

Brand strategizing with scenario planning

# IRMA IN CHINA

Master's Thesis

MA International Business Communication,  
Intercultural Marketing

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## **1. Executive summary**

In the past 20 years, Chinese e-commerce has experienced a rapid growth. As a result of the growing upper middle class, the consumption in China has made extensive progress and an increasing number of Chinese consumers are opting for foreign products. Further, it seems that the Chinese upper middle class is increasingly demanding premium products at large. This has resulted in a rise within cross-border e-commerce platforms and a great incentive for premium foreign companies and brands in trying to supply the Chinese consumers.

The growth in e-commerce and rise in consumption in China has inevitably resulted in both opportunities and challenges for companies entering the market. One of the challenges relates to market navigation. Thus, predicting the direction of the growth and how the consumption behaviour develops continuously, can pose a great challenge for foreign companies to strategize from. Adding to this challenge, there exists a lot of uncertainty in a growing market like China, and uncertainty is often complex for companies to navigate around. Another main challenge for foreign companies entering the Chinese e-commerce market is branding. Building a trusted premium brand is essential to tap into the upper middle class consumers, who put great pride in being associated with the premium products, which they consume.

Based on Danish premium retail brand, Irma's entry into the Chinese e-commerce market, this qualitative thesis study reflects upon the implications related to branding in an uncertain environment. Subsequently, the theoretical concept of scenario planning was integrated in this thesis study. This accommodates foreign companies with a theoretical framework to navigate in complex and uncertain markets like the Chinese. Traditional scenario planning is known as a highly complex strategizing process. It is used to obtain an adjustable and scenario-based strategy fit for coping with uncertainties in the business environment. To comply with the empirical objective of building Irma's brand in China, the branding perspective was chosen as the relevant extent to simplify and further scenario planning towards being applicable in a scenario-based branding strategy.

The theoretical analysis and discussion of secondary data was initiated with a narrative examination of scenario planning and its theoretical development over time. Thus, providing the thesis study with a basis for furthering the concept of scenario planning. With the empirical study objective in mind, brand awareness and brand trust was chosen as the appropriate brand extensions

to further scenario planning in a branding perspective. From assessing the theoretical furthering, a hypothesis was derived abductively; H1, *A brand entering a new market will benefit from applying a scenario-based branding strategy*. In the empirical analysis and discussion, the theoretical hypothesis was applied. Here, both primary and secondary data was examined. The timely aspect, internal/external aspect and element of uncertainty about Irma's brand entry into China was analysed and discussed through a SWOT analysis and a TOWS matrix. Ultimately, a scenario-based branding strategy was derived.

This thesis study concludes that scenario planning can be furthered in a branding perspective. From the examination of Irma in China, it is concluded that Irma would benefit from applying scenario-based branding strategy, when seeking to build brand awareness and brand trust in China.

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## 4. Introduction

Cross-border e-commerce platforms such as Amazon, Alibaba and eBay have been experiencing a substantial rise in demand since their establishment in the 1990's (Marinova, 2017; eBay, Our History, 2018; Alibaba, About Alibaba, 2018; Amazon, History, 2018). Consequently, the amount of products and services available for global consumers increases every year (Marinova, 2017). With a rising availability within global product supply, the task of branding has become increasingly complex, yet very important in order to ensure a unique selling point towards the global consumers (Walters et al., 2017). As the digitalisation era is largely embedded in the success of e-commerce platforms, the preferred marketing channels used for branding have also moved away from being offline and increasingly towards online channels (Cheng, 2017). In fact, navigating in the digitalisation era poses challenges within a wide arrange of areas. One is related to the fact that the consumption patterns of modern day consumers are changing rapidly due to mobile devices, social media and continuing innovations within payment methods (Vidal-Abarca et al., 2017). Secondly, as digitalisation is permeating most aspects of society, it has proven the ability to disrupt and serve as a significant game changer in many industries (Duveau & Dumenil, 2018). Preparing for the uncertain future has proven to be increasingly complex yet crucial for companies to obtain a strong position towards consumers.

One of the countries and markets, which has developed because of the digitalisation era, is China. The consumption in China has been increasing and developing fast during the last ten years (Walters et al., 2017). China is in many ways experiencing an explosion in digital consumption behaviour, due to the rise in e-commerce platforms in the country (Vidal-Abarca et al., 2017).

A report from Boston Consulting Groups identifies various consumer specific trends due to the significant increase in the upper middle class citizens (Walters et al., 2017). Due to the increase in buying power, more consumers are now using digital platforms to buy products (Vidal-Abarca et al., 2017). The digitalisation era is one of the most significant factors within China's development, as it has allowed citizens from less populated areas to become part of the overall Chinese consumption economy (Molnar, 2017). According to Michael Cheng, who is Retail and Consumer Manager at PwC in Asia Pacific and China, the e-commerce sales have increased by more than 30% from 2016 to 2017 (Cheng, 2017).



#### **4.1 Introduction to Irma in China**

On 13 September 2017, the Danish premium retail chain Irma published a press release, stating that it had signed a deal with the Chinese e-commerce cross-border trade platform Kaola, and were entering the Chinese market (Liuxin, 2017; Irma, Press 1, 2017). Among the chosen products for the Chinese market were Irma's private label products: "Blå Irma" coffee, "Tusindfryd" housekeeping products and organic children's clothing called "Irma Friends" (Interview, Betina Erlandsen; Morten Clausen, 435). Currently, the products are being shipped to China from Denmark by sea and in a few cases by airplane (Interview, Betina Erlandsen).

Irma's entry into China started in March 2017, when Coop bought the company International Food Cooperation (IFC) Europe founded by Morten Clausen. Morten is now the Head of Business Development for Irma's operations in China (Interview, Morten Clausen, 66). Irma started selling its products in China through the online platform Kaola in October 2017 (Irma press 1, 2017). Kaola is the biggest cross-border trade platform in China and owned by Netease, one of the biggest Internet companies in China (Netease, 2018). The strategic objective for choosing Kaola as sales channel was related to the logistical and operational benefits, which Kaola could provide (Interview, Qian, Robin & Angela, 1). The existing consumer base was another significant reason. To manage the operations in China, a consultant company led by Project Manager Robin was hired by Irma. Robin has previous experience with communicating premium foreign brands to the Chinese consumers (Interview, Qian, Robin & Angela, 1). Currently, the Chinese office counts 10 employees. This is expected to rise to around 20-30 employees within 2018 (Interview, Qian, Robin & Angela, 107).

When interviewing Morten Clausen, he expressed how the cross-border trade platforms in China are a way for the Chinese government to control the flow of foreign products (Interview, Morten Clausen, 41). Further, it is an opportunity for foreign companies to sell its products on the Chinese market, without having to import them with all the regulations that follow (Interview, Morten Clausen, 263).

According to Morten Clausen, one of the main challenges in relation to the entry into the Chinese market is to build brand awareness and brand trust about Irma in the communication to the Chinese consumers (Interview, Morten Clausen, 417). In the interview with Qian, Robin and Angela, they supported this statement:

*“We need to invest more resources to build up the trust about our brand to convince the Chinese customers to trust, accept and believe and have a strong confidence about Irma”* (Interview 1, Qian, Robin & Angela, 44).

## **4.2 Research area**

Entering a market like the Chinese poses a great challenge for most companies (Andrews & Chew, 2017). When navigating in uncertain and complex environments, scenario planning has been regarded as a useful theoretical concept for strategic decision-making (Lehr et al., 2017). Further from the empirical data it became evident, that the essential considerations for Irma in China were linked to the act of building brand awareness and brand trust in a complex and uncertain market like the Chinese. Brand awareness is fundamental yet very hard to achieve (Magni & Poh, 2013). In addition, as suggested by Liu, Pieniak & Verbeke (2013), the Chinese consumers are among the most critical and suspicious consumers of foods in the world. Due to a high number of scandals related to foods and drinks, trust towards food quality and safety is very limited (Liu, Pieniak & Verbeke, 2013). It is therefore essential to consider the implications related to the establishment of brand trust associated with entering into the Chinese market. Being largely driven by factors related to digitalisation and technology, the Chinese consumption economy remains largely dynamic and uncertain (Walter et al., 2017). From recognising the implication related to brand strategizing in an uncertain element, the research areas derived.

This study therefore includes two research areas, a theoretical and an empirical area. Firstly, the theoretical analysis is initiated with a narrative examination of key scenario planning research. Secondly, scenario planning is analysed and discussed in relation to branding theory. This combination was chosen with the research objective of furthering the theoretical concept of scenario planning in a branding perspective. The second part of this study includes an application of the theoretical findings on the empirical research area. Namely the Danish premium retail store, Irma's, entry into China through the e-commerce platform Kaola (Irma, press 1). This analysis and discussion would seek to derive a scenario-based branding strategy fit for establishing brand awareness and brand trust in a highly dynamic market environment like the Chinese.

Both the opportunities and threats that follow such entry can be widespread and there are many areas of concern for the involved parties, which includes Irma, Kaola and the Danish Trade Council. Here, the building of brand awareness and strategizing for the future are among the key

concerns. Subsequently, brand strategizing from a scenario planning perspective was chosen as the primary research topic.

This research study will analyse this entry primarily from an organisational perspective and less from the consumer perspective. Therefore, the primary empirical data collection is focused around the organisational level and not the consumers. However, the trends in consumer behaviour are included in the analysis.

In the means of theory, several theories and concepts could have been applied to this research area. However, the implications related towards planning a strategy that Irma would benefit from continuously were the area, where the biggest interest lied. Hence, scenario planning was included.

#### **4.3 Research question + specification**

Considering the above-mentioned identification of research area, this study will seek to answer the following research question:

- **How can scenario planning be furthered in a branding perspective examined on Irma in China?**

In order to answer this question, the following sub question will be answered:

- *What hypothesis can be derived from furthering the theoretical concept of scenario planning in a branding perspective?*
- *How can the hypothesis be applied and examined on the empirical case, Irma in China?*

The research question and sub questions was created with the purpose of deriving a scenario-based branding strategy, which Irma would benefit from in the uncertain and fast changing Chinese e-commerce market.

#### *Research motivation*

The motivation for writing this thesis study is dual-sided. One side is related to research objective of furthering the theoretical concept of scenario planning in relation to branding theory to make it more applicable. The other side is related to the task of resolving a cross-border branding task in a highly complex and dynamic market as the Chinese (Cheng, 2017). Another motivating factor

in working with Irma in China as a research study is that Irma's brand is one of the company's most significant internal resources (Interview, Leif Larsen, 108). A company's internal resources are a crucial part of the decision-making in the process of entering a new market (Hooley et al., 2012). Combining this with the Chinese attraction to the Danish lifestyle, which became very clear early in the process (Interview, Betina Erlandsen), the interest towards looking further into the relation arose.

When mentioning the Danish lifestyle, it refers to the welfare state, the good work-life balance, Denmark being selected as the happiest country in the world (Helliwell et al., 2017) and the exportation of the term 'hygge' (Lin, 2017). These are all a part of being Danish and thus, being able to assist Irma in the process of exporting a piece of Denmark is a privilege.

#### **4.4 Research topic**

As mentioned previously, the scenario planning as a theoretical concept was chosen to be the bearing concept of the overall analysis. This theoretical concept is interesting to consider, in the effort of accommodating the challenge of making a brand strategy for an uncertain environment, which could assist Irma in building brand awareness and brand trust in the Chinese market.

The reason why scenario planning was chosen instead of other strategic forecasting techniques, was due to the element of uncertainty - the fact that no one can know how the future will take place completely (Stokke et al., 1990). Scenario planning is a theoretical concept, which has been interpreted in several different research journals (Wack, 1985; Schoemaker, 1995; Morgan & Hunt, 2002; Lindgren & Bandhold, 2009). Scenario planning primarily focuses on the external factors of the company, especially events that can have an influence on a company (Huss & Honton, 1987). These are crucial to consider when entering into a new market, as is the case with Irma. However, the external factors are not the only factors to examine. The internal factors within the company are also important to consider and when dealing with a company like Irma, with a significant brand in Denmark, the internal branding resources are important to consider in such brand strategizing situation (Interview, Leif Larsen, 106). When mentioning Irma's brand, it refers to the image that the Irma brand has in Denmark and what it has to offer to the Chinese market and consumers (Heding et al., 2009). This is where the idea of combining the two concepts of scenario planning and branding emerged from.

The purpose of the theoretical analysis is to further the concept of scenario planning by combining it with branding, which will be carried out by an abductive approach. This will be elaborated in

the section on philosophy of science. The reason why the furthering of the concept perspective was chosen, was in order to take the concept about scenario planning into a simpler and more contemporary perspective. This, to accommodate today's market conditions and the situation that many companies find themselves in, when entering a new market.

The research that exists on scenario planning is mostly from the 1990's and early 2000's. Considering the development within digitalisation and the world society, some of the early research perspective appeared inadequate for analysing the current environment. However, the foundation stone of scenario planning is very relevant for this thesis, which is why it was interesting to further it into a theoretical concept more applicable for today's society. This combination and furthering of the scenario planning concept and branding theory was carefully chosen among other concepts researched in the early stages of this thesis. Ultimately, these were chosen as this combination would provide the most fulfilling result towards getting closer to make strategies that fits the future events. It is important to note how the theory suggests that even as one can get closer to predicting the future, no one can ever predict the future with complete accuracy.

In the furthering of the theory of the two concepts, the exploratory approach has been applied, as in the empirical analysis. This shows that the process of gathering research on the concepts has not been fixed and planned from the beginning but instead some keywords were selected to the search and from there, the literature search has been based on recognising an author or other keywords. This method led to the discovery of new literature, which might not have been found if the process of literature search was fixed from the beginning.

With the perspective of furthering the academic research about scenario planning, Webster and Watson's author-centric and concept-centric approach have been utilised. The author-centric approach was chosen to compile the historical overview of the scenario planning research, as it was necessary to divide the authors up in their research year, and analyse what their research about scenario planning (Webster & Watson, 2002). The concept-centric approach was used for the rest of the theoretical analysis, as it is an approach to comprise the relevant research on a given concept, such as branding theories. The concept-centric approach emphasises the concept, whereas the author-centric approach focuses on the authors and the different concepts the authors has written about (Webster & Watson, 2002). This is also to help in the process of furthering the theoretical area by assessing the development, which scenario planning have had this far and

which elements are not relevant or sufficient to use in strategic planning under the circumstances that Irma is currently in.

#### **4.5 Company description - Irma and Coop**

In order to answer the research question, it was evident to learn more about the organisational implications concerning the empirical case included in this study.

Widower Shepler established Irma in Copenhagen in 1886 (Irma, Timeline, 2018). From the beginning, Irma has been a symbol of innovation and development in the Danish retail market (Interview, Leif Larsen, 50). The company was the first to open a self-service retail store in 1950 and later in 1974, one of the first to take a stance about sustainability and animal welfare by banning any form of sale or use of eggs from caged hens in its products (Irma, Timeline, 2018). In 1982, Irma became part of FDB, which later developed into Coop Danmark. Coop Danmark is under Coop amba, which is the cooperative association owned by 1.7 million Danish members (Coop, 1, 2018). Within this, the top authority is the national council, which consists of 124 members of Coop, whom is in charge of choosing the Board of Directors in Coop Danmark (henceforward referred to as Coop) (Coop, 1, 2018). The cooperative started in 1866 with Hans Christian Sonne who, inspired by a similar concept in England, founded Thisted Kjøbstads Arbejderforening, which was the starting point of the Danish Consumer Cooperative movement (Coop, 2, 2018).

The management in Coop consists of CEO, Peter Høgsted and three executive Vice Presidents (Coop, 3, 2018), among which Jan Madsen is in charge of the store chains. The Head of Irma is Søren Steffensen (Coop, 4, 2018). In Denmark, Coop currently has 38,000 employees distributed throughout the country (Coop, 1, 2018).

Irma has always been very concerned about maintaining an alignment between its strategic development and the Irma identity. This was also seen in the recent strategic decision of closing 11 stores outside of Copenhagen to further the company in an urban direction (Irma.dk, Press 3, 2018). The new strategy would differentiate Irma from its competitors as the plan is to change the remaining Irma stores into urban food mekkas with deli's to ensure a more complete food experience (Irma.dk, press 2, 2018). Subsequently, the most important aspect about Irma is its dedication to ensuring a premium product quality and superior customer service. This has been the primary focus ever since its establishment and will continue to be in the future (Irma, 1, 2018). Organic products are also a high priority in Irma and were one of the first movers in Denmark in

that area. Generally, Irma takes its responsibility towards the environment, health and ethics seriously and have through the years done a lot of initiatives to improve responsibility, among the Danish consumers, e.g. by launching its environment friendly household private label line, “Tusindfryd” (Irma, Leif Larsen, 174). The most recent strategic development within Irma and Coop was the decision to sell Irma’s products online in China.

Since Irma is a part of Coop, both of these company names will be used in the thesis. Irma refers to the brand and the operations in China, whereas Coop refers to the overall organisation.

#### 4.6 Terminology

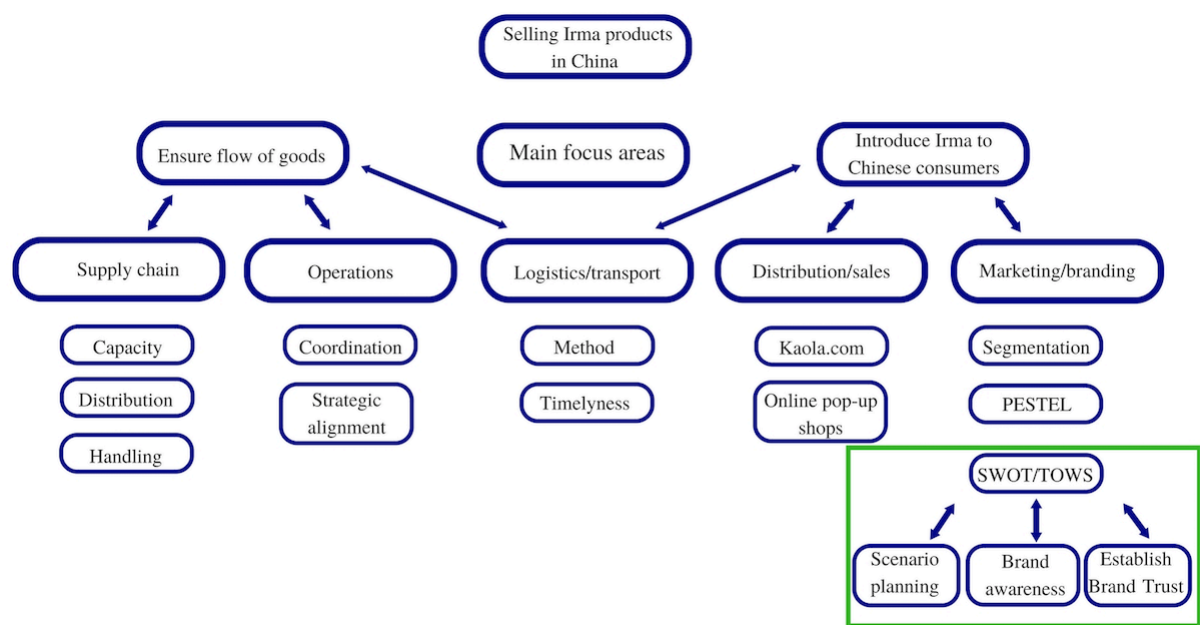
|                                    |   |
|------------------------------------|---|
| Traditional forecasting techniques | Both quantitative and qualitative techniques that forecast the near future based on past experiences.   |
| Scenario planning                  | The theoretical concept of scenario planning builds on forecasting practices by adding the uncertainty element. It is used for identifying future scenarios and planning accordingly. It allows scenario planners to create adjustable strategies fit for uncertain environments. |
| Branding                           | The communicative effort of sharing the attributes and traits of a brand with the consumers.  |
| Scenario-based branding strategy   | The strategy that derives from combining scenario planning and branding theories, as is done in the theoretical analysis and discussion.  |

#### 4.7 Research delimitation

The decision-making processes and strategic objectives that were associated with Irma’s entry into China were spread across many areas internally in the company and externally in the market (Interview, Betina Erlandsen). This thesis will not cover all of them and thereby not serve a

complete overview of the entire strategic decision. This delimitation was influenced by the prior knowledge of one as the researchers, which lies within strategizing and branding. Further, the interest of the researchers also lied within these areas.

The delimitation model is a simple overview of the areas that are associated with a market entry like this, and the green line illustrates the parts of process that are being examined in this study. The internal delimitation for Irma in its entry into China involved areas such as supply chain, operation and logistics. The flow of goods is arguably essential for Irma’s success in the Chinese market, although, assessing these areas did not relate directly to the research objective of building brand awareness and brand trust. As it appears in the delimitation model, the other areas are recognised as equally important for Irma’s entry into China, although only a fraction will be analysed and discussed in this study.



*Illustration 1 – Research delimitation*

Further from choosing not to include a large amount of the internal factors in this study, many factors in the external environment were not included in the analysis and discussion of this study either. Since the focus was on building a branding strategy for the consumers, the competitive forces were not included in this thesis. These were not included in the study because of the limited focus on building initial awareness and trust and not a branding strategy for competitive differentiation. A thorough analysis of the macro-environment was not included either, as the research focus was to identify the opportunity to use scenario planning in a branding perspective



and not on identifying the actual scenarios in the future market. In that case, it would have been essential to conduct a thorough examination of the uncertainties in the external environment.

## **4.8 Thesis structure**

**Chapter 1:** Executive summary

**Chapter 2:** Acknowledgements

**Chapter 3:** Table of contents

**Chapter 4:** Introduction – In this chapter, the research area and Irma as a company is introduced. Further, the research questions and research topic are specified. Lastly, the terminology and delimitation are accounted for.

**Chapter 5:** Methodology – In this chapter, the research methods and reflections are specified along with the empirical data and interviewees. In addition, the limitations to this research are accounted for.

**Chapter 6:** Theoretical analysis and discussion – In this chapter, scenario planning research and branding theory are analysed and discussed with the purpose of furthering them to become the foundation for a scenario-based branding strategy.

**Chapter 7:** Empirical analysis and discussion – In this chapter, the findings from the theoretical analysis are applied to Irma in China using a SWOT analysis and a TOWS matrix. The purpose is to derive a specific scenario-based branding strategy for Irma in China.

**Chapter 8:** Conclusion – In this chapter, the findings from the theoretical and empirical sections are concluded.

**Chapter 9:** Suggestions for further research

**Chapter 10:** References

**Chapter 11:** Appendices

## **5. Methodology**

### **5.1 Introduction to methods**

Methodology is the theory of methods used in the production of new knowledge (Nygaard, 2007). By using methods to produce new knowledge, one's paradigm is the basic assumption, which

constitutes one's way of thinking and the coherence between the thoughts (Nygaard, 2007). Any researcher needs to be aware of their paradigm and the consequences it can have on the research and result. Only when this paradigm i.e. the understanding of the researcher, is expressed explicitly in the research, the result can be perceived as valid (Nygaard, 2007).

The overall objective of this study is neither to validate nor to falsify the strategic choice of Irma's entry into China. It is rather an explorative and abductive study to exploit and suggest the use of scenario planning in relation to branding for a building brand awareness and brand trust in an uncertain market. The argumentation for using this research approach will be discussed further.

## **5.2 Philosophy of science and methodology**

### *5.2.1 Hermeneutics*

To explore and further the concept of scenario planning in a branding perspective, it was evident to choose a philosophical approach, which would allow interpreting and understanding of the implications of scenario planning in a branding perspective from an explorative and iterative perspective. When researching from an explorative perspective, the goal of the research is not to provide a final result. Instead the goal is to provide a better understanding of the researched topic and problem (Saunders et al., 2016). Such approach should include the ability to openly understand and make sense of the broad variety of perspectives present within the theoretical area, which is surrounding scenario planning as a concept. Ultimately, hermeneutics and in particular the hermeneutic circle and spiral was chosen as philosophical perspectives for this study. The purpose of using the hermeneutical philosophy was to get an understanding of the changeable (Brier, 2012). The process of getting this understanding was based on the relationship between pre-understanding and understanding. This relationship is considered to be circular (Nygaard, 2007). According to hermeneutics, it is important to be aware of one's own pre-understanding when doing a research (Nygaard, 2007). This would be elaborated further in the section on the hermeneutical circle and spiral.

### 5.2.2 Gadamer's philosophical hermeneutics

As presented by Friedrich Schleiermacher in Hans-Georg Gadamer's original piece "Wahrheit und Methode" from 1960, the circular thinking originally symbolises the reflection of considering aspects "*from the parts to the whole and from the whole back to its parts*" (Gadamer, 2004). Even without ever publishing any scientific texts about modern hermeneutics of his own, Schleiermacher is still considered, the initiator of thought to the creation of the principles behind the hermeneutical circle (Møller & Gulddal, 1999). His perspectives from the early 19th century later became the bases for Heidegger's modern interpretation of the hermeneutical circle. Further, Gadamer furthered the thought about the circle and moved away from the partial and wholesome thinking. Instead, he argued for the utilisation of a more knowledge-based approach to the circular thinking (Nygaard, 2007). He emphasised the interrelatedness between pre-understanding and interpretation practices as the main point of departure in circular thinking. This is referred to as inherent circularity by Bowie (Keane & Lawn, 2016), which means that one needs to understand something in order to explain the understanding.

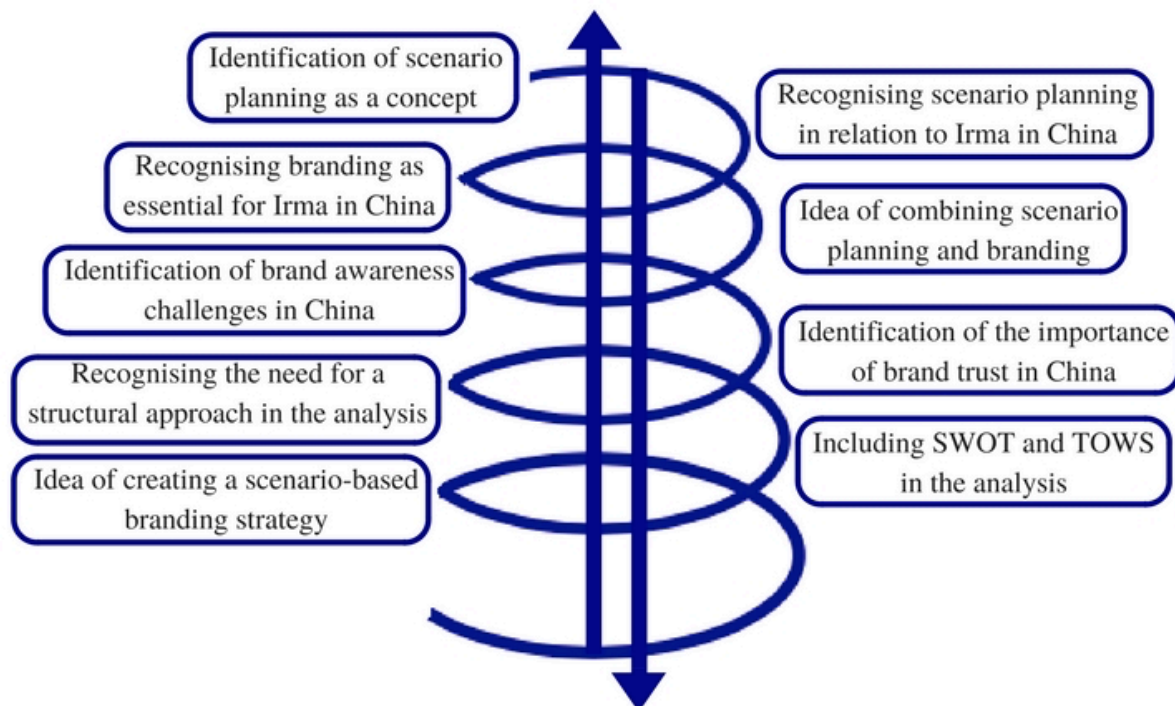
Gadamer's comprehension of hermeneutics was largely influenced by the historical affiliations. However, as it is expressed in his work, the reality of his hermeneutical understanding tended to put greater emphasis on the philosophical aspect of Hermeneutics and not the ontological view on understanding in itself as Heidegger did (Gulddal & Møller, 1999). This philosophical aspect focused on understanding as being a process and not a final result. This is derived from what Gadamer refers to as 'the fusion of horizons', which is where "*two horizons in combination creates a place where understanding is possible*" (Nygaard, 2001). The idea of being aware of one's own pre-understanding is, according to Gadamer, necessary to obtain a true consciousness. If one is not aware of their pre-understanding, it results in a false consciousness (Nygaard, 2007).

### 5.2.3 The integration of the hermeneutic circle and spiral

Nygaard (2007) argued how the hermeneutical circle and spiral represents the unfolding process of exploring a given subject or theory. In this study, Gadamer's interpretation of the hermeneutical circle as an interplay between one's pre-understanding and understanding was applied. This philosophical perspective permeated with study, as it became clear at an early stage, how the understanding that could lead to a furthering of scenario planning theory in a branding perspective would be determined by one's ability to identify the interplay between one's known knowledge

and the new knowledge (Nygaard, 2007). Ultimately, the hermeneutical circle served as a philosophical tool to interpret new findings and develop the research perspective further.

Another fundamental philosophical perspective, which was applied, was the hermeneutical spiral (Paterson & Higgs, 2005). Paterson & Higgs (2005) presented the spiral as the iterative process between the researcher's pre-understanding and understanding. It illustrates the process in which the researchers obtain understanding and acknowledgement during the research process (Paterson & Higgs, 2005). As Gadamer argued, pre-understandings are necessary to understand anything and are a pre-understanding one possesses before going into a process of understanding (Nygaard, 2007). This means that as a researcher one cannot examine something with complete objectivity (Gadamer, 2004). Therefore this pre-understanding initially led to an understanding of the research area, however, this understanding developed further as a result of the conducted interview, which led to a new pre-understanding resulting in an unfolding process. This process, together with the process of acknowledgement is illustrated in hermeneutical spiral below. This illustration serves as a graphic overview of the hermeneutical research process in this study. It includes considerations both related to the circular thinking and the spiral, where the process of exploring and working with pre-understanding and understanding is stated. It shows how the pre-understanding of one theoretical concept evolves into the final research area. The arrows pointing back and forth in the spiral illustrates the iterative process in the research.



*Illustration 2 - The hermeneutical spiral*

### **5.3 Ontology & Epistemology**

Søren Brier (2012) describes ontology as the study of “being” and relates it to the perception of human and the world as a whole. Further, epistemology is the study of knowledge, both common and scientific (Brier, 2012). In studying a certain theoretical field, one as researcher is influenced by one’s own ontological and epistemological views on the world (Brier, 2012). Moreover, the study was also influenced by an ontological and epistemological view, which relates to the applied philosophy of science (Brier, 2012). The way these two parts are present in hermeneutics is as follows; The ontological perspective is based on the assumption, that one can only understand through subjectivity and is therefore not able to regard knowledge of anything objectively, since one’s pre-understanding is necessary in order to obtain knowledge (Brier, 2012). The epistemological perspective is further based on the assumption, that a study is the act of which the researcher acknowledges the researched (Nygaard, 2007).

As argued, a researcher cannot operate without being influenced by one’s ontology and epistemology. It is therefore evident to be aware of one’s assumptions and the consequences they have on the research being conducted (Nygaard, 2007). Saunders et al. (2016) suggest how, when conducting qualitative research specifically, one must be aware that one’s position as researcher cannot be exclusively objective and that the research therefore will be influenced by the researchers existing knowledge, expectations and pre-understanding about the interviewee and research topic (Saunders et al., 2016). Yin (2015) calls this the researchers’ research lens, which affects the questions and overall research perspective in the interviews. Further, it influences the response from the interviewees in the interviews (Yin, 2015).

Subsequently, the ontological and epistemological perspective from both one as researchers and the chosen hermeneutical research lens has influenced the research findings of this study altogether. The development in this study’s ontological and epistemological perspectives regarding the understanding and acknowledgement of reality and knowledge was illustrated in the hermeneutic spiral (Illustration 2 - hermeneutical spiral). The spiral starts with the certain perception of reality that was present prior to the research process and proves the furthering of thought subsequent to the explorative and iterative research process. Further, it served as an indication of the continuing reflection about the acquired knowledge from the primary and secondary data used for this study.

## 5.4 Method

### 5.4.1 Research Approach - Abduction

In relation to the philosophical approach, it was evident to choose a methodological approach that gave the ability to treat the empirical data and theory in an explorative manner. The abductive approach, which combines the deductive and inductive approach, was chosen (Saunders et al., 2015). The abductive approach to reasoning and furthering of the theory is based on the idea that the collection and processing of data and theory is an iterative process, in which one switches between the two, instead of choosing to start the research with theory or empirical data (Saunders et al., 2015). It was developed by Peirce, as he did not find the inductive and deductive approaches sufficient for all research situations (Burks, 1946). In Søren Brier's Informationsvidenskabsteori from 2012, he presents Peirce's abductive approach as a method to provide: "*intuitive, qualified and reflective guesses on new links.*" (Brier, 2012, p. 283.)

Subsequently, abduction is a process, which purpose is to create new hypotheses and theories. These are created through surprising research, as mentioned above. This further leads to more observations, which again leads to more surprising research. Thus making the process circular and, to a certain extend, never ending (Tavory & Timmermans, 2014).

The conclusion to be drawn from an abductive research approach tend to indicate an awareness of a subjective truth and that one's result is only a product of the deduced theoretical and empirical understanding, within the specific written project (Saunders et al., 2016). Such awareness is linked to a pragmatic approach as well as a critical common sense (Brier, 2012).

The abductive approach was chosen as the primary research approach for this study due to several reasons. Based on the choice of philosophical approach, it is crucial to have the opportunity to collect both data and theory on an ongoing basis as one's pre-understanding of the data and theory evolves in the process. The process starts with an observation that surprises the researcher, and then the purpose is to develop a hypothesis that can explain the surprising observation (Saunders et al., 2016). The aim of this thesis is to further the concept of scenario planning in order to explore a new way to do branding strategies in a new market examined on the empirical subject.

#### *5.4.2 The iterative process*

An iterative study process is characterised by the act of reflexive learning and the development of new knowledge and an extended research perspective (Srivastava & Hopwood, 2009). In this study, the iterative process was utilised in direct relation with the hermeneutical approach and abductive methodology. The process of interpreting both primary and secondary data continuously and thereby acknowledge new learnings led to a reflexive behaviour when returning to the initial point of departure and rewriting it according to the new findings. The iterative process in this thesis is illustrated in Illustration 2, where the hermeneutical spiral serves as an indication of both a forward-going process as well as the repetitive process of moving back to alter previously written paragraphs according to the new and revised understanding.

#### *5.4.3 Research method - Qualitative*

The qualitative research method was chosen, as it was appropriate to use for the explorative purpose of this research study. The reason for this is the foundation of an explorative study, where the result should be, as mentioned earlier, a better understanding and not a final result (Saunders et al., 2016). A quantitative research method would end up with a more calculative result and thereby a final result, whereas a qualitative study takes individual perspectives into consideration, when working towards understanding the problem (Saunders et al., 2016). A common qualitative research tool for gathering empirical data is the practice of conducting structured or semi-structured research interviews. The method is characterised by its ability to derive important yet subjective meanings and understandings about a specific research topic or problem (Saunders et al., 2016). As mentioned prior, it is specifically significant to use for exploring a research topic, which holds only limited amount of pre-existing information due to the early stage of its existence like Irma's brand awareness on the Chinese market.

Another notable aspect about the use of qualitative research methods is also the opportunity to study the interviewees' life world and interactive abilities during the research session (Saunders et al., 2016). Such opportunity is likely to provide the researcher with unmodified information about the interviewees' personal opinion about a topic through body language and other characteristics, such as high enthusiasm or distracted behaviour (Interview, Morten Clausen; Interview, Qian, Robin & Angela).

## 5.5 Research design

In order to answer the research question, the following was carried out during the research process. As mentioned above, this research study was executed with a qualitative research method. Initially with narrative examination of key scenario planning research and a comparison in the theoretical analysis, which could seek to result in a furthering of the existing scenario planning concept. The empirical analysis was carried out through interviews and application of theoretical findings. The qualitative method was adapted due to the fact that there did not exist much disclosed information about Irma in China, due to the fairly recent nature of the entry.

Since the purpose of this research was to construct a scenario-based branding strategy for Irma in China, the exploratory and abductive study approach was used to gain insights into the process of Irma's entry and the conditions in the Chinese market (Saunders et al., 2016). Interviewing key professionals in the areas and topics covered the way this exploratory study was carried out in this thesis, in order to get the most detailed image of the process and situation.

When doing this research there were some ethical issues, which were considered (Saunders et al., 2016). The first was related to the information obtained from the interviews. As the interviews were conducted early in the process, the topic and perspective on the study has evolved since the conduction. Thereby the manner in, which the information has been used, could not be guaranteed on the day of the interview. Thus, the information from the interviews has been treated with respect to the interviewees and the knowledge that they had about the Irma in China at the time. The second concern regarding ethics is that of confidentiality. In order to get the most information from the interviewees, the information and this study has been treated as confidential. Hence, the information disclosed in relation to this research, will not be available for the public.

In addition to the ethical issues, some constraints needed to be taken into consideration (Saunders et al., 2016). Among these was the access to data. As the qualitative method has been chosen, the access to data about Irma was limited by the amount of data the interviewees chose to provide. To minimise this constraint, the interview questions had to be in-depth at the same time as being open to explore the situation from their point of view (Saunders et al., 2016). Another way to minimise it was to get all the topics and areas in the thesis covered by an expert, instead of asking one or two persons broad questions. This was the situation, when interviewing Casper Freddie from the Danish Consulate in Shanghai about the Chinese market (Interview, Casper Freddie). The details about this interview were elaborated further in this study.



The time horizon was also a constraint. During the research period, there is chance that fundamental changes could happen in either the Irma or the Chinese market. Such changes could either jeopardise Irma's entry into China or benefit it. However, such changes will be noted and considered secondarily. However, by looking at the trends in the market and ask about the future issues and decisions could minimise this constraint.

Since this research was carried out with location in Denmark, it could also be an obstacle, as the result would need to rely on the information, the experts on the Chinese market could provide us with (Interview, Qian, Robin & Angela)

#### *5.5.1 Semi-structured interviews*

In accordance with the qualitative research methods, the chosen type of empirical data collection for this study was mainly the semi-structured interview form. Which means that the interview guide contains topics and reflection relevant for the research perspective of this study (Kvale, 2008). Hence, the interviews were conducted with the opportunity of introducing other topics that the interviewee might find interesting. Further, the theoretical direction of the study and thereby knowledge was not fully developed when conducting the interviews. The decision to conduct the interviews prior to the final theoretical direction was also related to iterative approach, which influenced the process to be more dynamic and reflexive. This chosen research form allowed this research process to be more receptive towards changes in the subject. The structured set of questions was constructed with the purpose of letting the interviewee talk freely and potentially bring new information forward (Kvale, 2008). The approach was used to raise the opportunity of a two-way interaction between the interviewers and the interviewees (Yin, 2015).

#### *5.5.2 Intercultural interviews*

When conducting the interview with the employees from the Chinese office, several intercultural considerations were present. One of the most evident considerations was the emphasis on the relationship between the interviewers and the interviewees, also called *guanxi* (Browaeys & Price, 2011). *Guanxi* is the act of forming a friendly relationship with Chinese business partners. Such focus on relationship is largely associated with an increased chance of entering a business deal or as in our case, secures the opportunity to gain valuable information about Irma's position in China and also its possibilities (Browaeys & Price, 2011). Even though, this was not an interview

situation between business parts - one as researchers used some the same methods, i.e. being very considerate about the cultural differences and treating Qian, Robin and Angela very respectfully. In addition to *quanxi*, another crucial factor to consider is the *mianzi*, which refers to saving the face of oneself and the other. This is done by avoiding direct confrontation and criticism (Browaeys & Price, 2011). This consideration was especially important, when constructing the interview question. Despite, an aspiration to ask about the political and economic circumstances in China, the questions were formed and asked in an uncritical manner. Additionally, it was important to ensure, that no one of the interviewees would lose “face” from being asked an inappropriate question (Browaeys & Price, 2011). Besides avoiding direct confrontation and criticism, the interview was also structured in accordance with the age difference and thereby hierarchy.

During the interview, there was also a large focus of sharing eye contact, paying attention when greeting and listening carefully without interrupting. The interview was generally structured with attention to show politeness towards the Chinese culture and the country (Browaeys & Price, 2011). In order to illustrate deep appreciation to the Chinese employees for their time, a gift was given to them. The thought behind the choice of gift were to give them a piece of Danish design to their office and the gift was given with both hands, as preferred in the Chinese culture (Browaeys & Price, 2011).

## **5.6 Empirical data**

### *5.6.1 Secondary data*

In order to get more general information on Irma and Coop, the two websites [irma.dk](http://irma.dk) and [coop.dk](http://coop.dk), were used as secondary data. These provided the study with the essential information regarding the organisation and history to understand the situation today.

General and detailed information about the Chinese market and consumers were obtained from several reports and research articles from renowned consultancy agencies. A report from PwC provided valuable information on the development of the Chinese e-commerce market (Cheng, 2017). A research article from Boston Consulting Group provided information on the Chinese consumer economy (Walters et al., 2017). A report from McKinsey China contributed with information about the upper middle class in China (Magni & Poh, 2013). Lastly, a report from BBVA brought information regarding the mobile purchasing trends in the Chinese consumption

(Vidal-Abarca et al., 2017). All of the above mentioned reports and articles either supported information obtained from the primary data or provided new information to shed light on the situation, in which Irma finds itself.

Academic journals contributed to the both the theoretical and empirical areas in this study, and the two books; Brand Management by Heding et al. (2009) and Building Brands in Asia by Andrews & Chew (2017) contributed to the analysis and discussion of the branding theories.

#### *5.6.2 Primary data*

In addition to the secondary data collected, primary data was collected through the use of interviews, both semi-structured and unstructured (Saunders et al., 2016). The data collected through the interviews was retrieved specifically for this research study.

#### *5.6.3 Collaboration with Coop*

This thesis has been conducted in collaboration with Coop in the process of compiling relevant empirical data. The agreement with Coop was established as one of the researchers in this study is employed in Coop, through which access to information and interviews was obtained (Appendix - Mail from Betina Erlandsen). Yet, no formal agreement was drawn and no contracts were signed. This open collaboration allowed the content of study to be influenced solely by the researchers and the supervisor. The purpose of the thesis was to analyse and discuss the situation in which Irma currently is and from there figure out the best possible way for them to proceed, but that purpose has been decided without influence from the management in Coop.

Thus, when stating that this thesis has not been influenced by the management in Coop, it has still been influenced subconsciously as one researcher is directly associated with Coop.

#### *5.6.4 Introduction and selection of interviewees*

According to Kvale & Brinkmann (2014) the information concerning the interviewees' demographic and professional background is very important to consider in determining the relevance of their inclusion. They emphasise the significance of taking e.g. hierarchical and cultural implications into consideration, when planning and conducting the collection empirical research (Kvale & Brinkmann, 2015). In the following paragraph, the different interviewees are presented. The reasoning for the inclusion and relevance is argued further in the paragraph about the selection and interview process.

The selection process of the interviewees for this study was largely influenced by the chosen explorative and abductive research approach. As referred to on the spiral illustration and the overview of interviewees below, the selection has been continuously adapted to the progress of the study and the knowledge acquired previously.

#### **5.6.4.1 Scenario planning**

*Henrik Johannsen Duus:*

Henrik is an Associate Professor at the Department of Marketing at Copenhagen Business School with scenario planning and strategic forecasting as some of his primary research areas. He has also published several research articles and is a theoretical expert within the field.

The interview with Henrik Duus was one of the earliest, as the purpose of the interview was rooted in the explorative research objective. It appeared relevant to investigate an expert's perspective and knowledge about scenario planning to further one's initial understanding of the concept (Meeting, Henrik Duus). Henrik's perspective contributed to the widespread viewpoints on scenario planning but was not considered a final truth for the research (Meeting, Henrik Duus). Subsequently, the perspective provided a new insight into the concept of scenario planning. Further, it added to the critical stance towards scenario planning, which caused the research to seek a furthering of the theory instead of using it in its existing form.

#### **5.6.4.2 Irma in China**

The following paragraph includes a presentation of the interviewees, who is directly related to Irma in China. Subsequently, the considerations about the selection and relevance have been discussed.

*Betina Erlandsen:*

Betina is the Project Manager for Irma in China. She handles all the administrative work in Coop related to Irma in China. The contact with Betina was established with help from Michelle's manager, who knew her from a different project. She has worked in Coop for many years and has extensive knowledge about the organisation and Irma's entry into China. The contact with Betina has been present throughout the process of planning the thesis (Interview, Betina Erlandsen).

*Qian, Robin and Angela from Irma in Hangzhou*

As described before, the Chinese employees were hired by Coop and IFC as consultants to facilitate all Chinese domestic considerations such as online marketing, translations and compliance (Interview, Qian, Robin & Angela, 1). The interviewees, who participated in this interview, were Qian, Angela and Robyn. Qian is based in IFC's office in Nivå, Denmark and is the Head of operations on Irma's entry into China (Interview, Qian, Robin & Angela, 113). During the interview, she held the position as translator and informant. Angela is the Key Coordinator for Irma in China and Robin is the Project Manager for Irma in China, both in Hangzhou. They were staying at the Comfort Hotel in Vesterbro, where the interview also took place (Interview, Qian, Robin & Angela, 111).

#### *Morten Clausen*

Morten is Coop's Head of Business Development for Irma's entry into China. He started the company IFC Europe several years ago with the desire to make an online e-commerce platform in China (Interview, Morten Clausen, 5). Coop bought IFC Europe in May 2017 with the purpose of selling Irma products in China (Interview, Morten Clausen, 66).

#### *Leif Larsen*

Leif is Coop's Innovation Manager for Irma Denmark and has worked there since 1996 (Interview, Leif Larsen, 4). In this position, he is responsible for the development of new products and creating collaborations with new suppliers in order to expand the range of products in Irma stores. Besides that, and due to his long history in Irma, he has extensive knowledge about Irma's brand and the value it possesses in Denmark.

### **5.6.4.3 The Chinese market**

#### *Casper Freddie*

Casper is Head of Retail & Consumer brands industry sector in the Danish Consulate's Trade Council in Shanghai (Interview, Casper Freddie). His expert knowledge has been used by COOP/IFC to facilitate and assist them in Irma's entry into China (Interview, Casper Freddie). Casper relevance to the study was deeply rooted in this job position and expert status. His contribution to this research study has been significant due to the specialised knowledge about Chinese e-commerce and Kaola, which he disclosed (Interview, Casper Freddie).

#### **5.6.4.4 Considerations about the interviewees**

During the earliest meetings, Betina Erlandsen shed light on some of the organisational concerns related to the introduction of Irma on the Chinese e-commerce market. Her perspectives were initially rooted in the logistical and resource related challenges that come with such entry to a new market. The critical perspective became the aspect of inspiration for the construction of the research framework (Interview, Betina Erlandsen). It thereby became interesting to investigate the reasoning and objectives for the entry and likewise the different perspectives on the opportunities and threats for Irma in China, which were gathered in the empirical analysis. As the initial meetings with Betina Erlandsen provided the research with valuable information about the entering of Irma into China, the next step became to contact the Head of Business Development on Irma in China, Morten Clausen and Irma's Head of Innovation and Product Development, Leif Larsen.

The fact that this research started with a meeting with Betina Erlandsen will reflect the research process and proposedly the result, as Betina is responsible for the practicalities related to this situation (Interview, Betina Erlandsen). On the other hand, if the research had been based on the meeting with Morten Clausen, who is the strategist, the starting point could have been different and thereby the whole process and final result. The interview with Morten Clausen was greatly influenced by the information from Betina Erlandsen, and if this sequence had been the other way around, the information from both parts could have had an impact on the research.

The main objective about contacting and conducting an interview with Morten Clausen first was likewise related to the explorative approach. To investigate Irma's entry into China, it was essential for the analysis to learn the details about the decision and the strategic implications. However before getting the chance to learn this information from Morten Clausen, he provided the opportunity to meet and interview the Chinese employees, as they were in Denmark at the time (Interview, Qian, Robin & Angela). The prospect of getting information about the circumstances in the Chinese market directly from the Chinese delegation was very relevant for the research. In addition, the information from this interview contributed with a different level of cultural authenticity to this study. The interview turned out to be very useful as it gave a clearer indication about some of the market/consumer related objectives that might have been part of the reasoning. The information provided by Qian, Robin and Angela resulted in an increase of focus towards a cross-border branding perspective and the challenge, which companies like Irma would face in the process of building brand awareness and brand trust in the Chinese market (Interview,

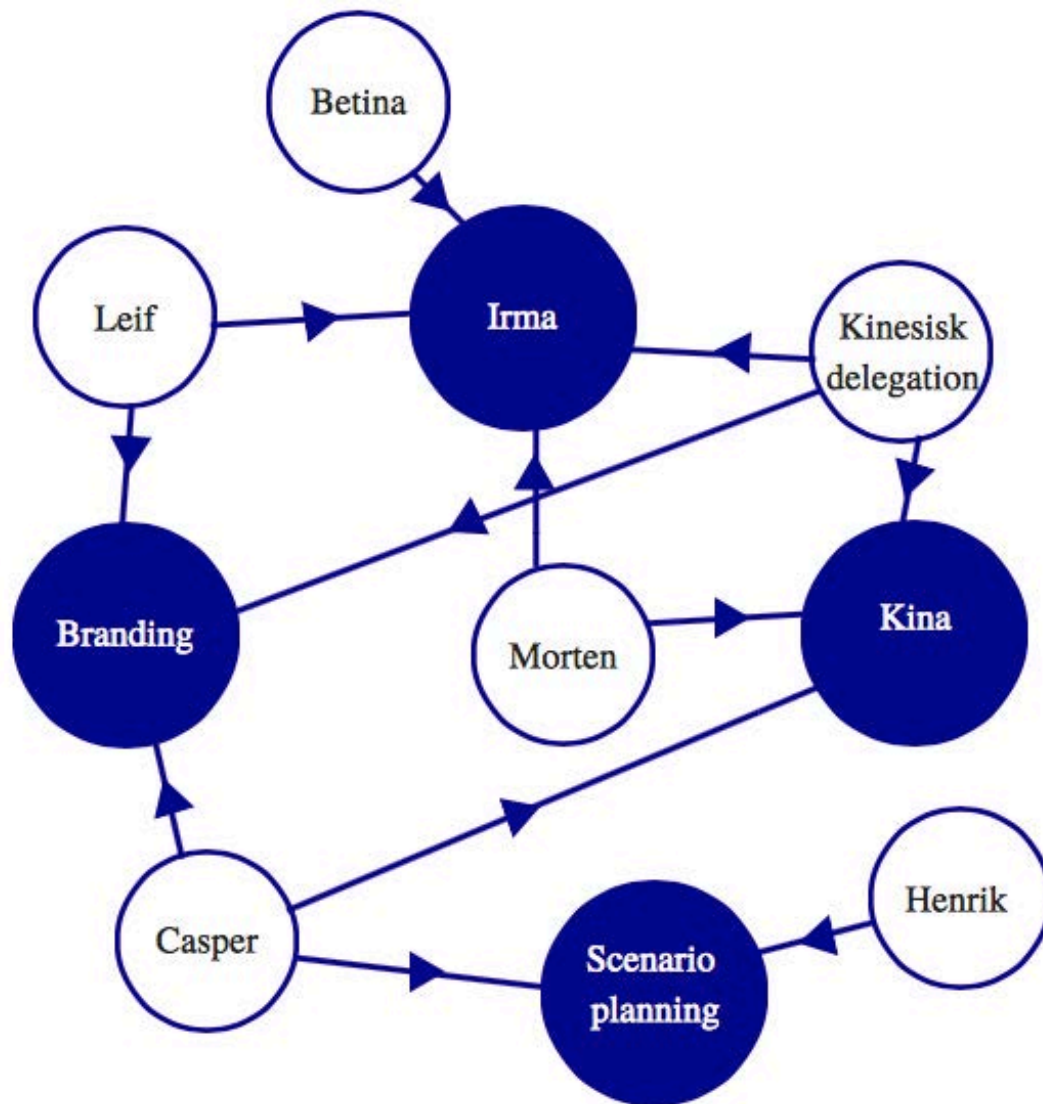
Qian, Robin & Angela, 44). They specifically emphasised the challenge in introducing the brand and gaining brand trust about Irma's organic products (Interview, Qian, Robin & Angela, 44).

The interview with Morten Clausen was conducted the following week. Morten was very informative and verified the urgency of focusing on branding the Irma brand correctly in China (Interview, Morten Clausen, 433). Here the complexity of the Kaola platform and a lot of practical challenges were disclosed together with the history of Irma's journey into China. Through him, the contact to Casper Freddie was established. An important part of the research was also rooted in the opportunity to gain more market specific information about the Chinese market (Interview, Morten Clausen). Later, the interview with Casper was conducted, due to his expertise about the Chinese market and more specifically retail e-commerce in China.

Based on the information from Qian, Robin, Angela, Morten Clausen and Casper Freddie, it appeared relevant to further examine the Irma brand to distinguish the traits and attributes linked to the brand. For a renowned brand as Irma, the identity is likely to serve as important assets in a cross-border branding situation. The Head of Innovation and Product Development in Irma Denmark, Leif Larsen was thereby contacted to determine the specific traits about the Irma brand (Interview, Leif Larsen). This was also the person, which Bettina initially referred to. It was however necessary to determine the relevance of his information before proceeding to conduct an interview with him. Thus, when deciding to include the branding theories in the theoretical analysis and create a strategy towards building brand awareness and brand trust, Leif Larsen became an evident interviewee. Hence, the late decision to include him in the primary empirical research.

This process of interviewee selection illustrated that the interviews were not planned based on a fixed schedule of the interviews. Rather, they were planned according to the basis of how the understanding of the situation and theory developed, as illustrated in the hermeneutical spiral.

The following illustration provides an overview of the interviewees' relevance to this study and the different research areas, which they provided information to. The arrows reflect the topics in which the interviewees were able to provide information about (Illustration, 3).



*Illustration 3 - the interviewees and their areas of expertise*

### 5.6.5 Interview guide

#### 5.6.5.1 The researchers' role in an interview situation

Researchers must be aware of their role in terms of both ethical and moral positions during an interview situation (Kvale & Brinkmann, 2014). It was therefore important to reflect upon the context, one as a researcher becomes embedded in, while seemingly being aware of the interrelatedness between the researcher and the interviewee. As an interview is often influenced by the interaction, the researcher must be aware of situations where they become influenced by the interviewees' opinion and vice versa (Kvale & Brinkmann, 2014).



One of the significant considerations in terms of the role as researchers in this research study was the qualitative interview with Qian, Robin and Angela. According to Kvale & Brinkmann (2014) there are very specific practices related to the conduction of intercultural interviews. Further, as mentioned previously, there were certain cultural traits as well as hierarchical considerations associated with such matter (Browaeys & Price, 2011).

It was therefore evident, not only to be aware of one's obvious researcher role, but also one's manners and respectful behaviour as representatives for Copenhagen Business School, Denmark and Coop.

During the meeting with Henrik Duus, the hierarchical distance was very explicit due one as researcher's position as students versus his position as Associate Professor (Meeting, Henrik Duus). In the meeting, it became evident that there were a distinct knowledge gap in the interaction, which arguably influenced the questions asked and the answers considerably.

Ultimately, during the interviews with the interviewees from Irma/Coop - Betina Erlandsen, Morten Clausen and Leif Larsen, one as researchers were aware of the influencing information, which was disclosed in the various interview situation. Although, it proved difficult not to become influenced by the bias and understanding about the strategic objective behind entering the Chinese market (Interview, Betina Erlandsen; Morten Clausen; Leif Larsen).

#### **5.6.5.2 The interviewees' role in an interview situation**

Kvale & Brinkmann (2014) argued how researchers must also be considerate about the interviewees' role in the interview situation. This implied considerations about both ethics and confidentiality, which are specified in the section about research design.

All of the interviewees agreed to, and participated voluntarily in this qualitative research study. Further, they were offered complete anonymity and confidentiality, which they all rejected. Consequently, all of their names have been used openly throughout this study and also credited. The interviewees' role in a research interview is also important in relation to the context of the interview (Kvale & Brinkmann, 2014). Several of the interviewees in this research study have direct professional relation to Irma's entry into China. It was therefore been important to consider their professional position in relation to their statements on the topic. Surely, no interviewee should be put in a consequential position due to his or her disclosed statements in this research study (Kvale & Brinkmann, 2014).

### 5.6.5.3 Transcription

In the transcription of the interviews, the notes about body language and physical behaviour were omitted, as it was not considered relevant due to this research being based on only the actual information that the interviewees provided. However, giggles and words as ‘*ehh*’ and ‘*øh*’ were included in the transcription, in order to illustrate the casual and relaxed state in which the interviews were conducted.

Following is the different interviewees and the topics covered during the interviews.

### 5.6.5.4 Interview guides

Prior to the research data collection, an informal and undocumented meeting with Betina Erlandsen took place on October 10th 2017. This was done as part of the process to determine whether this topic was suitable for this thesis study and if Irma were interested in supplying the appropriate information about the entry. It also appears from the Gantt charts in the appendix (Appendix - Gantt Charts). At this meeting, Betina shared some important information about the entry and the process they had undergone up till that point. It was during this meeting, that the empirical research topic was initiated.

*Interview guide for the unstructured and explorative interview with Betina Erlandsen, who works as Project Manager for Irma’s entry into China, 15/01-2018.*

This interview was planned by mail and conducted in the assembly hall at Coop’s headquarter in Albertslund. The purpose was to get an understanding about the project and how it was carried out through the organisation. Prior to this interview, a meeting and a phone conversation with her was conducted. Hence, part of the purpose of this interview was to get updates on what had happened since the last meeting. Betina was also made aware, that the interview would be recorded for scientific purposes.

Betina Erlandsen was the first interviewee in this thesis, as she could shed light on processes in the project and who to interview in order to get more thorough information about the different areas and topics. Since there was only limited theoretical direction associated with this interview, it was conducted in an unstructured manner in order to get her perspective on the situation and project. The interview was conducted in Danish and since it was unstructured and more of a briefing, it was not transcribed but only summarised (Interview, Betina Erlandsen).

*Interview guide for the informal, unstructured and unrecorded meeting with Henrik Duus, who works as Associate Professor in Strategic Forecasting and Scenario Planning at CBS, 17/01-2018.*

This meeting was planned by mail and conducted at Henrik's office at Copenhagen Business School. The purpose was to get an expert's opinion on the context in which scenario planning was to be used in this research study (Meeting, Henrik Duus). Further, it was also interesting for the study to recognise the relatedness between Henrik's perspective on scenario planning and the early scholars' perspectives. The interview was conducted in Danish and was unstructured due to the purpose of enriching one as researchers' understanding of the aspects in the research topic and get insights from an expert in the theoretical field. Therefore the interview was not recorded, instead notes were written.

*Interview guide for the interview with Morten Clausen, who works for COOP/International Food Corporation (IFC) on Irma's entry into China, date 23/02-2018.*

The interview was planned by phone and conducted in a relaxed setting in a couch and armchair in Morten's office in Nivå. The purpose of the interview with Morten Clausen was to generate knowledge about the process, and explore the strategic implications related to Irma's entry into China from his point of view. Therefore the questions were open-ended and it was expected that the interview could develop in a way that allowed for further and more in-depth questions. In order to set the interview stage, an interview briefing was given to him about the research perspective both by mail and face-to-face before the interview. In addition, Morten Clausen was made aware, that the interview would be recorded for scientific purposes and whether he wanted to see the questions beforehand. After the interview was conducted there was some casual talk and exchange of information on other relevant interviewees, in order to reduce the tension that can sometimes happen at the end of an interview (Kvale, 2008). The interview was conducted in Danish and it started with an introductory question in order to get Morten to talk about the project from his point of view and what his role in the project is. The questions were mostly direct questions but open for answers in all directions and, when necessary, follow-up and specifying questions were asked in order to get the most information as possible (Kvale, 2008). During the interview, none of the prepared questions were left out; rather new ones arose and were asked continuously.

*Interview guide for the interview with the Chinese employees, who work for Irma in China, date 20/01-2018*

The interview was planned by mail and conducted at the Comfort Hotel in Vesterbro, which was where the interviewees stayed during their time in Copenhagen. The purpose of the interview with Qian, Robin and Angela was initially to gain detailed insight about the operative part of Irma's entry into China. A second purpose involved the opportunity to learn more about their perception of the Chinese consumers' buying habits and general expectations towards foreign retail products. This information was essentially influenced by the interviewees' subjectivity, towards both the Irma brand and e-commerce in general on Chinese market.

As Kvale (2008) and Browaeys and Price (2011) argued, it is of great importance to set the scene for an interview appropriately especially in an intercultural interview situation. This will allow the interviewees to become more comfortable and be more able to disclose their answers. In order to set the scene often, a short briefing in the beginning was carried out to make sure the interviewees are aware of the overall purpose. It was later followed by a debriefing to ensure that all interviewees have had the chance to give the right answers (Kvale, 2008).

The interview was conducted in English and Chinese, with Qian working as the translator.

In preparing for the interview with Qian, Robin and Angela, the cultural implications associated with such intercultural engagements were largely in focus. As students within International Business Communication and Intercultural Marketing, the initial pre-understanding about appropriate behaviour during intercultural encounters in professional settings was already broad prior to this interview. As mentioned before, going into the interview, one as researcher was very aware of the cultural differences, which are likely to have resulted in less critical approach at large. The findings from the interview should therefore be regarded critically as they are based only by the subjectivity of the chosen interviewees.

*Interview guide for the interview with Casper Nikolai Freddie, who works at the Danish Consulate in Shanghai, date 13/02-2018*

The interview with Casper Freddie was planned by mail and conducted via phone due to the geographical distance. The purpose of this interview was to uncover trends in the Chinese market and the challenges and opportunities that especially Danish companies are facing when entering in China via e-commerce. The objective was also to get an understanding of where the e-commerce market in China is heading and whether he had any recommendations for Irma in its

entry. Since this interview was conducted via phone, there were a lack of body language and general non-verbal language. This could have had an influence on the answers from Casper and the follow-up questions asked, as it was more static than if held in person. The interview was conducted in Danish and therefore also transcribed in Danish also.

*Interview guide for the interview with Leif Larsen, who works as Head of Innovation in Irma, date 13/01-2018*

The interview guide with Leif Larsen was planned by mail and took place at Coop's headquarter in Albertslund too. The purpose of this interview was to address the branding identity of Irma from an internal perspective and get an understanding of why Irma have the brand position in the Danish market that they have. In addition, the questions sought to get an understanding of the process that lies beneath the products and the brand, which are being sold in China. The interview was conducted in Danish and therefore also transcribed in Danish.

## **5.7 Limitations**

### *5.7.1 Introduction to limitation*

There were several limitations associated with the explorative research methods used in this thesis. Generally, when conducting an explorative study, the researcher(s) strive to explore many different perspectives on a certain subject or case (Saunders et al., 2016). In this case, the research perspective was dual-sided as the theoretical analysis sought to explore and develop scenario planning in a branding perspective, while the empirical analysis sought to investigate the theoretical findings on Irma's entry into China. Hence, as both parts of the research framework were explorative, the study were also influenced and limited by various factors.

### *5.7.2 Limitation method and philosophy of science:*

The first limitation concerns the explanation of pre-understanding prior to the research process. One cannot explain the reason behind one's pre-understanding and thus, the understanding derived will be inexplicable (Nygaard, 2007). Another concern is the aspect of interpretation. While viewing the research from a hermeneutical perspective, the theories included in this study were merely biased by the predetermined understanding of the researchers. The point of departure

in the theoretical analysis was based on the strategic utilisation of scenario planning as a way to address plausible future scenarios and thereby the strategic outcome. Further on in the research, the perspective of branding was added to accompany scenario planning and result in a scenario-based branding strategy. Hence, the interpretation became more influenced by the theoretical variations and largely also the primary data in which was collected iteratively. This aspect will be discussed further in the empirical limitations.

The abductive approach pursued in this study also held some limitations, as collecting and analysing theoretical and empirical data on a continuing basis could result in the data collected being more specific to the focus of the research, which have developed throughout the process. Thus, if all the theoretical or empirical data were collected first, it might have been more widespread and the focus of the study could then had been different from what it is. The fact that this research is done with an explorative and iterative approach might have resulted in some directions not being researched. When the data pointed towards one direction that was the direction being examined and not all the other directions that could have had an influence on the research.

### *5.7.3 Limitation - scenario planning:*

The second limitation concerns the act of gathering relevant scenario planning research. From the theoretical research and analysis, it became evident that scenario planning as a theoretical concept and its development over time is multifaceted (Godet & Roubelat, 1996; Schoemaker, 1993; Stokke et al., 1990; Lehr et al., 2017). Further, the explorative and iterative research approach proved how the perspectives on scenario planning have changed continuously (Godet & Roubelat, 1996; Schoemaker, 1993; Stokke et al., 1990; Lehr et al., 2017). Scenario planning as a theoretical concept appeared to be largely influenced by the pre-understanding of those, who utilised it in their strategic considerations (Martelli, 2014). The research introduced us to highly quantitative and macro-economic perspectives on scenario planning as well as completely qualitative and micro-economic perspectives on scenario planning.

Despite a thorough study of the various published journals on scenario planning, the conducted research was still somewhat limited by the overall search methods and the pre-understanding. As the theoretical analysis was used to monitor the theoretical aspects between scenario planning and branding theory, it was equally as important to keep track of the search words used. It was important to discover the different studies that had been conducted with a future-based lookout,

while still studying the variations of scenario planning. This method resulted in a broad variety of studies, where some led to further examination.

*Utilised search words for scenario planning:*

Scenario planning + models, + book, + digitalisation, + marketing, + branding, strategic forecasting, future insight, adaptation and selection theory, flexible and dynamic strategies.

*5.7.4 Limitation branding:*

The third limitation concerns the act of gathering relevant branding theory to further the theoretical scenario planning concept. With an academic background in marketing and communication, the knowledge and pre-understanding of branding, as a concept were present from the initial research phase compared with the scenario planning research. This perspective is likely to have focused the overall research perspective towards known theories and thereby limited the ability to consider new theories. If the existing knowledge about branding theory had been less fruitful or non-existing, the literature search is likely to have been more widespread, in order to get a grasp about the subject, as in the search for relevant scenario planning research. In the search for literature about branding theories, the field became limited down to the most relevant academic journals and articles concerning the topic, even before the literature research started. This was also visible in the keywords used for the research, as they were narrowed down towards specific areas of branding and thereby the explorative approach was not as present in this literature research. Thus, this part of the theoretical literature gathering was characterised more by an explanatory approach, as the relationship between the various branding concepts needed to be clarified and the definitions of them described (Saunders et al., 2016).

*Utilised search words for brand awareness:*

Brand management + online, brand image, brand awareness, brand identity, brand reputation, building brands, brand definition, brand introduction, Keller + brand, brand trust.

*5.7.5 Limitation - Researcher's bias:*

The fourth limitation is related to the overall topic and Irma as a company. Since Michelle works in Coop and was previously employed in the Irma department, it is evident to assume that this research study might be limited by the influence of a predetermined opinion about Irma/Coop and how the organisation works. Furthermore, Irma is a company known nationwide and thereby Sofie also has some knowledge and a biased opinion about it. These biases have most likely had an

impact on how the process has been carried out and an influence on the approach in the empirical data collection and analysis. As researchers, one must be aware of these biases and put a lot of effort into being more objective and access the data as neutrally as possible. However, referring to the hermeneutical approach, it is also evident that one as the researcher in this context has acknowledged the subjectivity as an undeniable truth, which one's is unable to set aside completely (Nygaard, 2005). Hence, the results of this thesis study remain biased but also scientifically developed, due to the certain research approach and the individuals involved.

#### *5.7.6 Limitation to empirical data*

In all research, the empirical data will be limited in several ways (Kvale & Brinkmann, 2015). In this research, the limitations are likewise evident. Firstly, the chosen selection of interviewees for this study was based on network and relevant search methods. Hence, the research findings have been influenced by the already established work relations among employees from Coop both in Denmark and in China (Interview, Betina Erlandsen; Morten Clausen; Qian, Robin & Angela; Casper Freddie).

Secondly, by choosing several internal employees from Coop, it is evident to assume a general presence of organisational bias in their responses. From the interviews, it became clear how the response from several of the Coop employees were influenced by a general optimism towards Irma in China, while others were more hesitant due to other organisational concerns (Interview, Betina Erlandsen). This leads to the third limitation of the hierarchical traits among the interviewees. Ultimately, both Morten Clausen and Leif Larsen hold management positions within Irma in Coop, where especially Morten is directly responsible for Irma's entry into China. Hence, it is therefore likely that he addressed Irma's entry into China in more positive terms than Project Manager, Betina Erlandsen (Interview, Morten Clausen, 433).

As Project Manager within Coop, Betina's perspective was influenced by the practical implications associated with an entry into China (Interview, Betina Erlandsen). As mentioned earlier, it is undeniably important that the supply chain and the logical product flow are established in a sustainable manner. However, in this study, it was rather the strategic challenge of introducing the Irma brand in China, which was researched. The difference in perspective is therefore likely to have influenced her thoughts about the entry and thereby also her answers.

The fourth limitation is the timely matter during the interviews. Both the interview with Leif Larsen and Casper Freddie was only about 20 min due to their work schedules. Even though, all



research questions were answered fruitfully by both interviewees, the possibility is still present, that they would have enclosed more relevant information and knowledge during an extended interview period.

A fifth limiting factor is linked to the choice of only interviewing Casper Freddie about the Chinese market. His knowledge is biased due to his Danish perspective on China but largely also his professional agenda being a Danish government employee in Shanghai. It is likely, that this perspective provides the research with overly positive perspective on doing business in China, which has been relevant to take into consideration during the empirical analysis and discussion (Interview, Casper Freddie, 9).

As mentioned previously, the selection of the interviewees was an iterative process based on who possessed the relevant knowledge and where in the process, the research was at the time. Hence, at sixth limitation is linked to the fact, that if the interviews had been scheduled earlier in the process in a fixed manner, the interviewees had supposedly been different due to the lack of knowledge about the various persons and their expert areas, and thereby also had a different impact on the research result. Lastly, the information from the empirical data was limited by the knowledge, which both the researchers and the interviewees possessed at the time of the interview. The interviewees have not been contacted later in the process and thereby they might have gained additional information, which is not included in this study.

The secondary data does also hold some limitations, as the authors and researchers who have compiled the reports, articles and journals, have a limited knowledge within the area and the pre-understanding could have limited the researched area. In addition, the reports and articles could have been compiled with an agenda, which was not being explicitly accounted for.

## **5.8 Reliability and validity**

When conducting research based on the hermeneutic philosophy, the results of the research cannot be validated through repetition (Nygaard, 2007). In addition, the subjectivity makes it almost impossible for other researchers to obtain the same result, as the researchers' pre-understanding and understanding are different from that of others, as well as the perception of the process (Nygaard, 2007). Thus, the reliability and validity of a hermeneutic research has to be done in a different way.

Nygaard (2007) argued, that researchers must fulfil three requirements to ensure scientific quality of their hermeneutical study. The three requirements are listed below:

1. *“That the researchers explicitly describe their preunderstanding and thereby reveal themselves as the subject they are” (Nygaard, 2007, p. 95)*
2. *“That the researchers throughout the research process states and argues for every step in the research process.” (Nygaard, 2007, p. 95)*
3. *“That the researchers discuss the interpretations transferability to other situations.” (Nygaard, 2007, p. 97)*

The first two requirements refer to the reliability and validity of the research (Nygaard, 2007). Instead of gaining reliability of the research, the hermeneutic researcher needs to gain authenticity. The authenticity and validity are obtained by being aware of and describing one's pre-understanding and argumentation and account for the process (Nygaard, 2007). In relation to this thesis, the pre-understanding of one as researchers became explicit in the section about limitation and the research process were accounted for in the hermeneutical spiral and in the research process overview, where the details of the process were accounted for (Appendix, research process overview). The research process overview is presented through an extract of the complete research process. The third requirement refers to the generalizability of the research, which means that the research and results should be transferable to other cases and situations (Nygaard, 2007). In this thesis, the transferability is stated in the empirical application of the theoretical findings and the suggestions for further research section. In addition, the theoretical analysis was mostly done with particular reference to Irma in China. However, the analysis and results could be applied to other companies in a similar situation as Irma and pieces of the analysis and discussion could potentially be transferred to companies in other industries and countries.

However, this reliability and validity process makes the result of the research difficult to verify or falsify, as if the research process and the researchers' pre-understanding had been different, the result would most likely have been different too.

## **6. Theoretical analysis and discussion**

As stated in the research area, this theoretical analysis and discussion seeks to derive a hypothesis from furthering the theoretical concept of scenario planning in a branding perspective.

To further the theoretical concept, it is crucial to gain a thorough understanding of the countless variations of scenario planning as a theoretical concept and evidently the development of the concept over time. Hence, the reason why this theoretical analysis and discussion is initiated with a narrative examination of key scenario planning research in the period from 1968 to 2018. As mentioned earlier, the structure of this analysis will take its form from the concept-centric approach by Webster & Watson (2002). This approach is linked to the explorative structure of this thesis and the objective of discovering and analysing relevant topics to develop scenario planning in a branding perspective. Even though in this study, the theoretical and empirical analyses are separated, they will be researched and analysed on a continuing basis with the abductive approach.

Subsequently, the narrative examination is used to identify the specific research areas about scenario planning, which are relatable to use in accordance with branding theory. The second part of the theoretical analysis and discussion relates to the specific branding theories to be used for furthering scenario planning. In gathering information about Irma's entry into China, to specific brand related areas were highlighted, i.e. brand awareness and brand trust (Interview, Qian, Robin and Angela, 44). Thus, in relation to the secondary study objective of applying the theoretical findings the empirical case, these branding focuses were chosen as the anchors for the theoretical furthering of scenario planning in a branding perspective. These are included in the second half of the theoretical analysis and discussion.

Ultimately, the findings from the theoretical analysis and discussion will be applied further in the empirical analysis.

### **6.1 Introduction to narrative examination**

When researching and examining the scenario planning research, it became clear that the various scholars presented highly differentiated perspectives and guidelines for the use of scenario planning (Wack, 1985; Sharma & Yang, 2015). Further, there also seemed to exist a general

differentiation in perspectives between the research written and researched before the year 2000 and the research written after (Wack, 1985; Sharma & Yang, 2015).

Thus, the historical overview is divided into two sections; the first section examines the research from 1968 to 1999 and the second section examines the research from 2000 to 2018. Each section is completed with an analysis to examine the essential aspects about scenario planning from the period.

## **6.2 Scenario planning: 1968-1996**

Studies about scenario planning began to appear during the 60's and 70's. Scholars such as T.J. Gordon, H. Hayward, H.S. Becker, H. Gerjuoy, P. Wack and many more conducted widespread explorative studies to develop the theoretical concept of scenario planning into the form, which is used today (Gordon & Hayward, 1968; Gordon, Becker & Gerjuoy, 1974; Wack, 1985)

The selection of research is influenced by the diversified and nuanced perspectives presented by scholars in the years 1960-1999. The perspectives range from quantitative to qualitative and take many different points of departure in their approach to structure and carry out scenario planning. The included research reflects on scenario planning methods such as cross-impact analysis, trend-impact analysis, uncertainty aspects, intuitive logics and step-by-step planning tools.

### **Gordon & Hayward (1968)**

Gordon & Hayward's research from 1968 was included in this narrative examination to illustrate the origin of scenario planning as a theoretical concept. Their research on the cross impact analysis represented one of the many significant contributions to the development of scenario planning. Gordon & Hayward (1968) argued that forecasting could not happen in isolation of other events and thereby one needed to take several trends and events into consideration. Thus, they introduced the cross-impact analysis (Gordon & Hayward, 1968). The cross impact analysis model was often used in accordance with financial and corporate models (Gordon & Hayward, 1968).

### **Gordon, Becker & Gerjuoy (1974)**

Building further on the cross-impact analysis, Gordon, Becker & Gerjuoy (1974) later introduced the trend-impact analysis. The research from 1974 was included in this narrative examination to illustrate the development of scenario planning into a trend oriented theoretical concept. This was a scenario planning technique, which identified key trends and the occurrences of events (Gordon,

Becker & Gerjuoy, 1974). It represented a quantitative methodology but argued for the option of including qualitative variables. The traditional trend-impacts analysis was mostly appropriate to use when assessing a single scenario (Gordon, Becker & Gerjuoy, 1974). Hence the relevance of including trend-impact analysis is directly linked to the argumentation of including qualitative data, as this is aligned with the research method of this study.

### **Wack (1985)**

Pierre Wack's research from 1985 was included in this narrative examination to illustrate one of the first examples of applying scenario planning in organisations and the integration of the uncertainty element (Wack, 1985). Wack's description of his work with scenario planning at Shell throughout the 70's was one of the first research specifications of the application of scenario planning in a business relation. In his research, scenario planning was argued as a theoretical concept fit for making long-term decisions under uncertainty. At the time, long-term meant 15 years into the future (Wack, 1985). This was a contrast to the earlier approaches by Gordon et al. (1968, 1974) and traditional forecasting practises, as Wack's introduced a highly qualitative perspective and the element of uncertainty. The management at Shell stated that it was impossible and dangerous to try and forecast the future without this uncertainty element (Wack, 1985). Both Shell and the U.S. Air Force had used it during the 70's for long-term planning and strategizing (Cohen, 2017). The way Shell used it was by developing two different scenarios, containing more qualitative arguments than quantitative figures, of how the world could develop and things that could happen in the coming 15 years and thereby making all the managerial decisions flexible to fit within the two scenarios (Wack, 1985).

Wack (1985) further introduced the concept of intuitive logics, which were based on the assumption that the relationship between complex external factors contributes to business decisions (Wack, 1985). This perspective on decision-making in businesses was mostly associated with qualitative variables, yet was later accompanied by the application of quantitative data. The guidelines within the intuitive logics scheme were called the SRI International method and consisted of 8 steps. The general argument in the SRI method was linked to the process of gaining valuable information from executive members of a company in order to identify the key internal variables (Wack, 1985). Further, the method focused on the external environment, as it was based on the relationship between factors such as politics and economy (Wack, 1985). Ultimately, the differentiating factor about the SRI International Method was the act of constructing "scenario

logics”, also known as intuitive logics. This scenario planning approach moved away from the early quantitative forecasting research by focusing on the plausible scenarios to ensure flexible business conduct and decision-making (Wack, 1985). Parts of Wack’s research perspectives will be discussed further in relation to branding in the theoretical discussion and applied in the empirical analysis and discussion.

### **Huss & Honton (1987)**

Huss & Honton’s research from 1987 was included in this narrative examination to illustrate a critical stance towards the first examples of scenario planning in organisations by arguing against an extensive amount of detail. This was relevant to include in relation to the effort of simplifying and furthering scenario planning in a branding perspective. This following statement is directly linked to Wack’s perspective on using scenario planning in decision making under uncertainty (Wack, 1985).

*“Scenarios are applicable to the planning needs of all large public and private institutions who face major investment decisions within an environment of great uncertainty.”* (Huss & Honton, 1987, p. 9)

Huss & Honton’s research contributes to the analysis as it presented and argued for a furthering and diverse usability of traditional scenario planning practices, such as the intuitive logics, trend impact and cross impact analysis (Huss & Honton, 1987; Gordon & Hayward, 1968; Gordon, Becker & Gerjuoy, 1974; Wack, 1985). One of the key arguments in their research from 1987 related to the significance of details used to build the scenarios. It was argued how a high level of detail does not necessarily result in more accurate scenarios, and companies should therefore strongly consider how they spent their financial resources on such matter (Huss & Honton, 1987). Their research also argued how traditional forecasting practices were mostly used to forecast a future that was too close to the present, where scenario planning opened up the acceptance of uncertainties (Huss & Honton, 1987). Conclusively, they argued about the usability of guidelines for implementing scenario planning in the company’s strategic decision-making, where guidelines had the purpose of creating scenarios and making them actionable (Huss & Honton, 1987). Hence, their research tapped into the tradition of step-by-step guides. Parts of Huss & Honton (1987)’s research perspectives will be discussed further in relation to branding in the theoretical discussion and applied in the empirical analysis and discussion.

### **Stokke et al (1990)**

Stokke et al.'s research from 1990 was included in this narrative examination as one of the first examples, where scenario planning was used as a methodology within organisations to develop organisational R&D (Stokke et al., 1990). The research initially reflected on the process in which Norwegian Statoil in 1990, introduced scenario planning into its decision-making by implementing a five-step R&D strategizing process being the centre of the process. This was done in order to deal with external uncertainties (Stokke et al, 1990). When analysing further on the difficulties about decisions-making for the future, Stokke et al (1990) made the barriers explicit by stating;

*“All our decisions are about the future, but all our knowledge (what we really know) is about the past”* (Stokke et al., 1990 p. 17).

As mentioned above, their research developed the theoretical concept of scenario planning by integrating the R&D perspective. They moved beyond Huss & Horton's discussion about decision-making and usability towards the highly applicable format, namely organisational R&D (Stokke et al., 1990). Thus, the process represented a perspective, which was more focused on the potential futures rather than trying to predict the actual future. The process resulted in four different scenarios and four different strategies, one of them being resilient and thereby flexible to many changes in the environment. The purpose of integrating uncertainties and scenario planning into the strategic R&D process was to be able to act first and fast on upcoming events (Stokke et al., 1990). The focus of scenario planning in Statoil was on the external environment, and when that was assessed, the internal environment was determined due to the goals of the company and the current R&D portfolio. In relation to the time frame, this process did only concentrate on the long-term planning (Stokke et al., 1990). Their research perspectives will be discussed further in relation to branding in the theoretical discussion and applied in the empirical analysis and discussion.

### **Schoemaker (1993, 1995)**

Schoemaker's research from 1993-95 was included in this narrative examination as both studies were built upon two identified research gaps within scenario planning. The identified gaps and solutions were relevant to consider in this study as they relate to the challenges seen in the empirical case. As suggested, Schoemaker (1993) found that there existed a gap in the previous research into scenario planning, as it did not concern the psychological issue. He wanted to fill

that gap by presenting a method, which focused on establishing the thought of multiple scenarios in relation to organisational decision-making (Schoemaker, 1993). With this focus, Schoemaker initially integrated many of the earlier contributions to scenario planning by combining them in a, then, contemporary context (Schoemaker, 1993). The method was generic and focused on exploring the interrelationships within trends and key uncertainties (Schoemaker, 1993). Furthermore, Schoemaker (1993) stated that; “(...) *scenarios do not aim to predict the future, but rather bound it*” (Schoemaker, 1993, p. 200). He based his research on perspectives, such as the psychological dimension and the organisational dimension, where the main element in the psychological dimension was the reduction of overconfidence in decision-making (Schoemaker, 1993). He claimed that even if several scenarios were constructed, futures that had not being considered prior, would never be available to the human mind (Schoemaker, 1993). By working with this approach, Schoemaker provided traditional scenario planning with more nuance and managed to argue for the complexity of scenarios, by visualising in a figure, how, when the uncertainty and complexity level increased, the scenarios were more usable for the companies (Schoemaker, 1993). This argument was contradictory to the beliefs of Huss & Honton (1987), as they argued that more details, and thereby complexity, did not necessarily result in more accurate scenarios (Huss & Honton, 1987). Evidently, Schoemaker’s research suggested, that regardless of the results from the scenario planning, organisations should focus on the learning curve gained from such process.

The gap in the previous research, which Schoemaker was working to fill, resulted in a very complex solution with 10 steps (Schoemaker, 1993). This was not a final guideline but a roadmap to use when steering a group process (Schoemaker, 1993). Arguably, it appears likely, that the level of complexity suggested by Schoemaker, could become difficult and time-consuming for most companies to apply and thereby leading them to avoid using scenario planning in the first place or dropping it in the process.

Schoemaker continued his research in 1995, which contained more in-depth techniques for companies to use in their effort to widen their perspective on future events and thus, prepare (Schoemaker, 1995). In his more recent research, he stated that scenario planning differs from other planning methods, such as contingency planning and sensitivity analysis, by taking several scenarios or changes into consideration and not just one (Schoemaker, 1995). Using scenario planning could help avoid overconfidence and tunnel vision, which Schoemaker stated were common errors in decision-making (Schoemaker, 1995) and which he had also addressed in



previous research (Schoemaker, 1993). As in the previously mentioned research, Schoemaker (1995) also addressed the difficultness in predicting the future and supported this by multiple examples where e.g. no one ever thought that it would be possible to be transported by airplanes or that the personal computer would be so widespread (Schoemaker, 1995). The reason that the future is so difficult to predict and also the reason why previous statements have proven to be wrong is, according to the author, that one is affected by the bias one possess (Schoemaker, 1993). That is why, this research argues, scenario planning is very useful, because it is a disciplined method to simplify data and thereby imagine the future. However, as he claimed in his research from 1993, instead of aiming to predict the future, scenarios work to bound it (Schoemaker, 1993). Thereby this research was a bit contradicting to the previous one, as the idea of predicting the future was not consistent. The reason for this contradiction could be that the recent research revealed new insights, as e.g. the bias, as mentioned before. Schoemaker identified a gap in this research, as he also did in 1993 too. This gap was the bridge between theory and practice, which he sought to fill by a systematic methodology (Schoemaker, 1993). The article presented a 10-step process to develop scenarios, including identifying trends and key uncertainties and developing quantitative models (Schoemaker, 1995). This was very close to the roadmap he constructed in 1993, in fact only a few modifications were made in the recent research. Thereby, the difference in the two researches literature did not lay within the 10 steps but rather in the approach to the steps, as was also referred to above. According to Schoemaker (1995), scenario planning could not only be used to make strategic decisions but also to identify warning signals at an early stage, assess one's own core competencies and evaluate risks. Schoemaker's perspective on bias, overconfidence and tunnel vision could be summed up in the three classes of knowledge that he present:

*"1. Things we know we know, 2. Things we know we don't know, 3. Things we don't know we don't know."* (Schoemaker, 1995, p. 38)

Of the above listed, the one that is most essential in the case of scenario planning is the third, as one cannot know everything and certainly not be aware of all the things that is lacking in one's knowledge, which is where the uncertainty element is present. With Schoemaker's own words in the third class of knowledge, there are things that we don't know and probably cannot obtain knowledge about until they are present (Schoemaker, 1995). Thus, using lots of time doing scenarios without being able to make a complete list and scenarios that cover all the uncertainties can seem wasteful. However, combining the ideas from both research literatures can serve as a

boundary for the future within one's bias (Schoemaker, 1995). Schoemaker's research perspectives will be discussed further in relation to branding in the theoretical discussion and applied in the empirical analysis and discussion.

### **Godet & Roubelat (1996)**

Godet & Roubelat's research from 1996 was included in this narrative examination, as it did not disregard the opportunity to strategically prepare for the future through identifying scenarios, but rather argued for the impossibility of discovering the actual future prior to its occurrence (Godet & Roubelat, 1996). This perspective was important for one's as researchers' understanding of scenario planning and the objective, which relates to the use of it. In the article by Godet and Roubelat (1996), the uncertainty of the future is praised and said to be what makes the present liveable, as they state:

*"The future is the raison d'être of the present"* (Red. *"The future is the reason to exist in the present"*) (Godet & Roubelat, 1996 p. 165). The importance of a long-term planning is explained in that short-term action needs to be aligned with a long-term strategy because.

In relation to Schoemaker (1995)'s findings, this research was more concerned with uncertainty than with the human psychology and bias. Furthermore, even as there was an emphasis on uncertainty, Godet & Roubelat remained much more critical towards the possibility of foreseeing uncertainties, than Wack (1985) was, when he acknowledged uncertainty. Arguably, this stand could be an indication of the need for a shorter time perspective and recognition of more complex market conditions (Godet & Roubelat 1996).

Schoemaker (1995) defined a scenario in terms of coherent descriptions, whereas Godet and Roubelat defined it as;

*"A description of a future situation and the course of events which allows one to move forward from the original situation to the future situation"* (Godet & Roubelat, 1996, p. 8).

These two definitions and views upon scenarios differentiated especially in the action and lack of it. Where Schoemaker's view of scenarios was a description of a situation in the future and his roadmap was concerned with constructing scenarios, Godet and Roubelat's view was more concerned with the action, which allowed one to move from one situation towards another (Godet & Roubelat, 1996). Godet and Roubelat identified two categories in which scenarios can be classified; exploratory and anticipatory (Godet & Roubelat, 1996). The first was based on past and present events that led to a possible future, the latter was based on different future visions,

desired or feared (Godet & Roubelat, 1996). This article addressed that there were not one method to do scenarios, as could also be seen in the previous research examined above. However, due to previous research the approach was said to consist of a number of interrelated steps. The article raised the issue of how time-consuming scenario planning could be, somewhere between 12-18 months. Not to mention the amount of people that needs to work on it (Godet & Roubelat, 1996). This was due to a heavy load of methods within scenario planning, which they were referring to. Nevertheless, one of the key things to do, according to Godet and Roubelat, was to ask the right questions (Godet & Roubelat, 1996). When combining this to Schoemaker's view on scenario planning, he would argue that despite asking the questions, one as researcher would still be biased by the knowledge, which one possesses. Godet & Roubelat's research perspectives will be discussed further in relation to branding in the theoretical discussion and applied in the empirical analysis and discussion.

#### *6.2.1 Discussion of scenario planning 1968-1996*

Moving further from assessing Godet & Roubelat (1996)'s research, it appears evident to acknowledge and discuss the identified development of scenario planning in the period from 1968-1996. In summation, scenario planning initially moved from being a forecasting tool based on quantitative factors as suggested by Gordon & Hayward (1968) and Gordon, Becker & Gerjuoy (1974) to a scenario planning concept with qualitative variables and the inclusion of uncertainty by Wack (1985). Huss & Honton (1987) then opposed to the high level of quantitative detail and called it a waste of time. Stokke et al. (1990) emphasised the internal applicability of using scenario planning within organisation R&D and led the way of using scenario planning in methodological manner. Schoemaker (1993, 1995)'s research integrated a cognitive and psychological dimension to scenario planning, when again insinuated the relevance of an internal focus. Lastly, Godet & Roubelat moved beyond focusing on the future and accentuated the need to use the present knowledge to retain a flexible strategic position (Godet & Roubelat, 1996).

The different ways in which scenario planning has been understood and implemented reflects the diverse applicability of this theoretical concept. As suggested in the examination, many of the early scholars relied on a set of steps or guidelines to be undergone during a scenario planning process. Moreover, the perception among several of the early scholar indicated that future situations and trends could, at some level, be predicted by applying the uncertainty element (Wack, 1985; Stokke et al., 1990; Schoemaker, 1993, 1995).

Although, some of the scholar opposed and argued that one cannot foretell the actual future and that when trying to predict what will happen in the future, one can only do it with the bias they have themselves (Huss & Honton, 1987; Godet & Roubelat, 1996; Schoemaker, 1993, 1995). Therefore, knowledge about the future is in itself is an uncertainty. As Schoemaker stated: “*you have no knowledge about the knowledge you know nothing about*” (Schoemaker, 1995, 38). However, there still existed a general believe that companies should remain focused on preparing for unknown futures by staying somewhat flexible in their strategic intent. (Wack, 1985; Huss & Honton, 1987; Stokke et al., 1990; Schoemaker, 1993, 1995)

From the narrative examination several topics associated with early scenario planning scholars appeared.

1. The first aspect was the time orientation in the early research. Here it was generally argued, how the planning aspect of scenario planning was still believed to be applicable in a long-term time frame. An example of a long-term time frame is from Wack (1985) where it was estimated that scenario planning could predict scenarios 15 years into the future. In addition to this, according to Godet and Roubelat (1996), the time frame for practising scenario planning was up to 18 months (Godet & Roubelat, 1996). Huss & Honton argued how scenario planning was sufficient for futures further from the present in contrast to traditional forecasting tools (Huss & Honton, 1987). The timely dimension associated with the early scenario planning scholars was relevant to consider as the time frame for planning into the future, it evident when navigating in uncertain environments.

2. The second aspect was the focus of orientation, either external or internal. For several of the early scholars, their research about scenario planning was based on an internal decision-making perspective and an external analysis of the trends and events in the market. (Wack, 1985; Huss & Honton, 1987; Stokke et al., 1990; Schoemaker, 1993, 1995). However, Gordon & Hayward (1968) and Gordon, Becker & Gerjuoy (1974) presented a primary focus on the external environment with their cross-impact and trend-impact analysis. In addition, when Schoemaker (1993, 1995) considered the psychological and bias element, the point of departure was predominantly internal. Subsequently, the perspectives on the utilisation of scenario planning appear to have been largely influenced by the internal resources in companies. Also, one of the early methods within scenario planning, Wack (1985)’s SRI method combined the internal variables and the external environment. This perspective was interesting to accentuate, when

examining the early development as the applicability of scenario planning in relation to branding theory would be very dependent on a dual-sided focus.

3. The third aspect was the element of uncertainty. Introduced by Wack (1985), uncertainty became a key component with scenario planning. Schoemaker (1995) suggested that uncertainties were events that no one had knowledge about, until they were present, and that they would still have a great impact on decision making. Godet & Roubelat's (1996) view on uncertainty was a little different from the others, as they highlighted it as something good, which made the future more exciting (Godet & Roubelat, 1996). Uncertainty permeated the theoretical concept of scenario planning as it forced planners to maintain a flexible position with room for uncertainty.

Ongoingly, the theoretical concept of scenario planning was researched further in the following years after the turn of the millennium. This research is analysed below, to determine the recent nuances of scenario planning before discussing it in a branding perspective.

### **6.3 Scenario planning: 2000-now**

Following the introduction and development of scenario planning as a theoretical concept in 1960's and 1990's, further perspectives started to arise during the 2000's and 2010's. As stated above, scenario planning has been represented by many areas of thought and is likewise known to have been applied in a broad range of strategic management processes such as R&D (Stokke et al., 1990). In this part of the theoretical analysis and discussion, the contemporary scenario planning research will be examined. The reasoning for including recent scenario planning scholars was caused by three main aspects. Firstly, new research was written with the recent and current world order in mind. Secondly, while doing their research, the scholars were influenced by the digitalisation era and technological development that has risen from it. Thirdly, several of the scholars argued for the methodological use of scenario planning in more specified contexts such as marketing and corporate innovation (Morgan & Hunt, 2002; Worthington et al., 2009). These perspectives build upon Stokke et al. (1990)'s application of scenario planning within organisational R&D.

#### **Morgan & Hunt (2002)**

Morgan & Hunt's research from 2002 was included in this narrative examination as their focus on scenario planning in a marketing perspective is closely linked to the research objective of this

study and thereby interesting to bring forward (Morgan & Hunt, 2002). Morgan & Hunt (2012) integrated scenario planning with marketing strategy by the use of selection/adaptation theory. This approach was also a manifestation of the diverse applicability of scenario planning as with Stokke's reference to R&D strategizing back in 1990 (Stokke et al., 1990). Morgan & Hunt (2012)'s use of scenario planning was also to a large extent used as a methodological approach rather than an independent analysis as it was used originally by Gordon et al. (1968, 1974).

One of the key considerations in their research was the interrelatedness between managers' cognition and the environmental circumstances present (Morgan & Hunt, 2002). The research reflected on the behavioural and psychological traits, which were emphasised in a strategic decision-making process within businesses. Furthermore, another key consideration, which was aligned with early scenario planning scholars, was the ability to adapt to changing market environments (Morgan & Hunt, 2002). Ultimately, their analysis sought to derive the most suiting marketing strategies from a combination of internal management resources and the external circumstances in the environment (Morgan & Hunt, 2002). Thus scenario planning was used as a methodological approach to establish flexible strategic thinking and to identify ways for companies to coevolve with their surroundings. Conclusively, Morgan & Hunt did argue, that scenario planning was somewhat of an imprecise planning method due to the uncertain nature of the practice (Morgan & Hunt, 2002). Although, this was primarily based on the element of inaccuracy. They did acknowledge the urgency to use scenario planning as a practice for managers to remain highly aware of the interplay between the company's resource base and the uncertainties in external environment (Morgan & Hunt, 2002). On a continuing note, Morgan & Hunt also described how the planning element is essential and must be done well, as it appeared impossible to ever determine whether it was done precisely (Morgan & Hunt, 2002). Their research perspectives will be discussed further in relation to branding in the theoretical discussion and applied in the empirical analysis and discussion.

### **Healey & Hodgkinson (2008)**

Healey & Hodgkinson's research from 2008 was included in this narrative examination as it sought to disclose the complexity and even impossibility, which scenario planning represents in the traditional sense (Healey & Hodgkinson, 2008). They took a critical stance towards contemporary scenario planning as a management practice due the unlikelihood of anticipating unknown futures as suggested by a few of the early scholars (Healey & Hodgkinson, 2008; Godet

& Roubelat, 1996). Additionally, they argued for a further integration of psychology and biases in scenario planning and the impact, which these areas constitute to. The main concern was the likelihood of furthering pre-disposed biases to the scenarios and thereby influences the planning and decision-making aspect with unfortunate and overconfident limitations (Healey & Hodgkinson, 2008). This perspective leaned towards some of the same observations suggested by Schoemaker in 1993, even though his perspective were more concerned with the psychological mechanism related to decision-making and not the actual planning process. Moreover, Healey and Hodgkinson (2008) argued for the element of uncertainty in direct relation to decision-making practices. They argued for the likelihood of less effective decision-making, when the scenario planner becomes overly exposed to uncertainties during the process of strategizing in a scenario-based forum (Healey & Hodgkinson, 2008). The implications occur as a result of emotional impact related to the uncertainty element at large.

Ultimately, the notion of dynamic decisions was accentuated (Healey & Hodgkinson, 2008). It was clarified, how decision-makers must avoid a linear approach to scenario planning as such to avoid the limiting influence of biases. They described the “anchoring effect” as a potential threat to successful scenario planning. The focus should rather lie on maintaining a thorough understanding of the dynamic circumstances in the business environment and thereby sustain a flexible position (Healey & Hodgkinson, 2008). Parts of Healey & Hodgkinson’s research perspectives will be discussed further in relation to branding in the theoretical discussion and applied in the empirical analysis and discussion

### **Worthington et al. (2009)**

Worthington et al.'s research from 2009 was included in this narrative examination as it sought to further the thought of scenario planning as a response to exogenous shocks in the sense of terror-attacks, hurricanes etc. - towards the method of using scenario planning to encourage corporate innovation. Worthington et al. (2009)'s research thereby represented a diverse method to apply scenario planning in, which was relevant to consider with this study's main objective in mind.

Overall, Worthington et al. (2009) moved away from any earlier contributions towards scenario planning as a theoretical concept, where decision-making had been largely in focus (Wack, 1985). Implications related to organisational learning and innovation in relation to the development of an adequate response and reaction to sudden change was researched (Worthington et al., 2009). Ultimately, Worthington et al. suggested that companies, who applied scenario planning as a practice to prepare for uncertainties was likely to be more innovative in their strategic business development (Worthington et al., 2009). Subsequently, the outcome of enabling corporate innovation appears to be mostly relevant to include as opposed to the dimension about exogenous shocks. Overall, the chance of being affected by a natural disaster or terror is a real possibility, however if such disaster should occur, it would be close to impossible to ever determine the extent to which one's company will be affected. Unless, one's company is placed in a pre-disposed location. Hence, the learning element of facilitating corporate innovation to prevent damage from likely events is very reasonable and true to the thought behind scenario planning. Ultimately, it could be argued how Worthington et al. (2009), tend to disregard a potential relation between uncertainties, not related to exogenous shocks, and companies with an ongoing motivation to enhance corporate innovation. Their research perspectives will be discussed further in relation to branding in the theoretical discussion and applied in the empirical analysis and discussion.

### **Lindgren & Bandhold (2009)**

Lindgren & Bandhold's book from 2009 was included in this narrative examination as it was written with the objective of assessing and developing the step-by-step guides into applicable models and frameworks. This research objective was very relevant to include alongside the journals as it brought back the process-oriented approach to scenario planning (Lindgren & Bandhold, 2009).

The authors first took a starting point in the earliest use of scenario planning back from the U.S. Air Force who used a model that referred to a pilot's cycle of observation, called the OODA loop



(Lindgren & Bandhold, 2009). It consisted of four stages in the process; “*observation, orientation, decision and acting*”, where observation was to scan the environment and orientation was the outcome of the observation analysis (Lindgren & Bandhold, 2009). Thus, they linked the OODA loop to a planning cycle in the sense of environment scanning and the interpretation of uncertainties (Lindgren & Bandhold, 2009). The authors identified the greatest challenge of strategic management to be the balance between stability and flexibility, which means that a company’s strategy should be rather stable but at the same time flexible to change, when necessary (Lindgren & Bandhold, 2009). This complies with the objective of making a scenario-based branding strategy. The book also discussed the concept of robustness, which was introduced by Bettis and Hitt in 1995 (Lindgren & Bandhold, 2009). Robustness of the organisation was defined as: “*the potential for success under varying future circumstances or scenarios*” (Lindgren & Bandhold, 2009, pp. 10), and thereby referred to a company’s ability to keep its performance steady or increasing in changing environments. Lindgren and Bandhold (2009) argued that a company needs both robustness and strategic flexibility in order to build competence and survive in the market. However, not only does a company need to possess robustness but also responsiveness, which refers to the ability to sense a change in the environment and respond to that change by reallocating resources and confronting uncertainties (Lindgren & Bandhold, 2009). Lindgren and Bandhold (2009) also drew the lines between scenarios, forecasts and visions clearly. They stated that scenarios were possible futures based on uncertainty and could be both qualitative and quantitative (Lindgren & Bandhold, 2009). Forecasts were probable futures based on certain quantitative relations, whereas visions were desired futures based on values and is mostly qualitative (Lindgren & Bandhold, 2009). This clear division between especially scenarios and forecasts has been deficient in previous research, where certain scholars have not agreed on this difference (Gordon & Hayward, 1968). The book also stated that, when planning for long-term decisions, an outside-in view is preferable as it takes into consideration the changes in the market. Whereas an inside-out view is more suitable when e.g. planning a few years ahead in a stable environment (Lindgren & Bandhold, 2009). Parts of their various research perspectives will be discussed further in relation to branding in the theoretical discussion and applied in the empirical analysis and discussion.

### **Sharma & Yang (2015)**

Sharma & Yang's research from 2015 was included in this narrative examination as it sought to develop a practice-oriented and hybrid approach to scenario planning that would fit into rapidly growing and dynamic environments (Sharma & Yang, 2015). Their research was relevant to analyse in relation to the objective of applying this scenario planning on the empirical case of Irma entry to the complex Chinese market. The previous confusion about scenario planning and forecasting is raised again by the authors, who address the fact that scenario planning is not necessarily a forecasting technique, but rather a method to analyse trends (Sharma & Yang, 2015). The authors pointed out three scenario planning approaches, which they found as significant major in the research. The first one was by Gaston Berger called La Prospective (Sharma & Yang, 2015; Godet & Roubelat, 1996). He raised the importance of being aware of risks and considering them during decision-making processes. This approach proposed three different perspectives towards changes and uncertainties in the environment: "*passive, reactive and prospective*" (Sharma & Yang, 2015, p. 414). The latter is two-fold, as it contains both pre-active meaning to prepare for changes that one anticipate and proactiveness meaning take actions into provoking a desired change (Sharma & Yang, 2015). The second approach was called Firecracker and was developed by Francis Pereira. The approach sought to improve the predictability of scenario planning by identifying past and present trends in the market. In addition, it offered a quantitative matrix to develop scenarios by looking at cost and payoffs (Sharma & Yang, 2015). The third approach was the practice that Shell used, as mentioned earlier. This approach consists of five iterative steps: "*preparation, pioneering, map-making, navigation and reconnaissance*" (Sharma & Yang, 2015, p. 415). Sharma and Yang distinguished the three approaches like this: La Prospective as actor-centric, the Firecracker approach as application-centric and the Shell approach as trend-centric (Sharma & Yang, 2015). The hybrid approach, which this research sought to develop, was based on these three approaches. Even though the authors agrees with Healey and Hodgkinson by claiming scenario planning does not contribute with a right or wrong answer and rather develops the way one thinks about a problem, take many outcomes and make them into more manageable ones, the hybrid approach is still a five-step process to construct scenarios (Sharma & Yang, 2015). It consists of an environmental analysis in order to be able to ask the right questions. Parts of Sharma & Yang's (2015) various research perspectives will be discussed further in relation to branding in the theoretical discussion and applied in the empirical analysis and discussion.

### **Ramirez & Wilkinson (2016)**

Ramirez & Wilkinson's book from 2016 was included in this narrative examination as it presented scenario planning as a research methodology, in the sense that scenario planning is more of a method to come closer to a solution rather than the solution. This perspective was supported by Sharma and Yang's (2015) emphasis on asking the right questions rather than finding the right answers. The methodological approach is relevant to include, as it constitutes to the research base of furthering scenario planning in a branding perspective.

Ramirez and Wilkinson (2016)'s research went against the previous way to do scenario planning by opposing the step-by-step guides (Ramirez & Wilkinson, 2016). They did not believe that there was such a thing as a correct number of steps to do scenarios, as it depends on many factors regarding both the company and the strategic objective of utilising scenario planning (Ramirez & Wilkinson, 2016). From this assumption, they developed the Oxford Scenario Planning Approach (OSPA). The approach was built on the perspective that scenario planning is a social process that is not used to come up with the right answer but instead to ask the right questions, as mentioned earlier. The authors argued that one could only succeed in doing so, by working with cycles instead of steps. The cycles are used to revise the methodological approach, e.g. the time horizon or number of people in the process. Further, the cycles also represent a distinct way to address the element of uncertainty, as it suggests a distinction between high and low uncertainties in environment (Ramirez & Wilkinson, 2016). Hence, their perspectives largely acknowledged the element of uncertainty as a significant and integrated part of more recent research within scenario planning. The purpose of the OSPA approach is to learn with the futures and thereby prepare for new opportunities ahead instead of acting when one know more about the future (Ramirez & Wilkinson, 2016). Ramirez and Wilkinson (2016)'s research perspectives will be discussed further in relation to branding in the theoretical discussion and applied in the empirical analysis and discussion.

### **Lehr et al. (2017)**

Lehr's research from 2017 was included in this narrative examination as it constitutes a focus on improving and developing the theoretical framework about scenario planning and strategizing in a simpler sense (Lehr et al., 2017). As examined above, scenario planning has been widely discussed, both in terms of its process and its applicability. The practice has also been accused of being time consuming and difficult to use in practise. This challenge is brought up by Lehr et al

(2017), who sought to increase the applicability of scenario planning by introducing the Parmenides Matrix approach. It was based on a seven-step process divided into three areas; situation analysis, strategizing and decision-making, under which there is environment analysis as e.g. PESTLE and contingency analysis (Lehr et al., 2017). The final steps include putting the different strategies into a diagram in order to measure the robustness of them and finally put them into the matrix, which is based upon robustness and goal-based efficacy (Lehr et al., 2017). Hence the authors of this article are taking the practice of scenario planning back to a step-by-step guide but with focus on applicability. Lehr et al. (2017)'s theoretical contribution is evidently relevant as the research objective focuses on a simplification rather than making scenario planning more complex. It also brings the element of uncertainty into play, with the prospect of reflecting on the uncertain environment, while maintaining a strong sense on control towards managing the scenario planning process (Lehr et al., 2017). Their research also puts an emphasis on the long-range time perspectives associated with strategic foresight. As it appeared from the analysis in the early research, there seemed to be an emphasis on extensive quantification with a long-term time range - to this, Lehr et al. (2017) acknowledges the traditional objective and looks beyond short-term orientation. Parts of Lehr et al. (2017)'s research perspectives will be discussed further in relation to branding in the theoretical discussion and applied in the empirical analysis and discussion.

### **Henrik Duus (2016-2018)**

Henrik Duus' research from 2016 and statements from the conducted meeting in 2018, was included in this narrative examination as they provide real-time perspectives on scenario planning in relation to the act of constructing scenarios (Duus, 2016). In Duus' research from 2016, the main objective was concerned with "making the construction of scenario's easier" (Duus, 2016). This objective relates to this study as the effort towards initially identifying scenarios in an uncertain environment like the Chinese is crucial to consider before initiating the planning phase. The study suggested a methodological simplification of scenario construction (Duus, 2016). His research orientation in his 2016 study proved largely external, which was supported by his statements in the meeting for this study.

During the informal and undocumented meeting with Henrik, he disclosed his subjective understanding of scenario planning and strategic forecasting with relation to his own research (Meeting, Henrik Duus). For him, scenario planning should be utilised mainly to assess macro-

environment and stable markets (Meeting, Henrik Duus). Trends should also be identified solely according to macro level mechanism in the certain analysis (Meeting, Henrik Duus). Overall, his perspectives seemed to reflect the opinion, that scenario planning should be based in quantitative measures and only supported by qualitative data. However, this was not noted during the meeting. Ultimately, the learnings from this meeting became one of the key reasons, to investigate the opportunity of simplifying and furthering the theoretical concept of scenario planning in a more qualitative perspective, namely branding.

### *6.3.1 Discussion of scenario planning 2000-now*

During the 2000's and 2010's, researchers sought to develop and apply the scenario planning concept in new and innovative directions (Morgan & Hunt, 2002; Worthington et al., 2009; Sharma & Yang, 2015; Lehr et al., 2017). In summation, Morgan & Hunt (2002) initiated the recent years research by combining scenario planning with marketing theory. Healey & Hodgkinson (2008) returned the focus to bias under uncertainty and emphasised the need to retain a flexible strategic position rather than trying to predict unnecessarily. Worthington et al. (2009) applied scenario planning in a pragmatic sense by arguing for its use to prepare for exogenous shocks through corporate innovation. Lindgren & Bandhold (2009) accentuated the need to be robust in uncertain and dynamic environments. Sharma & Yang (2015) sought to make a hybrid version by combining early scenario planning approaches. Ramirez & Wilkinson (2016) made the OSPA, which argued for the process of strategizing in cycles as an interpretation of scenario planning. Towards the most recent years, an enhanced focus was laid upon simplification processes, both by Lehr et al. (2017) and by Duus (2016; Interview, Henrik Duus, 2018).

In the process of reviewing the development of scenario planning, it became clear that the variety of perspectives not only took scenario planning in a different theoretical direction, but also how the choice of initial perspective made a substantial impact on the research findings. Following the traditional perspectives, which were largely influenced by quantitative and long-term planning approaches to anticipating future uncertainties, a change of perspective appeared in the 2000's. As identified in several studies from 2000's and till now, there seemed to be a rise in thought that the future scenario could not be foreseen even if it has been deduced from complex macroeconomic calculations. Researchers Ravi Sharma and Yi Yang (p. 412, 2015) argued:

*“All who claim to foretell or forecast the future are inevitably liars as the future is not written anywhere — it is still to be built” (p 164). Hence, the purpose of SP is not to foretell what will be but to anticipate or explore the plausible.” (Sharma & Yang, 2015, p. 412)*

One of the ways in which scenario planning research developed, was by moving from a decision-making practice to a more overall strategic practice and consider the combination of the internal resources and the external environment (Morgan & Hunt, 2002). Healey & Hodgkinson (2008) also argued that a company should be able to anticipate future events in the environment concerning e.g. political and technological developments. This can determine whether their products or services will keep being relevant and fulfil all necessary regulations (Healey & Hodgkinson, 2008). The authors refer to the use of scenarios as a forecasting tool and thereby argue somewhat against the earlier research that explicitly stated that forecasting is not the way to plan for the future (Healey & Hodgkinson, 2008; Huss & Honton, 1987). However, rather than solely representing scenario planning as a concept to create scenarios and develop decisions and strategies regarding them, Healey and Hodgkinson (2008) introduced another objective. This objective was that scenario planning could be used as a method to get decision-makers more engaged and reflective about the external environment. Thereby they develop an understanding of them in relation to strategy. This idea was the start of taking scenario planning from a practice for predicting the future by step-by-step guides to more of a process in which the thinking about future and strategy is developed.

The perspectives on scenario planning in this period of time are generally influenced by the perception of the fast-paced technological development experienced during the past years (Sharma & Yang, 2015). It is argued how markets and competitive positions have been greatly influenced by the global technological evolution and thereby causing more dynamic and less stable market conditions worldwide (Sharma & Yang, 2015).

The three aspects from the earlier research are still present in this recent research. Here the view upon them will be analysed from a contemporary point.

1. The first aspect is the time perspective in the recent scenario planning research. Here it is generally argued, how the planning aspect of scenario planning has become less applicable for long-term planning purposes. Hence, the time perspective has become more short-term oriented for several scholars of recent scenario planning theory. This might be a result of the digital era and its influence on the global environment (Cheng, 2017). There are no specific mentionings

about time frame but due to more rapidly changing environments, the scholars were opting for more flexible strategies (Healey & Hodgkinson, 2008; Lindgren & Bandhold, 2009). Arguably, it would be unrealistic to construct any useful scenarios about a situation 10 to 15 years ahead, as with the time frame in the early research.

2. The second aspect is the focus of orientation, either external or internal. Generally, as argued above, it appeared that the recent scholars' research about scenario planning focused more on a combination of internal and external perspectives. This was seen in e.g. Morgan & Hunt's research, where the relationship between the managers' cognition and the environment is emphasised (Morgan & Hunt, 2002), and in the book by Lindgren & Bandhold, where the authors address the two ways in which scenario planning can be approached; either outside-in or inside-out (Lindgren & Bandhold, 2009). Hence, the perspective on the utilisation of scenario planning appears to have been largely influenced by the internal resources in companies. In addition, the recognition of the company's individuals in terms of knowledge and bias has been developed.

It is not only the long-term strategies and decision-making that have been developed and examined due to scenario planning throughout the years. Innovation and marketing has also been an area for scenario planning through anticipating what customers could demand in the future due to uncertainty in events (Worthington et al, 2009).

3. The third aspect is the scholars' focus on uncertainties. As stated in the research by Worthington et al. (2009): *"(..) opportunities exist when uncertainty is the greatest"* (p. 447). This statement emphasised the importance of acting first and moving fast, as was also mentioned in previous research (Stokke et al., 1990). Worthington et al. (2009) ended their article by suggesting that companies use scenario planning to seek opportunities within innovation.

The element of uncertainty is arguably interesting to point out, as it appears that the various recent scholars also argued for different variations concerning the approach towards uncertainty. Besides Worthington et al.'s perspective, it was initially suggested by Morgan & Hunt (2002) that uncertainty was regarded as an integrated part of all processes and that it should be treated as an inevitability, when strategizing at all. Healey and Hodgkinson (2008) put a strong emphasis on the element of uncertainty in direct relation with scenario-based decision-making and the emotional aspect of such. On a continuing note, Sharma and Yang (2015) link uncertainty to the identification of trends as in the traditional sense (Sharma & Yang, 2015). As stated in the discussion of the early scholars, uncertainty does permeate everything from trends to political situations. It is therefore significant to prepare and adjust on an ongoing basis.

As can be derived from this narrative examination of the development in scenario planning, the concept has undergone an iterative process with different authors and research going back and forth in different ways to use and interpret scenario planning. The iterative process element has likewise influenced the development of this assignment and furthering of scenario planning.

The next part of the theoretical analysis would carry out three things; 1. account for key branding theories, 2. discuss the branding objectives from a scenario planning perspective, and 3. derive a research hypothesis on the basis of this theoretical furthering to be applied in the empirical analysis and discussion.

## **6.4 Introduction to branding theories**

To be deduced from the discussion above, scenario planning is a theoretical concept, in which both the internal and external circumstances are being considered. This appears to be the same case, when studying various branding theories (Heding et al., 2009). For instance, when trying to introduce an existing brand into a new market, it is essential to consider what the company possesses internally, the vision of the brand and the image of the company (Heding et al., 2009). On another note, when entering a new market, it is likewise essential to assess the external aspects such as the cultural, social and behavioural traits of the customers and the market at large (Heding et al., 2009). To be able to apply this theoretical furthering of scenario planning in a branding perspective to the empirical data, the chosen brand extensions have been aligned with the strategic branding objective of Irma's entry into China.

### *6.4.1 What is a brand?*

According to Kotler (1991), a brand is defined as *“a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors”* (pp. 442). However, there appear to exist many different perceptions and definitions of a brand. Heding, Knudtzen & Bjerre (2009) argue, how there are many definitions and extensions associated to branding theory. Brand equity, awareness, trust, knowledge, reputation, identity, image, strategy, positioning etc. are some of the known extensions used by businesses (Heding et al., 2009).



In fact, there are two different definitions of the term ‘brand’. One is financially-based and refers to the actual value of the brand measured in net additional cash flows and the other is customer-based and refers to the relationship between the company and its customers (Kapferer, 2012).

The following analysis focus will be on the customer-based brand (Kapferer, 2012).

In relation to the empirical data, the chosen brand extensions include brand awareness and brand trust as they address the challenges faced by Irma in China. These are also directly related to the long-term vision of establishing Irma as a premium and trustworthy brand in China.

When dealing with branding across borders, Andrews & Chews states how brand consistency is one of the key factors to establish brand trust (Andrews & Chew, 2017). Andrews and Chew (2017)’s book represents a relevant interpretation of the nature of brands. For them, there are no doubt about the fact that branding should not only be viewed determined by the consumers’ perception, but rather be linked to the work of the organisation and its ability to position its brand correctly (Andrews and Chew, 2017). The book contains several fundamental perspectives on brand management. The first one is related to the challenges of introducing either Asian brands or Western brands into the fast developing and ever-changing market conditions on the Asian markets (Andrews & Chew, 2017). A second fundamental perspective refers to the ability of utilising branding strategically and further it, as more than a traditional marketing tool. In strong alignment with the corporate ambition and strategic plan, a brand should have the potential to assist the company in establishing a favourable market position (Andrews & Chew, 2017).

#### *6.4.2 Brand awareness*

Brand awareness relates to whether the customers are aware of the brand or not (Heding et al., 2009). According to Heding et al. (2009) brand awareness derives from brand knowledge, which is a concept that relates to the customers’ personal opinions about a brand (Keller, 2003). According to Heding et al. (2009), brand knowledge is divided into two dimensions; brand awareness, which consists of brand recall and recognition, and brand image, which is based on the associations that customers link to the brand (Heding et al., 2009). This focus on building the brand awareness is a part of the customer-based brand focus, as mentioned above, which means that the customers’ reactions towards the company’s marketing are at the centre (Heding et al., 2009). When entering into a new market, it is essential to focus on brand awareness and knowledge since this will help introduce and establish the brand within the new consumers and their minds. As Heding et al. (2009) states;

*“(...) building the highest possible degree of brand awareness or familiarity is crucial for a successful brand”* (Heding et al., 2009, p. 104).

A high degree of brand awareness can also result in the consumers being willing to pay a higher price for a product produced by a brand they know well and trust (Heding et al., 2009).

As described above, brand awareness consists of brand recognition and brand recall. The target at first should be on brand recognition, as it relates to whether the consumers can recognise the brand when they see it (Heding et al., 2009). Therefore the first time a consumer sees the brand, it should be distinguished from other brands and attract attention, in order for a consumer to recognise it the second time they are being exposed to it. This brand recognition can lead to brand recall in the long run, where the consumers are able recall the brand when they get a cue, e.g. product category or industry (Heding et al., 2009).

Moving further to brand image, the associations that consumers relate to the image of a brand is divided in three; attributes, benefits and attitudes (Heding et al., 2009). Attributes describe the product or service that the company offers, both product-related and non-product-related. The second association is benefits and relates to the personal values that the consumer attach to the brand (Heding et al., 2009). This association is relevant for this analysis since it is based on what the brand can do for the consumers (Heding et al., 2009). The third association is the brand attitudes, which refers to the consumers' evaluation of the brand.

Furthermore, Keller (2003) argued that also the consumers' feelings, thoughts and experiences with the brand are related to brand knowledge. Hence, it is important for a company to build brand trust in order to increase these emotions towards the brand. The essentials of brand trust will be expressed below.

Throughout the data collection and literature search for this study, it became clear that brand trust is a crucial element both in the Chinese market and generally when dealing with brand awareness. The implications that follow this element will be analysed in the empirical paragraph but here the theoretical perspective on brand trust and what relates to it will be analysed.

#### *6.4.3 Brand trust*

With reference to the previous emphasis on food scepticism from consumers in China, it is arguably essential to investigate the relevant factors needed to ensure the creation of brand trust

(Liu, Pieniak & Verbeke, 2013). Various scholars suggest a need for brand trust in specifically three areas: food safety, business conduct and sales channel.

Initially, Liu, Pieniak & Verbeke (2013) suggest, how there are several indicators showing a tendency among Chinese consumers' behaviour and willingness towards buying greener products. They are increasingly focused on the quality and safety in food and therefore also more sceptical towards unknown brands and product (Liu, Pieniak & Verbeke, 2013). This suggests a need to establish brand trust. The argument is supported by Lassoued & Hobbs (2015), who discuss the notion of establishing consumer-based brand trust towards the food industry in general (Lassoued & Hobbs, 2015). Their arguments build on the scientific assumption that there is a direct co-dependency between the success of a food-related brand and the trust-based relation established with the consumer (Lassoued & Hobbs, 2015).

Furthermore, Andrews and Chew (2017) argued how the notion of brand trust builds upon much more than the trust towards the actual product. With focus on branding in the Asian cultures, it is argued how brand trust also extends to areas such as ethical business conduct, i.e. CSR and anti-corruption factor (Andrews & Chew, 2017). The aspect of being trustworthy in the sense of business conduct is becoming more and more important for the Chinese consumers, as they become increasingly aware of international standards (Andrews & Chew, 2017).

Further from establishing the actual brand trust, it also appeared relevant to consider the trust associated with the utilised sales channel such as a retail e-commerce platform (Lowry et al., 2008). Research carried out by Lowry et al. (2008) discussed the perspective of brand trust in an online context. It addressed the market of e-commerce and the challenges associated with building trust under such conditions (Lowry et al., 2008). Several interesting perspectives were brought to light in the study. One of the most significant aspects was the willingness to make a purchase online. It was argued how brand trust is in fact a considerable force in ensuring this purchase (Lowry et al., 2008). Another significant aspect was the integration in brand alliance and brand trust. For companies expanding to new markets, this integration is suggested to be highly beneficial for the awareness building and long-term establishment of the brand. The notable aspect about using brand alliances, such as Kaola, to build initial trust, predominantly exists in the opportunity to associate an unknown brand with the positive marks related to the established online platform. Lowry et al. (2008) refer to these marks as being either positive or negative

associations linked to a brand. These notions are later linked to the well-known spill-over effect, where in this case, one brand benefits from the trustworthiness of another (Lowry et al., 2008). Lowry et al. (2008) also argue for the impact of quality in regards to the online platform where the products are sold. The quality and general experience of the purchasing situation is highly influential in terms of establishing and maintaining trust.

## **6.5 Discussion of scenario planning and branding**

As mentioned previously, three key topics have been derived from the theoretical analysis and discussion. The topics were chosen due to their significant influence on the applicability of scenario planning and due to their ability to indicate the prior development of the theory. The three perspectives have been analysed as a result of the historical development in scenario planning previously. Further, the branding theories mentioned above will be applied to the perspectives.

- **The time perspective**
- **The external vs. internal perspective**
- **The focus on uncertainties perspective**

As mentioned earlier, there are several reasons why branding theory was chosen as the extending furthering to scenario planning theory in this study. The process of establishing brand awareness and trust is often associated with great investments and long-term strategies (Heding et. al., 2009). It is thereby an effort, which would be interesting to consider from a scenario-based perspective. Secondly, the dimension of entering a new market environment and seeking to establish a foreign brand is likewise relevant to consider from a scenario-based perspective. This is due the relation to the thought of changing environments being associated with both traditional and contemporary scenario planning theory (Healey & Hodgkinson, 2008; Huss & Honton, 1987).

Additionally, it should be acknowledged that in some strategizing situations, a more quantified approach towards scenario planning might be appropriate. Although, the quantified process does not take the individual's knowledge and vision into account, which is of great impact when considering strategizing in the future (Schoemaker, 1995). A contemporary technology such as Artificial Intelligence now serves as quantitative forecasting tools, with an almost accurate prediction estimate of around 2 years into the future (The Economist, 2018). Using this technology

would be useful to anticipate certain behaviour among for instance consumers. However, it would most likely still be close to impossible to imagine what events and uncertainties the company would face more than 2 years ahead. Thus, it can be argued that the long-term perspective has changed from being up till 15 years or more, to being maximum 2 years today.

As emphasised in the narrative examination of key scenario planning research and the development of it - what might work for one company and one market does not necessarily work for another (Wack, 1985; Stokke et al., 1990; Morgan & Hunt, 2002). This assumption could be linked to the recognition, that branding strategies are likewise very unique and closely related with a company's strategic brand vision. To establish brand awareness and brand trust in a new market, it would thereby be essential for the scenario planner and brand strategist to apply only the most relevant aspects of scenario planning to accompany the strategic objective linked to the branding effort.

### *Time*

Considering the time perspective, it is evident to acknowledge the timely consideration associated to the integration of scenario planning as a methodology in a branding strategy.

It could be argued that in today's environment, especially due to the digitalisation era, the focus of strategizing has shifted towards increasingly shorter-term decisions and goals (Iny & Brabandere, 2010). As stated earlier, mechanisms in society tend to change at a much faster pace than it did in the 80's and 90's and therefore companies need to be able to adjust faster (Iny & Brabandere, 2010). Hence, the early research about scenario planning would be very hard to apply now, as their view upon this was with a long-term focus up to 15 years (Wack, 1985; Stokke et al., 1990). Predicting the future for 15 years ahead is close to impossible, especially having in mind that one's bias and knowledge is what constitutes the scenarios and since one have no knowledge of the future. As Godet and Roubelat (1996) stated, a scenario planning process could take between 12-18 months to complete (Godet & Roubelat, 1996), which then results in the information not being relevant even before the process is done. Thus, it is another reason to move away from the complex and long step-by-step guides and more into a method of thinking, which makes it more applicable to a continuing process. In this process, the consumer-focus is vital to integrate to assure the creation of a branding strategy, which follows the behaviour of the consumer (Heding et al., 2009).

Discussed from a branding perspective, the longevity of traditional scenario planning would be inadequate to apply in a contemporary application. As argued by Heding et al. (2009), it takes great effort and patience to establish brand awareness and knowledge about the brand in general. Furthermore, the notion of brand trust is equally a challenge to achieve and especially among Chinese consumers (Liu, Pieniak & Verbeke, 2013). Thus, applying elements from scenario planning in a branding strategy would potentially constitute a more dynamic and adjustable position. Subsequently, various timely elements should be considered when strategizing towards establishing brand awareness and brand trust with a scenario planning perspective.

1. The initial consideration could focus on the strategic objective of the branding effort and a specific timeframe should be determined therefrom.
2. The second consideration could focus on the fact that scenario planning is often regarded as a long-term planning tool. However, operating in a fast changing market makes it relevant to consider scenarios, which are closer to the present in a time perspective. This consideration will enable the branding effort to be more adjustable to sudden changes in the market.
3. The third consideration could focus on the timely aspect of identifying the actual scenarios (Duus, 2016). Following Lowry et al. (2008) there should exist a great alignment between a company's brand and the objective related to exploring or anticipating future scenarios (Godet & Roubelat, 1996). Subsequently, the time spent on scenario identification should be altered in relation to the specific internal and external factors.

### *Internal/External*

In combining scenario planning and branding theory, the external/internal aspect associated to strategizing have become even more important to consider.

It should be acknowledged that the internal decision-making in a company is often influenced by the biases and knowledge of the individuals, which might not provide the complete image of a situation (Schoemaker, 1993, 1995). Thus, when strategizing and planning ahead, both the internal resources and the external trends and events should be considered. Some of the recent research has already argued for these two to be combined, e.g. Morgan and Hunt (2002), who argued for combining the internal resources with the external circumstances in order for the company to co-evolve with its surroundings (Morgan & Hunt, 2002).

Discussed in a branding perspective, the internal resources and brand image of a company are important to assess to ensure an alignment between the vision of a brand and the consumers' expectations (Heding et al., 2009). Especially in a case, where the company at question has a very strong brand. As mentioned previously, throughout the years of scenario planning research, the external environment has been described as the trends and key uncertainties in the market (Wack, 1985). Referring to Kapferer (2012)'s description of a consumer-based brand, it could be argued that the relations between a company's brand and its consumers indeed represent an awareness of external factors. Subsequently, various internal and external elements should be considered, when strategizing towards establishing brand awareness and brand trust with a scenario planning perspective.

1. Determine the branding resources and uncertainties in the internal environment. Hence, map the key features to determine the attributes linked to both the brand and products (Heding et al., 2009).
2. Proceed to determine and map out the trends and circumstances in the external environment. This will establish boundaries for the scenario planning process as argued by Schoemaker (1993, 1995).

### *Dealing with uncertainty*

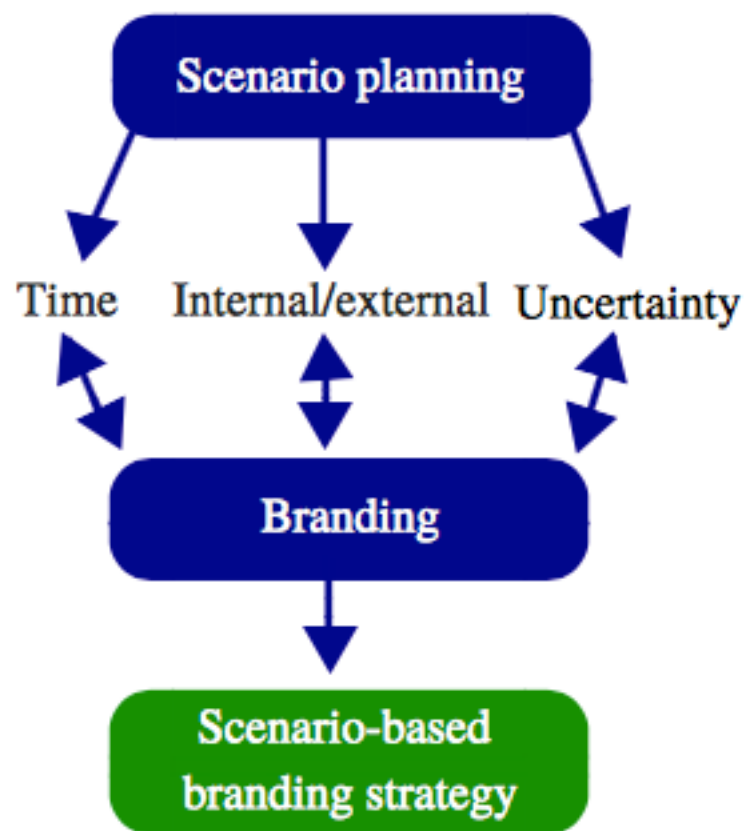
Lastly, the uncertainty perspective is what makes scenario planning unique from other theoretical forecasting concepts (Wack, 1985). This element is essential to consider when dealing with market entry and brand management, as new trends or events can easily have an impact on the brand. A brand will never be able to avoid all harm and uncertainties in the future. Although, when being aware that things, one have no knowledge about, are likely to occur, the harm could be minimised. It could be useful for companies to identify scenarios to remain flexible and prepared for them. Hence, the risk of great harm to the brand would decrease.

Subsequently, for brand strategizing with a scenario planning perspective, it is vital for companies to identify the key uncertainties, while being very conscious about their relevance to the branding effort and the bias, which is likely to influence the point of departure.

As stated previously, these perspectives will be applied in a SWOT model in the empirical analysis, as it combines the internal and external dimensions related to strategic decision-making (Pickton & Wright, 1998).

Thus, the theoretical concept in the shape of many steps and complex guides will not be applied in the further research. Instead, the approach of using scenario planning as a way to think about the future and strategies in a methodology process, rather than a solution to predict the future, will be utilised. This will be analysed together with the three perspectives derived from the research (Ramirez & Wilkinson, 2016).

The following illustration shows the process of furthering scenario planning and branding into a scenario-based branding strategy:



*Illustration 4 - theory furthering process*

## **6.6 Sub conclusion and construction of hypothesis**

The analysis and discussion of the scenario planning research and branding theories, and the combination of the two, have furthered the way of thinking about scenario planning and strategizing. The three perspectives derived from the research; time, internal/external and



uncertainties have formed a framework of scenario-based elements, which companies could consider when entering a new market.

To answer the sub question related to the theoretical analysis and discussion, the following hypothesis has been derived.

*H1: a brand entering a new market will benefit from applying a scenario-based branding strategy.*

The following empirical analysis and discussion will be assessed with the results from this theoretical analysis. The approach derived will be applied to the empirical data, with the purpose of working with the above hypothesis.

## **7. Empirical analysis and discussion - Irma in China**

### **7.1 Introduction to theory application on empirical data**

Following the second sub question, this empirical analysis and discussion seek to apply the above hypothesis on the empirical case Irma in China. This will be done by applying the theoretical furthering and concluding findings on Irma's entry into China. As evidently suggested, there are key aspects about scenario planning, which are relevant to consider in a branding perspective with focus on building brand awareness and gaining brand trust in a new market. To apply scenario planning into Irma's branding strategy in China, the three perspectives of timeframe, internal/external and uncertainties will be applied to the analysis. This analysis will be compiled in a SWOT analysis and TOWS matrix, which will illustrate relations from where scenarios can be derived. These scenarios can then be utilised in the creation of a scenario-based branding strategy for Irma in China.

In regards to the abductive reasoning, which this thesis research structure is built upon, the theoretical application on Irma's entry into China, will serve as a hypothesis-justifying example enabling further studies concerning the use of scenario planning in a branding perspective. The empirical analysis and following discussion will thereby be concluded with an account of the correlation and usability between the empirical case and the theoretical furthering.

## **7.2 Recap of case and hypothesis**

The findings in the theoretical analysis, and the constructed hypothesis, cause the perception that considering the three perspectives in a brand strategizing situation, is beneficial for building of brand awareness and brand trust in an uncertain market. Thus, the hypothesis suggests that Irma will most likely obtain a beneficial branding position in the Chinese market, when building brand awareness and brand trust via a scenario-based branding strategy.

## **7.3 Recap of Irma in China**

As presented in the introduction, Irma is currently selling a selected amount of its products at the cross-border trade platform Kaola in China (Irma press 1, 2017). This project is managed by Morten Clausen, Betina Erlandsen and Robin (Interview, Qian, Robin & Angela, 1). Robin has previously had experience with premium Japanese products. His task is currently to assist Irma in building a premium brand in China (Interview, Qian, Robin & Angela, 1).

## **7.4 Irma as a brand**

This section relates directly to the act of determining internal brand resources from the theoretical discussion. The findings will be applied in the SWOT analysis and TOWS matrix.

As stated by Qian, Robin and Angela, there appears to exist a significant interest towards Danish brands like Irma among Chinese consumers (Interview, Qian, Robin & Angela, 42). It was therefore interesting to identify and analyse the specific traits and attributes, which are related directly to the Irma brand (Heding et al., 2009). In the following section, these various traits and attributes will be analysed in relation to building brand awareness and brand trust in a new market. These concern the nationalistic and historical traits, the sustainable traits, the innovative traits and the customers-oriented traits (Interview, Leif Larsen, 50, 64, 118).

In the Danish market, the Irma brand is associated with good quality, sustainability and its historic profile (Irma, About Irma, 2018). Being a brand, which has been part of the Danish history and development makes a great difference to the image and trust in the brand (Irma, About Irma, 2018). With its characteristic blue logo colour, the Irma girl and the coffee girl, Irma has almost achieved a cult status as a brand according to Leif Larsen (Interview, Leif Larsen, 4). In the interview, he described how Irma often receives feedback from customers stating that they are proud to be carrying an Irma bag and even almost put it on display, when they welcome guests to a dinner party (Interview, Leif Larsen, 106). This indicates how Irma's brand permeates the minds

of the consumers and has established a strong sense of pride in one's association with the brand (Heding et al., 2009). The longevity of its existence in Danish society has also provided the brand with a sense of authenticity, which is a diversifying factor compared to other retail stores (Irma, Timeline, 2018). Irma does to some extent move away from only being a distributor of goods to an institution of quality and Danishness, where people shop when they want to treat themselves (Irma, Timeline, 2018).

Besides from its national and historical traits, Irma's sustainable focus has also contributed greatly to the brand it carries today. Irma is the retail store in Denmark with the highest percentage of organic brands and products (Irma, Organic Experiment, 2018). Further, this focus on responsibility towards the society and environment has been deeply rooted in the company's operations even before the focus on CSR started to arise. It is simply a central part of Irma's brand (Irma, Timeline, 2018).

In addition to the national, historical, sustainable and innovative traits, the Irma brand is also largely influenced by the taste and shopping experience it provides its customers with in Denmark. As stated by Leif Larsen - *"there is a general focus on creating the best retail experience as possible"* (Interview Leif Larsen, 64, 70). Ultimately, this is the same experience, which Irma wants to communicate and brand themselves with in the Chinese market (Interview, Morten Clausen, 431). Even though there are no physical stores, Irma still wants to provide its Chinese consumers with a sense of experience, when choosing to buy Irma products (Interview, Morten Clausen, 138).

In its efforts to provide the best experience for its customers, Irma has a long tradition of developing its own private label products. Hence, creating well-known sub-brands such as Tusindfryd, Irma's Blue Coffee and Irma's Icelandic Salt has been valuable extensions to the overall Irma brand (Interview, Leif Larsen, 50). These brands are among the products, which are currently being sold online on Kaola in China (Kaola, 2018). As Andrews and Chew (2017) argued, using premium attributes related to a brand and its products, is significant in Asian markets due to the high demand for premium quality (Zipser et al., 2016).

For Leif Larsen, there is no doubt about the motivational factor for staying innovative and continuing to develop and expand the general product range and the private label product (Interview, Leif Larsen, 50). Arguably, this innovative strategy appears directly related to the strategic objective of entering the Chinese market as it proves a mission of challenging and

strengthening the brand (Interview, Leif Larsen, 138). In the interview, he states: “*the consumers are our boss!*” (Interview Leif Larsen, 82). From this statement, he expresses the continuing urgency for Irma to engage with its consumers and listen to their demands (Interview, Leif Larsen, 84). In this way, Irma as a brand also proves how it is an externally and consumer-focused brand (Kapferer, 2012). In relation to Irma’s sustainable profile, this ongoing consumer contact and feedback also assists Irma in its effort to identify scenarios to act more responsibly (Interview, Leif Larsen, 72).

Ultimately, the various traits associated to the Irma brand have now been highlighted. The findings will be used further in relation to the three scenario planning perspectives to be concluded in a scenario-based brand strategy for Irma in China.

## **7.5 The Chinese market**

In furthering this study, it was essential to acknowledge and analyse the market in which Irma is operating. As with most new markets, it appears viable to assume, that there are both opportunities and threats associated with a market entry (Shaffmeister, 2015). Subsequently, as mentioned in the introduction, there are reasons to suggest how the Chinese market is in fact complex due to the uncertainties it is associated with (Iskryan, 2016). While there are endless amounts of factors linked to the assessment of China as a market, there are a few more significant factors that indicate this potential in relation to this study. According to the Central Intelligence Agency, the Chinese population was estimated to 1.379.302.771 in 2017 (CIA, 2017). Subsequently, the Chinese market is very attractive simply due to the market volume, which Morten also suggested in his interview (Interview, Morten Clausen, 198). The volume and potential is predominantly, what makes China an attractive market for western companies (Iskryan, 2016). Further, as stated in the report from BBVA, the rise in income and the growing upper middle class is also associated with a lot of potential. Consequently, the rise in consumption has been a crucial factor in making China so attractive (Vidal-Abarca et al., 2017). The middle class is expected to reach 76% of China’s total population by 2022, which will result in an increased buying power for over 550 mil. Chinese citizens (Iskryan, 2016). This middle class can be divided into two; mass middle class, which refers to the population that earns between “\$9,000 and \$16,000 a year” (Iskryan, 2016), and upper middle class, which refers to the population that earns between “\$16,000 and \$34,000 a year” (Iskryan, 2016). Out of the 76% that are expected to be in the middle class in China in 2022, 54%

of them are expected to be in the upper middle class (Iskryan, 2016). The growing population and upper middle class (Iskryan, 2016), has also resulted in an increasing interest in global brands and western products (Duveau & Dumenil, 2018)

Despite the attractiveness of the Chinese market, it is seemingly one of the most complex markets to enter into due to the wide range of barriers of entry (Magni & Poh, 2013). Especially for western companies, where the cultural difference is significant and the legislation is very diverse from the legislation in Europe (Orr, 2017). China also represents a culturally, socially and professionally different market, where the consumption is influenced by other factors than there might be in countries like Denmark (Vidal-Abarca et al., 2017). Some of these factors are based on the previous food scandals, making the Chinese consumers more suspicious when buying and consuming food (Liu, Pieniak & Verbeke, 2013), and the high level of mobile purchases, making the purchases more spontaneous (Interview, Morten Clausen, 549; Vidal-Abarca et al., 2017). Further from the consumer focus, a second significant factor is the current political scene, legislation and strategy towards cross-border trade in China (Orr, 2017). This is important to consider, when assessing the opportunities and threats associated with an entry into Chinese market. The main objective in the current strategy is to move China towards an economy, driven by consumption rather than production, which is likely to result in good circumstances for foreign products (Interview, Casper Freddie, 29).

According to Casper Freddie, Head of Retail & Consumer Brands Industry Sector at the Danish Consulate's Trade Council in Shanghai, the e-commerce industry is generally growing, and it is not only a benefit for the upper middle class that they can access foreign products, but also a benefit for the Chinese citizens living outside of urban areas, as they have the opportunity to sell their products online (Interview, Casper Freddie, 25). As a result of this, the outer regions are being more connected to the urban regions. The Chinese e-commerce cross-border trade market has soon reached 20% of the retail sale online (Interview, Casper Freddie, 13), and is still increasing. Overall, the e-commerce market in China is dominated by the big platforms as Kaola and Alibaba (Interview, Casper Freddie, 17).

This strategy is arguably a political product of e-commerce platforms like Alibaba and Kaola, which allow consumers across China the access to international goods and brands and at the same time to sell their own home crafted products (Interview, Casper Freddie, 25). Thus, it can be

argued that the online platforms are pulling the Chinese population closer, even though it keeps growing (Interview, Casper Freddie, 25).

Besides considering the Chinese market conditions at large and the challenges with e-commerce sales in China, it is also crucial to be aware of the cultural differences between Denmark and China, both in relation to the employees and the customers. From a scenario planning and branding perspective there are several aspects to consider, when structuring a scenario-based branding strategy to the Chinese consumers.

The trend in the Chinese consumer behaviour is that they want to buy healthy and premium products, but not always from domestic providers. The consumers in China are mostly buying premium retail products while travelling, due to cheaper prices (Leibowitz, Zipser & Gong, 2016). This could also be connected with the previously mentioned food scandals in the country, leading the consumers to not trust the domestic products in several product categories (Liu, Pieniak & Verbeke, 2013). The many previous scandals in the food industry are a great challenge (Liu, Pieniak & Verbeke, 2013). This have led to a low trust in Chinese products and especially organic products, which on the other hand has given rise to foreign food suppliers to enter the market (Liu, Pieniak & Verbeke, 2013).

## **7.6 Branding in China**

From assessing the findings about the Chinese market above, it appeared evident to investigate key factors about branding in China. This will be analysed from the objective of building brand awareness and brand trust in the Chinese market. Both primary and secondary data will be utilised in the following section.

Due to the rapid increase in upper middle class, branding in China has been through some significant changes the past years. Only during the 2010's, the most important factors for the Chinese consumers have shifted from functional to emotional branding (Magni & Poh, 2013). Meaning that branding products on emotional factors did not appeal to the Chinese consumers until recently. This development is related to the growing upper middle class, which are expecting more from the products they consume (Magni & Poh, 2013). The fact that this development have happened in such a short time frame, is an indication of how fast the branding trends are changing in China. Thus, this shift to emotional branding has opened opportunities for more companies to brand their products in China based on more than their functions (Magni & Poh, 2013). The emotional consumers in China are buying products mostly on behalf of the trust they have in the

brand, and this trust is often linked to the brand being a well-known premium brand (Magni & Poh, 2013). Therefore, it is important to build both brand awareness and brand trust in the Chinese market in order to reach the upper middle class consumers.

In China, the Danish lifestyle is considered very exclusive as the Scandinavian countries being rated the happiest countries in the world in the past couple of years (Helliwell et al., 2017). Thus, making the Nordic brands ranging at a high status in China, which is the case with e.g. Lego and Pandora, not to mention Danish cooking that is very popular (Interview, Qian, Robin & Angela, 17). As Robin states; *“(...) other Danish brands they are pioneering brands in China and they are building up a very good reputation for Danish companies and for Denmark”* (Interview, Qian, Robin & Angela, 42).

The purchasing and inspiration-seeking habits of especially digitally-born Chinese consumers are changing rapidly and they are shifting from one online app to another, fast (Duveau & Dumenil, 2018). This makes scenario planning and uncertainty useful in a strategy for the Chinese market, as it is important to have a flexible strategy that is adjustable towards the future. The digitally-born consumers are not necessarily in Irma's target group currently, but soon they will too request premium and sustainable products. Although, it should be assumed that the target group would act subsequent to their fast changing buying habits (Duveau & Dumenil, 2018).

### **7.7 Application and discussion of the three perspectives in a SWOT analysis**

Having analysed and discussed the following: 1. The theoretical concept of scenario planning in a branding perspective, 2. The specific traits associated with Irma as a brand, 3. The current market conditions in China in relation to e-commerce, and 4. The factors worth considering when branding in China - the three scenario planning perspectives will be applied to Irma in China in the structural planning form of a SWOT analysis. Subsequently, the results from the SWOT analysis will be discussed in a TOWS matrix. Finally, the derived scenario-based branding strategy will be discussed in relation to its applicability on building brand awareness and brand trust in the Chinese market.

### *Time frame perspective*

From the theoretical discussion it was suggested that Irma should take various timely aspects into account for constructing a scenario-based branding strategy.

The strategic objective of the Irma's branding effort and a specific timeframe should be determined therefrom. Following Lowry et al. (2008) there should exist a great alignment between a company's brand and the objective related to exploring or anticipating future scenarios (Godet & Roubelat, 1996). Subsequently, the time spent on scenario identification should be altered in relation to the specific internal and external factors.

Further, even as scenario planning is often regarded as a long-term planning concept. When operating in a fast changing market like the Chinese, Irma should consider identifying scenarios, which are closer to the present in a time perspective. This consideration would enable the branding effort to be more adjustable to uncertainties and sudden changes in the market. This suggestion also links to the last consideration of focusing on the timely aspect of actually identifying the scenarios (Duus, 2016).

Ultimately, it is evident that the strategy is related to the overall direction, which the company is moving in the environment (Hooley et al., 2012). Thus, one of the long-term considerations to have in mind when strategizing on a short-term basis is the brand vision (Hooley et al., 2012). The strategy that is being pursued should be aligned with and contributing to the long-term goals. Otherwise, the strategies could go in different ways and thus, moving the brand further away from its goal.

The change in the long-term timeframe from 15 to 2 years will inevitably result in smaller and more flexible goals. The goals that Robin refers to are also mostly meant to be achieved in 2018, e.g. reaching 40-50 million in turnover in this year (Interview, Qian, Robin & Angela, 27). According to the employees at the Chinese office, this goal is very ambitious (Interview, Qian, Robin & Angela, 27). Another goal that the Chinese employees are referring to is to build the trust and loyalty for Irma within the Chinese consumers, which is what the following application will seek to reach (Interview, Qian, Robin & Angela, 44).

### *Internal/external perspective*

As a result of the findings in the theoretical analysis, both the internal and external considerations were chosen as equally important, when constructing a scenario-based branding strategy (Huss & Honton, 1987). This is due to the recognition that a company will need to adapt to the environment



but at the same time be true to its own resources. From gathering the empirical data, it became evident that there are many variables related to the internal and external elements concerning Irma's entry into China (Interview, Betina Erlandsen, Qian, Robin & Angela, Morten Clausen, Casper Freddie, Leif Larsen).

It is therefore essential for Irma to investigate both internal and external factors, when entering the Chinese market (Pickton & Wright, 1998). There are two reasons for this; firstly, Irma has to be aware of how to communicate its brand in China, to achieve the most awareness and trust among its consumers. Secondly, Irma have to be aware of the challenges that might occur externally in the process of entering into and branding in China, e.g. transportation of products or the communication between employees in Denmark and China (Pickton & Wright, 1998).

In recognition of the chosen branding extension, the perspective of considering both the internal and external aspect is the norm to determine all the influential elements, when constructing an appropriate branding strategy (Heding et al., 2009). However, when reviewing the scenario planning research from a branding perspective, it became evident how the focus on the external environment was greater than on the internal resources in a company (Wack, 1985; Schoemaker, 1995). Although, as stated by Morgan & Hunt (2002), who, as mentioned before, used scenario planning in a marketing perspective, the internal element also had to be addressed when applying a scenario-based approach (Morgan & Hunt, 2002). Two explicit suggestions about assessing the internal and external factors were made in the theoretical discussion. Determining the branding resources and uncertainties in the internal environment and mapping the key features to determine the attributes linked to both the brand and products was the initial one (Heding et al., 2009). The second one was related to the external environment by suggesting the act of mapping out the trends and circumstances in the external environment to establish boundaries for the scenario planning process (Schoemaker, 1993). In doing so, Irma would obtain a broad understanding of all factors in its environment and suggestively be able to build brand awareness and brand trust in China from a scenario-based branding strategy.

The specific internal and external factors in the case will be analysed and applied to the SWOT analysis further below.

### *Dealing with uncertainties*

As mentioned in Schoemaker (1995), the identification of key uncertainties can be very complex and most certainly in a fast developing market as the Chinese (Iskryan, 2016). Especially when

considering how anticipated uncertainties are rarely the ones, which end up playing a significant role for companies (Schoemaker, 1995). Yet, on the other hand, one cannot ignore the uncertainty element, as was also concluded in the theoretical analysis. Especially in a rapidly growing and changing market as China, where there exists a high level of uncertainty and it could have serious consequences for Irma not to consider these (Worthington et al., 2009). The uncertainties will be elaborated further in the SWOT analysis.

As mentioned previously, the uncertainty element should be reflected upon as part of the branding strategy. Thus, when planning a strategy, it is therefore essential to comply the uncertainties with a flexible and rather resilience strategy that rise from the SWOT and TOWS analysis, but in addition takes into consideration the unknown future events and trends. Subsequently, as argued in the theoretical discussion, Irma should seek to identify the key uncertainties, while being focused on their relevance to the branding effort and the bias, which is likely to influence the point of departure. Then, the uncertainty element should be critically assessed in the shape that there are inevitably things you can never know until they are present (Schoemaker, 1995). This could result in a strategy that would not freeze Irma in a certain position (Andrews & Chew, 2017). The flexible strategy should be revised often, and it could be argued that it is a continuing process to find a suitable strategy, and not a process with a finish line.

As the theoretical analysis also indicated, the uncertainty element does not only exist in the external environment, but also in the internal environment. Internally, this uncertainty could potentially result in more than just inaccurate decision-making as argued by Stokke (1990) and Healey & Hodgkinson (2015). Based on the research and interviewees from Irma, there appear to exist certain areas where Irma is likely to be affected by internal uncertainties. Some of these areas will be analysed and applied in the SWOT analysis below.

The above analysed three perspectives will be examined further in the SWOT analysis in order to assess Irma's strengths, weaknesses, opportunities and threats in relation to its entry into China. The three perspectives will work as a guiding factor to ensure that the derivations from the SWOT analysis can be used in a scenario-based branding strategy.

#### *7.7.1 Introduction to the SWOT analysis*

To apply the theoretical furthering of scenario planning in a branding perspective, it was evident to have a framework for structuring the findings. This SWOT analysis emphasises the significant

findings in relation to Irma's internal organisational perspective and the uncertain external environment surrounding the strategic decision of the Chinese market entry. The SWOT analysis combines the internal resources with the external factors and takes into consideration both the positive and negative factors (Pickton & Wright, 1998). It is a theoretical framework that establishes a strategic objective for decision-making and the level of detail is often a significant factor for the accuracy of its applicability (Pickton & Wright, 1998). In this analysis, the findings will be utilised to obtain as much detailed information on the factors concerning Irma and its branding in China. The information will not be used for decision-making but instead serve as the foundation for constructing a scenario-based branding strategy.

### *7.7.2 Strengths and weaknesses based on the scenario planning perspectives*

Following is the first half of the SWOT analysis with the focus on strengths and weaknesses internally in Irma. Firstly, the internal strengths is identified and analysed. In the interviews with Betina Erlandsen, Morten Clausen, the Chinese employees and Leif Larsen from Irma, it became evident how the internal perspective plays an important role in the process of building brand awareness and brand trust in China (Interview, Betina Erlandsen, Morten Clausen, Qian, Robin & Angela and Leif Larsen).

#### **(S1) Great association with Danish values**

As Leif told in his interview, Irma is almost an institution in Danish culture and has succeeded in building a strong sense of pride around the brand (Interview Leif Larsen, 120). This is not only related to the history of the brand in Denmark, but to Denmark as a brand itself. As mentioned before, Denmark has throughout the years become known as one of the happiest countries in the world (Helliwell et al., 2017) and in addition to this, the Danish word and concept '*hygge*' has also become popular worldwide, as a concept that contributes to the happy life of Danes (Lin, 2017). This brand association is identified as a strength for Irma during this scenario-based branding process (SWOT, S1).

#### *The strength in a scenario planning and branding perspective*

Ultimately, this association is interesting to discuss in relation to the three scenario-based perspectives. Compared to the timeframe perspective, this perception of Denmark has been built through years, however, it is not a secure position. Recently, Norway received the top position as

the world's happiest country (Helliwell et al., 2017), and thereby Denmark lost its prime placement. This is related to the perception of being evaluated externally, even though the values are being constructed and carried out internally (Heding et al., 2009). In addition to this, the uncertainty element is present, as Irma cannot predict how the perception of Denmark will develop, and whether it will be better, worse or remain the same.

Although the perception can change rapidly due to external factors concerning the country, Irma could benefit from associating its brand to Denmark and the values that the country is known for. Thus, building brand awareness and brand trust on behalf of the Danish lifestyle.

## **(S2) Reliable and trusted sales channel**

The second strength, which is relevant for this analysis, is Irma's choice of sales channel. Kaola is the biggest cross-border trade platform in China making the reach and potential very large (Interview, Qian, Robin & Angela, 11). Namely combined with the good collaboration between Irma and the management at Kaola, and the fact that many Chinese consumers use it everyday, the choice of sales channel is considered reliable and trusted, which arguably makes for a strength in Irma's favour (Jing, 2017)(SWOT, S2).

### *The strength in a scenario planning and branding perspective*

According to Casper Freddie, Kaola is a long-term choice of sales channel for Irma (Interview, Casper Freddie, 19). Further, it is up to Irma to exploit the short-term opportunities that the platform offers, e.g. by adjusting to the e-commerce algorithm and thereby get marketing resources without having to pay extensive amounts for them (Interview, Morten Clausen, 425). According to Casper Freddie and Morten Clausen, the fact that Irma chose Kaola in the first place is equally beneficial for Irma's branding, as it has a large reach within the Chinese consumers ((Interview, Casper Freddie, 19; Interview, Morten Clausen, 527). Thus, it is more accessible for Irma to target a wide group of consumers in China and to build brand awareness and brand trust among the Chinese consumers.

Since Kaola is an external collaborator for Irma, both internal and external elements exist within this strength. Kaola can make some decisions regarding the algorithm or the platform that could have an influence on Irma, which, on the other hand, could serve as an opportunity to use the functions that it has in Irma's favour. This strength does however include a high level of

uncertainty, as if the market trends change, the platform might lose its position as the biggest in China or it will have to make serious adjustments that might not be beneficial for Irma.

### **(S3) Good collaboration with involved business partners**

As was mentioned by Morten Clausen, Casper Freddie and the Chinese employees, Irma has established a good collaboration with both the management at Kaola, The Danish Trade Consulate in Shanghai and the Chinese Irma office in Hangzhou (Interview, Morten Clausen, Casper Freddie, Qian, Robin & Angela). It is considered a strength for Irma, as they have the power to uphold this good collaboration by keeping in contact with the business partners and maintain a valuable collaboration. In addition, they could use it to exploit opportunities further in the collaboration. This factor is therefore placed as a strength in the SWOT model further below (SWOT, S3).

#### *The strength in a scenario planning branding perspective*

The collaboration with the involved business partners could cause positive results on a long-term basis, in the sense that Kaola could provide Irma with a prime spot on the platform and thereby secure increased visibility for the Irma brand (Interview, Morten Clausen, 425).

As Andrews & Chew (2017) argued, a consistent effort is crucial for building brand trust. Hence, Irma might benefit from establishing a more consistent branding platform via Kaola.

The Danish Trade Council in Shanghai could likewise ensure favourable connections in the Chinese market on a continuing basis, and a good collaboration with the Chinese office in Hangzhou could result in closer and more effective communication.

The consideration regarding the internal and external element is that Irma has a saying in how the collaborations should evolve in the future. But on the other hand, still considers the fact that the involved business partners also have their own agenda and thereby this strength include both an internal and an external element.

Further, the uncertainty element is present in this strength, in the sense that it cannot be predicted how the collaboration will continue to proceed. New employees or a shift in the management in all of the organisations could affect these collaborations. As an example, Coop has just recently had an election for the Board of Directors, and if different Chairman for the board of directors was chosen, it could have consequences for the collaboration with e.g. the Chinese office (Coop, press 1, 2018).

The collaboration with the Danish Trade Council in Shanghai has provided Irma with valuable information, when entering the cross-border trade industry in China in the first place (Interview, Casper Freddie, 1). It is very important for Irma to maintain the collaboration with all the business partners, since it for example needs Kaola to provide marketing resources and the Chinese Irma office to continue engaging in building the Irma brand (Interview, Morten Clausen, 242).

#### **(S4) Strong brand trust towards Irma's sustainable products in DK**

As suggested by Morgan & Hunt (2002), there must exist a strong alignment between the internal strengths and weaknesses of a firm, and the objective of the strategic decision to achieve the most suitable scenario-based branding strategy (Morgan & Hunt, 2002). In Irma's case, a significant internal strength appears to be the brand itself in Denmark. It is being associated with organic and premium quality products, which from a branding perspective, is a strong asset when related to the appropriate target group (Interview, Leif Larsen, 64). As Morten Clausen states; *"(...) Irma is the epitome of ecology, guaranteed allergy-free products, environmentally friendly products and all these good things"* (Interview, Morten Clausen, 89), which clearly illustrates the view that the Danish consumers have on the Irma brand. For Irma's entry into the Chinese market, these qualities are among the differentiating factors for Irma as a brand (Interview, Robin, Chen & Angela). Arguably, this is identified as a strength for Irma in the SWOT model (SWOT, S4). In relation to the brand awareness and trust building, Morten Clausen also argued that the Chinese consumers have a significant trust in European and especially Danish products (Interview, Morten Clausen, 99).

In his book "Brand Building and Marketing in key emerging markets" Niklas Shaffmeister (2015) argued how foreign brands should approach a market like the Chinese with a perspective equal to the initial awareness building of the brand. Shaffmeister (2015) further argued how companies like Irma can use its history as a well-known and acknowledged brand in Denmark in the communication towards the Chinese consumers (Shaffmeister, 2015). The element of utilising the historical and acknowledged traits of the Irma brand is also an exemplification of an internal strength during the ongoing brand awareness building in China. Subsequently, this was the same case with Robin, Qian and Angela. They further described how they felt a sense of pride being associated with the Irma brand (Interview, Qian, Robin & Angela, 42).

### *The strength in a scenario planning and branding perspective*

Relating this strength to the three perspectives, the time frame lies in the initial building of brand awareness, which should be aligned with the long-term desired position of Irma's brand in China. In this case, Irma wants to transfer and build the brand trust in China equal to the one in Denmark (Interview, Qian, Robin and Angela, 44). Therefore everything that Irma does even on a short-term basis should be aligned with the long-term goal as mentioned previously.

The strength concerning its strong brand trust in Denmark does also both contain an internal and an external element, as Irma have the power to decide what should be communicated in order for this trust to remain or increase. However, Irma does not have the power to decide how the consumers perceive the communication, neither in Denmark nor in China. This inevitably results of the uncertainty element being present, is one cannot precisely predict the changes in trends within organic products or any scandals that might occur, which could damage the trust they possess now.

The fact that Irma have a strong brand and brand trust in Denmark can be utilised in Irma's branding in China, both as a Scandinavian favourite, but also extend the branding with the perspective that the consumers in Denmark trust the brand so much that they want to own it (Coop, 1). As Robin mentioned, Nordic and especially Danish products are considered to be of high quality to the Chinese consumers (Interview, Qian, Robin & Angela, 17). Thus, branding Irma as a Danish brand in China will have great beneficial influence on the perception of the products and quality of them. This will be elaborated further in the next strength.

Secondly, the internal weaknesses are identified and analysed in relation to the three scenario planning perspectives and branding.

#### **(W1) External communication - low or non-existing brand awareness in China**

The low or non-existing brand awareness of Irma in China is one of the biggest challenges. Since Irma is a Danish company and up until recently have remained in Denmark, it cannot be expected that the Chinese consumers have any knowledge of the brand. Therefore Irma will have to build its brand under the same circumstances as if it was a new brand, which it is considered to be in China (Shaffmeister, 2015; Interview, Qian, Robin & Angela, 1). Irma's prospects for building brand awareness in China are influenced by the fact that it is a Danish brand (Interview, Qian, Robin & Angela, 17). This factor is also a target for potential devastating uncertainties, as a

possible scandal in the Danish food industry or similar events, could have a negative impact on the brand in China (Interview, Morten Clausen, 92). Thus, this could result in the similar low trust towards Danish products as the domestic products.

Adding to this, according to Robin, the demand for premium organic products is increasing but the trust in the products and the authenticity of the domestic organic products remains low within the Chinese customers, due to the many food scandals over the past couple of years (Liu, Pieniak, Verbeke, 2013).

Considering the above, it is inevitably a challenge for Irma in China to navigate and communicate in an environment with low trust in organic products and low or non-existing brand awareness. Hence, it is argued to be a weakness in the SWOT analysis (SWOT, W1).

#### *The weakness in a scenario planning and branding perspective*

Time is a very relevant element in this weakness in relation to the length of time, in which it is relevant to anticipate uncertainties in the environment. In this sense, it is suiting to acknowledge the necessity of establishing a branding strategy fit for the Chinese consumers and the pace, in which their behaviour changes. Hence, as suggested earlier, it might be adequate to focus on a flexible and short-term strategy, as the long-term branding strategy should be revised often.

The previous food scandals and low trust in organic food is an external factor that Irma can influence internally by communicating its brand and products correctly. Thus, contradictory to the internal communication weakness, the external communication has both elements. With both elements being present, it adds to the uncertainty of the weakness. The previous food scandals have inevitably been hard to predict and so will future scandals, although they might be anticipated at some point. Adding to this, Irma could benefit from directing its branding towards the trends in the market, even if these trends are also under great influence of uncertainty. Irma would need a strategy, which takes into consideration both the low trust in organic products in China and the building up of brand awareness. Further, it is crucial that it is being communicated correctly to the consumers.

#### **(W2) Clash between Irma branding and Chinese production site**

A significant weakness is the potential clash between Irma's branding in China and the fact that some of the products are being produced in China. For example certain pieces of Irma's Friends organic children's clothing are produced in China and combining this with the branding of Danish



products, there exists a potential clash in the communication and the actual product information (Appendix, Irma Friends Clothing; Kaola, Irma Friends, 2018). This is considered a weakness for Irma in China, as the Chinese consumers could potentially feel misinformed and that the information was hidden from them in the external communication about Irma being a Danish brand (SWOT, W2).

#### *The weakness in a scenario planning and branding perspective*

Relating this weakness to the uncertainty and time frame element it is unclear what would happen, if the Chinese consumers received information about the production being Chinese (Appendix, Irma Friends Clothing; Kaola, Irma Friends, 2018). Especially in a situation where Irma has chosen not to disclose the details. As mentioned previously, the Chinese consumers are not attracted to domestically produced products, and thereby the outcome of a revelation of the production site could have substantial negative consequences. It would thereby be essential for Irma to consider the seriousness about this matter.

Further, the weakness possesses both the internal and external element, as Irma is controlling the communication regarding the production site. On the other hand, the possibility that external parties could reveal the information without the interference of Irma exists. Instead, the branding strategy should address the production site being in China, but with focus on the design being Danish and the materials being sustainable and organic. Alternatively, Irma should move the production site to a European country.

#### **(W3) Geographical and cultural distance between DK and China**

Another identified weakness is the geographical and cultural difference between Denmark and China. The distance between the two countries is significant. From the empirical data, a need to address this distance, to secure the internal and external communication appeared. Additionally, the need to acknowledge the potential implications related to this distance is also present. As an example, the level of ambition towards the project (Interview, Morten Clausen, 413; Interview, Qian, Robin and Angela, 107). In this SWOT analysis, it has been identified as a substantial weakness associated with the process of entering the Chinese market and constructing a strong branding strategy (SWOT, W3).

#### *The weakness in a scenario planning and branding perspective*

Relating this to the great geographical and cultural distance, the time perspective is essential. In contrast to how Irma have been operating in Denmark, the distance now results in both the communication and daily operations being more complicated. As an example, the amount of time it takes for the communication between the Chinese and Danish employees. Especially when considering the time from the Chinese employees has identified trends to the Danish employees to discuss a suitable strategy and then have the Chinese employees implementing it.

Both the cultural and geographical distance could have an impact on how the branding is being carried out and whether it is the right approach for targeting the Chinese consumers. It must be assumed that Qian, Robin and Angela have more knowledge about the Chinese consumers. In addition, it must also be assumed that the Danish employees at Coop have more knowledge about the image of Irma and Denmark. This could result in a clash and potentially information being lost between the two offices. Adding to this, the geographical distance can result in the stock in China not being refilled fast enough, thus, making the algorithm downgrade the products from Irma on the platform.

#### **(W4) Internal communication in Coop**

As argued by Betina Erlandsen, the entry into China seemed to pose different kinds of challenges internally in Irma (Interview, Betina Erlandsen). She expressed concerns about several communicative, logistical and resource oriented areas. On the other hand, Morten from IFC expressed less of a direct concern about the same areas in his interview (Interview, Morten Clausen, 242). Alongside Morten, did Robin and Qian also express much optimism about the entry at large and argued positively for the strong collaboration with Morten (Interview, Qian, Robin & Angela, 27). Hence, there is a slight indication about a faulty internal communication between Betina Erlandsen, Morten Clausen and the Chinese employees. In relation to the SWOT model, this has been noted as an internal weakness, as a complete alignment in expectations and strategic objective would arguably be more optimal (SWOT, W4; Hooley et al, 2012).

#### *The weakness in a scenario planning and branding perspective*

The differentiating perceptions of the internal communication could be related to culture but also the phase in which Irma is currently in. The entry into the Chinese market is still in its initial phase and thereby the collaboration between the Chinese and Danish employees is rather new.

Additionally, the organisational structure in Coop could have an influence, as the organisation is not owned by a group of shareholders but the Danish consumers. This could potentially make the hierarchy more complicated (Coop, 4). As a result of this, Betina Erlandsen, Morten Clausen and the Chinese employees are not necessarily responding to the same superior. In relation to the internal and external element, this weakness is only related to the internal communication and the challenges that lie within.

As argued previously, uncertainty does not only exist in the external environment, but also in the internal. In this case an internal uncertainty could be changes in employees or a shift in priorities from the management, which could jeopardise the internal communication further.

Insufficient internal communication could eventually result in insufficient external communication, as not being in possession of clear guidelines and communication within Irma in Denmark and China could result in an unclear external communication. If the employees across the countries are not agreeing on something or misunderstandings appear, the high level of brand awareness and brand trust could be difficult to achieve.

### *7.7.3 Opportunities and threats based on the scenario planning perspectives*

When seeking to construct a scenario-based branding strategy for Irma in China, the external parameters play a significant role for identifying indirect influencers (Stokke et al., 1990). How Irma considers the opportunities that exist in the market, to work towards utilising and benefitting from them, will be discussed further in the TOWS. Further, the threats that lie within the environment are evident, since Irma could then apply the scenario planning perspectives to avoid being harmed by them (Pickton & Wright, 1998).

As with the internal considerations about Irma in China, the three perspectives will likewise be applied, analysed and discussed in accordance with the opportunities and threats in the external environment. The uncertainties associated with the external environment are one of the main elements from scenario planning in a branding perspective (Morgan & Hunt, 2002). The implications of this element will likewise be analysed and discussed in following sections.

Firstly, the external opportunities will be analysed and discussed in relation to the three scenario planning perspectives and branding.

#### **(O1) Rise in upper middle class and consumption**

As mentioned previously, Qian and Robin described how the upper middle class is the fastest growing segment in China (Interview, Qian, Robin & Angela, 21). A direct result of the increasing upper middle class is the increase in consumption, which is close to 10% each year (Walters et al., 2017). What is further addressed in the article from Boston Consulting Group is the specificity and variety of consumer segments, which have started to occur (Walters et al., 2017). The growing segment of resourceful and unique consumer types has been identified as a potential opportunity for all premium products providers (SWOT, O1) and will be discussed further in the TOWS, in relation to Irma's potential to utilise this rise strategically in its scenario-based branding strategy.

#### *The opportunity in a scenario planning and branding perspective*

From a scenario planning perspective, this opportunity is not directly associated with high levels of uncertainty. This assumption relates to the clear possibility of predicting the rise in living standards according to known figures (Walters et al., 2017). The primary aspect, which includes levels of uncertainty, is the behaviour among specific upper middle class segments (Iskryan, 2016). Their approach and reaction towards changing trends is an aspect related to some levels of uncertainty, which would be important to include in the process of constructing a branding strategy with a scenario planning perspective. As Casper Freddie mentions; *"They (the government) want the Chinese to use money and not just produce, but actually also starting to use money, and that results in the consumption growing strikingly faster than the economic growth is in general"* (Interview, Casper Freddie, 29). Even if the opportunity is externally rooted, there does exist an internal opportunity for companies to influence consumers (Magni & Poh, 2013). From a time perspective, it is crucial to be aware of the demographic details about this consumer group, i.e. age alongside metrics associated with other demographics (Zipser et al., 2016).

The increase in the upper middle class and the consumption is a distinct opportunity in the market in a situation of building brand awareness. As argued by Heding et al. (2009), it is the effort of establishing broad brand awareness, which is one of the most significant factors related to brand trust. In an economy, where the buying power and consumer volume continues to increase, it might be useful to strategize a scenario-based brand awareness according to the objective of

creating the broadest brand awareness possible (Heding et al., 2009). Here it would be useful to target specifically from the information associated to the demographics composition of the target group as mentioned above.

## **(O2) Increasing demand for premium and sustainable products**

As discussed above, there appears to be a constant development in the demands and needs of Chinese consumers (Cheng, 2017). Thøgersen et al. (2014) suggest that consumers from emerging economies like the Chinese are becoming increasingly aware of sustainability and the benefits of buying organic food. This assumption is supported by Zipser et al. (2016)'s article about the modern Chinese consumer and their habits. In the article, it appears how the Chinese consumers are increasingly focusing on buying the best products on the market and that they are focusing more on certain premium products instead of consuming mass manufactured products (Zipser et al., 2016). This consumption trends have led to a greater focus on the quality of the product and the sourcing details of it (Zipser et al. 2016). The rising demand for ethically sourced commodities and products has therefore been identified as an opportunity in this SWOT analysis (SWOT, O2).

### *The opportunity in a scenario planning and branding perspective*

From a scenario planning perspective, it could be discussed how this new consumption focus does not include much uncertainty. This relates to the anticipatory nature of this behaviour in relation to the global focus on sustainability (Vidal-Abarca et al., 2017). Although, in relation to scenario planning, this could be referred to as an anticipatory scenario (Godet & Roubelat, 1996). From a time perspective, it is evident how the Chinese consumption culture has developed fast. In this context, it seems fair to assume that the new focus will develop further in the coming years (Vidal-Abarca et al., 2017). Both national and international companies should therefore be aware of this, when operating and selling products in China.

This new product-oriented focus is a significant opportunity to use in the establishment of brand awareness and trust (Shaffmeister, 2015). Based on the examples of low product trust in China towards domestically produced products, there is a chance to position one's company strongly in the minds of the consumers. Especially if the products, which the company sells, are associated with premium quality and sustainability (Interview, Qian, Robin & Angela, 17).

### **(O3) Enhanced digitalisation**

As argued in the introduction, various reports and articles from PWC, BCG and McKinsey suggest not only a rise in the e-commerce market in China, but an enhanced digitalisation overall (Cheng, 2017; Walters et al., 2017; Magni & Poh, 2013). As mentioned previously, the establishment of the digital e-commerce platform Alibaba is said to have been one of the main drivers for igniting this digital growth in China (Interview, Morten Clausen, 5). China has gone from being a developing country to a fast-paced consumption based economy in the last 15 years (Molnar, 2017). Thus, their development has happened rapidly. The digital development has therefore been identified as an opportunity in this SWOT analysis (SWOT, O3).

#### *The opportunity in a scenario planning and branding perspective*

From the scenario planning perspectives, the element of uncertainty is highly present in this opportunity. As seen before, sudden innovations such as the establishment of Alibaba has the ability to change the macro economic dynamics of a country like China (Interview, Morten Clausen, 5). It should therefore be assumed and anticipated, that this external opportunity is linked to a large amount of uncertainty. As the development has been rapid, it could be difficult to try and anticipate the future and the further digital enhancement (Vidal-Abarca et al., 2017). This is directly associated with the time perspective from scenario planning, and the reasoning why it was argued to only being viable to plan 2 years ahead. Time is sensitive during the global digital development and companies should be focusing on navigating appropriately within this development (Cheng, 2017).

The digital enhancement in China is evidently permeating most aspects of the Chinese society (Zipser et al., 2016). Therefore, it seems essential to build awareness about a new company brand based on a digitally foundation. However, the digital branding strategy must be adjustable and flexible according to sudden changes in the environment (Stokke et al., 1990).

### **(O4) Increase in trust towards mobile e-commerce**

Further from the enhanced digitalisation, the mobile payment market for e-commerce is one of the most significant market forces in China in recent time (Marinova, 2017; Walters et al., 2017; Iskyan, 2016). The article from Fortune, written in December 2017 even suggests, how the Chinese mobile-driven e-commerce market is only just starting to “take off” and that it is already more than ten times as big as in the United States of America (Marinova, 2017). BBVA’s report,

“China’s Consumption Trends” from 2017 also indicates a substantial move within retail from offline to online, which would suggest an increased use and trust towards the mobile-driven type of purchase (Appendix - BBVA exhibit 1; Appendix - BBVA exhibit 2; Vidal-Abarca et al., 2017). This assumption is supported by a survey made by PWC, which states: *“that 80% of consumers in China are willing to pay for products using mobile but compared to 49% globally”* (Cheng, 2017, p. 11).

Based on these empirical findings, consumer trust and increased use of mobile payment has been identified as an opportunity in this SWOT analysis (SWOT, O4).

#### *The opportunity in a scenario planning and branding perspective*

From a scenario planning perspective, it is some of the same mechanism, which are present as with the enhanced digitalisation above. Although, the trust towards mobile payments is exposed to uncertainties, as scandals or sudden changes in the global online society might breach this level of trust and thereby influence the Chinese e-commerce industry badly (Cheng, 2017). It is also a time sensitive matter due to the fast-paced emergence of innovative solution and companies should therefore stay innovative and ready to adjust accordingly (Morgan & Hunt, 2002).

The change in purchase patterns is also seen on the large e-commerce platforms (Cheng, 2017). In a branding perspective, it is vital to combine the trust towards shopping on an e-commerce platform with the trustworthiness of the products. In this case, it would be evident for to emphasise the premium quality and trust of the products to the consumer via the scenario-based branding strategy.

Secondly, also the external threats will be analysed and discussed in relation to the three scenario planning perspectives and branding.

#### **(T1) Low trust towards domestic products**

As mentioned before, the Chinese consumers have very little trust in domestic products, especially domestic organic products (Liu, Pieniak & Verbeke, 2013). The food scandals during the previous years have left the consumers in China to desire foreign products, as they have a greater trust in them than in their own (Liu, Pieniak & Verbeke, 2013). Ideally, this would have been an opportunity for Irma, that the consumers would rather buy Danish products, yet, as mentioned in W2, the organic children’s clothes sold in China is also produced in China. This could lead to the

Chinese consumers having less trust and interest in these products, than if they were produced in e.g. Europe. Thus, the low trust towards domestic products is considered a potential threat for Irma in the SWOT model (SWOT, T1).

#### *The threat in a scenario planning and branding perspective*

The uncertainty element is clearly present in this threat, as a scandal towards domestically produced products is difficult to predict beforehand. It is therefore also difficult for Irma to predict any scandals relating its production site in China. The scandal does not necessarily have to be related to food or organic products in general. It can also be related to work conditions or accidents at the production site. This could also potentially harm Irma's brand in China.

In relation to time, this low trust is something that is built up over many years of a questionable approach to production in China and will therefore also take many years to settle again (Liu, Pieniak & Verbeke, 2013).

#### **(T2) Rapid change in consumption patterns in China**

As it has been stated several times already, there seem to exist many opportunities within the area of e-commerce both because of an enhanced digitalisation, high levels of trust towards e-commerce and online paying methods among the Chinese consumer. However, in a report made by BBVA about "Chinese Consumer Trends" in 2017, it appears how the general consumption patterns in China have changed dramatically in only 5-7 years (Vidal-Abarca et al., 2017). In Appendix - BBVA exhibit 2, BBVA presents a substantial rise in online shopping via smartphone. Since 2011, smartphone activity related to online shopping has gone from approx. 10 per cent up to over 60 per cent in 2017 - a total rise of just above 600 per cent (Vidal-Abarca et al., 2017). Compared to Denmark, this increase is significant. A study that the Danish e-commerce association FDIH made in 2017 shows that 29% of all purchases online are being made on smartphone or tablet, and the percentage of smartphone only online purchases is 14% (Willemoes, 2017).

Moreover, the number of Chinese consumers, who use their smartphone for financial services, has also risen from 50 mil. up to 355 mil. in 10 years (Vidal-Abarca et al., 2017). Ultimately, this indicates a change in consumer patterns, which is both an opportunity for some companies, but likewise a threat to those companies, who do not succeed in adjusting and planning accordingly. It has therefore been identified as a potential threat in this SWOT analysis (SWOT, T2).



### *The threat in a scenario planning and branding perspective*

From a scenario planning perspective, the element of uncertainty should definitely be highlighted in the context of this threat. While the change is very rapid, the consumption behaviour is also likely to continue developing faster and faster (Vidal-Abarca et al., 2017). It would therefore be relevant to consider the uncertainties associated with the rapid changing consumption patterns. This threat is indeed also a representation of an external and time sensitive mechanism in the Chinese society. Both of these perspectives are important to keep in mind, when brand strategizing from a scenario-based perspective.

Overall this threat must be observed going forward, as it includes elements, which has the function of being both beneficial and negative in a brand awareness effort. On the short-term, it is important to adapt to the current patterns and trends and on the long-term, it is crucial to possess a flexible strategy, which can accommodate the rapid changes.

### **(T3) International politics and trade**

In these years, it could be discussed how the global trade relations are being influenced by political conflicts and uncertainties among the most powerful industrial nations (Landler & Rappeport, 2018). Subsequent to the election of Donald Trump as the President of the United States, the relation between the United States and China among other countries has become more strained (Landler & Rappeport, 2018). During March and April of 2018, a trade-war has even emerged between the two countries and it is not something easily resolvable (Winkler, 2018). From a global perspective, this represent a potential threat to all cross-border trade associated with China and the United States. It has therefore been identified as a threat in this SWOT analysis (SWOT, T3).

### *The threat in a scenario planning and branding perspective*

From a scenario planning perspective, such a US and Chinese trade-war is arguably linked to a great amount of uncertainty due to the non-transparent nature of international politics (Winkler, 2018). Further in terms of the internal/external perspective, this threat is thoroughly external in the sense that it is neither related nor manageable. The only link associated with an internal element would be a situation, which the large e-commerce platform Kaola would utilise its political power to lobby for a different international response and trade strategy in China. In such

situation, it might move beyond an internally oriented strength or weakness according to the result. However, as mentioned in the political threat, Kaola can hardly be considered an internal party for Irma, when it concerns the international politics and trade for China. The timely matter is also relevant to include, when assessing this threat. The global political environment is often influenced by time limits in the form of new elections and change of management. It could therefore be discussed how the timely influence of a political agenda should be considered, when strategizing and branding from a scenario-based perspective.

As this threat is largely external, the extent to which a company would need to consider it in a normal branding perspective would evidently be hard to estimate. Although, when based on a scenario planning method, it is ultimately important to confront such external threats with a knowledgeable approach to ensure, that the brand awareness is constructed in a matter that acknowledges the implications, which such trade-war could bring to the Chinese market.

#### **(T4) Political uncertainty**

The political situation in China can be complex to grasp due to the historical and still continuing distance towards the world society (Orr, 2017). One of the biggest factors on the Chinese political scene is control (Orr, 2017). The legislation within the business sector is focusing on giving the government the power to control and especially within online payments. The cross-border platforms are also a way to control the product flow to China, as the suppliers cannot simply send their products into China without the government's knowledge (Orr, 2017). This constant uncertainty towards what the government will decide and which laws will be created or removed, has been identified as a threat to Irma's operations in China (SWOT, T4).

#### *The threat in a scenario planning and branding perspective*

From the scenario planning perspectives, a national political situation is arguably often rather stable and not uncertain to the same extent as the digital enhancement. Although, there is a chance that political decisions might cause unexpected and long-term challenges for a country or certain industry, it is therefore essential to monitor the political scene closely. There is a timely matter associated with a national political scene, which is evidently important to have in mind. However, in China the timely matter is not fixed in relation to politics, as there is no presidential periods or other parties than the Communist Party to take the power (Albert & Xu, 2018). The time element is therefore also a part of the uncertainty element, as the government can make decisions based

on short-term and long-term events that could have an influence on the way e-commerce from foreign countries are handled (Albert & Xu, 2018).

Due to the internal and external element, the national political scene is only external. It could be argued that Kaola still might have a say through lobbying as China's biggest cross-border trade platform.

Several challenges associated with the national political agenda could occur. As China is a communist society, certain branding strategies might conflict with the political power and companies should therefore be aware of potential implications, when introducing a new brand in the market (Albert & Xu, 2018). The high control in the market is also equal to a higher control towards the branding from foreign brands and thus, it is evident to remain updated on the legislation concerning branding in China (Orr, 2017).

#### 7.7.4 SWOT - Irma in China

Following is the SWOT analysis compiled for Irma in China with the parameters, which are considered relevant for Irma's establishment of brand awareness and brand trust in China. The findings in the SWOT analysis were largely based on the primary and secondary, statements and findings made during the empirical and qualitative data gathering. The key results of this SWOT analysis will be included further in the TOWS Matrix.

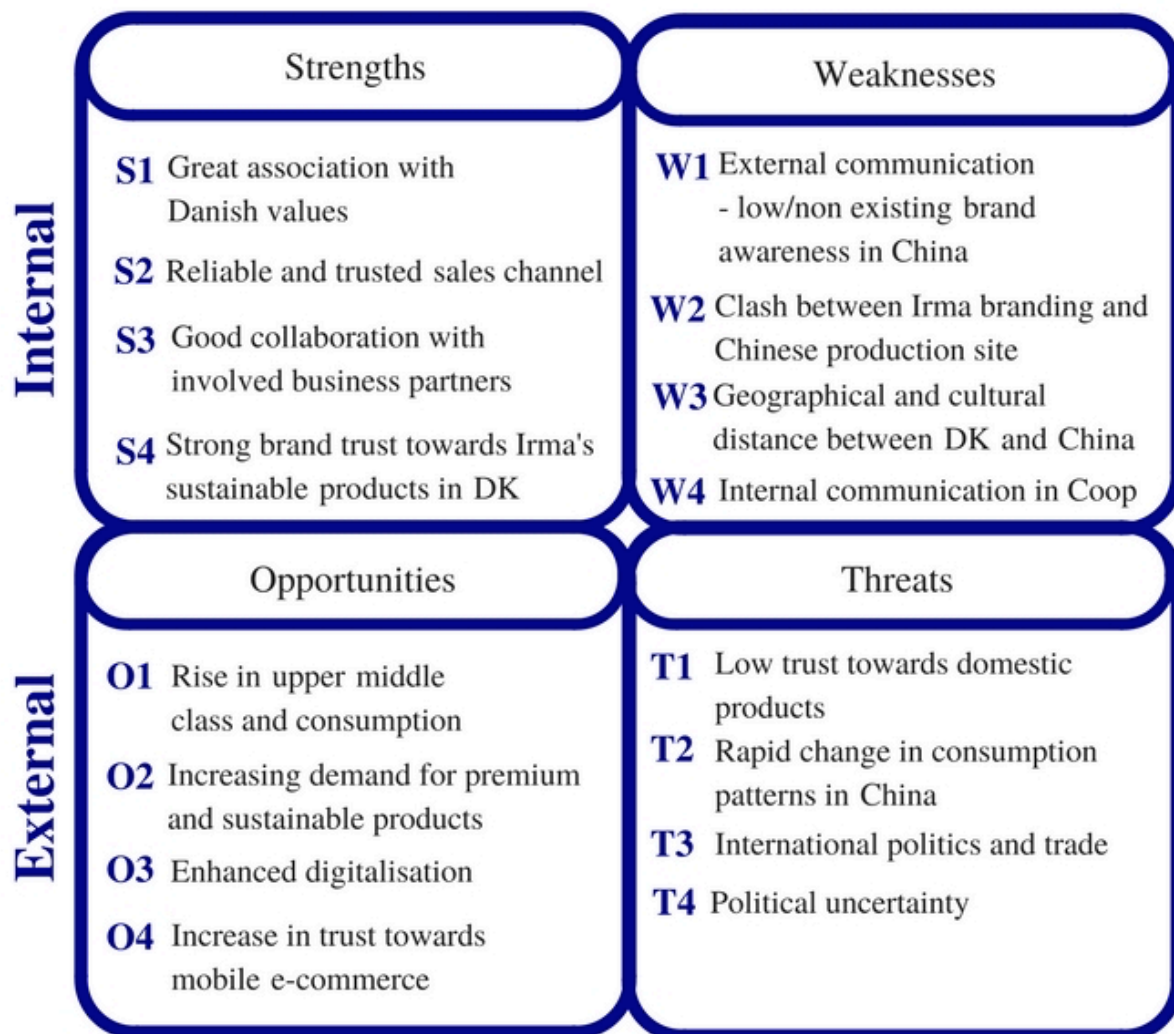


Illustration 5 – SWOT model

Sources: Interview, Betina Erlandsen; Iskyan, Kim, 2016; Walters et al., 2017; CIA, 2017

Having derived the known opportunities and threats and the uncertain elements associated with them, one could still argue how the element of uncertainty would potentially also include events or trends not associated with any previously known information or related events. From analysing and discussing the theoretical furthering of scenario planning and the thought of uncertainty, it became known that uncertainties are events, which have not happened yet or are not finished, which makes the result uncertain (Schoemaker, 1993). However, as argued in the theoretical analysis, the uncertain outcome of known events is not the only uncertainty. Wack (1985) suggested how an uncertainty could be anything that happens from now and forward, and they cannot all be identified (Wack, 1985). This argument suggests that despite making the above SWOT analysis, it is frankly impossible to complete, as there is an added dimension of uncertainty, which permeates the entire outcome.

To conquer this uncertainty element, when trying to establish a brand in a market like the Chinese, it is therefore suggested to incorporate the scenario planning element in Irma's branding strategizing process.

### **7.8 Discussion of SWOT findings in TOWS matrix**

Building on the findings from the SWOT analysis, the TOWS matrix will provide a relation between selected strengths, weaknesses, opportunities and threats (Wehrich, 1982). It is easier to use the company's strengths to exploit the opportunities than overcoming the weaknesses, yet it is still evident to include weaknesses in order to get the most out of the opportunities in the market (Wehrich, 1982). The TOWS matrix is combining the external factors with the internal, with the purpose of strategizing for the future. TOWS includes the same factors as the SWOT analysis but they are turned around, to illustrate the differentiated approach (Wehrich, 1982). The combination of the external and internal factors from the SWOT analysis results in four different strategies with these combinations: Strengths and opportunities, weaknesses and opportunities, strengths and threats, and lastly, weaknesses and threats. The four strategies are not necessarily very different from each other, but the use of the external and internal factors provides a wider perspective in which to consider the findings from the SWOT analysis (Wehrich, 1982).

The things that both scenario planning, SWOT and TOWS analysis have in common, is that they are all of an earlier date and thereby not new or revolutionary approaches (Wack, 1985; Pickton & Wright, 1998; Wehrich, 1982). But the combination of the three and the derivations from this analysis will provide a different perspective on them.

Further from considering the TOWS matrix in its original strategizing form, the three identified scenario planning perspectives will also be applied.

Four combinations will be identified as relevant for creating a scenario-based branding strategy for Irma in China. These will be elaborated in the following section and will subsequently lead to the identification one scenario-based branding strategy fit for Irma's brand awareness and trust building in the Chinese market. The strategy will include key considerations about time, uncertainty and external/internal elements.

### **Strength/Opportunities: S1 + O2**

The identified relation between strengths and opportunities in this TOWS analysis and discussion is (S1) Irma's great brand association with Danish values and (O2) the increase in demand for premium and sustainable products in China. As argued by Robin, Qian and Angela in the interview, they emphasised how Irma is a symbol of premium quality and Danish culture (Interview, Qian, Robin & Angela, 19). Thus, using this strength to exploit the opportunity of the increased demand for premium products that exists in the market could serve as the foundation of establishing a branding strategy with elements of scenario planning.

The combination of these two factors from the SWOT analysis, result in the following scenario-based branding strategy:

*1. Focus on building brand awareness around Irma as being both premium quality, sustainable and associated with Danish lifestyle to retain a flexible branding position and be prepared for uncertain elements.*

Further, it could be argued that the increased demand for premium products assumingly is a result of the rise in the upper middle class citizens in China (O1). For this reason, it appears relevant to include this notion as part of this Strength/Opportunities combination. The reluctant act of making the O1 a secondary part, is directly related to the assumption, that even if upper middle class target groups are increasing, it might not result in an increase in citizens interested in Danish products and in particular Irma's products.

### **Strengths/Threats: S2 + T2**

The identified relation between strengths and threats in this TOWS analysis and discussion is: (S2) the reliable and trusted sales channel and (T2) the rapid change in consumption patterns in

China. Morten Clausen, Casper Freddie and Robin all argued how Kaola is the biggest cross-border trade platform in China and therefore it has a large reach within the Chinese consumers (Interview, Morten Clausen, Casper Freddie, Qian, Robin & Angela). By using this strength to confront the related threat, Irma strengthens its position towards the anticipated rapid changes in consumption patterns. Being the biggest cross-border trade platform in China, it is likely that Kaola would have the capacity to comply and adapt to uncertain developments in the Chinese e-commerce industry.

The combination of S2 and T2 from the SWOT analysis, results in the following scenario-based branding strategy:

*2. Obtain deep engagement in the innovative development of the Kaola platform and thereby adapt and position Irma's branding strategy to accommodate the uncertainty in future Chinese consumption patterns.*

Further from linking it to the trusted sales channel, it could be argued that the strong collaboration between Irma and Kaola is inevitably an important factor for pursuing the above strategy (SWOT, S3). Morten stressed in his interview how the collaboration between Coop/Irma and Kaola has been very fruitful so far and that this relation is essential in ensuring a strong brand awareness (Interview, Morten Clausen, 242).

### **Weaknesses/Opportunities: W1 + O3**

The identified relation between weaknesses and opportunities in this TOWS analysis and discussion is (W1) the external communication and low/non existing brand awareness in host market and (O3) enhanced digitalisation. The reasoning behind combining the above factors is initially derived from the recognition, that the Chinese consumers are largely influenced by the digitalisation era (Zipser et al., 2016). Secondly, as it became known from the interview with Morten Clausen, the Irma brand remains predominantly unknown to the far majority of Chinese consumers (Interview, Morten Clausen, 468). Hence, the external communication of Irma is one of the most significant weaknesses in a branding perspective (Interview, Morten Clausen, 468). Subsequently, strategizing with a key focus on the uncertain development within digitalisation would allow Irma to use the opportunity to establish a stronger foundation for external communication in the Chinese market. As argued by Morgan & Hunt (2002), the external element, i.e. communication in this case, is significantly influenced by the management of Irma and its

ability to secure an aligned brand, so the building of brand awareness will result in the desired level of trust among the Chinese consumers.

The combination of W1 and O3 from the SWOT analysis, results in the following scenario-based branding strategy:

*3. Apply a digitally focused branding strategy, which is applicable on multiple digital platforms to accommodate the need for establishing widespread brand awareness as well as the uncertainty associated with the fast paced digital development in Chinese consumption.*

Further from linking it to the enhanced digitalisation, it could be argued that the rise in upper middle class also poses as an important factor for this strategy. It seems apparent to assume that the Chinese consumers' rise in income is directly associated with the enhanced digitalisation (Interview, Qian, Robin & Angela, 5).

#### **Weaknesses/Threats: W2 + T1**

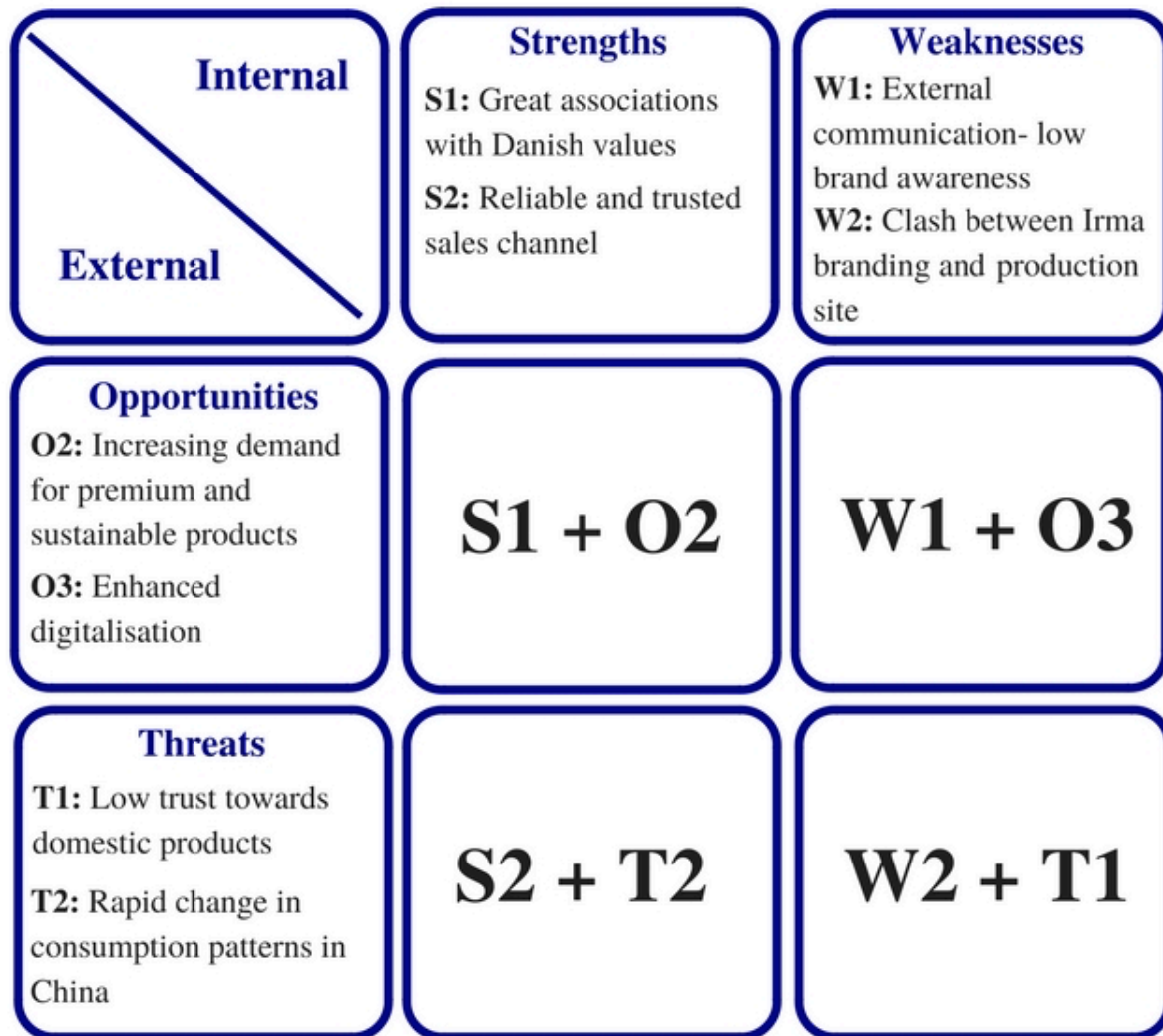
The identified relation between weaknesses and threats in this TOWS analysis and discussion is (W2) the clash between Irma's branding and Chinese production site and (T1) low trust towards domestic products in China. The reasoning behind this combination is related to the implications, which both factors could have a substantial impact Irma's branding in China. Thus, if a situation occurs, where Irma is introducing its brand with the strategic objective of establishing trust towards the product and the Chinese consumers then find out, that certain Irma product is in fact produced in China, the situation becomes highly problematic. There is a chance that Chinese consumers would react negatively and discredit Irma's products and thereby pose as a threat towards Irma's conduct on the Chinese market at large. It would be important to structure a branding strategy, which takes the potential scenarios associated with the uncertainty of such situation into the planning process.

The combination of W2 and T1 from the SWOT analysis, results in the following scenario-based branding strategy:

*4. Use internal resources from the Chinese Irma office to ensure brand transparency towards the consumers. Disclose and embrace the information regarding the Chinese production site through a responsive and trust-building branding strategy.*



In the following illustration, the four strategies derived in the TOWS matrix are compiled.



*Illustration 6 – TOWS matrix*

### *7.8.1 Derivation of scenario-based branding strategy*

In discussing the findings from the SWOT in the TOWS matrix, four potential scenario-based branding strategies were derived. The combinations were selected as a result of the previous analysis and empirical knowledge gained through this explorative and abductive study process. Initially, it became apparent that the inclusion of scenario planning in Irma's branding on the Chinese market has led one as a researcher, to consider the many implications related towards building brand awareness and trust from a more nuanced perspective.

In assessing the relevance of the derived strategies, two stood out as the most significant;

1. (W2) which relates to the clash between Irma's branding and production site + (T1) which relates to the low brand trust in domestic products. -> W2 + T1: *Use internal resources from the Chinese Irma office to ensure brand transparency towards the consumers. Disclose and embrace the information regarding the Chinese production site through a responsive and trust-building branding strategy.*

&

2. (W1) which relates to the external communication and low brand awareness + (O3), which relates to the enhanced digitalisation -> W1 + O3: *Apply a digitally focused branding strategy, which is applicable on multiple digital platforms to accommodate the need for establishing widespread brand awareness as well as the uncertainty associated with the fast paced digital development in Chinese consumption.*

The choice of deriving strategies based on the identified weaknesses for Irma in China is directly linked to the internal/external aspect of scenario planning. As suggested by Worthington et al. (2009) and Morgan & Hunt (2002), scenario planning generally concerns a company's ability to address and improve the internal factors in accordance with the uncertain external environment. Consequently, the weaknesses have been accentuated for the purpose of deriving a suitable scenario-based branding strategy.

Firstly, the W2 + T1 strategy has to be emphasised due to the widespread consequences such misleading conduct could have for Irma's brand and operations in China. If not addressed, this could potentially lead to extensive distrust towards Danish products at large among the Chinese consumers. Subsequently, this strategy proposes the act of opting into the clash between Chinese consumers expectation about Danish produced products and Coop/Irma's current production of "Friends" baby clothing in China (Appendix - Irma Friends clothing). In moving forward with such strategy, Irma would tap into Lehr et al. (2017) suggested scenario planning perspective of maintaining a strong sense of control while reflecting upon the uncertain environment, in which they operate. It also allows Irma to move beyond Wack (1985)'s traditional scenario planning methodology of using step-by-step guides to derive scenarios and more towards Ramirez and Wilkinson's perspective of simplifying the method at large (Ramirez & Wilkinson, 2016). By addressing the facts about the origins of the products, it is likely that the Chinese consumers will

continue to place a certain level of trust towards the authenticity of Irma's premium quality and Danish origins.

Consequently, the implications concerning the above strategy should be managed prior to any other actions.

Nonetheless, the second strategy emphasised in this study is likewise crucial to include, due to both the theoretical and empirical objective within this study.

The W1 + O3 strategy addresses one of the most predominant challenges for Irma in China, namely the task of creating brand awareness and trust broadly among the consumers in China. This strategy combines the internal/external element of scenario planning in a branding perspective by suggesting a strong digital approach with multi-faced application opportunities. This is more likely to serve the Irma strongly in a fast paced market, where the development in consumer groups and their buying habits are greatly influenced by uncertain aspect from this digitalisation era (Cheng, 2017). As derived from the effort of furthering the theoretical concept of scenario planning in a branding context, time is another essential matter to accentuate. As suggesting previously, time relates to the length in which it is relevant to anticipate uncertainties and maintain a flexible strategic position. With this strategy, the time element proves less relevant, as the digitally focused strategy will work to follow new trends and occurrences in the Chinese market.

Ultimately, the W1 + O3 strategy should be acknowledged as the suggested scenario-based branding strategy for Irma in China.

## **7.9 Sub conclusion of empirical analysis and discussion**

The empirical analysis and discussion of Irma in China sought to apply and examine the hypothesis derived from the theoretical chapter. To apply the three scenario planning perspectives in relation to branding, the analysis and discussion was initiated with an examination of the internal resources and external environment.

The scenario-based brand strategy identified as the most suiting for building brand awareness and brand trust was derived from the following aspects: (W1) Irma's external communication and low brand awareness and the enhanced digitalisation in China (O3):

*“Apply a digitally focused branding strategy, which is applicable on multiple digital platforms to accommodate the need for establishing widespread brand awareness as well as the uncertainty associated with the fast paced digital development in Chinese consumption.”*

This strategy addresses both the identified internal weakness and external opportunity by suggesting a widespread and highly adjustable digital branding effort. The adjustability would be defined by scenarios fit for the uncertainty associated with the fast paced development in digitalization and Chinese consumption behaviour. Hence, both the timely, internal/external aspect and uncertainty are applied.

Based on this derived strategy, the hypothesis from the theoretical analysis and discussion is considered applicable. According to the findings from the empirical analysis and discussion, Irma would likely benefit from using the three perspectives in a strategizing situation with the purpose of building brand awareness and trust in the Chinese market.

## **8. Conclusion**

The purpose of this thesis study was to further the theoretical concept of scenario planning in a branding perspective and apply and examine it on the empirical case of Irma in China.

Initially two sub-questions were formed to examine the chosen research area, iteratively and abductively.

The first sub-question was:

- *What hypothesis can be derived from furthering the theoretical concept of scenario planning in a branding perspective?*

To derive this hypothesis, a narrative examination of key scenario planning research was conducted to uncover the various perspectives and nuances about the theoretical concept. One of the main findings from the examination was the recognition that scenario planning is not only considered a theoretical concept but additionally a methodological concept. Moreover, three main aspects from scenario planning were identified as substantial to reflect the concept as a methodological application. These were time, internal/external and uncertainty.

In proceeding to further scenario planning in a branding perspective, key brand extensions were selected in accordance with the empirical study objective. These included brand awareness and brand trust.

In the theoretical discussion, the two brand extensions were compiled with the three scenario planning perspectives. The compilation included examples from branding and scenario planning indicating the need for some of the same key considerations in a strategizing process. From this, several suggestions were presented as the basis for applying a scenario-based branding strategy. In conclusion, the following hypothesis from the theoretical analysis and discussion of scenario planning and branding was derived:

*H1: A brand entering a new market will benefit from applying a scenario-based branding strategy.*

Furthermore, the second sub-question was:

- *How can the hypothesis be applied and examined on the empirical case, Irma in China?*

The theoretical hypothesis was examined and applied empirically on Irma in China through the use of a SWOT analysis and TOWS discussion. As mentioned previously, the strategic objective was to build brand awareness and brand trust among the Chinese consumers. Hence, parts of Irma's internal resources and the external Chinese environment were examined. From assessing Irma as a brand, its attributes and traits as premium, innovative and sustainable were identified as some of the most significant internal resources. Moreover, when proceeding to assess the external environment of China as a market, the great market volume, the growing upper middle class and the low trust towards domestic products were identified as some the most significant external factors.

The SWOT analysis was utilised with the purpose of examining the findings from the theoretical analysis and discussion and the empirical data. This analysis served as an initial frame for constructing a scenario-based branding strategy. The strategy should include an appropriate time frame, considerations about internal and external factors, and adjustability towards uncertainties in the environment.

Further, selected findings from the SWOT analysis were compiled in a TOWS matrix to derive strategies from the combination of Irma's strengths, weaknesses, opportunities and threats. The

following scenario-based branding strategy was identified as the best fit for the empirical objective of creating brand awareness and brand trust for Irma in the Chinese market.

*“Apply a digitally focused branding strategy, which is applicable on multiple digital platforms to accommodate the need for establishing widespread brand awareness as well as the uncertainty associated with the fast paced digital development in Chinese consumption.”*

Thus, to answer the research question, it can be concluded that scenario planning can be furthered in a branding perspective and from the examination of Irma in China, it can be concluded that Irma is likely benefit from applying a scenario-based branding strategy, when seeking to build brand awareness and brand trust in China.

## **9. Suggestions for further research**

This thesis study initially recognises the complex task of establishing brand awareness and brand trust around Irma’s brand entry into China. To address the task, scenario planning was presented as a theoretical concept to ensure a viable and scenario-based branding strategy, fit for a complicated and rapidly changing market as the Chinese. The action of furthering scenario planning in a branding perspective had to be proven through a narrative examination to gain a thorough understanding of the theoretical concept. Henceforth, to be discussed in relation to branding theory and later applied on the empirical case via a SWOT analysis and TOWS matrix.

Integrating elements of scenario planning with branding theory could have the potential to, not only assist in strategies about building brand awareness and brand trust, but also to assess the environment in a broader perspective. Initially, it would be relevant to address and monitor the specific consumer behaviour within Irma’s target group in China. In doing so, the opportunity to research present and future behaviour in accordance with trends, would allow Irma to focus its branding strategies more closely towards anticipated behaviour and trends.

To extend the analysis further, the identification of specific scenarios in the market via the PESTEL analysis, could be applied. Such analysis would provide a high level of information on the external factors, which could have an influence on Irma in China. Even though some of the elements have been analysed in the study, e.g. the political and the technological factors, a more

thorough examination of all the factors combined would give an increasingly detailed image of the external environment (Hooley et al., 2012).

Furthermore, the competitive forces on the Chinese market represents another significant factor in the external environment. Thus, it would be appropriate to consider this factor, when moving further in the scenario-based brand strategizing process. To analyse the competitors and Irma's position in the Chinese market, the model of Porter's Five Forces could be utilised (Hooley et al., 2012). In the competitive analysis both the current competitors in the market and the potential new competitors would be crucial to consider, due to the rapid growing market, which makes it attractive for other companies to enter (Hooley et al., 2012).

The cultural considerations were briefly analysed and discussed in this thesis study. However, a thorough research on the cultural differences concerning both the Danish and Chinese consumers could provide great insights to the further the external communication. As Morten mentions in the interview, it has been a challenge to communicate Irma's brand to the consumers (Interview, Morten Clausen, 413). Hence the reasoning for examining the cultural implications further.

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## 11. Appendices

### 11.1 Appendix - Mail from Betina



Erlandsen, Betina <Betina.Erlandsen@coop.dk>

to 11-01, 16:32

Michelle Stender Albrechtsen; sope13ad@student.cbs.dk ✉



🔄 Svar til alle | ▼

Hej Michelle

Det lyder da rigtig fint, det glæder jeg mig til at høre mere om. J  
Har I haft fat i Morten Clausen og talt med ham ?

Jeg kan mandag formiddag og torsdag formiddag i næste uge J

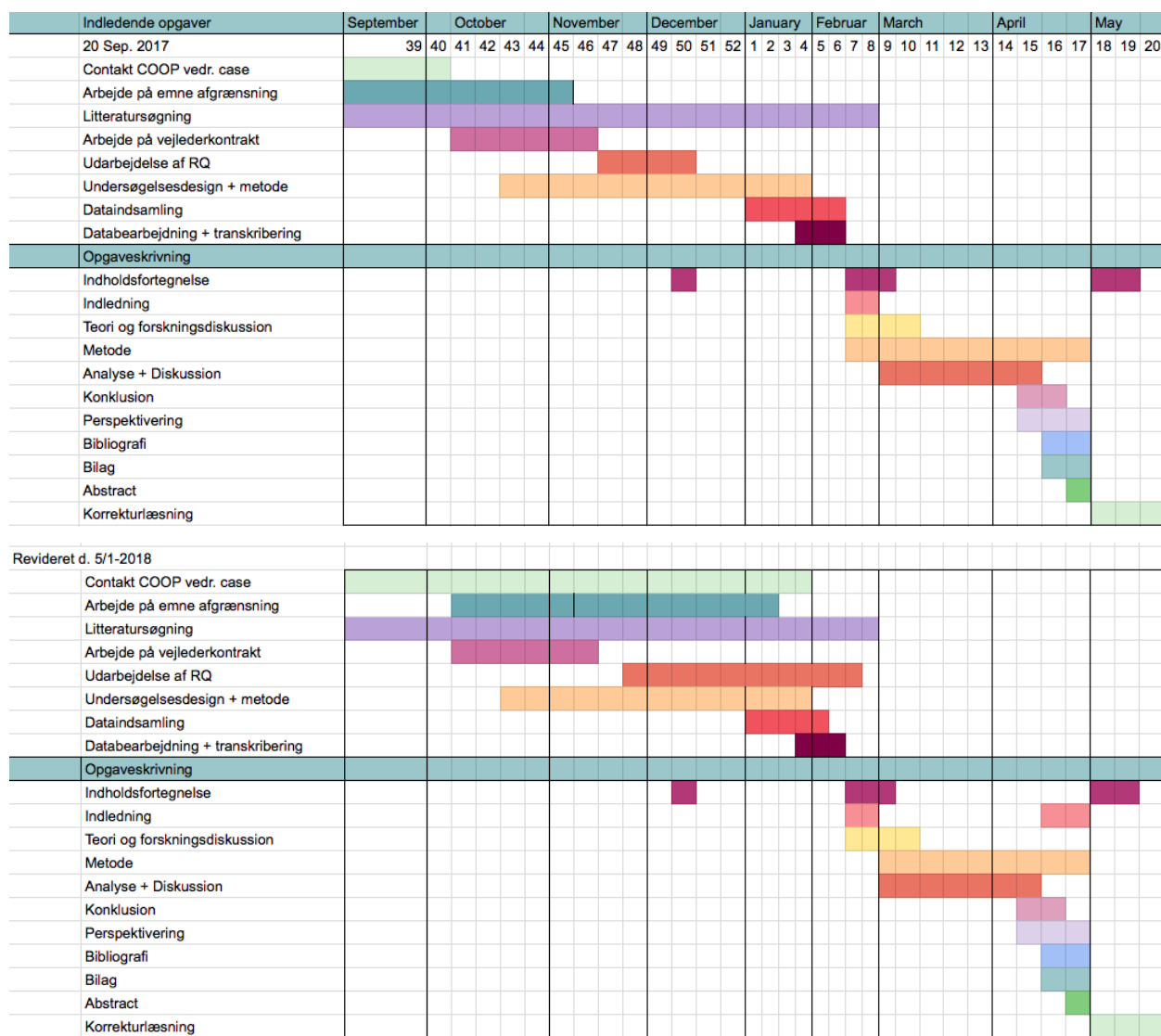
De bedste hilsner

**Betina Erlandsen**  
projektleder Coop/IFC Kina



Roskildevej 65  
2620 Albertslund  
[www.coop.dk](http://www.coop.dk)

## 11.2 Appendix - Gantt Charts




### 11.3 Appendix - Research process overview

| Date     | Topic  | Methodology                       | Notes  |
|----------|--|-----------------------------------|--|
| 15/12-17 | RQ, Research wonderings and wonderings           | Explanatory and normative         |  |
| 04/01-18 | Planning   | Deduktion                         |  |
| 08/01-18 | More detailed planning                           | Iterativt, Deduktivt(testing)/ind | Considerations about the appropriateness of the    |
| 09/01-18 | Meeting with Vibeke                              | Hermeneutics and Abduction        |  |
| 12/01-18 | Read more about Hermeneutics and investigate     | Hermeneutics and Abduction        |  |
| 13/01-18 | Prepare meeting with Betina (COOP)               | Hermeneutics and Abduction        |  |
| 15/01-18 | Meeting with Betina + summary and contact M      | Hermeneutics and Abduction        |  |
| 17/01-18 | Plan and meet with Henrik Duus and discuss       | Hermeneutics and Abduction        | Considerations about the perspective on scenario   |
| 19/01-18 | Prepare meeting with Chinese delegation and      | Hermeneutics and Abduction        |  |
| 20/01-18 | Meet the Chinese Delegation and conduct inte     | Hermeneutics and Abduction        | Considerations about explorative perspective and   |
| 22/01-18 | Transcription of China interview + preparation   | Hermeneutics and Abduction        | Considerations about how to use a marketing pe     |
| 23/01-18 | Meeting with Morten in Nivå + transcription      | Hermeneutics and Abduction        |  |
| 26/01-18 | Brainstorming about topics and framework co      | Hermeneutics and Abduction        | Consideration about adding Int. communication t    |
| 27/01-18 | Work on SP and empirical content                 | Hermeneutics and Abduction        | Consideration about how to add the communicat      |
| 29/01-18 | Overall to do-list, revising TOC, developed hy   | Hermeneutics and Abduction        | Considerations about the take on the thesis in te  |
| 30/01-18 | Work more on TOC, contact branding experts       | Hermeneutics and Abduction        | Consideration about adding the perspectives fro    |
| 02/02-18 | Read up on Scenario planning                     | Hermeneutics and Abduction        | Consideration about adding a phemonological as     |
| 03/02-18 | Read up on Branding in relation to Irma in Chi   | Hermeneutics and Abduction        | Consideration about destination branding           |
| 06/02-18 | Start writing the description to scenario planni | Hermeneutics and Abduction        | Consideration about the aspect of structure our li |
| 07/02-18 | Continue writing the description to scenario pl  | Hermeneutics and Abduction        |  |
| 09/02-18 | Send interview questions to respondents, con     | Hermeneutics and Abduction        | "Building brand trust/reputation in China with Soc |
| 12/02-18 | Writing on theory and methodology (limitations   | Hermeneutics and Abduction        |  |
| 13/02-18 | Interviews with Casper Freddie and Leif Larse    | Hermeneutics and Abduction        |  |
| 16/02-18 | Examination of scenario planning theory + ove    | Hermeneutics and Abduction        |  |
| 17/02-18 | Work on theoretical history overview             | Hermeneutics and Abduction        |  |
| 19/02-18 | Work on theoretical history overview             | Hermeneutics and Abduction        |  |
| 22/02-18 | Work on method                                   | Hermeneutics and Abduction        |  |
| 23/02-18 | Read branding theory and choose the connec       | Hermeneutics and Abduction        |  |
| 26/02-18 | Read and write descriptions on brand reputati    | Hermeneutics and Abduction        | Should we include co-branding and branding of t    |
| 27/02-18 | Meeting with Thomas about method, theory a       | Hermeneutics and Abduction        |  |
| 02/03-18 | Elaborate on SP perspectives and write about     | Hermeneutics and Abduction        |  |
| 03/03-18 | Write on SWOT and brand trust theory             | Hermeneutics and Abduction        |  |
| 06/03-18 | Work on SWOT                                     | Hermeneutics and Abduction        |  |
| 08/03-18 | Revising the research question                   | Hermeneutics and Abduction        |  |
| 09/03-18 | Including TOWS in the empirical analysis         | Hermeneutics and Abduction        |  |
| 13/03-18 | Work on branding theory                          | Hermeneutics and Abduction        |  |
| 15/03-18 | Work on branding theory + TOWS                   | Hermeneutics and Abduction        |  |
| 16/03-18 | Work on TOWS                                     | Hermeneutics and Abduction        |  |
| 17/03-18 | Work on SWOT + TOWS                              | Hermeneutics and Abduction        |  |
| 23/03-18 | Write on introduction                            | Hermeneutics and Abduction        |  |
| 24/03-18 | Write on reliability and validity                | Hermeneutics and Abduction        |  |
| 26/03-18 | Write on methodology and limitation              | Hermeneutics and Abduction        |  |
| 27/03-18 | Write on methodology and send to Thomas          | Hermeneutics and Abduction        |  |
| 03/04-18 | Meeting with Thomas about introduction and       | Hermeneutics and Abduction        |  |



## 11.4 Appendix - Irma Friends clothing






虎牌儿童保温杯

话费充值 | 面膜 | 德运 | 铁元 | sk2 | 眼霜 | 麦片 | 电动牙刷 | 乳胶枕

三 所有分类

首页 今日常时购 每日上新 国家馆 全球旗舰 工厂店 品质奶粉 人气

母婴 > 童装/亲子装 > 宝宝卫衣/毛衣 > 艾尔玛 > 丹麦进口 Irma... 海外品牌直营 IRM



丹麦 | IRMA 艾尔玛

丹麦进口 Irma Friends 春秋0-6个月 婴童棉保暖毛衣


侧身木扣设计, 方便穿脱, 针织做工, 柔软亲肤, 工艺精湛让帽子更好的贴合孩  
年龄0-6个月

售价 **¥186.00** 5.8折 包邮 参考价 ¥320.00

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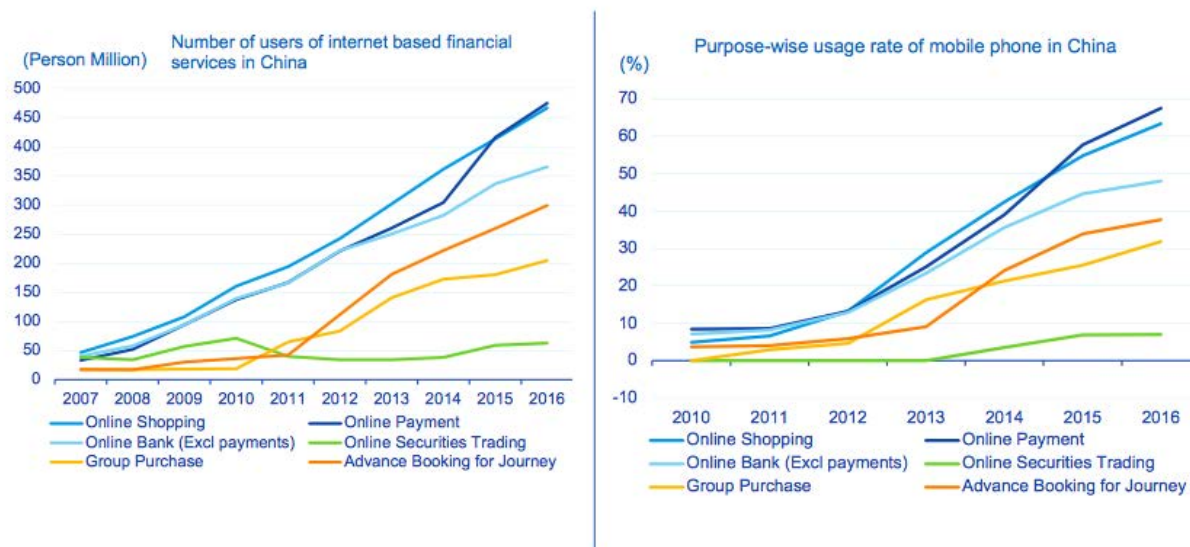
## 11.5 Appendix - BBVA exhibit 1 (Vidal-Abarca et al., 2017)

### Online shopping has far outdone offline shopping in China over the past five years



## 11.6 Appendix - BBVA exhibit 2 (Vidal-Abarca et al., 2017)

### China has seen rapid rise in use of smartphones for online shopping and payments over past 5 years



## 11.7 Appendix - Meeting with Henrik Duus - in Danish

Jeg mener, at det er et problem, at scenario planning primært er lavet på mikroplan. Når man gør det på makroplan, får man det store overblik med.

På makro niveau er tingene meget ordnet og mere stabilt, men på mikro niveau bliver det meget rodet. Derfor er der flere stabile trends på makro niveau.

Det er vigtigt at finde en position for virksomheden indenfor de forskellige scenarier. Tilpas strategien så man kan klare sig godt indenfor de scenarier.

Det kinesiske marked er et analyseniveau.

Porter har lavet en bog om competitive advantage ud fra industri scenarier.

Detailhandlen udvikler sig ikke særlig meget. Omsætningshastigheden er meget høj. Fast Moving Consumer Goods (FMCG). På mikroplan er det en kaotisk branche.

Kina er et ustabilt samfund med mange miljøproblematikker.

## 11.8 Appendix - Interview with Betina Erlandsen at Coop HQ, 15 January - in Danish

Summary: Beslutningen om at sælge produkter i Kina er til dels taget da Direktøren og Morten har børn i samme skole. Det blev også nævnt at det måske ville være relevant at snakke med Leif Larsen som ved alt om hvad Irma står for. Ligeledes fik vi forklaret Betina hvordan vi vil gå til opgaven. Irma i Kina startede jo også der hvor de gerne bare ville sælge nogle Irma produkter i Kina, men det har naturligvis udviklet sig i forbindelse med at projektgruppen har fået større kendskab til hvad Kineserne vil have, hvordan er det deres fokus er og hvordan er det de griber det an. Nu er det jo også kommet til et punkt hvor COOP og skal have Fdb møbler til Kina. Men det er alt andet lige Morten Clausen fra IFC som er the mastermind bag projektet.

Betina nævnte også en Kinesisk kontakt som Morten kender. Han ville være meget relevant, da han giver en ekstern vurdering og har tæt kontakt til den kinesiske ambassade. Vi skal også spørge Morten om han har nogle gode kontakter enten hos Kaola eller lignende. God historie om Irma, den får vi fra Leif Larsen.

Det de har fundet ud af er at müsli og marmelade er meget populært derude. Dog har de oplevet nogen problemer med varedeklarationerne, da Kineserne er meget kræsne og detaljeorienteret. Hvor man i DK gerne må minimere varebeskrivelserne, så skal der stå alt som er i produkterne. Men generelt er Kina meget interesseret i produkterne, hvilket også er grunden til at FDB nu også er interessant for de kinesiske forbrugere.

For Betina gælder det lige nu om at bygge en lille organisation op og få noget system i tingene. Indtil videre er hun alene på projektet, men hun har en LEAN konsulent som skal med indover projektet, så hele processen bliver nøjagtigt kortlagt. Vores projekt er i modsætning til Irma's process, væsentligt mere langsigtet og strategisk. For Irma gælder det også på mange måder om at vende sig til skalaen af eksporten. For det tager både lang tid til at sende og planlægge. Der er også mulighed for at snakke med Morten om at sidde sammen med ham på hans kontor.

## **11.9 Appendix - Interview with Qian, Robin and Angela. 20th January 2018, at Comfort Hotel Vesterbro.**

Topics and Questions:

Briefing: Introduction to thesis subject and an account for the purpose of the interview (Partly by mail.).

The Chinese retail and e-commerce market:

1. What are the market trends in China within organic children's' clothes and organic Danish/Scandinavian food?
  - a. Do you experience a great demand for organic goods in general?
2. The use of online retail in China - who is the target group?
  - a. Is it considered exclusive to shop online?
  - b. How are the Chinese consumers responding to retail e-commerce?

Irma in China and foresight:

3. How is the image of Irma in China and why do you think this is?
  - a. How are the consumers responding to the possibility of buying Irma goods?
4. What are your visions for Irma in China and how do you see it evolve?
  - a. How would you present the Irma brand in a marketing perspective in China?
5. What have you identified to be the biggest consumer oriented implications in Irma's expansion to China?

Transcription of interview:



1. Qian (introduction): We have spent the whole week in our office in Coop to get permitted these products and most importantly we want to convey these distinguished point of sales for Irmas products with Chinese customers and this is very helpful for promoting Irmas brand to Chinese customers because Irmas brand is well-known in the Nordic countries but still brand new in China. We had a four days meeting in the past days, and Robin knows about Irmas key ideas and Robin knows how to communicate these foreign premium brand information with the Chinese customers. Robin also has experience with very premium Japanese brand, so you can ask any questions.
2. Sofie: So we will start with the question about what you see of market trends in China in general for organic children's' clothes and these Scandinavian products in general.
3. Qian: (Chinese translation) forwarding the question to Robin.
4. Robin: (Chinese answer) - from 1:44 to 2:32.
5. Qian: (English translation of the answer) Actually the idea or the concept of organic products appeared in China many years ago but from the very beginning the Chinese customers were not familiar with this concept of organic products and most importantly most of the customers can't trust the organic brand, although in the past many years, many Chinese companies tried to promote their organic brand and educate the customers about the assets of organic products but it seems that the customers still can't accept it fully as in the nordic countries. But in very recent years along with the income increasing in China and there are more and more middle class people in China, so more and more customers would like to buy the organic products and they are willing to know more about the organic products and this area can match the nordic organic brand and this nordic organic idea.
6. Sofie: So you're seeing a greater demand in these products?
7. Qian: Yes, exactly!
8. Sofie: Alright, so in terms of this, what do you say, e-commerce retail part which Kaola is a representative of, do you see a big demand for this? Is it something that people do? Like they are willing to buy online their retail?
9. Qian: (Chinese translation) forwarding the question to Robin.
10. Robin: (Chinese answer) from 4:52 to 6:34.
11. Qian: (English translation of the answer) As I just told you, Kaola is actually currently the biggest e-commerce platform in cross-border trade and, you know, Kaola belongs to this bigger Netease and Netease is the biggest, one of the biggest, internet companies in China and Netease performed the best in the area of internet media and email service. Actually Netease is one of the earliest company to enter this email service for Chinese people and after they won this pioneer internet service for Chinese people, they accumulated this middle class and middle above class customers in China. They have this potential customers and they could use their internal channel to track these, the traffic flow of this middle class and middle above class customers to their new e-commerce platform Kaola and this is the biggest pro for the premium customers in Kaola

- in the future and as a result, Robin is very optimistic for these premium products, organic products consumption in Kaola and also for Irma in China.
12. Sofie: So this Netease and Kaola have a very large target group in the middle class and middle above class?
  13. Qian: Yes exactly.
  14. Sofie: So, in general, how is this image of, we know that Irma is very popular in China, but can you describe maybe, more about how the image is of Danish goods and Irma in particular?
  15. Qian: (Chinese translation) forwarding the question to Robin.
  16. Robin: (Chinese answer) from 9:20 to 10:35.
  17. Qian: (English translation of the answer) So two aspects regarding to this issue; first of all what Robin just talked about, the general image of Danish products and Danish brand in China and how is the status of that in China. First of all, Denmark, this country, is the happiest country and so it has a very premium and very elegant image, this country. To Chinese customers and besides this, Danish products also target for this top level for Chinese customers in China, such as Lego, Pandora and Danish cooking. Danish cooking is the most popular cooking in China. (Talks to Robin in Chinese).
  18. Robin: (Chinese answer) from 11:37 to 11:46.
  19. Qian: (English translation of the answer) And also, for those top level niche market such as this biological technology and biological machine that is also well-known in China and those top Chinese companies in this area would like to buy lots of these premium products from Denmark. So as a background for Irmas development in China in the future, Denmark, this country and other Danish companies, premium companies, top companies, they are already, very friendly and well-known reputation in China, which is very beneficial for Irmas development in china in the future.
  20. Sofie: So, this is the vision for Irma in China?
  21. Qian: Yes, exactly. Irma were target for this above middle class level in China.
  22. Sofie: How do you, do you have any specific goals or methods that you would see it evolve in the Chinese market?
  23. Qian: You mean for Irma?
  24. Sofie: Yes.
  25. Qian: (Chinese translation) forwarding question to Robin.
  26. Robin: (Chinese answer) from 13:17 to 14:24.
  27. Qian: (English translation of the answer) Because Irma is a new brand, which was just introduced to Chinese customers in the second half of 2017, and before Irma entering into Kaola's platform, naturally, we had a long time communication discussion with top management in Netease and supporting Irma to the top level and Kaola has already listed Irma as the key account store in Kaola, which means that the Kaola and the Netease try their best to support Irmas operation in the future and according to our meetings in the past two days in Coop's office, we targeted to 40-50 million in China in 2018, which is a very ambitious target for a new introduced brand or company in China.
  28. Robin: (Chinese) from 16:04 to 16:30.

29. Qian: (English translation) Robin also just emphasised that if we could achieve this expectation of 40-50 million in this year, then according to his experience, it is not a challenging part for us have it increase of for 50% in the next year, because among this key account store and brands in Kaola, most of their other stores normally have the turnover of more than 100 million per year. So both Netease, Kaola and all of us, are very optimistic to the rapid growth of Irma in China.
30. Sofie: So do you see any, last question, do you see any or do you experience any kind of implications towards the customers? Are there any, so there is no problems yet?
31. Qian: Any challenges?
32. Sofie: Yes, any challenges?
- 33.
34. 18:00
- 35.
36. Qian: (Chinese translation of answer)..”Phone rings”.. Our other colleague will come and
37. Sofie: Okay sure.
38. Qian: “Chinese talk with colleague on the phone”, okay sorry
39. Sofie: No, it is okay!
40. Qian: (Chinese translation) informing Robyn about the other Angela’s arrival.
41. Robyn: (Chinese answer) - from 18:.. to 20:12.
42. Qian: (English translation of answer) we just talk about these chinese customers trust towards the organic products and organic brands. Although the middle class is growing very fast and the chinese general income grows very fast, they therefore of course have a very high demand on the premium organic products, but at the same time,they are concerned about the authenticity about these organic products and organic brand. It their past experience, they dont have a 100% trust in Chinese domestic products and organic brands. However they have a different attitude towards the imported brands and the imported organic brands. As I also just said, other Danish brand they are pioneering brands in china and the are building up a very good reputation for danish companies and for Denmark, you know this country. This is very good for us to start this new adventure of organic food in China.
43. Sofie: yes
44. Qian: But the problem is that we are just entering into China market and we need to invest more resources to build up the trust about our brand to convince the chinese customers to trust, accept and believe and have a strong confidence about Irma. This is also a part of our big market plan for 2018, where we would like to promote Irma’s brand in all the major marketing media channels and all the influential marketing conferences in China
45. Sofie: Okay
46. Qian: to introduce the Irma brand as fast as possible to Chinese customers.
47. Sofie: mmh okay

48. Qian: in fact we just signed a deal to make this Chinese wikipedia, because you know Google is unfortunately forbidden, but China has its own domestic google, which is called ByDO.
49. Sofie: mhh
50. Qian: so we just made this strategic decision to make this very professional and comprehensive brand introduction and product introduction for Irma
51. Sofie: On Chinese media?
52. Qian: Yes on Chinese Google - so that every time to search these Irma Keywords on this Chinese influential website, you will get a full list of introduction for Irma
53. Sofie: Aha Okay, so this is the master marketing plan?
54. Qian: Yes this is the masterplan and a big start to market Irma's brand and of course afterwards, we will also invest resources in other leading marketing channels in China to promote this brand. A most importantly we will check all the indirect traffic flow to our Irma store
55. Sofie: yes
56. Qian: yes in CHina, then after, first of all we will introduce and promote this brand but after the customer know a little or some about this brand, then they are attracted to our store. Then they will make the decision to buy some products and try to test our products and then. Because our products is perfect and incomparable,
57. Sofie: giggles
58. Qian: simply incomparable in a way, because Irma is one of the oldest supply chains in the world
59. Sofie: mhh
60. Qian: and the quality of the products, there is no, not any disadvantages about the product. This product is the best premium incomparable product in China and its organic products. So after the Chinese customers test it, they will definitely give good and positive feedback on our website. Then they will promote our product to their friends
61. Sofie: Yes word-of-mouth
62. Qian: yes, so this is our general and current marketing strategy for Irma's products and Irma's brand in China.
63. Sofie: interesting
64. Robyn: (Continues Chinese answer) 25:20-26:44
65. Qian: (English translation of answer) He just gave a bit more information about the marketing and promotion for Irma, because 3-5 years ago there were many brands, when they were first introduced in China, many of them still used to Offline (marketing) Channels to promote their brand like demo-tasting, advertisement on tv or advertisement in the Newspaper, which are all these traditional channels to promote brands. But in more recent years, the marketing promotion and its methods changed a lot because of the internet.
66. Sofie: yes, the digitalization.



67. Qian: yes and the type and the style of marketing promotion is more like, you call it breaking news, if they have some breaking news about some new concepts or new brands it will reach to fastly and broadly among the customers and this would broadcast the brand very influentially in maybe only would night, and reach hundreds of million of people, so this is a very good way.
68. Sofie: (the other colleague arrives) oh Hi!
69. Qian: This is our other colleague!
70. Everyone greets each other. 28:50
71. Qian continues: with this brand, Robin is also very optimistic towards the marketing promotion of Irma and the rapid growth of Irma online.
72. Sofie: okay very good - I don't know if we should ask Angela some questions?
73. Qian: yes yes yes, (Talks to Angela) we just went through these questions with Robin, so maybe you would like to get some more answers from you?
74. Angela: yes okay.
75. Qian: a maybe introduce more interesting information to them?
76. Angela: okay
77. Sofie: or if you start by saying more about what you work with in terms of Irma in China, or what is your position?
78. Angela: Position? mhh how to say... well this a new brand for the Chinese people, but we all believe that this irma organic idea will be agreed
79. Qian: (Interrupts in Chinese)
80. Angela: ... and therefore our project is responsible for whole country, for our procedure including some translations sometimes
81. Qian: Angela is a key koordinator in China to communicate or to facilitate the communications between Denmark and China. Angela is also responsible for the operationwork between their team and Kaola's platforms. It is actually a hub to radiate information to everybody.
82. Everyone: \*giggles\* and says ahh okay.
83. Sofie: maybe in general, could you tell us a bit about how many you are, who works on the project in China?
84. Angela: You mean for our project? about ten
85. Qian and Robin: yes ten
86. Sofie: okay and where are you located in the country? In Beijing or?
87. Angela: oh no
88. Qian: no no, they are located in Hangzhou
89. Sofie: ahh okay
90. Qian: Have you been to China?
91. Sofie: no \*giggles\*
92. Qian: Next time, you should take a trip
93. sofie: yes, I want to go!
94. Qian: good, Robin also says that you are quite welcome to visit their office
95. Everyone: \*giggles\*

96. Qian: and if you visit their office, they could arrange a speciale office for you to sit an work for several days. So you are very welcome
97. Sofie + Michelle: Thank you very much!
98. Robin: (Adds in Chinese)
99. Qian: So Hangzhou is one of the biggest cities
100. Sofie: yes I heard about it, it is sought of the tech capital right?
101. Qian: no not capital, it is next to Shanghai and has population of 8 mio. and it is the biggest city for e-commerce in China. Do you know Alibaba.com?
102. Sofie: yes
103. Qian: Alibaba's headquarter is...
104. Robin: (Adds in Chinese)
105. Qian: Alibaba's HQ office is only 10 minutes for their office
106. Sofie: ahh okay, very good
107. Qian: ..and 10 people is only the starts staff for operating this project. For 2018, we have a plan to target 20-30 more staff into this Coop project.
108. Sofie: very nice. Well, we don't really have anymore questions - but we would really like it, if we could reach out to you at a later point in time to ask more questions, if something comes up.
109. Qian: sure sure sure, you are quite welcome to ask Robin or Angela, they know everything! Every detail about our projects. I think they could leave their email and mobile no. If you don't mind.
110. Sofie: Lastly, if you could just repeat your description about Robin's position to the recorder?
111. Qian: Sure, Robin is the Project manager, Angela is key coordinator and head of daily operations in China.
112. Sofie: and your own position?
113. Qian: I am currently employed as head of operations in Coop.
114. Sofie: But do you work in China or are you here in copenhagen?
115. Qian: well, I am based in Copenhagen, but I travel to China very often.
116. Sofie: (In Danish) For optagelsens skyld, så er vi på Comfort hotel på Vesterbro og det er idag d. 20 Januar. Vi sidder her Michelle og Sofie og vi har interviewet den kinesiske delegation fra Irma, som arbejder på Irma i Kina projektet.
117. Interview continues with exchange of contact information and gift giving.

#### **11.10 Appendix - Interview with Morten Clausen, the Head of Business Development on the Irma in China project on 23th january 2018, IFC (Nivå) - in Danish**

Topics and questions:

Briefing: Introduktion og beskrivelse af projektet samt en redegørelse for formålet af interviewet. (Delvist gjort per mail).

- Transcription of interview:

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en, i internettets tidlige stadie, har han den der vision, at han sådan set sørge for, at Kinesiske virksomheder, kan sælge deres varer i Europa, via de helt traditionelle hjemmesider. I forbindelse med at han gør det, så laver han en handelsplatform som består af Alibaba, på den ene side, det er B2B, altså en producent af køkkenruller, som gerne vil sælge køkkenrulleholdere til Imerco f.eks. og så kan Imerco gå ind og finde den producent og så kan han så bestille en ordre eller et eller andet. Ligesom sådan en slags messe. Og sideløbende med det laver Jack Ma så en handelsplatform som er Den Blå Avis koncept, hvor en person privat kan sælge hvad han nu vil sælge, et brugt par sko, eller noget kunstværk han nu har lavet eller en træstol, whatever.

6. Michelle: Mhh, ja ja.
7. Morten: Et eller andet til en anden forbruger. Og den eksploderer helt sindssygt, den skaber faktisk enormt mange arbejdspladser, fordi pludselig kan man jo som kunstner i det indre Mongoliet og lave et maleri og så kan man sælge det til en køber i Beijing.
8. Sofie: Mhh, ja.
9. Morten: Altså helt fantastisk.
10. Sofie: Ja det kan man forestille sig, det har været ret..
11. Morten: Så det har været ret visionært.
12. Sofie: Ja, ja.
13. Morten: Og det starter så op af det og en udløber af det er jo hele det der e-commerce forretningsområde udvikler sig hen over de tidlige 2000-tal.
14. Sofie: Mhh.
15. Morten: Og fremme i 2005, nej faktisk i 2008, helt fremme i 2008, der begynder Alibaba og lave en platform som er baseret på cross-border trade,
16. Michelle: Mhh,
17. Morten: Altså handel over grænser.
18. Sofie: Ja.
19. Morten: og det kommer som udløber af, at det kinesiske samfund har jo en fantastisk udvikling, hvor det går fra at være et bondesamfund i 1990'erne eller helt op til midten af 90'erne. Ja, du har det jo faktisk tilbage fra Mao, Mao Chez chung overtager efter 2. verdenskrig styringen.
20. Michelle: Ja.
21. Morten: Og Mao fik jo Hitler og Stalin til at ligne sådan en hyggeonkel, ik, han slog, hvad var det, 70 millioner mennesker ihjel eller sådan noget helt forfærdeligt. Og det snakker man ikke om i Kina i dag.
22. Michelle: Nej det kunne jeg godt forestille mig.
23. Morten: Og efter Mao døde, der opblomstrede faktisk hans modstandere, Maos modstandere, det var faktisk dem som ligesom kom, fik gang i de økonomiske reformer, som gjorde at Kina blev verdens vækstmotor så vidt angår produkter.
24. Sofie: Ja.
25. Morten: Og hele den enorme vækst, som det skabte, man køber nogle varer i Kina, som lægger nogle avancer og mange kinesere blev enormt velhavende, altså meget meget velhavende.

26. Michelle: Mhh,
27. Morten: Og hele den proces og den vækst der har været har jo forårsaget at det jo er eksploderet, så det der var problemet i 2008, det skal ses med baggrund i det historiske forløb. Fordi pengestrømmen er kommet ind over 2-3 generationer. De begynder jo gerne og vil have vestlige varer
28. Michelle: Ja,
29. Morten: altså de vil gerne have Louis Vuitton og Chanel og Gucci og fine læderbukser som jer og alt sådan noget, du ved ik.
30. Sofie: Ja,
31. Morten: Og se lidt smarte ud, ik.
32. Michelle: Ja.
33. Morten: Og så sker der jo det at de går ind på nettet og så shopper de bare hele i verden, altså Bloomingdales, Harrods og Illums Bolighus, you name it.
34. Michelle: Ja.
35. Morten: Og det der pakke-helvende eksploderer jo fuldstændig sindssygt,
36. Michelle: Mhh,
37. Morten: Altså helt sindssygt. Vi snakker hundredvis af millioner pakker der ryger ind til Kina.
38. Michelle: Ja.
39. Morten: Fra alle mulige destinationer i verden. Og det vil den kinesiske regering sådan set gerne have en lille smule styr på, Kina det er kontrol
40. Michelle: Ja,
41. Morten: så det der det går ikke. Så Alibaba laver en alliance med staten og siger prøv at hør her, vi laver en cross-border trade platform, hvor mærkevarer leverandørerne kan sende deres varer ind på et lager i Kina, skattefrit, derfra kan varerne ryge ind til de kinesiske forbrugere og så sker det over et kontrolleret miljø.
42. Sofie: Mhh.
43. Morten: Som staten så styrer. Og så i starten var der ingen moms ingen afgifter noget som helst på og så var der en begrænsning til hvor meget du må købe hver måned.
44. Michelle: Mhh.
45. Morten: Og siden hen har staten jo så lagt afgifter på det der, så nu begynder de så på skatter og afgifter på det der.
46. Michelle: Mhh, ja.
47. Morten: Så det er jo sådan set meget fornuftigt. Det er sådan det starter.
48. Michelle: Okay.
49. Morten: og i den spæde start, der kommer vi ind, den første spiller på det her cross-border trade i stor stil, det var Cosco, det amerikanske Cosco selskab. De havde en kæmpe vækst og en kæmpe succes. Sidenhen, der kom Metro og mange andre supermarkedskæder. Vi starter op som en handelsplatform, IFC, hvor vi har forskellige brand i Europa. Danmark og Tyskland, Italien.
50. Michelle: Mh hm.

51. Morten: Også lidt fra Holland, Frankrig og England. Og i den forbindelse der arbejder vi med at få de varer visualiseret overfor kunderne og få dem solgt. Og den, det kører sådan set okay, vi tjener ikke nogle penge, men vi får da solgt nogle varer.
52. Michelle: Ja.
53. Morten: Altså, det største salg vi havde var sådan 50.000 pakker müsli på en dag, ik.
54. Sofie: \*griner\*
55. Michelle: Ja.
56. Morten: Men vi får en erfaring med det her og sideløbende med det får vi større og større erfaring og jo større erfaring vi får, så finder vi faktisk ud af, at det jeg faktisk har siddet og lavet var meget visionært.
57. Michelle: Mhh.
58. Morten: Det finder jeg af uden sådan set, ikke fordi man skal sidde og rose sig selv, men du ved, så er der faktisk ikke andre, der har lavet det.
59. Sofie: mh mh
60. Morten: Så det viser sig faktisk, at jeg er den eneste i Danmark der overhovedet er turde at gå ind i det her miljø
61. Michelle: Okay,
62. Morten: som firma, person og vi er gået ind på fødevarer
63. Michelle: Ja.
64. Morten: First mover
65. Sofie: Ja.
66. Morten og det synes Coop sådan set var en sjov idé og de kommer så med et købstilbud på vores virksomhed og de overtager så virksomheden i marts i år.
67. Michelle: Mh.
68. Morten: Efter vi faktisk kun har været i luften i halvandet år.
69. Michelle: okay.
70. Morten: Så halvandet år, så sælger vi virksomheden.
71. Michelle: Okay. Og hvornår var det?
72. Morten: I marts, 22. marts i år, sidste år, undskyld ja.
73. Michelle: Okay, ja.
74. Morten: 2017, ik
75. Michelle: Ja, okay.
76. Morten: Så ehm, og hvorfor køber Irma, du startede med at stille spørgsmålet, hvad er min position her,
77. Michelle: Ja,
78. Morten: det er jo så, at min opgave er så, i de næste 3 år at sørge for at Irmas brand, fordi man har så vurderet, i Coop, som I ved Coop har SuperBrugsen, Kvikly og Kvikly Ekstra og Irma og den mest eksklusive platform det er Irma.
79. Michelle: Mh.
80. Morten: og vi er alle sammen bekendt med Irmas varer, Irmas brand og vi er allesammen nok enige om, at det er rimelig gode varer der er i Irma,
81. Michelle: ja.

82. Morten: sådan ret lækre. Og vi er også enige om de er dyre, sikkert for en studerende som jer.
83. Michelle: mh. \*griner\*
84. Morten: Vi er nok lige over the price budget der.
85. Michelle: ja.
86. Sofie: \*griner\* ja.
87. Morten: For sådan en som mig, som har måske en lille smule flere penge om måneden, der kan vi godt have råd til at gå i Irma.
88. Sofie: ja.
89. Morten: I hvert fald, så sker der det, at man vil markedsføre Irma, fordi Irma er indbegrebet af økologi, garanteret allergi-fri produkter, miljøvenlige produkter og alle de her gode ting, som I så i brevet jeg sendte til jer.
90. Michelle: mh.
91. Sofie: ja
92. Morten: Og det synes man i Kina er meget interessant. Kina kan godt lide økologi, de kan godt lide sikkerhed, fordi der har været så ekstremt mange fødevareskandaler
93. Sofie: ja.
94. Morten: om alt muligt, det kan I bare google: food scandals in China, så kommer der sådan en 606 listes der.
95. Sofie: ja
96. Michelle: okay ja.
97. Morten: hvor de putter melamin i mælkepulveret og jeg ved ikke hvad.
98. Michelle: nå
99. Morten: altså helt forfærdeligt. Så kineserne har meget tillid til europæiske varer og de har meget tillid til danske varer, så det er jo en god start.
100. Michelle: ja.
101. Morten: og så, ja så gør vi sådan set det, at så bruger vi det første halve år på at sælge de gamle varer vi har fået bygget op, for at få det ligesom væk, for vi skal jo ikke sælge andres varer, vi skal kun sælge Irmas varer.
102. Sofie: mh
103. Morten: og, men Irmas vision og Coops vision er jo ikke bare at det skal være godt for Coop, det skal også være godt for producenterne. så får de flere ordrer.
104. Michelle: ja.
105. Morten: så sådan set, i stedet for at en eller anden producent af marmelade, selv skal gå ud og lave en platform i Kina, og tabe penge på det, fordi det kan de ikke finde ud af og det vil blive alt for dyrt.
106. Michelle: mh.
107. Morten: så kan de jo bare sælge deres marmelade til Irma og brande det under Irma så får de dermed indirekte solgt deres varer i Kina.
108. Michelle: ja.
109. Morten: så på den måde er det sådan set et meget godt set-up for mange leverandører.

110. Michelle: ja.
111. Morten: rigtig stærkt set-up. Hvis jeg var leverandør, ville jeg hellere leverer til Irma og lade dem tjene lidt penge, eller tabe lidt penge,
112. Michelle: \*griner\*
113. Morten: afhængig af hvor på skalaen du ligger.
114. Michelle: Ja.
115. Morten: end jeg selv ville gøre det.
116. Michelle: mh ja. Det kræver vel også en del ressourcer.
117. Morten: det kræver enorme ressourcer, det kan slet ikke beskrives.
118. Michelle: nej.
119. Morten: og det var også derfor vi besluttede at sælge vores firma, fordi vi havde simpelthen ikke de finansielle ressourcer til at fortsætte.
120. Michelle: nej.
121. Morten: det var ikke muligt.
122. Sofie: nej.
123. Michelle: nej, men var det så, det var Coop der fik idéen til projektet her med Irma i Kina?
124. Morten: ja Coop kontaktede mig for at få eller det var sådan en, jeg handlede jo i forvejen med Coop i nogle andre selskaber, så vi kender jo hinanden.
125. Michelle: jo,
126. Morten: så sidder man jo og snakker og du ved, om det var den ene eller den anden, det kan jeg ikke lige,
127. Michelle: nej nej
128. Morten: det er også lige meget.
129. Michelle: mhh
130. Morten: ik
131. Michelle: okay, men hvordan ser rammerne ud for projektet sådan lige nu?
132. Morten: jamen så, er det, så har vi, det er sådan set et meget godt spørgsmål, for du har jo to rammer.
133. Michelle: ja.
134. Morten: den ene ramme det er, den ene ramme det er Coops private label baseret på T-more og den anden ramme det er Irmas private label på Kaola.
135. Michelle: okay.
136. Morten: og Kaola har så 3 platforme, den ene er en grossist platform hvor de selv sælger, brands, grossist, altså hvor de står for salget.
137. Michelle: ja.
138. Morten: den anden er en platform hvor Irma står for Irmas butik, sådan en slags flagship store.
139. Michelle: Mh.
140. Morten: pop-store, som i har set. og den tredje det er en der hedder yen chen som er en Kaolas private brand men hvor vi så brander det under yen chen by Irma.
141. Michelle: okay.



142. Sofie: ah
143. Morten: Det er sådan set meget smart.
144. Sofie: ja.
145. Morten: fordi så får vi 3 sikkerhedsventiler. at kunne køre varerne ud 3 steder.
146. Michelle: ja.
147. Sofie: ja ja.
148. Michelle: okay. Og hvor mange er i der arbejder på det her fra Danmark af?
149. Morten: vi er Qian og så er vi, vi sidder 3 mand heroppe og arbejder på det og så har Coop sat ressourcer på ude fra hovedsædet.
150. Michelle: okay.
151. Morten: hvor der så er en række medarbejdere, men det er jo ikke deres fuldtidsjob,
152. Michelle: nej nej.
153. Morten: det er jo sådan en indkøber sm der køber alle mulige andre ting og så sætter vi ham på, altså som et, altså nogle timer om ugen til at hjælpe, et eller andet ik.
154. Michelle: ja, ja. så det er faktisk kun Betina der arbejder med det fuldtid?
155. Morten: ja, ja, så ressourcerne kører ude på Coops eksisterende struktur
156. Michelle: ja.
157. Morten: og det gør jo omkostningsstrukturen er jo bedre ik
158. Michelle: jo.
159. Morten: fordi du har flere funktioner.
160. Michelle: ja.
161. Morten: altså du skal ikke leve af det her fra start af.
162. Michelle: nej nej.
163. Morten: altså du kan godt køre med underskud et år eller to ik
164. Michelle: jo
165. Morten: altså for investeringen.
166. Michelle: ja.
167. Morten: for at lave overskud i sådan en forretning her kræver det at du kommer op på over at have, jeg vil sige over 40 millioner i omsætning.
168. Michelle: ja, og det er i langt fra nu?
169. Morten: ja, altså alt har jo en start, du starter på 0.
170. Michelle: ja ja,
171. Sofie: \*griner\*
172. Morten: du starter med at sælge en pakke musli til 49,95 ik.
173. Michelle: ja det er rigtig. jo.
174. Sofie: ja der er lang vej igen.
175. Morten: så omsætter du for 49,95 ik, så kan du jo regne ud, så mangler du en million salg, så er du oppe på 49 millioner 995 tusinde ik
176. Michelle: ja
177. Sofie: jo
178. Morten: så har du 999.000 baskets tilbage.

179. Michelle: ja.
180. Morten: og så kan du stille dig selv det gode spørgsmål, hvordan når jeg det?
181. Michelle: ja
182. Morten: \*griner\*
183. Michelle: jeg kan også forstå, det er også en rimelig svær, altså med at få varerne til Kina, det er også en ret stor udskrivning.
184. Morten: ja logistikken er kompliceret.
185. Michelle: ja
186. Morten: mange leverandører og men det er jo ikke mere kompliceret end man, man skal jo ikke komplicere det mere end højst nødvendig.
187. Michelle: nej nej.
188. Morten: det er jo bare, at sende varerne afsted, men du har så en vare risiko, det er jo så når varen kommer til Kina, og så ikke sælger, hvad gør du så ik?
189. Michelle: ja ja, det er rigtig.
190. Morten: fordi varen udløber jo, så du kan ikke sende den tilbage igen.
191. Michelle: nej
192. Morten: det er sådan en enkelt billet det der.
193. Michelle: mh.
194. Morten: du har ikke returbillet, fordi.
195. Michelle: nej.
196. Morten: det er kun os der har det.
197. Michelle: ja. men udover at der sådan er en generel interesse for danske produkter i Kina, hvad er det så der gør det kinesiske marked så attraktivt for Coop?
198. Morten: mængden!
199. Michelle. mængden? okay.
200. Morten: hvis du har Coop som forretning så kan du sige, altså jeg tror ikke rigtig at Superbrugsen gider åbne flere butikker, det ved jeg ikke, det er ikke mit område at svare på det.
201. Michelle: nej nej
202. Morten: men men selvom de åbner en butik til, en Irma butik til i København eller en Superbrugs ovre i Århus eller et eller andet, altså det er jo ikke det, der får omsætningen til at stige...
203. Michelle: nej.
204. Morten: ... fra 41 mia til 42 mia.
205. Michelle: nej,
206. Morten: det får dem til at stige fra 41 mia til 41 mia og 5 mio eller sådan et eller andet.
207. Sofie: ja.
208. Morten: altså du ved. der er ikke rigtig mere vækstpotentiale i Danmark, fordi der er så mange butikker i forvejen
209. Sofie: nej.
210. Michelle: ja, så det er ligesom mættet for at skulle vokse sådan.

211. Morten: Ja så skulle man sådan sige, hvis man ser på det fra sådan et perspektiv, sådan et luftperspektiv, så er det jo det måske giver mere mening at bruge lidt flere penge på at få 1 butik kørende, men for 1 mia mennesker, i stedet for at få en butik kørende for en lille by på 50.000 indbyggere, ik.
212. Michelle: ja, ja det giver meget god mening.
213. Morten: Det er sådan set ...
214. Michelle: ja.
215. Morten: ..målsætningen.
216. Michelle: mh.
217. Morten: mulighederne er der, potentialet er der, men der er mega lang vej, fra idé til handling
218. Michelle: ja.
219. Morten: og til virkelighed.
220. Michelle: ja.
221. Morten: der er eddermame lang vej.
222. Sofie: ja
223. Michelle: det kunne jeg godt forestille mig.
224. Morten: ja,
225. Michelle: men hvad er så jeres sådan fremtidsvisioner for Irma i Kina? Hvor ser I sådan det her gå hen?
226. Morten: altså jeg så gerne at vi fik, vi har en hel række, vi har sådan 60 produkter vi sender afsted nu til Kina ik. jeg så gerne at vi fik, jeg så gerne at vi fik vores flagship store op at stå i år.
227. Michelle: mh.
228. Morten: sådan virkelig kørende
229. Michelle: ja.
230. Morten: det er vigtigt.
231. Sofie: men stadig online? online flagship store?
232. Morten: ja, den skal op at køre og den er oppe at køre nu. men der skal mange flere produkter på. Vi er løbet tør for varer allerede altså.
233. Michelle: ja
234. Morten: der er ingenting
235. Michelle: nej
236. Morten: Det er sådan lidt pinligt.
237. Sofie: ja
238. Morten: ik, fy Morten \*griner\*
239. Michelle: \*griner\*
240. Morten: Så så jeg gerne at vi fik vores grossist platform op at køre med måske 10-15 varer eller sådan rigtig, rigtig køre, du ved, og grossist platformen, det er jo store mængder hver gang.
241. Michelle: ja

242. Morten: altså, hvis vi forbereder os rigtigt, og hvis vi kører vores rigtige kampagner og vi får støtten med fra Kaola, så kan vi på 1 kampagne to dage, en til to dage, køre den samme mængde ind på en vare, som Irma sælger på et halvt år.
243. Sofie: \*griner\*, ja det er ret sindssygt.
244. Morten: det er sådan for at sætte det i perspektiv
245. Michelle: ja,
246. Morten: og den regel holder sådan set meget godt. Fordi det kan være, hvis vi tager en vare som musli, der omsætter du jo enormt mange varer, folk spiser müsli hele tiden ik.
247. Michelle: mmh
248. Morten: men hvis vi tager en vare som f.eks. Irmas ansigtscreme til mænd, ik altså, den sælger ikke lige så meget som en musli, det siger sig selv ik.
249. Michelle: nej,
250. Morten: men Irmas ansigtscreme til mænd vil du stadig sælge svarende til den halve, det er så bare mængden, bare mindre, kan du følge mig?
251. Michelle: mmh,
252. Sofie: jo
253. Morten: Men det er stadig samme mængde, altså procentmæssigt.
254. Michelle: ja.
255. Morten: det kan du rykke på en dag, hvis du vil, det viser perspektivet.
256. Michelle: ja, men så det vil sige når det er på grossist platformen, vil det så betyde, at det faktisk kommer ud i fysiske butikker at stå rundt omkring i Kina?
257. Morten: alt online
258. Michelle: alt online
259. Morten: 100%
260. Michelle: okay
261. Morten: ingen fysiske butikker
262. Michelle: nej
263. Morten: cross-border trade det gør at varen er, det er det samme som du sælger den herfra til Kina eller om du sælger den fra landet til Kina. Det er den samme vare med danske deklarationer. Hvis du begynder at sælge det vi kalder offline,
264. Michelle: ja
265. Morten: altså i butikkerne
266. Michelle: ja i butikkerne
267. Morten: så skal du importere varerne til Kina
268. Michelle: mh,
269. Morten: det er en helt boldgade.
270. Sofie: nåå
271. Michelle: ja, så skal man begynde at følge alle deres regler og
272. Sofie: okay
273. Morten: så skal du følge alle deres fødevarestandards og sådan noget. Og GB standarder og hvad hedder det og jeg fortæller dig, det er kompliceret.

274. Michelle: okay.
275. Morten: det skal vi også til at lave.
276. Michelle: ja
277. Morten: men det er noget helt andet. det er et helt andet projekt der er
278. Sofie: Betina snakkede lidt om at der er noget med nogle varedeklARATIONER, der skal være meget mere udførlige end.
279. Morten: åh det er, det kan man ikke engang snakke om
280. Sofie: nej nej
281. Morten: det er bare så kompliceret.
282. Sofie: ja ja, og plus, jeg forestiller mig også, det er bare lige et supplerende spørgsmål, netop i forbindelse med at man skal sende en masse varer og at det tager jo lang tid at få dem derud og sådan noget, der ville de hurtigt lægge mærke til de fysiske butikker, hvis der mangler varer på hylderne, end at hvis den bare er udsolgt på nettet, eller sådan
283. Morten: ja
284. Michelle: ja
285. Sofie: hvis der lige pludselig er et helt supermarked der står tomt, fordi at uh, det der skib der, det er forsinket eller, altså så.
286. Morten: ja, men du bliver rated hele tiden derude og et af de problemer er, det er at det skal man jo, hvis man handler online i Kina, den tror jeg det er meget vigtigt I forstår at få med,
287. Sofie: mh
288. Morten: det er at den algoritme der er lavet, på det der online salg, den algoritme der er lavet, den er mega kompliceret
289. Michelle: mh
290. Morten: der er ikke rigtig nogle der forstår den
291. Michelle: nej
292. Morten: men den algoritme der er lavet, den har den konsekvens, at mange af dine produkter og dine kampagner og dit lager og dit, alt muligt, det bliver hele tiden vurderet af computere, ikke af mennesker
293. Michelle: nej
294. Morten: det er jo data, big data,
295. Sofie: ja,
296. Michelle: mh
297. Morten: så det er algoritmen der vurderer. Hvis vi så f.eks. løber tør for varer, så vil computeren give dig negativ rating.
298. Sofie: mh
299. Michelle: okay, og hvad betyder den negative rating?
300. Morten: det betyder så kan du ikke få tildelt markedsføringsressourcer.
301. Michelle: okay, så er man ikke så synlig
302. Morten: så går det ned i en spiral der er nedadgående, kan du følge mig?
303. Michelle: ja

304. Morten: så tager de jo nogle andre varer, så tager de nogle andre firmaer i stedet for dig.
305. Michelle: okay
306. Morten: så får du ikke gratis markedsføringsressourcer, så kommer du ikke ordentligt på og så har du ingen vækst, så har du nedadgående og så kan du lige så godt lukke butikken faktisk.
307. Michelle: ja
308. Sofie: åh
309. Morten: det er helt vildt!
310. Michelle: så det er sådan lidt i spil imellem at man skal have nok varer på til at
311. Morten: ja og du skal være obs på de der ratings hele tiden
312. Michelle: ja, men også at det skal være noget de gider at købe, så man jo ikke bare har et lager at stå
313. Morten: ja, du har hele risikoen
314. Michelle: ja
315. Morten: og hvis du ikke performer der og ikke får nogle nye varer, så vil de replace dig
316. Michelle: mh
317. Morten: så er du bare the bad guy
318. Michelle: ja
319. Morten: du bliver straffet uanset hvad
320. Michelle: ja
321. Morten: derfor er det virkelig tough det der
322. Sofie: ja
323. Morten: der er ingen der har ondt af dig hvis du har 10.000 pakker müsli på lager der ikke sælger, fordi de ikke kan lide den nød du har puttet i
324. Michelle: mh
325. Sofie: \*griner\*
326. Morten: så kan du bare smide hele lortet ud
327. Michelle: ja
328. Sofie: ja
329. Morten: ups
330. Sofie: ups
331. Morten: den vare solgte ikke, vi afskriver lige 500.000 ik
332. Sofie: ja ja
333. Michelle: jo, det er noget af en risiko
334. Morten: bum, du ved ik
335. Michelle: jo
336. Morten: trækker jeg i snoren der på lokummet ik, farvel
337. Sofie: \*griner\* ja
338. Morten: den skal du altså lige tænke over
339. Sofie: ja

340. Morten: og så har du så det når consumer, hvis du så ikke forstår og det er alt for at matche billederne af det samme som produktet, du ved, og det vurderer consumer på og rykker på sådan en stor algoritme, det er hvordan er dine varebeskrivelser i forhold til det det fysisk er og alle sådan nogle ting
341. Sofie: ja
342. Morten: det er virkelig kompliceret
343. Michelle: mmh
344. Morten: og det der, det skal du ikke underkende
345. Sofie: nej
346. Morten: det er det vigtigste i hele projektet
347. Michelle: mmh
348. Morten: det er ratingen
349. Michelle: ja
350. Morten: det er
351. Sofie: rating
352. Morten: det er rating, rating, rating og det er rating på alt: hvor hurtigt kommer varen, hvordan var pakningen, var det en repræsentativ pakning, var det, altså.
353. Michelle: ja okay
354. Morten: hvordan duftede pakken da den kom frem? er der nogle der har siddet og pudset næse i den altså
355. Michelle: \*griner\* nå
356. Morten: alt sådan noget, altså helt sindssygt!
357. Michelle: ja, det er igen det der kontrol de har i Kina
358. Morten: ja,
359. Michelle: ja, men vi kan jo både høre nu her og også under vores interview med Robin, at der meget store ambitioner for det her
360. Morten: ja
361. Michelle: projekt, men hvordan vil i sådan klæde f.eks. Coop på, når der lige nu sidder 1 medarbejder ude i Coop? Hvad er idéen? Skal der være mange flere medarbejdere derude eller?
362. Morten: nej,
363. Michelle: nej
364. Morten: altså nej, vores medarbejdere skal være i Kina
365. Michelle: ja
366. Morten: men når det på sin vis, vi har ikke intentioner om at lave et selskab i Kina i hvert fald ikke de første 3 år.
367. Michelle: nej
368. Morten: så hvis du skal have medarbejdere i Kina uden at have et selskab, så er du nødt til at ansætte et selskab til at ansætte dine folk.
369. Michelle: mh
370. Morten: så de sender dig en konsulent regning, ellers kan det ikke lade sig gøre.
371. Michelle: nej

372. Morten: så skal du have alle mulige sociale bidrag og skatter og alt sådan noget der
373. Michelle: ja
374. Morten: det gider man jo ikke at rode med. Det er kompliceret, der er ingen der forstår det
375. Michelle: nej
376. Morten: så derfor ansætter man et firma som Robin har og så har han vores ansatte ansat
377. Michelle: okay
378. Morten: og så samler han det i sådan en pulje og sender os en sådan en faktura en gang om måneden
379. Michelle: okay
380. Morten: det er sådan det foregår
381. Michelle: ja
382. Morten: og så har han så en avance på det
383. Michelle: ja
384. Morten: og det er så hvad det er
385. Michelle: ja ja
386. Morten: det er sådan du gør og det er sådan de fleste gør
387. Michelle: mh
388. Morten: fordi så er du ude over det sociale ansvar
389. Michelle: ja
390. Morten: pension og sådan, det er også kompliceret det skal man slet ikke ind i
391. Michelle: nej nej
392. Morten: så derfor, det er det vi gør. Og så skal vi have resten af set-up'et sådan set integreres med de indkøbere der er
393. Michelle: mh
394. Morten: man kan sige, indkøberne får en lille smule mere at lave, uden sådan set at blive målt på det
395. Michelle: ja
396. Sofie: de danske indkøbere?
397. Morten: ja
398. Michelle: ja
399. Morten: det er den måde vi gør det på
400. Michelle: okay
401. Morten: og det er der så, de fleste synes, vi jeg sige 9 ud af 10 vil synes det er mega spændende projekt, vil gerne være med.
402. Michelle: mh
403. Morten: de synes det er sjovt
404. Michelle: ja
405. Morten: så er der måske nogle der siger, de har så meget i forvejen, så deres, det kan jeg altså ikke gøre



406. Michelle: nej, ja ja
407. Morten: det er sådan det er
408. Michelle: ja ja sådan er det nok altid
- 409.**
- 410.**
- 411. 22:14**
412. Michelle: men vil du så sige at jeres største udfordring indtil videre har været det her med varer volumen?
413. Morten: nej altså vores største udfordring har været, altså vores største udfordring og det er jo meget sjovt at i læser det, for det har sådan set været kommunikation. At få kommunikeret vores ambitionsniveau til kineserne derude, så de forstår det vil vil. De har kommet med nogle ordre forslag med sådan 200 stk. hvor vi har sagt: "prøv nu at hør her altså, det er jo helt uden ambitioner det som i kommer med, siger jeg så ikke. hvad har i gang i"?
414. Sofie: Mhh
415. Morten: på den måde er jeg sådan meget direkte, jeg siger det bare sådan direkte. Det er så ikke lige altid at de forstår det, men så er der i hvert fald ikke nogen tvivl om hvad der er blevet sagt.
416. Sofie: nej nej
417. Morten: og du ved så har vi så siddet her og snakket i nogle uger og snakket om alt det der om at få ambitionsniveauet lidt op. Men det er den ene side af sagen. Den anden ting er kommunikation i forhold til forbrugerne og markedsføring, det er ekstremt vigtigt.
418. Michelle: mhh, men hvem står Kaola for?
419. Morten: jamen de står for det, vi står for det, de der win-win står for det og vi har nogle firmaer inde over og det er mega kompliceret. Der er ikke nogen gylden vej
420. Sofie: nej nej
421. Morten: og det er et endeløst hul, det er som at hælde vand i havet altså. Altså vandet stiger ikke uanset hvor meget vand du hælder i, så du kan ikke måle stigningen.
422. Michelle: nej
423. Morten: det er det der med pengene, du kan bare blive ved med at putte penge ned i det der hul ikke altså \*griner\*. Der er ingen grænser.
424. Michelle: nej
425. Morten: det kunsten går ud på, det er at få så meget muligt markedsføring som muligt gratis. altså at bruge så lidt muligt penge på markedsføring som muligt, men hvor du stadig bruger noget bare så effektivt som muligt.
426. Michelle: ja
427. Morten: at forstå det, det er også kompliceret.
428. Michelle ja:
429. Morten: selvom jeg har arbejdet med det i 3 år, så tror jeg stadig ikke at jeg forstår det hundrede procent.

430. Michelle: nej, nej det er rigtigt. Men det som vi også synes er super spændende, det er netop markedsføringen af det og positionen af Irma i Kina
431. Morten: ja, altså vi vil jo gerne markedsfører Irma som værende økologi, sådan så når forbrugerne ser Irma, så ved de at det er en økologisk varer.
432. Sofie: mhh ja
433. Morten: eller en allergi fri varer, det er sådan set målsætningen. Det er en typisk og helt overordnet målsætning. Så det er vores mål og det er også meget ambitiøst. og hvis man så kan nå det mål på en eller anden måde, så er det jo fantastisk. F.eks. det er "friends", der hørte jeg, som er det der børnetøj brand som de har,
434. Sofie og Michelle: ja
435. Morten: det er så Irma's friends i Kina
436. Sofie: ja jeg skulle lige til at sige, at er det ikke COOP bare?
437. Morten: jo det er COOP, men jeg foreslog i sin tid, at vi i stedet for friends, så bare kalde det Irma's friends. HVor man simpelthen bare satte Irma's foran, det giver så meget mening.
438. Sofie: ja okay
439. Morten: fordi så bliver det på kryds af kategorier ikke. Så det er jo så det vi gør og det har jeg meget store forventninger til.
440. Michelle: ja det lyder også til at være et stort marked.
441. Morten: ja børnetøj det er..
442. Michelle: ja
443. Morten: .. altså der er 17 mio. babyer i Kina.
444. Michelle: det kan man slet ikke forestille sig.
445. Morten: Så forestil jer lige 3 bleer om dagen ikke? Det er 100 mio bleer om dagen ikke? (rettelse: nærmere 50 mio.)
446. Michelle: jo
447. Morten: jeg ved ikke hvem der producere alle de bleer, men det er helt sindssygt.
448. Sofie: nej
449. Morten: eller hvor fanden de ryger hen
450. Sofie: men det samarbejde i har med det kinesiske kontor, hvad kan man sige, hvad er forudsætninger for det eller hvor ofte er I i kontakt eller hvordan forløber det?
451. Morten: det er vi hele tiden
452. Sofie: okay så de 10 mennesker som arbejder derude, de arbejder fuldtid på det
453. Morten: ja de arbejder kun for os
454. Sofie: okay
455. Morten: ja og dem snakker vi med, altså Qian kommunikerer måske 200 wechat beskeder om dagen, ikke altså
456. Sofie og Michelle: okay \*griner\*
457. Morten: og jeg snakker mere på et overordnet plan, jeg snakker ikke med angela så meget for det der. Jeg snakker mere sådan strategi og de overordnede ting med Robin og min opgave er så også kommunikationen med Coop også ikke
458. Michelle: jo, så du er ligesom bindeleddet mellem IFC og Coop

459. Morten: ja ja og der er rigeligt at lave
460. Michelle ja \*griner'
461. Sofie: ja det kan man forestille sig, at det er lidt af en koordinationsarbejde.
462. Morten: så det er sådan set ambitionen, men omvendt hvis man først får hul på det her...eller man kan sige at ulempen ved Irma, hvis man ser på hvad er det der er risikoen ved det her?
463. Sofie: mhh
464. Morten: så er det at der er ingen som kender Irma. Hvis man spørger inde på strøget eller inden på CBS, "kender du irma, hvad er Irma?"
465. Sofie og Michelle: ja
466. Morten: så vil 99% sige det er et supermarked og 1% vil sige at det er en storm i USA eller et eller andet.
467. Sofie: ja \*griner\* præcis
468. Morten: ja altså ikke, men hvis du spørger i Kina, så vil folk jo være helt blanke.
469. Michelle: jaja
470. Sofie: ja der er måske lige den ene procent af befolkningen som har råd til at tage til Danmark en gang i deres liv, som er stødt på det.
471. Morten: ja præcis ikke
472. Sofie: men ellers ikke
473. Morten: Men hvis du f.eks. spørger en person om de kender Hugo Boss, så er det klart at de har en større chance for at få en succesfuld cross-border trade fordi de har en kæmpe brand som folk
474. Sofie: ja det er klart.
475. Morten: altså der er 110 mio. kinesere der rejser om året ikke. Det er tallet
476. Sofie og Michelle: ja det er virkelig meget.
477. Morten: så det er altså 110 mio. som går på et eller andet strøg i verdenen, om det så er København, Frankfurt eller whatever, 110 mio, dvs. 110 mio. kommer hjem med en eller anden bærepose fra en eller anden butik ikke. Det er altså virkelig stor købekraft, man kan altså slet ikke beskrive det.
478. Michelle: nej
479. Morten: det er så enormt og derfor vil sådan nogen som dem der ligger med strøgbutikkerne rundt omkring have langt mere brand value,
480. Sofie: ja det er klart
481. Morten: det er jo Louis Vuitton, det er Chanel, det er Hugo Boss, det er alle de store brand som vi alle sammen kender og de vil have en større brand værdi end vi nogensinde får. Det må vi bare erkende.
482. Michelle: ja det er jo rigtigt
483. Morten: så, så det er udfordringen. og det er også risikoen.
484. Michelle: ja
485. Sofie: men Qian fortæller at der er ret høje ambitioner i forhold til, eller måske ikke ambitioner, men at der er ret mange planer omkring denne her social media strategi og marketing effort.

486. Morten: ja altså vi har jo allerede hurtigt få bygget en god fanklub op eller hvad man nu kalder den. Eller det er vel sådan en loyalitetsklub, men jeg synes at ordet fan club er lidt mere fedt, for det er jo en fan club.
487. Sofie og Michelle: ja
488. Morten: og den skal vi jo fokusere på, for det er klart at hvis vi kan vokse den, jeg ved ikke, jeg tror vi er 150.000 followers idag, hvilket også er mange jo.
489. Michelle: mhh
490. Morten: Altså vi har jo på et halvt år fået 120.000 fans, hvor COOP har været 2-3 generationer om at få 1.7 medlemmer ikke.
491. Michelle: jo
492. Morten: Vi har jo faktisk nærmest fået 10%, altså hvis vi siger at det var 170.000, så ville det være 10 % på 6 måneder. altså det er jo helt vildt
493. Sofie: ja det er vildt
494. Morten: ja det er jo en achievement, det er jo noget, altså i min verden er det jo noget man kan være stolt af
495. Michelle: mmhh
496. Morten: Selvom alle siger, "men det er jo ikke nok Morten" vi skal jo have 5 mio. fans 29:32. Ja men altså vi har jo kun været her i, altså man får jo ikke bare lige 100.000 til 1 mio. fans på en måned vel, det skal starte op fra bunden af. Så mulighederne er der, men der skal selvfølgelig også være realisme bag.
497. Sofie og Michelle: jo
498. Morten: og det er det der er min opgave, det er at styre det.
499. Sofie: ja så rammerne alligevel er der. Men når det har potentialet til at "stikke af" så skal man også have baglandet til at supporte det.
500. Morten: ja det er klart. Ja det er meget meget vigtigt og på den side er det jo en meget spændende opgave, men det kræver jo at man kan navigere i hele det der miljø.
501. Sofie og Michelle: ja
502. Morten: så det er ikke helt nemt,
503. Sofie': nej det er ikke en "walk in the park"
504. Morten: Nej det er bestemt ikke en walk in the part \*griner\*... Meget godt sagt ja, så sådan er det jo. Men altså det er jo sjovt nok og jeg tror da nok at det skal blive godt, men du kan også gå ind og sammenligne, med f.eks. okay, hvad solgte så disney af børnetøj i 2017 for eksempel. Det var jo online, så det kunne da være meget sjovt at sammenligne sig med det.
505. Sofie: mmh
506. Morten: Disney er jo et kæmpe brand, alle kender Disney og de omsatte for 345 mio kroner og hvor stor markedsandel var det? Ja det var så måske 1,6 procent af de samlede marked
507. Michelle: ja
508. Morten: det er så stort det er. Så 1 % af det samlede marked er ca. 120 mio. Det viser noget om hvor stort det er.
509. Michelle: det kan man jo slet ikke få ind i hovedet. at det er så stort

510. Sofie: ja så virker det danske marked meget lille lige pludseligt.
511. Alle: ja
512. Michelle: det er lidt sjovt, jeg arbejder i COOP's online fødevarer marked og der er det jo bare nogle helt andre tal vi snakker om
513. Morten: ja
514. Michelle: (Med henvisning til eget arbejde) "så i denne her uge, der har vi haft et par tusinde besøgende".
515. Morten: jaja
516. Sofie: ja og har solgt 200 madkasser (måltidskasser)
517. Morten: men det er klart at man kan slet ikke sammenligne det og det der også er forskellen synes jeg, det er at i Danmark der har alle deres egne platforme, hvor i Kina der er der kun nogle få platforme. Én håndfuld eller to håndfulde. Du har alibaba.com, Kaola, Tencents, JD og VIP og så kommer der nogle nye nogen nu og så er der nogen specielt indenfor elektronik. Så lad os sige at man har 10. Det er jo sådan nogen slags magasiner kan du følge mig?
518. Sofie og Michelle: ja
519. Morten: hvor du så går ind og lejer en butik i butikken. en shop-in-shop kan du kalde det ikke. Det er jo bare en ud af mange butikker ikke.
520. Sofie og Michelle: jo
521. Morten: det er jo sådan det er og der kan du sige at der har du så den fordel at du ikke skal fokusere på at lave infrastrukturen til hjemmesiden, som Coop jo brugte mange penge på at lave den der Coop DK ikke?
522. Michelle: ja ikke.
523. Morten: jeg ved ikke hvad beløbet er, men den skal du ikke lave her, den er gratis. Den betaler du sådan indirekte til via et servicegebyr på platformen, hvor du lejer dig ind og betaler nogen procent af omsætningen til dem.
524. Michelle: og så kommer man vel også uden om at der vel er mange regler om hjemmesider i Kina ikke.
525. Morten: jo alt det der er fuldstændig reguleret og så er du også uden for alt det der struktur omkring betalingssystemet og du er også ude over den problematik omkring kommunikation med lageret. Alt det der er færdige pakker. Så det er en plug-in play og dermed en "walk-in-the-park"
526. Sofie: jamen det er jo det og de har jo netop også 500.000.000 fast brugere som Kaola har eller besøgende på hjemmesiden ikke
527. Morten: jo
528. Sofie: hvor at hvis du skulle oprette Irma.kina eller
529. Morten: ja .cn, nej så ville det aldrig blive det samme.
530. Sofie: nej ikke det samme reach som de andre har.
531. Morten: så det det hele gælder om, det er at du kommer ind på et eksisterende setup, det er sådan set ligesom amazon ikke
532. Sofie: jaja

533. Morten og så har du sådan set en struktur som er plug-in-play, så er det eneste spørgsmål du skal spørge dig selv, hvordan du kan få trafik flow in på denne her side. Det er sådan set det hele går ud på.
534. Sofie og Michelle: ja
535. Morten: og det gør du via de der ratings ting, hvor du arbejder dig langsomt op. og så kan du selvfølgelig købe dig til nogen ting. Det er klart at du kan gå ud og betale en mio. kroner og så få et eller andet banner ud på alle mobiltelefoner ud i 20 min. om du ved
536. Sofie og Michelle: ja, det kan også blive dyrt
537. Morten: det er det som hedder RTB, real time betting. D.v.s. du går ud og køber, det er sådan en børs, hvor du går ud og byder på hvor meget du vil betale for den mængde reklameplads på x antal mobiler, som har vist interesse for at købe müsli eller har købt en pakke det sidste halve år. Det er måske 10 mio. mennesker. Så kan du sige at du gerne vil lave en reklame for din müsli på de 10 mio. mobiles., fordi de har haft interesse for müsli. Sådan kan du sætte det og så skal det f.eks. kun være til kvinder i alderen 18-25 år for eksempel eller whatever.
538. Sofie: mmh
539. Morten: så får du en pris og et definerbart kriterie for det og så går du ud på børsen og der hvad koster den fra kl 08-08:30, når kunden sidder i bussen og køber müsli. 80% af salget foregår på mobile
540. Michelle: det var også meget
541. Morten: 80 %, du kan bare se hvor meget salg der foregår på mobile på COOP.dk/mad
542. Michelle: øhh ikke ret meget
543. Morten: det er i hvert fald ikke 80 %
544. Michelle: nej det er det ikke. Det er steget lidt efter medlems appen er kommet, men øhm det er
545. Morten: men der snakker man jo om 10-20%?
546. Michelle: jeg har faktisk ikke det præcise tal, men det er nok deromkring de 10% maks.
547. Morten: ja
548. Michelle: men 80% det er godt nok øhm mange
549. Morten: ja 80 % og det byder jo at folk sidder i et eller anden bus eller tog og så ved det ikke helt hvad de skal lave og så sidder de også scroller og så er det sådan noget impuls køb 100%.
550. Michelle: når?
551. Morten: det er helt vildt
552. Michelle: ja
553. Morten: men sådan er deres indkøbsmønster
554. Michelle: ja fordi vi har jo netop ikke rigtig nogen impuls køb, fordi det er jo planlægning af måltider i løbet af ugen og madpakker og alt sådan noget der. Hvor at de

fleste af vores køb, de foregår om søndagen, fordi det er lige der de sidder og planlægger til den næste uge.

555. Sofie: men det er vel også derfor at det er en kæmpe stor del af det, det der med at holde øje med de kulturelle aspekter af handlemønstre og den måde de spiser på og køber tøj til deres børn. Om det så kun er 1 gang om året eller hver dag. Altså sådan noget skal man jo også kigge ind i og overveje i hvert fald.

556. Morten: ja og det er sådan deres indkøbsmønster er. Det der samtidig er vigtigt at forstå, det er at du er nødt til at tilpasse dig deres indkøbsmønster. Du skal ikke forvente at deres indkøbsmønster er tilpasset til dig.

557. Sofie: nej præcis, men hvad med, fordi nu sidder jeg lige og kigger lidt på produkterne derovre, fordi Betina snakkede lidt om at i har sendt lidt afsted for bare at se?

558. Morten: nej altså vi har lavet en undersøgelse omkring hvad der ville sælge

559. Sofie: okay I har?

560. Morten: jaja det er ikke sådan fuldstændig blind. Men noget af det er fuldstændig "the wild west" altså det er hvor du skyder lidt i alle retninger

561. Sofie: ja

562. Morten: altså der er ikke nogen sådan, jo altså der er en plan, men der er ikke nogen specifik plan om at Irma's body lotion med et eller andet økologisk i skal sælge. Altså man vurdere kategorien "personlig pleje" er god og så plugger man nogle produkter ind. Altså det er sådan man gør.

563. Sofie og Michelle: \*griner\*

564. Morten: jamen altså dit gæt kan være lige så godt som mit.

565.

566. Under resten af interviewet bliver der diskuteret omkring øvrige relevante personer til interview. Både en repræsentant fra det danske konsulat i Shanghai men også en Kina ekspert ansat hos Alibaba, men siddende i UK.

**11.11 Appendix - Interview with Casper Freddie**, Head of Retail & Consumer brands industry sector in the trade council at the Danish Consulate in Shanghai, China on 12th February 2018 - in Danish via Skype.

Topics and questions:

Casper has served as trade consultant for Irma in China. The interview was conducted in Danish and therefore also transcribed in Danish to include all details

Briefing: Introduktion og beskrivelse af projektet samt en redegørelse for formålet af interviewet. (Delvist gjort per mail).

Generel information:

1. Vil du introducere dig selv og din funktion på det danske konsulat i Shanghai?
2. Har du haft nogen specifik rolle i forhold til Irma's expansion til Kina?

3. Hvordan er situationen for samhandlen i mellem Kina og Danmark?

Det kinesiske e-commerce retail marked:

4. Hvordan ville du beskrive det kinesiske e-commerce marked?
5. Hvad er de største tendenser på markedet for e-commerce i Kina?
6. Hvordan identificere i disse?
7. I hvilket omfang tror du de vil påvirke Kina og de kinesiske forbrugere?

Scenario planning:

8. Udfra den udvikling i vækst som Kina har gennemgået indenfor de sidste 10-20 år, hvordan ser den nære fremtid ud?
9. Kan denne overhoved forudses?
10. Er der nogen specifikke udfordringer som kommer til at gøre sig gældende?

International branding:

11. Hvordan ville du gribe det an, hvis du skulle bryde igennem med et udenlandsk brand i Kina?
12. Med bevidsthed om, at der hersker et stort fokus på at opnå brand-tillid hos de kinesiske forbrugere, hvilke midler vil da være hensigtsmæssige at tage i brug?
13. Hvilke branding muligheder giver det Irma, at det bliver solgt igennem en stor retail e-commerce aktør som Kaola?

Transcription of interview:

The recorder failed to work during the first two questions - here are the key notes.

Han synes vores opgave lyder spændende og vi måtte gerne optage det.

Hans arbejdsområder omhandler retail, e-commerce, markedsføring og strategier for danske virksomheder der gerne vil ind i Kina.

Deres rolle ift. Irma i Kina var, at gøre de kinesiske platform opmærksomme på brandet og introducerer Morten til forskellige mennesker og aktører i Kina.

De hjalp til ved launchen og holdt tale. De var det officielle led og det hjalp Irma meget, da de sagde god for dem til de kinesiske aktører. Efter det klarede Irma meget af kommunikationen selv med aktørerne (Kaola, T-more).

1. Casper: ... Push fordi de gerne vil have Irma ud i blandt kineserne og få brandet lidt bredere ud og der øhm har vi hjulpet dem via de sociale medier som udenrigsministeriet har til rådighed herude. Vi har en stor platform med rigtig mange følgere, langt over 1 mio. følgere og der har vi blandt andet i nogle artikler, der har vi nævnt at nu kan man få Irma produkter og at det er sådan rigtig dansk og det er økologi når det er bedst



2. Michelle: ja
3. Casper: og Irma kaffe og den slags og vi har faktisk efter at de har launchet, så har vi hjulpet dem med at få noget awareness
4. Michelle: okay
5. Casper: ja
6. Michelle: ja og hvordan ville du sige at situationen er for samhandel mellem Kina og Danmark, sådan generelt?
7. Casper: den er forrygende god
8. Michelle: ja?
9. Casper: den øhm, den stiger år for år og sådan overordnet kan man sige Danmark er et af de få lande i verden som faktisk har et netto overskud i forhold til samhandel i Kina - fordi der er flere lande i verden der køber flere varer i Kina end Kina køber af dem og sådan er det ikke i Danmark, vi sælger faktisk flere varer til Kina
10. Michelle: ja
11. Casper: ... og til Kineserne end vi køber af dem, så vi har et nettooverskud på handelsbalancen med Kina, så det er jo et tegn på at det går godt.
12. Michelle: ja det må man sige og så sådan, det kinesiske e-commerce marked, hvordan ville du beskrive det?
13. Casper: Det jeg ville beskrive det med, det er at det er enormt hurtigt voksende, det står for snart mere end 20% af det samlede detailsalg online, samtidig er det, hvad kan man sige, næsten flere stadier foran end det er i den vestlige verden, fordi at alting foregår på platforme her, der er slet ikke nogen individuelle butikker, altså der er ikke noget der hedder lego.cn, men man har sine butikker inden for de her platforme
14. Michelle: ja
15. Casper: ... ligesom store malls kan man sige og alt trafik bliver genereret ind igennem de her platforme som med Irma. Irma har jo ikke åbnet deres egen butik, de har jo åbnet butik inden på Kaola's platform
16. Michelle: ja
17. Casper: Så markedet er meget domineret af sådan nogen markedspladser, de her marketplaces og så er det bare hurtigtvoksende og domineret af selvfølgelig de her platforme.
18. Michelle: ja okay
19. Casper: og så er der ganske få aktører der er store, altså der er rigtig mange aktører, men der er ganske få store. Altså markedet er jo domineret primært af Alibaba's platforme, Taobow, T-mall og JD.com, som er den næststørste. og de her to er de absolut mest dominerende i markedet. og så er der en stor gruppe af meget mindre aktører. Men lige præcis indenfor det område, hvor Irma har bevæget sig ud som ledende cross-border e-commerce, der er Kaola som er Irma "barn?", de er faktisk de største. Så Irma har valgt en rigtig spændende partner, synes jeg.
20. Michelle: Okay og hvad er de sådan største tendenser på markedet for e-commerce i Kina?

21. Casper: Jamen en af, altså det var lidt det jeg nævnte før at salget går igennem platformen, det er én stor tendens og en anden tendens er at der er en stigende efterspørgsel på cross-border e-commerce. Det vil sige Kinesiske forbrugere der køber varer som faktisk ikke er i Kina, men de køber dem udenfor Kina fordi det synes de er lidt mere eksotisk og de kan få et bredere udvalg. Nogle ting kan man faktisk få til billigere priser fordi der er noget reduceret moms og importafgift på. Så en stor tendens, det er den her cross-border business som vokser rigtig hurtigt. Det er stadig en lille del af den samlede e-commerce marked, men det er en hurtigt voksende del. Dette giver gode muligheder for de danske brands, for så kan du rent faktisk sælge til kineserne uden at du nødvendigvis skal have etableret datterselskaber og den slags og det er det Irma har valgt. De har valgt en cross-border model.
22. Michelle: ja okay, hvordan identificere i de her forskellige tendenser i markedet?
23. Casper: hmm ja det er et godt spørgsmål, det kan jeg faktisk ikke svare dig på. Altså vi identificerer dem fordi vi beskæftiger os med det hele tiden og fordi vi holder møder med de største aktører, vi har et tæt forhold både til alibaba group og til Kaola og til JD som er de 2-3 absolut største. Dem har vi en samarbejdsaftale med, d.v.s. at vi har en tæt relation med dem som altså det har vist sig og vi taler med danske virksomheder omkring deres erfaringer i markedet. Så vi holder os og vi er tæt på. Vi møder.. altså hvis vi skal have sådan en forklaring, så har vi tæt kontakt til danske virksomheder og deres ageren i det kinesiske marked plus vi har en meget tæt relation til platformene direkte. Så vi taler både med de danske virksomheder og de kinesiske virksomheder.
24. Michelle: okay, øhm i hvilket omfang ville du sige at de her tendenser påvirker Kina og de kinesiske forbrugere?
25. Casper: I et stort omfang, det er meget meget lettere at få adgang til en række varer de ikke har kunnet få tidligere, men hvad der måske er endnu mere.. Altså i forhold til Kina sådan overordnet set, der er en af de ting som kan påvirke Kina rigtig rigtig meget, det er at du faktisk får bundet landet, altså det er jo et stort geografisk land, men at du faktisk får bundet alle yderområderne sammen. Det betyder at folk som bor langt ude på landet og oppe i bjergene et eller andet sted oppe i nordvest Kina, de har pludselig mulighed for at købe en langt række produkter som de ikke tidligere har. Men ikke bare købe, men også sælge fordi det kan man jo sige er et af de mest fundamentale principper ved e-commerce i Kina, og Jack Ma som er grundlæggeren af Alibaba, det er at han gerne vil øge handlen i Kina til gavn for både forbrugere, men også for folk som gerne vil sælge varer.
26. Michelle: ja
27. Casper: så det giver sådan et godt bredt, altså det gør at der er en stor mulighed for at der kan handles på kryds og tværs i hele landet.
28. Michelle: okay, og hvordan sådan, ud fra den udvikling i væksten som Kina har gennemgået i de sidste 10-20 år, hvordan ville du så mene at den nære fremtid ser ud?
29. Casper: Jamen jeg tror at et af det initiativer der bl.a. er, det er at konvertere den kinesiske økonomi fra at være en meget produktionsdrevet økonomi, d.v.s. at den kinesiske vækst har været drevet meget af Kina som verdens fabrik. En af den ting som

- den Kinesiske regering gerne vil gøre noget ved, det er at den (red. økonomien) skal være drevet af forbrug. Så de vil gerne have kineserne til at bruge penge og ikke bare producere, men faktisk også begynde at bruge penge og det gør at privatforbruget vokser markant hurtigere end den økonomiske vækst generelt gør. Den har stadig to-cifret vækstrater, altså privatforbruget og det er drevet fremad af den kinesiske regering.
30. Michelle: og hvordan med de her ting, er det noget man kan forudse på nogen måde?
31. Casper: ja det er noget vi kan forudse og det kan man relativt nemt forudse fordi Kinas regering er meget eksplicit omkring deres strategi og omkring deres økonomiske politik og derfor hvis man følger med i det, og det gør vi selvfølgelig fra udenministerets side, hvor vi har en økonomisk afdeling, hvor der sidder en og følger med og skriver økonomiske rapporter og den slags. Så er det ret, altså man kan sige at det er ret nemt at forudse, hvilken vej den økonomiske vækst udvikler sig i Kina, dermed ikke sagt at der ikke findes økonomiske ting som vi ikke kan forudse.
32. Michelle: nej nej, tid 7.30.
33. Casper: men sådan i bredere termer omkring hvor økonomien bevæger sig hen, så ja det har vi et godt billede af.
34. Michelle: er der så nogen specifikke udfordringer som kommer til at gøre sig gældende i den nære fremtid? 7:43
35. Casper: nja nu skal jeg tænke mig om, man kan sige at man skal jo passe på at man ikke skaber en inflation af overforbrug, altså at overforbrug kan skabe en inflation, altså det er jo selvfølgelig en af de udfordringer der kan ligge i det. Man kan også sige at man skal også sikre sig at forbruget forbliver et sundt forbrug og at det ikke bliver drevet af øget gældsætning. Det er også noget man skal tænke over.
36. Michelle: mhhh
37. Casper: man kan sige at e-commerce er jo et let måde at købe på for forbrugerne, men man vil jo gerne have at det er et sundt forbrug og varer som de har behov for at de køber. Så det er jo ikke bare, kan man sige, positivt at forbruget eksplodere i Kina, altså man skal også tænke på om man har økonomi til det i samfundet ikke
38. Michelle: jo det er rigtigt, Hvordan ville du personligt gribe det an, hvis du selv skulle bryde igennem med et udenlandsk brand i Kina?
39. Casper: jamen jeg tror at muligheder afhænger lidt af om man har en kortsigtet model eller en langsigtet model. Det er klar at den kortsigtede model, der er det klart at det er nemmest at gå ind og lege med direkte e-commerce i Kina. Det er et område, som er relativt nemt og overskueligt at komme i gang med fordi at det her cross-border er så stor en mulighed. Så du kan relativt nemt komme i gang med en e-commerce business og så kan du sælge dine varer. Men det er jo ikke ensbetydende med at forbrugerne kender dine varer. Så d.v.s. at du er nødt både at geberde sig sådan rent e-commerce mæssigt, men du er også nødt til at have noget distribution i hvad kan man sige, mere traditionel detailhandel eller showrooms. Fordi ellers får du meget svært ved at for forbrugerne til at genkende dit produkt. Eller også skal du bruge store mængder (red. penge) på markedsføring på sociale medier.

40. Michelle: ja okay, men med øhm, nu har vi snakket også lidt med morten om det her med at der er meget fokus på at opnå brand tillid
41. Forbindelsen til Shanghai går tabt fra 9:49 til 10:40
42. Casper: Når men du kom til "hvordan du ville gribe det an", det har vi haft, nej spørgsmål 12 kom vi til.
43. Michelle: ja det var fordi vi snakkede med Morten omkring det her med at kineserne har haft lidt svært ved at få tillid til nye (økologiske) produkter, så hvilke midler ville du mene var hensigtsmæssige at tage i brug for at opnå brand tillid?
44. Casper: ja det talte jeg faktisk med Morten om så sent som i mandags, da jeg var inde i Danmark.
45. Michelle: ja?
46. Casper: jamen altså det er jo svært for de har ikke særlig meget tillid til økologisk certificering og det som man kunne gøre, men det er en stor opgave, det er det som morten forsøger at tage initiativ til. Det er at man man kunne få nogen af de organisationer, de nordiske eller europæiske certificeringer der er omkring økologi, til at samarbejde om at lave nogle aktiviteter i Kina, så de kinesiske forbrugere blev bevidstgjort om de certificeringer vi har i vesten. Men det kræver altså at man kommunikere direkte til de kinesiske forbrugere omkring "Ø" mærket f.eks. og at det er et mærke som vi bruger i vesten. Men det er altså ikke noget som Irma bare kan løfte alene. Det er nogen som "Ø" mærket og organisationen som står bagved det og skal have en interesse i
47. Michelle: ja
48. Casper: og der vil jeg sige at det ville jo så hjælpe samtlige danske økologiske varer, der bliver solgt i Kina, hvis man kunne få det til ligesom at brænde igennem ikke.
49. Michelle: jo
50. Casper: Men det er jo en stor opgave og det kræver jo at de danske fødevarer virksomheder kan stå sammen omkring at løfte det her i fællesskab.
51. Michelle: ja okay og hvilke muligheder tænker du at det giver Irma, når det bliver solgt gennem Kaola.
52. Casper: jamen jeg synes det giver Irma det enorme mulighed at for det første er der ikke andre danske og økologiske varer som er på Kaola og så er Kaola den største cross-border e-commerce aktør der er. Så de er ret meget alene omkring at sælge lige præcis denne her type produkter fra Danmark. Der er jo andre produkter som bliver solgt på Kaola. Men jeg synes de får meget støtte fra dem og en mulighed er at de kan komme bredt ud til kineserne. Hvis de nu ikke havde valgt en online strategi, men en offline strategi, altså med salg i nogen butikker, så ville du jo slet ikke komme så bredt ud.
53. Michelle: nej
54. Casper: men det kræver jo så også, altså udfordringen består jo også i at ramme forbrugerne rent kommunikationsmæssigt og det kræver jo nogen midler til markedsføring og til kommunikation og det må Irma og COOP jo så finde ud af om de er interesserede i at investere de penge.
55. Michelle: jo og det er jo også lidt det som vi sidder også prøver at finde ud af.

56. Casper: det er jo ikke en billig løsning, altså det er .. der skal jo arbejdes på de sociale medier, det skal placeres rigtigt og de skal have fat i nogen food bloggere og bruges til mange aktiviteter. Så skal de tale med Kaola om hvordan de så rammer deres målgruppe på en fornuftig måde. Men man kan jo sige at det jo kommer bredere ud under alle omstændigheder når de sælger via e-commerce end hvis de bare havde lavet nogle traditionelle butikker ikke.
57. Michelle: jo, men ja det var egentligt alle de spørgsmål vi havde
58. Casper: jamen jeg håber det svarede nogenlunde på det du skulle bruge. Nu kan du jo sidde og lytte det igennem og skrive noget af det ned ikke.
59. Michelle: jo, men det var ihvertfald en stor hjælp at du lige ville snakke med mig.
60. Casper: jamen det vil jeg altid gerne, hvis jeg kan hjælpe med det. det kan du tro
61. Michelle: Tusind tak
62. Casper: jamen hvis det var det, så ønsker jeg dig held og lykke med specialeskrivning
63. Michelle: jo tak , det håber jeg
64. Casper: det bliver godt, hej hej
65. Michelle: ja tak, hej hej

#### **11.12 Appendix - Interview with Leif Larsen, the Head of Innovation in Irma Denmark since 1996 on 13th February - in Danish**

Briefing: Introduktion og beskrivelse af projektet samt en redegørelse for formålet af interviewet. (Delvist gjort per mail).

Generel information:

1. Vil du introducere dig selv og din funktion som kategorichef hos Irma i Danmark?
2. Har du haft nogen specifik rolle i forhold til Irma's expansion til Kina?

Irma som varemærke:

3. Hvordan bidrager Irma's sortiment til dets varemærke identitet?
4. Hvad er det mest essentielle som skal kommunikeres ved Irma som varemærke og hvorfor?
5. Irma lader til at være under konstant udvikling i forhold til sortiment og perspektiv, hvor ser du Irma som varemærke bevæge sig hen i fremtiden?
6. Hvad er jeres vision for hvordan jeres kunder skal opfatte Irma?

Irma i Kina:

7. Hvordan forestiller du dig at Irma's sortiment kan bidrage til det kinesiske marked samt forbrugerne?
8. Hvilke værdier fra Irma varemærket ville du fokusere på at de kinesiske forbrugere blev opmærksomme på, hvis du skulle promovere det der?

Transcription of interview:

1. Sofie: Men ehm, velkommen til. Tak fordi du vil medvirke her sammen med mig. Det er i dag d. 13. februar. Jeg vil starte med bare lige at høre dig, om det er ok jeg optager det her interview?
2. Leif: Ja.
3. Sofie: \*griner\* Det er en formalitet, det er godt. Ehm, hvis du vil starte med at introducere dig selv og hvad du laver her i Irma?
4. Leif: Jamen jeg hedder Leif Larsen, og er innovationschef og har været i Irma siden 1996.
5. Sofie: Ja,
6. Leif: ehm, så jeg har mange år på bagen. Og har siddet på rigtig mange funktioner. Inden da var jeg ti år i det gamle FDB handel
7. Sofie: okay
8. Leif: Og har også en hel masse kendskab til Dagli'Brugsen, SuperBrugsen, som jeg har været med til at starte op
9. Sofie: mmh
10. Leif: Min primære opgave det er jo at finde produkter til Irma
11. Sofie: okay
12. Leif: både egen private label
13. Sofie: mmh
14. Leif: men også mærkevarer som er interessante. Og mærkevarer det er jo så forkert sagt, fordi der er jo ikke nogle mærkevarer, som er interessante, nogle mærkevarer som adskiller Irma fra vores konkurrenter
15. Sofie: nej
16. Leif: Så det er jo ikke der jeg lægger mine kræfter. Der har vi jo så en hel masse kategorichefer i Coop,
17. Sofie: okay
18. Leif: som jo egentlig sidder og styrer varedelen, men der kan selvfølgelig være store internationale virksomheder som har produkter som ikke er, har været på det danske marked som kunne være interessant at teste af i Irma
19. Sofie: mmh
20. Leif: i og med vi ligger i et meget homogent marked som
21. Sofie: ja
22. Leif: København, Nordsjælland og der ved nok er mere potentielt rigtigt sted at teste nye spændende produkter af, fremfor at gøre det i en landsdækkende kæde, hvor det ikke kan sælges i Ulfborg eller Ringkøbing
23. Sofie: ja, det er klart. Spændende! men er du så også inde over sådan noget med at, altså udvikle produkter selv? Eller har I sådan en product development afdeling?
24. Leif: nej, 90 % af de i hvert fald indenfor tørvarer af det som står ude i butikkerne er noget som jeg har udviklet
25. Sofie: okay

26. Leif: og situationen er at jeg hellere vil give 1 krone mere for en vare, hvis jeg kan få 2 kroner mere i udsalg.
27. Sofie: mmh, ja
28. Leif: jeg vil aldrig nogensinde acceptere eller sige nu er varen ok, jeg vil blive ved indtil vi rammer det som vi går efter.
29. Sofie: ja.
30. Leif: ehm og det vil så sige, så udvikler vi også tit produkter som forbrugerne ikke kan lide i starten
31. Sofie: mmh
32. Leif: ehm, da vi lancerede vores bearnaise sauce på glas, ehm tilbage i 2003 eller sådan noget lignende
33. Sofie: mmh
34. Leif: der blev den høvlet til den mest syrlige bearnaise sauce, den mest sure bearnaise sauce fordi at den danske befolkning er vant til spise noget der hedder bearnaise sauce pakket ind i en rød æske hvor der står Knorr på
35. Sofie: ja præcis
36. Leif: Et katastrofalt dårligt produkt.
37. Sofie: ja \*griner\*
38. Leif: Men Knorr, Unilever har bare sat standarden for hvordan en bearnaise sauce skal smage
39. Sofie: mmh
40. Leif: derved der var Irmas bearnaise sauce på glas en syrlig satan for kunderne. I dag der sælger vi 300.000 glas om året, vi har 35 % markedsandel på det der hedder våde saucer
41. Sofie: mmh
42. Leif: i tørvarer
43. Sofie: mmh
44. Leif: det vil sige færdigblandede saucer udenfor køl, der har lille Irma 35 % markedsandel
45. Sofie: hold da op
46. Leif: ehm, og hvor vi totalt set har 2,5 %. Så vi bliver ved med at udvikle produktet indtil vi rammer det vi synes der er det helt rigtige. Ehm, om det så er et gourmet produkt, hvad det er vi går efter.
47. Sofie: mmh.
48. Leif: ehm
49. Sofie: men det leder faktisk også ned til mit spørgsmål omkring Irma som en, man kan sige vores projekt det handler jo om Irma i Kina som udgangspunkt, men det vi søger ved det her interview også, det er at finde frem til kernen i Irma og hvordan I selv opfatter det, fordi man kan læse sig frem til, vi har fundet også nogle tidligere interviews med dig og sådan noget på nettet og, men noget andet er ligesom at høre fra, din egen sådan, ja nuværende perspektiv omkring det her med hvordan Irmas sortiment virkelig bidrager til Irma som et varemærke. Hvad du mener der.

50. Leif: Irma har jo altid historisk set været kendt for et sortiment der differentierer sig fra vores konkurrenter
51. Sofie: mmh
52. Leif: ehm og det er jo en ting man i den grad skal passe på med, for vi har lige været igennem en oprydning fordi vi skal igang med space management, ehm hvor at vi har saneret i sortimentet
53. Sofie: mmh
54. Leif: udmeldt dårligt sælgende produkter og det skal man jo selvfølgelig altid, men man skal stadig passe på med at man ikke får udmeldt produkter som er med til at give den DNA som Irma skal have.
55. Sofie: mmh
56. Leif: Børge Olsen han har jo været en fantastisk mand, som har sat en standard for Irma, men også i et marked hvor at der ikke var tilsvarende konkurrenter. I dag der er der sindssyg mange konkurrenter, som kan rigtig mange fine ting
57. Sofie: ja, ja
58. Leif: så der skal vi bare hele tiden udvikle nye spændende produkter, så vi differentierer os fra vores konkurrenter
59. Sofie: mmh
60. Leif: der er ingen tvivl om, Meny det er en hård konkurrent til os, ehm store fede flotte butikker og butikker også som er så store at de har en masse støttefunktioner som bager, slagter og alt det her.
61. Sofie: mmh
62. Leif: Hvilket vi ikke har i de små inde i midtbyen hvor vi ikke kan udvide butikkerne. Så derfor skal vi i den grad differentiere os på sortimentet.
63. Sofie: mh, jamen det giver jo god mening. Hvad vil du sådan sige der er det mest essentielle ved Irmas varemærke, som skal kommunikeres til forbrugeren?
64. Leif: det er at det er gode lødige produkter, hvor det både er smagen der er i højsædet men også kvaliteten af det, at vi ikke stopper alle mulige fyldstoffer i. Der har vi en varesikringsafdeling som der smager et produkt og bliver ved med at udvikle produktet og har så ramt den endelige smag vi gerne vil frem til. Jamen så ryger det til vores varesikring som så kan gå ind og kigge mere specifikt på hvad er det for nogle ingredienser der er i.
65. Sofie: mmh
66. Leif: øh, er der noget vi kan erstatte af noget andet der gør det mere lødigt. Øh, der har vi virkelig nogle stærke fødevarer specialister
67. Sofie: ja
68. Leif: som går ind og gør et produkt mere lødigt.
69. Sofie: okay så det er det der kvalitet hele tiden det falder tilbage på
70. Leif: kvalitet hele tiden.
71. Sofie: som mærket
72. Leif: vores kunder er ekstremt både loyale men de er også meget på og de reagerer meget hurtigt, såfremt de synes der er noget der ikke er i orden.



73. Sofie: mmh.
74. Leif: de reagerede meget hurtigt på vores bearnaise og sagde den var syrlig
75. Sofie: ja
76. Leif: men de sidder i deres øh 2- værelses lejlighed en regnfuld weekend hvor de sidder og ser en eller anden udsendelse på National Geographic eller hvad de hedder de her forskellige serier eller dokumentarer omkring overfiskeri af tun eller et eller andet og de sidder med deres laptop på skødet og og så spørger de så lige til Irmas tun, er det overfiskeri og hvad gør I for at for at tilsikre det og hvorfor er det ikke MSC mærket og sådan kunne de blive ved med at sidde og stille spørgsmål
77. Sofie: mmh
78. Leif: og når de så alligevel lige sidder og skriver om tun, så kom de lige i tanke om, de skulle også lige skrive omkring den chokolade vi har fra Sven Michelsen, er den fairtrade mærket
79. Sofie: ja
80. Leif: hvor kommer den fra. De er ekstremt på, så derfor så skal vi bare hele tiden være den
81. Sofie: så det er på mange måder forbrugerne som faktisk holder jer oppe på dupperne også med.
82. Leif: det er forbrugerne der er vores chef
83. Sofie: ja
84. Leif: og derfor så går vi aldrig på kompromis når vi udvikler et produkt, og prøver at få mange flere facetter med
85. Sofie: ja
86. Leif: end mange af vores konkurrenter gør
87. Sofie: ja
88. Leif: og så kan jeg bare huske der var et dugfriskt eksempel fra sidste uge eller forrige uge hvor at der var kunder der skrev ind, det er jo derfor vi har Irma fordi vi hele tiden er dem som er forrest.
89. Sofie: mmh
90. Leif: men der har jo været denne her, hvad hedder den lyssky chokolade eller sådan noget lignende nede fra Elfenbenskysten i Afrika, hvor at det var børnearbejde, det var slavearbejde og alt var hængt ud og mærkevarerne blev hængt ud som store dårlige eksempler.
91. Sofie: mmh
92. Leif: til trods for at de har igangsat en masse tiltag for at miste alt det her ik
93. Sofie: tiltag ja
94. Leif: vores private label chokolade der kommer kakaobønnerne fra Mellemamerika, der er børnearbejde markant mindre udbredt
95. Sofie: mmh
96. Leif: vores chokolade er Fairtrade mærket og sådan noget. Så vi prøver at gøre det mere lødigt ved sikre at tilsikre, eller ikke tilsikre, ved at sikre at vores kakao ikke ikke sikre

- det lyder forkert, men at vores kakaobønner de så kommer fra et område hvor at børnearbejde og slavearbejde er markant mindre udbredt
97. Sofie: mmh
98. Leif: de kommer det aldrig til livs børnearbejde og hellere at storesøster arbejder end lillebror dør
99. Sofie: ja
100. Leif: og skal det reddes så, så skal det ædes ikke
101. Sofie: ja
102. Leif: men vi prøver at gøre tingene mere til en bedre verden
103. Sofie: det hænger også lidt sammen med mit næste spørgsmål det her med sådan den konstante udvikling der er både i sortiment med også det her perspektiv der er sådan i verdensbilledet og alle sådan nogle ting, de udfordringer som verden står overfor. Hvor ser du Irma som varemærke bevæge sig hen i fremtiden? Er der noget du sådan der ligger lige foran eller har i nogle langsigtede planer? Eller har du en personlig vision måske?
104. Leif: en personlig vision det er at Irmas stærke brand det i den grad bliver udbygget
105. Sofie: ja
106. Leif: fordi at når vi spørger forbrugerne så vil de gerne lade deres indkøbspose stå på gulvet når gæsterne kommer således gæsterne kan se der er handlet ind i Irma. De sætter gerne pestoen på bordet hvor Irma-labelen sidder på
107. Sofie: ja
108. Leif: så der er jo en profil værdi i Irma og den vil jeg meget gerne udbygge således at Irma bliver et markant stærkere brand og det er jo på alle de her facetter at vi tænker længere end mange andre gør, at vi har nogle bedre smagsoplevelser
109. Sofie: mmh
110. Leif: vores kunder de tænker også hellere lidt men godt
111. Sofie: ja
112. Leif så de vil hellere
113. Sofie: kvalitet over kvantitet
114. Leif: præcis, de vil hellere spise en flødebolle eller to af dem fra Sven Michelsen som laver til os, end de vil spise 200 g foder chokolade der ligger i en gul pakke på brystet og bare skovler det i sig.
115. Sofie: ja
116. Leif: så vil de hellere have lidt men godt. og derved der bliver tingene jo så også dyrere, når man køber de gode ting. Altså tager vi vores brownie som Miss Bagel bager i Kokkedal jamen så er det en fantastisk brownie og den er jo markant dyrere end hvis du købte en chokoladekage fra Dancake.
117. Sofie: men også bedre
118. Leif: men også bedre. Og i og med alle vores egne produkter de er lavet af æg fra fritgående høns, økologiske høns, jamen igen her der har vi en ekstra dimension på vores produkter

119. Sofie: mmh
120. Leif: så den tryghed der er ved at købe vores egne produkter og det stærke brand i det. Den vil jeg meget gerne udbygge
121. Sofie: mmh, så det er den måde du gerne vil have forbrugerne opfatter, bliver ved med at opfatte Irma på.
122. Leif: præcis
123. Sofie: hele tiden knytte Irma brandet til det her grundlæggende værdier og
124. Leif: ja
125. Sofie: så kommer vi ikke udenom, fordi vores projekt det handler jo om Irma i Kina
126. Leif: yes
127. Sofie: og det er jo lidt anderledes. Jeg ved ikke, har du haft rolle overhovedet i forhold til det eller?
128. Leif: ikke i det her nye set-up men det er jo ikke noget nyt ved at Irma er et super stærkt brand i Kina og Japan
129. Sofie: mmh
130. Leif: og det har vi jo, vi har solgt meget muleposer og paraplyer og mange non-food produkter til Kina og Japan de sidste, ja siden jeg kom til Irma der har der i hvert fald jævnlige, jeg har også solgt en hel container af bæreposer ud til en privat mand
131. Sofie: \*griner\*
132. Leif: så vi har hele tiden vidst det var et stærkt brand, nu bliver det sat lidt mere i, altså det bliver prioriteret det her, det bliver sat i drift
133. Sofie: mh
134. Leif: det er jo en super god ting, ehm vi prøvede jo for en to-tre år siden en japansk, nu kan jeg ikke engang huske hvad den hed, men hvor vi lavede en pop-up butik i en japansk kæde
135. Sofie: mmh
136. Leif: og der var sku mere arbejde i det end der var omsætning i det, om bliver mere omsætning i det i denne her omgang, det håber jeg på.
137. Sofie: mmh
138. Leif: det er jo så også en blåstempling af vores produkter, fordi kan vores produkter komme til Kina især i Japan, jamen så er vi i den grad blåstemplet fordi de sælger alle mulige spørgsmål til produkterne
139. Sofie: præcis
140. Leif: altså vores islandske flagesalt, hvor kommer den fra? Den kommer fra Island, jamen hvor i Island?
141. Sofie: ja
142. Leif: i vandet udenfor Island, jamen hvor henne er det? Jamen det er oppe i fjorden Reikjavik, altså de skal vide ned til mindste detalje. Krydderblandinger, hvad er de sammensat af? Hvad er det for nogle krydderier? Hvor mange procentdel paprika er der i og sådan noget. Altså det er

143. Sofie: ja det er også det indtryk vi har fået når vi har interviewet de forskellige. Vi var jo så heldige at få et interview med de kinesiske medarbejdere på projektet, da de var i Danmark.
144. Leif: ja
145. Sofie: og de fortalte også det her med, at kineserne går meget op i detaljerne omkring produkterne. Det er meget interessant, det tager lige, det tager jo forbrugerne som chef til et andet niveau kan man sige. Så er det lige pludselig endnu flere detaljer man skal gå op i.
146. Leif: ja, ja
147. Sofie: Men det er jo rigtig, rigtig spændende, og det er jo også derfor vi har taget det som case, fordi det er meget anderledes og det kræver meget, virker det også til, fra jeres side.
148. Leif: ja
149. Sofie: men hvis du altså, hvis du skulle forestille dig hvordan Irmas produkter sådan kan bidrage til den kinesiske forbruger, hvad altså, har du nogen som helst anelse om hvad du tænker?
150. Leif: altså økologi er jo slet ikke kendt derude og jeg tænker økologiske produkter kan have et kæmpe potentiale derude. Og så vores rene produkter, der har jo været alt for mange fødevarer skandaler på kinesiske produkter, af plastikris og modernælkserstatning og ting og sager
151. Sofie: ja
152. Leif: så ved at Irma er et stærkt brand og vi har en meget høj fødevarekvalitet og så økologi der er det nye sorte derude, det tror jeg også kan have et kæmpe potentiale
153. Sofie: mh, så også brandingmæssigt, vil det også være nogle af de der samme værdier du ville spille, hvis du skulle promovere Irma i Kina?
154. Leif: det ville jeg gøre, men altså som sagt jeg har ikke været fuldt begravet i det
155. Sofie: nej det var også bare for at høre dit ligesom sådan når du er så meget inde i Irma som brand og som produktmæssigt ville det være meget interessant også, men det giver rigtig god mening. Og fokusere på netop de grundlæggende ting ved brandet, også fordi det er så dansk på en eller anden måde stadig, og det er vel også ligesom det de sådan køber ind til. De kan godt lide den vestlige kultur og sådan
156. Leif: ja
157. Sofie: ja men det er egentlig som udgangspunkt de spørgsmål jeg havde. Jeg ved ikke om du har nogle tilføjelser? Jeg kunne godt tænke mig at høre lidt om hvad du har af uddannelsesmæssig baggrund? At du sidder og laver alt sådan noget produktudvikling.
158. Leif: jeg er uddannet i butik
159. Sofie: ja okay
160. Leif: og så kom jeg til, altså jeg er uddannet merkonom og sådan men jeg har ikke nogen fin bacheloruddannelse men er madnørd og stod i køkkenet, elsker at prøve nye ting
161. Sofie: ja

162. Leif: bare nysgerrigheden med de ting man omgiver sig med.
163. Sofie: mmh
164. Leif: elsker at suge til mig fra kokke og sådan noget. Altså jeg er nok også den eneste mand i det her kongerige der læser samtlige dameblade, for at se om der er spændende opskrifter og hvad er det der kommer med på nyhedssiderne og
165. Sofie: ja
166. Leif: og ting og sager. Det er ikke romanerne jeg sidder og læser
167. Sofie: nej nej okay \*griner\*
168. Leif: heller ikke kryds og tværsen
169. Sofie: nej
170. Leif: men det er jo
171. Sofie: så det er en grundlæggende interesse for gastronomi og lækre ting?
172. Leif: ja, det synes jeg er spændende. Jeg synes det er sindssygt spændende at lave nye produkter og så følge dem, hvordan de udvikler sig altså
173. Sofie: mmh
174. Leif: vores Tusindfryd serie, som så ikke har så meget med fødevarer at gøre, men er miljørigtig vask og rengøring, altså. Har en meget meget høj kendskabsgrad og er et rigtig stærkt brand men er i er vores andre produkter som Børge Olsen så har opfundet i 1954 hvor han drog til Brasilien med sin kone og vand fra København for at finde den kaffebønne der passer bedst til det Københavnske kalkholdige, hårde vand
175. Sofie: nå okay
176. Leif: jamen det har jeg jo ikke kunne lave meget om på, men jeg har udviklet en serie af 250g hele kaffebønner
177. Sofie: mmh
178. Leif: jeg så igangsatte i midten af 00'erne, fordi folk de gik rask væk ned og betalte 40-50 kr for en kop kaffe nede på hjørnet, men hvorfor ikke slæbe caféen hjem i stuen
179. Sofie: mmh
180. Leif: så derved har vi et kæmpe sortiment af 15 forskellige kaffebønner verden rundt fra Asien til Mellemamerika.
181. Sofie: nå man laver også kaffe i Asien, ja det gør man vel
182. Leif: så hele tiden udvikle nogle produkter og i dag har 20% markedsandel på hele kaffebønner og det er jo et tydeligt signal om at kunderne de vil gerne tage caféen med hjem i stuen
183. Sofie: ja
184. Leif: vores nøddeserie i uge 8 2008 det er sådan set snart 10 år siden, der var vi før Kims men med smagstilsatte mandler, nødder, med røgsmag, honningristet, chili og alt det her, som der ikke var noget af på markedet før, der var vi firstmover
185. Sofie: mmh
186. Leif: bare en masse produkter, vi sælger 800.000 poser af de her nødder om året og det er mange

187. Sofie: ja hold da op, men har du nogen assistent på det også? eller er det virkelig bare dig der sidder på det?
188. Leif: jamen altså det er, jeg har Melissa der sidder inde ved siden af
189. Sofie: mh
190. Leif: men det er stadig i forskellige konstellationer gennem tiden
191. Sofie: ja
192. Leif: hvor at jeg tidligere har siddet med markedsføring og restordre, alle mærkevarer leverandørerne samtidig med at jeg har udviklet egne produkter
193. Sofie: mh
194. Leif: men nu sidder jeg selvfølgelig udelukkende og skal udvikle nye produkter, så jeg har ikke behov for den store skare af mennesker. Men jeg kan jo altid gå til en Coop kategorichef, kategoriplanlægger, det er jo dem der sørger for al driften af det, altså at det bliver oprettet, at det kommer i markedsføring og ting og sager ikke.
195. Sofie: ja
196. Leif: og det er jo fedt, at jeg slipper for alt det driftsmæssige men at jeg kun har udviklingen af produkterne
197. Sofie: ja
198. Leif: og kan søsætte dem og så følger jeg dem det første år
199. Sofie: det lyder mega spændende
200. Leif: og så går vi ind i den almindelige drift ikke
201. Sofie: mmh, fedt
202. Leif: og det er bare sindssyg spændende at vores fonder som vi lancerede for halvandet år siden som er fonder som er kogt i åbne kar hos en producent i Australien som hovedsageligt tager udgangspunkt i økologiske varer med ambudskvæg som render på 10.000 kvadratkilometer stort område, det kan man ikke garantere er økologisk og derfor er det en konventionel vare, men det giver bare en helt anden dybde i smagen om det er en sovs du laver eller om det er en gryderet eller hvad det er du laver. Hele den her fond som kommer i
203. Sofie: mmh
204. Leif: er kogt på reelle varer og ikke bare er noget kemisk fremstillet Maggie bouillon terning
205. Sofie: ja
206. Leif: altså det giver en helt anden fylde i den mad du laver og det er det jeg synes
207. Sofie: det er det det falder tilbage på, essen af det
208. Leif: mmh
209. Sofie: ja, men det lyder jo rigtig rigtig godt.
210. Leif: yes
211. Sofie: det tror jeg bare var det, så vil jeg sige tak for i dag.