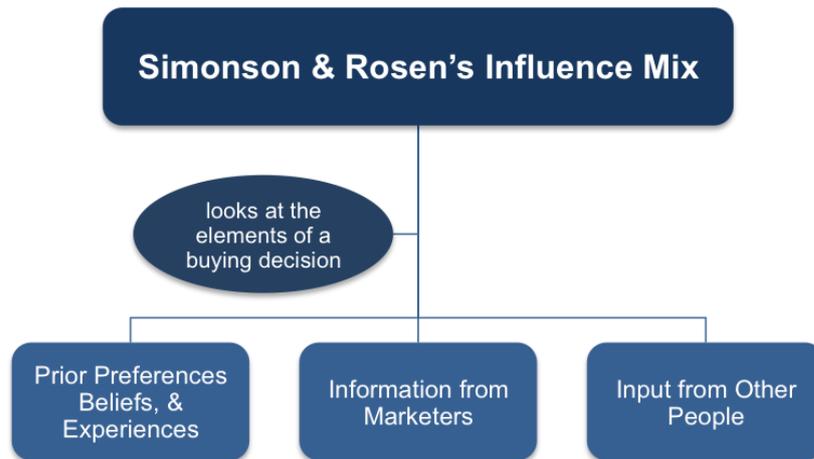


Figure 13: Simonson and Rosen's Influence Mix. Source: goo.gl/U4gBQj

Prior preferences, beliefs and experiences *are likely to influence* buying decisions of less significant, or rather habitual purchases.

The buying decision to most purchases will be made here. It is the products the consumer buys regularly, such as groceries. The decision usually does not require a lot of new information, as the consumer already knows which kind of foods he/she likes. Brands are chosen by habit. The price is not as important because the products which are bought on a regular basis tend to be rather low cost and do not need extensive research. Offering a product to the market, which is at equally low cost, the consumer might consider trying it. The risk is relatively small. If he/she dislikes it, it simply won't be purchased again and the prior buying decision will not leave him/her in financial difficulties. The challenge here is to communicate your product in a way, that makes people wanting to leave their familiar brand and established preferences to try something new.



Figure 14: Simonson and Rosen's Influence Mix. Source: goo.gl/QpEjsb

Information from marketers *may influence* buying decisions of less significant, or rather habitual purchases.

In most occasions, products which are neither very low cost or very high cost, but somewhere in between, are found to be affected by this. Consumers that buy the products are, for example,

influenced by successful marketing campaigns. Brand image is therefore very important for customers which place the most value on information from marketers.

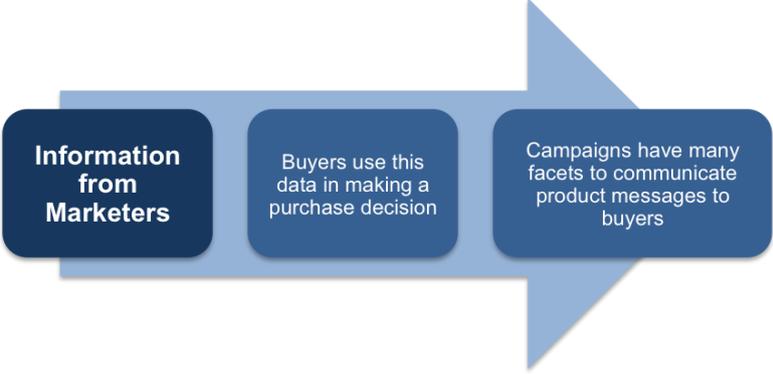


Figure 15: Simonson and Rosen's Influence Mix. Source: goo.gl/3LavPd

Input from other people is likely to influence more critical, significant buying decisions.

The purchases here are the expensive ones, such as laptops, cars etc. Back in the day the consumer was mainly influenced by 'word of mouth' advertising through family, friends and neighbors. Today, the endorsement of others has been largely replaced by social media, online reviews and online advertising. Being active on social media cannot just help brands with advertising and informing the consumer about products, but it can also communicate brand values, commitment and drive.

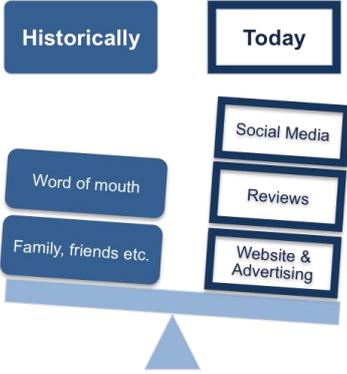


Figure 16: Simonson and Rosen's Influence Mix. Source goo.gl/UQ0G0k

Simonson's and Rosen's Influence Mix can help brands determine what the potential customer might be going to think about their purchase. The more likely a consumer is influenced by one of those factors, the less he/she will be influenced by another. Understanding consumer buying decisions should be the foundation to all marketing and pricing decisions to a product.

7.6 The Research Onion by Saunders et al.

The research onion by Saunders et al. (2007) offers a good way to illustrate the research methodology in detail. Looking from the outside, each layer of the onion shows a different stage of the research process and thereby allows for the design of the research methodology.

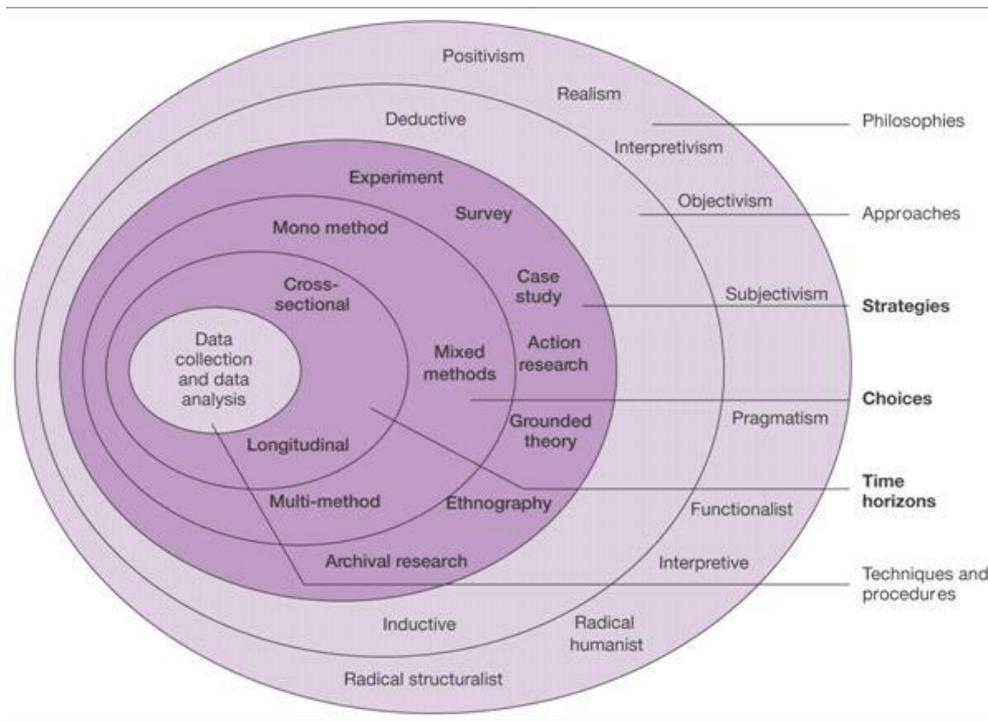


Figure 17: Research Onion by Saunders et al. (2007). Source: goo.gl/eWK5EO

Research Philosophy

The positivism basically assumes that there is a reality which exists completely independently. What this means for the research of this project is that the members of the target group possess the overall same target group traits (Newman, 1998).

Time Horizons

With the time horizon, the time for the research is set (Saunders et al., 2007). For the research on this project the cross-sectional time horizon is the right fit as the time given for the completion of the project has been already established beforehand (Bryman, 2012). The flexibility within the research strategy is essential due to the limited amount of time.

Choices

To achieve the research objective and to answer the research questions, multiple methods were employed to collect and analyze the data. This mixed-methods research has helped to combine both quantitative and qualitative techniques. According to Saunders et al. (2009), the advantage of this strategy is that it offers greater chances of answering the research questions, while better evaluating all research findings and the conclusions derived from them.

8. Media Tools

Buyer Persona & Target Group Template

Social Media Guide China

Baidu SEO Guide

8.1 Buyer Persona

Li Na



NAME - LI NA
GENDER - FEMALE
AGE - 27 YEARS
STATUS - ENGAGED
LOCATION - SHANGHAI
BACHELOR OF ART
RECEPTIONIST
INCOME 7,980 CNY

A DAY IN THE LIFE

- 07:10 Wakes up
- 08:00 Starts work
- 01:00 Lunch break (30min)
- 07:30 Finishes work
- 07:40 Takes the bus home
- 07:50 Buys groceries
- 08:30 Cooks
- 09:00 Studies online
- 10:00 Watches TV
- 11:00 Goes to bed

GOALS

- Aims for a position higher than the receptionist at the law firm, which is why she studies courses online at night
- Hopes to marry her boyfriend as soon as they have saved enough money

TRAITS

- Sociable, likes to be around friends and family a lot
- Shy around strangers
- Really enjoys chocolate
- Keeps up with her favorite TV shows and everything around her favorite singer Luhan
- Owns a cat with the name Lucy
- Her boyfriend lives on campus
- Goes to the mall on Sundays

SOCIAL MEDIA

- WeChat
- Weibo
- Believes in product & service reviews, recommendations & word of mouth by her friends and idols

"I work very hard, but enjoy my Sundays with the family. That is very important for me. Even though I don't have too much time for myself, I like to check my phone for updates throughout the day."

FEARS

- Not to make a higher position at the firm and to be too old to start someplace new
- To be financially unstable
- For her mother to get ill

The buyer persona represents the ideal Kägi customer in China, the one most easily reached by the brand and most valuable for it. The persona (Li Na) is build based on the research done and the data generated through interviews, surveys and secondary research. From those conclusions, a character could be built, which represents the potential customer with his/her personal characteristics, goals and fears. By being aware of those, Kägi can provide a product and marketing to the consumer, which will help ideally, to overcome fears and reach goals.

The name of the buyer persona was chosen as it is a very common name in China which will appeal to many and easy to remember. A female character who has finished her university degree and has now entered the working life was chosen, because most of the potential customers that filled in the survey, showing interest in Kägi, impersonated the same characteristics. This is convenient, because she owns the financial means to purchase the product, is free in her purchase decision and according to theory and the interviews conducted, as a female she is known to enjoy snacking. She is sociable, hard-working, enjoys TV shows and checks WeChat and Weibo through her mobile device. She is worried about becoming financially unstable the most, does not own a car but uses the bus on her way to work.

The profile of Li Na represents a character from which content requirements and communication tone and style can be derived. She is a young professional, that likes to socialize and spend time with her family and friends. An **informal language** is consequently suggested for Kägi communication in China. Even though we are speaking of a Swiss brand, Kägi **needs to be relatable** for young Chinese women. If implemented correctly, the brand will have a much greater chance of being heard and accepted by the target group, because the communication style is matched to preferences of the consumer. At the same time, it will allow Kägi to differentiate itself from its competitors on the market and therefore be more recognizable.

Expert interviews and the survey made it clear, that the understanding of sustainability and innovation are no big factors of consideration for the target group. Instead, the **Swiss-made label and company traditions** score high with the Chinese potential customer. By communicating the origin of Kägi throughout, the interest of new customers can be won.

Research indicated that the target group should be addressed using a rather **emotional appeal**. Touching upon the customer's goals and fears in life can thus help Kägi in the distribution of promotional messages. If Kägi can manage to help Li Na during the week, by providing a treat during long working hours or by making her look forward to time spend with the family on the weekends, and communicate this accordingly, the target group will turn into satisfied customers. In the end, all anyone ever wants is to be understood, this is universal all over the world. If Kägi portrays those customer values, Li Na, representative for the whole target group, will feel understood. This cannot just build awareness, but actual attachment to the brand.

8.2 Target Group Template

General target group data

Demographics

- Name
- Age
- Gender
- Marital Status
- Location
- Educational
- Income group

Preferred mode of communication

- Internet access yes/no
- Social media platforms
- Mobile usage

Psychographics

- Hobbies
- Preferences (e.g. pets, food, TV shows, celebrities)
- Favorite sources of information (e.g. websites, review services, recommendations)

Traits

- Sociable or shy etc.

Goals

- Personal goals
- Work related goals

Fears

- Personal Fears
- Work related fears

Optional: A Day in the Life & personal Quote

8.3 Social Media Guide China



WeChat logo (Source: goo.gl/O7XKWZ)

Introduction to WeChat

In the advice, we have already established, that WeChat is the most used social media channel by the potential Kägi customer in China. WeChat (Chinese name: Weixin) can be described as an app which combines WhatsApp, online banking and so much more. For users of the app, it is possible to:

- *Order food*
- *Shop online for clothes*
- *Buy movie tickets*
- *Call a taxi*
- *Read the news*
- *Make use of social media*
- *Make a doctor's appointment*
- *Check in for a flight.*

The possibilities seem endless. For the Chinese public, this made a huge impact on their lives. Where Europeans are rather hesitant with sharing their personal information online, this has never been an issue in China. Short messages used to be extremely expensive, so for a chat application like WeChat, it was rather easy to enter the market. Weibo can be described as a mix of Twitter, Facebook, Instagram and YouTube.

8.3.1 WeChat Guide for Brands

First of all, there are two different ways of using WeChat: One is through an official and one through a private account. Anyone can own a private account that downloads the application. That person can then be found with their QR code or through their personal WeChat ID. With a brand looking for greater reach, this option is not ideal. Instead, an official profile would be beneficial, as it can be found easy by anyone looking for it. For it to work, Kägi will firstly need to register for a Chinese business license.

Creation of the Account

After the registration to WeChat, Kägi will have a personal QR code and a WeChat ID which can be used for the profile to be found by their customers. With an official profile the option of simply searching for the brand will be added. If the code is scanned or the ID filled in, the user can decide to add, contact and check out the Kägi profile on WeChat. If the brand decides to start WeChat on a private account, it is essential to be fully aware that the consumer can only find Kägi through their personalized QR code and WeChat ID. Both should then be shared on the website (contact page) and any other channel Kägi decides to use in communicating with their target audience. The QR code should be attached as an e-signature to any email communication with customers and partners in China. Yet, the official profile is highly recommended to increase the chances of being found by the potential Chinese customer.

Why use WeChat

The advantages of WeChat compared to Weibo have been previously explained, the largest part of the Chinese population with access to internet, is using WeChat regularly. Based on the research undertaken it is advised for Kägi to be using their WeChat appearance for three main reasons: To respond to customer questions, to keep an active conversation with the consumer and potential partners and to share content online.

WeChat's instant messenger enables Kägi to respond to customer questions or messages by partners directly instead of switching to another channel, such as email. It is obvious, that those working in customer service need to know the brand and speak Chinese fluently. The great advantage of hiring native speakers, again, is that they are already familiar with the cultural sensitivity that needs to be ensured in all communication efforts.

What to share on WeChat

As mentioned in the report, the Chinese consumer enjoys seeing large images and lots of information on the brand. WeChat Moments will help Kägi deliver exactly that to the customer, where he is most approachable. Just recently those functions in social media in the Western world have taken over the channels everywhere. Brands compete on Instagram Stories and in little time it outgrew other competitors, such as Snapchat for brands to communicate their content on. The WeChat option works pretty much exactly like Instagram Stories, which will help Kägi in getting used to it, as the platform is already used by the brand. On WeChat Moments brands can share pictures and videos, together with content in text form and links to external content. Suggestions on how Kägi can use WeChat Moments, based on potential customer preferences and desk research are noted down below:

- Link posts to articles on the Kägi blog with small preview.
- Post pictures of products and repost customer's snapshots of themselves enjoying Kägi worldwide.
- Take the consumer behind the scenes with short, interesting videos.
- Share facts about Switzerland and Swiss chocolate to stand out from the crowd.
- Use WeChat Moments to communicate contest's.

How to share content on WeChat

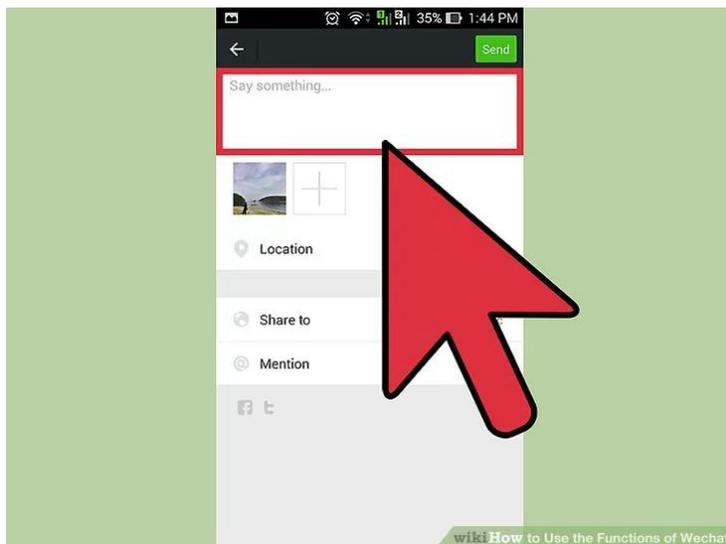
Below please find illustrations of the messenger services provided by WeChat:



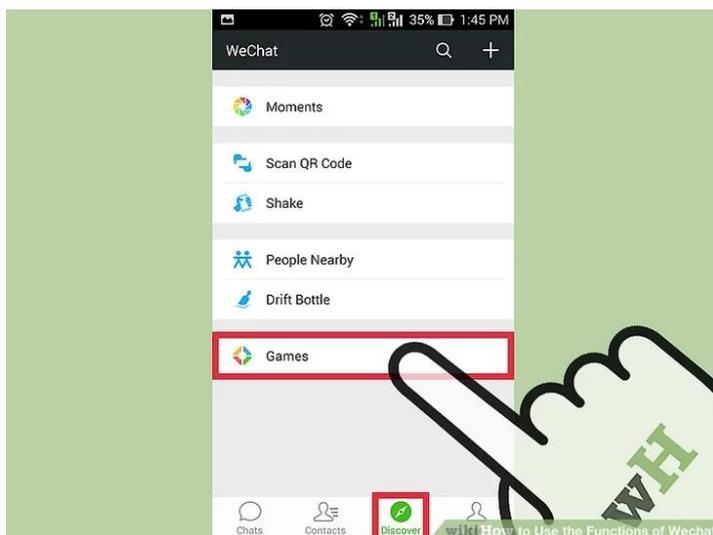
Using WeChat is as simple as using any other texting app (see above). Emoticons, pictures, videos and voice messages can optionally be added to group or regular chats. Video call and voice call are possible as well as easily sending one's location or contact details. It is really very similar to WhatsApp when it comes to user friendliness. Tags can be added, QR codes can be scanned and a friend radar shows you who of your contacts is around in your area. Individualized messages can effortlessly be sent by brands to their followers and groups.



As you can see, WeChat offers a moments option, together with the discover function. Again, this should be very familiar to anyone that has used a service like Instagram. The discovered moments can be liked and commented. As Western companies make use of Instagram Stories now with huge success, the same strategies can be used on WeChat in China to increase brand awareness. Pictures, video, text and links can be used simultaneously. Such WeChat moments can also be sponsored, which will expose them to a larger public.



To share your own moment, you can add either an existing image from your camera roll, or take one in the app. You can add a caption and location, mention friends (or brands), or share it with specific groups and people only. Similar as with Instagram, for brands this is a great tool to get influencer onboard, to take over the account for a day. This way the number of followers can be increased and awareness of the brand raised.



Next to the social messenger services, WeChat also provides games within the app. Those can then be selected and downloaded from the regular app store. This feature will probably not aid Kägi with the implementation of the digital communication plan, but explains another reason, why the app is so popular. It might be worth considering in a later stage as a marketing gamification tool.

(Source to all images: WikiHow)



8.4 BAIDU SEO GUIDE

HOW TO RANK HIGHER ON
THE CHINESE SEARCH ENGINE

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Introduction

The most traffic to a website comes from search engines (Telang, 2004). Therefore, it is explicitly advised for Kägi to take SEO into thoughtful consideration to be found easier by potential consumers. It takes a lot of information for the Chinese to trust a brand (Zhang, 2017). This information can generally not be found in advertisement, but on the company's website.

Besides, it is interesting for Kägi to be aware of the fact, that there is no urgent need to be listed on the very first page of Baidu search results. It is a timely process to make SEO work for a company, but from the experts it has been made clear, that the Chinese, much different from the European consumers, take the time to also browse further into the search results. The special attention paid by the potential customers adds to the feasibility of the communication plan. The fact that results on pages beyond the first one are also considered by the Chinese, gives reason to believe even stronger in a well-written site description in the HTML. This description will be displayed through Baidu and it is what the site will be judged on next to its title. This proves that SEO, if executed long-term, can be very beneficial to position Kägi in the Chinese search engines, which in turn attracts new customers and increases sales.

Search engine optimization can be complicated, it can be even more difficult when it has to be done in an unfamiliar market and through unfamiliar means. For this reason, the SEO guide has been put together for Kägi. It can be found in the appendix and offers help with every step in the process. It provides an overview on how to interpret the Kägi website in such a way, that it can possibly rank higher on Baidu. Other points are:

- Information on HTML and how it can be used to make the website rank higher on Baidu.
- Help in the decision on which keywords to focus on for the SEO.
- Guidelines to content and structure of the website to rank highly on Baidu. This includes the previous point of incorporating the right keywords throughout, and also knowledge on the algorithm used by Baidu to read and rank websites.

Those changes in the website and its interpretation can be done by the professional currently in charge for the website of Kägi. It should be done in corporation with a native Chinese translator, and someone specialized in the cultural differences which Kägi will be confronted with in China. It is advised to work together with a translator directly from China. Alternatively, a firm specialized on search engine optimization for Baidu could be hired, leading to quicker and more effortless results. If Kägi's finances allow for it, this is advised over trying to handle it independently. Mistakes can be avoided with a second pair of, culturally-sensitive, eyes.

The Importance of Baidu

No matter the overall online marketing efforts of a brand, it first of all is important, that the brand's website is easily found e.g. through the local search engines. Unlike in Europe, where Google is the biggest and most used search engine, in China the service *Baidu* is leading by far with a market share of over 80% (China Search Engine Market Overview, 2015). It makes sense to pay attention to ways in which Kägi can rank high enough on Baidu to be found by potential consumers, which might want to find information on the brand, or read reviews on products. If Kägi manages to rank highly on Baidu using premium product keywords, chances to attract new customers increase. Such keywords can be dedicated using survey data.

Using Baidu can be a challenge to anyone unfamiliar with the search engine. Below are some facts which shall help in exploring the service:

- Baidu rarely links overseas content (Jiang, 2014). In order to still be visible on the local search engines, Kägi needs to provide a website interpretation in simplified Chinese, coming from mainland China (Jones, 2014).
- As the search engine is focused on the right content on websites, the pages should have a minimum of 300 words each. Further ways to enhance the chances to score a favorable ranking is by linking the Kägi blog with regularly updated content. There is a news feed provided by Baidu which shows blogs and could generate free and organic traffic to the Kägi website (Jones, 2014).

SEO versus SEM

Search engine marketing (SEM) and search engine optimization (SEO) can both help generating traffic to a website by ranking higher on search engine result pages. Using SEM, a company would generally pay for advertisements to show up in the search engine results. Money is invested in certain keywords that people look for through the engine, and in return the search engine displays the company's ads to the targeted consumer. Using SEO, a company would aim to increase its visibility in the results through the use of specific keywords on their website. Customers looking for keywords like "Swiss chocolate" will then find Kägi higher in the search engine results and traffic to the website is generated.

With the most traffic to any website being generated by search engine results (Telang, 2004), it is necessary for Kägi, especially when trying to enter a new market, to invest time and resources in interpreting and optimizing their website for the Chinese market and the search engine Baidu. China Search Engine Market Overview (2015) estimates a market share of 81% for the search engine. Baidu also ranks 5th on the Top 100 most accessed sites globally (Fuchs, 2015). Google ranks higher, yet as it is blocked in China, Baidu is commonly used.

According to the experts, it is not easy for a brand to be discovered through Baidu, also as advertisements are generally disliked by the Chinese searching on Baidu. Fuchs (2015) states, that over 99% of Baidu's revenue in 2013 came from ads. Obviously though, this does not guarantee the advertisement success, and highlights the alternative of search engine optimization rather than search engine marketing for China.

Getting to know Baidu

For anyone to understand how to rank high within the search results of Baidu, knowledge around the functions of the search engine needs to be acquired. After, it can be explored how those functions may be used in the promotion of the brand Kägi in China.

Just like its Western equivalent Google, Baidu makes use of a ‘pay for placement’ strategy, meaning that brands are able to place their advertisements to show up as popular search results in association with certain keywords (Fuchs, 2015). Those keywords companies can bid on. Yet, it is important to keep in mind, that the research to this project has found that the general public in China tends to mistrust such paid for advertisement (SEM).

The experts have highly recommended to invest into influencer marketing and famous spokespeople. From desk research it seems, that this might be a much wiser decision for a brand entering a new market, where the consumer yet has to build an opinion around the brand. It is a lot easier to trust a company which is unknown to you, though referred to you by someone you trust, then to meet this brand through online advertisements. Kägi should not try to compete with other big brands in the market, bidding on the most valuable keywords, but instead focus on organic search results (SEO) as their main priority. For an emerging brand in the unknown market of China, this seems to be the most responsible choice, keeping in mind budget and the desire to build relationships to influencers and the consumer.

Therefore, for now full attention should be placed on optimizing the interpretation of the Kägi website to Chinese, for it to organically rank high on search results through Baidu. Chinese people search online for premium products that they can impress their family and friends with (Li-Marliani, 2017). If Kägi manages to be displayed to those people, sales will increase consequently.

Baidu's Ranking System

From the desk research undertaken as part of this project, valuable information on Baidu's ranking system could be gathered. Especially important for the search engine optimization and the above-mentioned ranking system, are keywords. Those should be tracked and linked to the brand at all times. Helpful with this is *Baidu Index*, Baidu's free data analysis service. When a keyword is put in this tool, it allows insight into how popular this specific keyword is on the search engine, from where people are most likely to search for it (*location*) and when they have searched for it (*time*). Those are factors necessary to be explored when getting to know your target group. As an example, you can place your content online, but if you do it at a time your target group tends to be offline, the reach will be very small. Baidu Index offers a keyword suggestion for brands to place on their websites that help with SEO. A timeline of trending keywords gives a great overview over the amount of keywords searched for in a certain region in a day (Huang, Zhang & Ding, 2016).

The ranking system of Baidu is complex. The search engine itself helps with some of the ways that will make it easier for brands to establish themselves. For example, they recommend using .com, .net, or .cn in website domains (Chinese SEO Shifu, n.d.), or paying attention to the website title, as this is how the engine analyzes websites. Consequently, the right keywords should be placed in the website title of Kägi to be recognized by Baidu. Simply spreading those keywords over the pages of the website will not influence the system (Baidu on-site SEO, 2013).

The Meta Description

Meta descriptions is one more thing worth discussing when engaging in SEO. It is the description of the page displayed to anyone that searched for it via the search engine, and stands right under the website's title and link. It can be adjusted in the HTML section of the website and each page to the website can have its own unique description. A well-written meta description will include keywords that will make people want to actually enter the website after seeing it in the search results. If the keywords are chosen wisely, the consumer will judge the website as relevant enough to check its content.

The Design of the Website

Baidu gives further recommendations on design and navigation of websites that want to be easily found via Baidu search results. The optimal navigation structure to be recognized by the ranking system is the 'tree' website structure. Generally, the user should not need longer than three clicks to get to the most relevant page for him. Kägi should not hold back in giving a lot of information on their website and the use of large images is recommended to attract the consumer's attention. The experts agree that potential clients will prefer finding much information on the main page, with the possibility to get to sub-pages for more details via hyperlinks.

An important thing to know is that Baidu recognizes the file name to images uploaded to the website. If your images are titled correctly, people can find your page easier. Using keywords will improve your chances to rank high in the search results. Still, those keywords should not be used at random, but in a way, reflect what can be seen on the actual image. The image in turn should match the content of the website (Image Optimization, 2013).

The experts interviewed were all agreeing on the design of the website. It is obvious, that the content first of all, needs to be translated for people to understand. Product reviews need to be easily found for Kägi to be perceived as trustworthy. A good reputation is the key foundation to building trust and loyalty with customers in China (Havinga, 2016). The 'about us' seems to be the most important feature on a company's website.

Concluding Thoughts on SEO

Search Engine Optimization is not done overnight. It is a strategy that requires effort and time and its results will not be immediate but come in time. SEO should not be used as the only method of promotion for Kägi when entering China. It certainly offers great ways to position the brand, but should be used as a complementary method rather than Kägi's main tool.

Further research should be conducted to find the best keywords for Kägi to use. Baidu Index can be of help with that. To position the brand better on Baidu in-depth knowledge is needed. This can be done through extensive research or with the help of online marketing professionals from China.