Synnøve Finden’s Gudbrandsdals Cheese in Spain

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**Euro Marketing**

- Euro Marketing is a Norwegian company that was established in 1999. The company is based in Bergen, Norway.
- The three main fields of the company are:
  - Consultative services
  - Competence programs and seminars
  - Trade
    - Export of Norwegian food products to the US
    - Import of children's clothing from the US
- Euro Marketing exports Norwegian products such as coffee, sardines and cheese, including the Synnøve brown cheese.
- Euro Marketing is focusing on export to the Scandinavian ethnic market segments in the US.
- They export around six shipments a year, or approximately 9,000 packages of brown cheese, to the US each year.
- Euro Marketing has an annual turnover of 3-4,000,000 NOK.
Brown cheese has a strong position in Norwegian traditions and culture. The cheese is popular and is an essential part of the daily diet for many Norwegians, especially families with children.

There are several types of brown cheese. The most popular one, Gudbrandsdals cheese, was first produced in 1863 in Gudbrandsdalen, Norway. The Gudbrandsdals cheese is the original brown cheese.

The annual production of brown cheese is approximately 12 million kilograms. Of this, 50% is the Gudbrandsdals cheese.

On average, Norwegians consume nearly 3 kilograms of brown cheese yearly.

The cheese is made by a mixture of cows’ and goats’ milk. The milk sugar, or lactose, is turned into caramel, and this gives the cheese its characteristic brown color and slightly sweetened taste.

Most of the Gudbrandsdals cheese is produced for domestic consumption. However, some of the cheese is exported. In some countries, the product is adapted to the local market, and the cheese is named Norgold in Germany, and Ski Queen in UK, North America and Australia. The Gudbrandsdals cheese is sold under the same name in other Scandinavian countries.

A survey done in 2004 showed that 20% of Norwegians miss brown cheese when they are on vacation. And 600,000, or 12% of Norwegians take the brown cheese with them when they go on vacation.
Producers of Norwegian Brown Cheese

Synnøve Finden

- Established in 1996, Synnøve Finden is a traditional Norwegian dairy company. In 2010, the turnover was NOK 956 million

- The company has a current market share of 12 % in the domestic market. This is a drop from the market share in 2009, which was at 20 %. Despite this, the Synnøve Finden brand is well known among Norwegian consumers

- Synnøve Finden first introduced its yellow cheese in 1996, and the brown cheese (Gudbransdals cheese) was launched the next year. In addition to selling dairy products, Synnøve Finden also sells fruit juices and other niche products

- During the 16 years Synnøve Finden has been in the market, they have had several new product innovations, and they are constantly trying to develop new products in order to compete with Tine

- One of the innovations from Synnøve is the brown cheese adapted to the cheese slicer. This means that they changed the shape and size of the cheese in order to be more user-friendly

- Synnøve also offers sliced cheese, which has contributed to an increase in sales

- The Synnøve Gudbransdals cheese is currently represented in the US as well as the Scandinavian market
Producers of Norwegian Brown Cheese

Tine SA

• Tine was established in 1928, and is the largest producer, distributor and exporter of dairy products in Norway. Also, Tine is Norway’s largest food producer with an annual turnover of NOK 19,3 billion for 2010

• The company is organized as a cooperative owned business, consisting of approximately 15,000 Norwegian dairy farmers. The farmers produces 1.4 billion liters of cow’s milk and 19 million liters of goat’s milk yearly. This milk is processed into more than 200 different products, and sold under the Tine trademark

• The Tine group consists of several subsidiaries, either wholly or particularly owned. Some of these subsidiaries are located in Denmark, Sweden, the US and Great Britain

• Tine has many daughter companies all over the world, which helps them to export and distribute their products easily to foreign markets

• Tine has been exporting brown cheese, including the Gudbransdals cheese, to Spain since the 1970’s. Tine is exporting to multiple destinations in Spain, all which have a high concentration of Norwegian residents. This means that they are targeting all Norwegians in Spain
The Norwegian Butter Crisis

- The Norwegian butter crisis started at the end of 2011 with a sudden shortage of butter and an inflation of the prices across markets in Norway. There was a case of panic among the consumers, and stores ran out of butter almost instantly after delivery.

- Tine, the largest dairy cooperative in Norway, produced about 90 percent of Norwegian butter at the time, and was blamed by dairy farmers for not informing them about higher demand and exporting too much butter despite a threatening domestic shortage.

- The dilemma is that the Norwegian dairy cooperative Tine has a “de facto monopoly” on the domestic market and is consciously protected from foreign competition.

- In reply to increasing criticism, Tine asked the government to decrease tariffs to allow the demand to be met with less expensive imports from other countries. The government responded by cutting the import duty by 80 percent until the end of March 2012.

- However, according to a Tine spokesman, this solution was unlikely to result in large quantities of butter supplies becoming available until January 2012. As a result of the crisis, many wanted the state monopoly to be reformed.

- The structure of the dairy industry was created after World War 2. The purpose was to keep the prices at a high level to protect small farms, but according to critics, it was a “de facto monopoly”, that failed to meet consumers’ needs.

- Norwegian retailers lost an estimated NOK 43 000 000 because of the butter crisis. The Progress Party demanded that Tine pay damages the retailers for the losses they faced during the crisis.

- In the aftermath of the crisis, Tine lost a significant amount of support among the people.
Types of Brown Cheese From Tine

- The most sold brown cheese cheese in Norway. It is represented in Costa Blanca
- Light version of Gudbrandsdals cheese
- Sweet goat cheese. It is represented in Costa Blanca
- Mild and sweet cow cheese. It is represented in Costa Blanca
- Light version of Fløtemys cheese
- New type of brown cheese in the domestic market

Unlike other brown cheeses, the colour of the cheese is yellow
Extra sweet and extra brown
Strong taste and colour
Sweet and caramel taste
The darkest brown cheese with strong, almost burned taste
Types of Brown Cheese From Synnøve

Our product. The most sold type of brown cheese in the domestic product. It is exported to USA through Euro Marketing

Mild and sweet cow milk cheese

Has more goat milk than Gudbrandsdals cheese

Rich taste, sweeter than Gudbrandsdals cheese

The two bottom cheese are no longer in production
Part 1: Analytical
We have chosen to focus on two different macro segments. However, due to limited time and resources, we have a restricted geographic area of research:

- The Norwegian population in Costa Blanca
- The Spanish consumers in Barcelona, Catalonia

“Is there a demand for Synnøve brown cheese in Spain?”
1.1 Limitations

• Due to limited time and resources, it was only possible for us to conduct research in a restricted geographical area of Spain. Based on this our focus has been on Barcelona, Catalonia and Costa Blanca. In other words the sample is a convenience sample.

• We had to conduct our assignment in English and this has been an obstacle when identifying the Spanish consumer habits, due to language barriers.

• Our focus has been on consumer behavior and identifying whether there is a market in Spain for the Synnøve Gudbrandsdals cheese. With this, it has not been possible to obtain information regarding distribution due to the previously mentioned lack of time and resources. Furthermore, we know that the Scandinavian supermarkets all import the Tine brown cheese through distributors. This would also be the case for Synnøve should they choose to export to Spain. However, this aspect does not affect our assignment greatly as it is not part of our problem definition.

• The internal information has been limited, and it was also difficult to get an accurate number of Norwegians living in Spain. This is due to sensitive information regarding the reasons and length of their stay.

• We have not been able to obtain corporate objectives, as Euro Marketing has not defined these.
2 Research Problem

Research area

- **Consumer behavior:**
  - Perception of the Norwegian products/our product
  - Brand loyalty
  - Price sensitivity
  - Identify the potential market in Spain
  - Cultural food habits

- **Competition:**
  - Competitors
  - Substitutes

- **Research methods:**
  - Secondary sources
  - Porter’s Five Forces
  - Kotler’s Purchasing Process
  - Qualitative methodologies
2.1 The Industry

- There is a strong cheese culture in Spain
- Cheese is the second largest food segment with 32.6% of the dairy market after the milk segment (in 2009)
- There is a large variety of both national and international cheeses in the market, and the most represented nationalities are Spanish, French and Italian
- As a result of the current financial crisis, many players have been forced to reduce prices to insure sales volume of cheese, even though this would mean sacrificing the value
- Spanish consumers prefer hard cheese and soft cheese
- Healthy and organic products preferred
  - Benefits sought are Omega 3, “low fat” products, lactose- and gluten free etc
- Tine is already represented in the markets where there is a high concentration of Norwegian

**The leading companies for cheese in the market are (2010):**
- Private labels
- Quesos Forlasa SA
- Lacteas Garcia-Baquero SA
- Mantequerias Arias SA
- Grupo Lactalis Iberia SA

**And the leading brands are (2010):**
- Private labels
- Garcia Baquero
- Burgo de Arias
- Carrefour
- Gran Capitan
3 Theoretical Framework

Based on the problem area, we applied two different models in order to make the list of information needed

**Porter’s five forces**
- In order to evaluate the external market, we decided to use Porter’s five forces. This model analyzes various forces in an industry that together determine the total threat in the given industry
- Since the two macro segments have distinct differences, we have analyzed the two segments separately

**Kotler’s purchasing process**
- The purchasing process is one of the most important models in order to understand consumer behavior. This model shows the decision process for the consumer. We decided to use this model when looking at Norwegian and Spanish consumer behavior
- As the Norwegians living in Spain are already familiar with brown cheese, we decided to look at the two consumer segments separately
3.1 Porter’s Five Forces

- Industry rivalry
- Potential entrants
- Suppliers
- Buyers
- Substitutes

This analysis is based on both secondary sources and our primary research
3.1 Porter’s Five Forces

1. Potential Entrants

**Spanish segment**
- No similar products in the market
- Not likely that new similar companies are going to enter the market since the product does not seem to appeal to the Spaniards

*Medium threat*

**Norwegian segment**
- The only competitor in the home market is already represented in the Costa Blanca market
- Unlikely that new competitors are going to enter the brown cheese market

*Medium threat*
3.1 Porter’s Five Forces

2. Buyers

**Spanish segment**
- Price sensitive
- The product is lacking the wanted criteria (health benefits, design, texture, taste)
- The customers do not perceive the brown cheese as cheese

**High threat**

**Norwegian segment**
- Willing to pay for the “feeling of home”
- Problems separating the products from Synnøve and Tine
- Mixed brand loyalty. Tine is normally bought out of habit, but Synnøve is preferred due to political reasons
- Bring the cheese themselves from Norway
- Accessibility is essential – they will buy the product if accessible

**Medium threat**
3.1 Porter’s Five Forces

3. Substitutes

Spaniards:
- All other cheeses
- Ham
- Tapas
- Chocolate
- Desserts
- The perception of cheese is different for Spaniards compared to Norwegians, and their habits related to consumption of cheese differs significantly

High threat

Norwegians:
- Eggs
- Ham
- Manchego
- Jarlsberg
- The other types of brown cheese

However, in general no real substitutes that could replace the brown cheese

Low threat
3.1 Porter’s Five Forces

4. Suppliers

**Both segments**
- High transportation- and production costs in Norway
- European Union and customs regulation
- Tine has their own daughter companies, who distributes the brown cheese to Spain
- There exists other distribution companies who cover the Norwegian demand of brown cheese in Spain
- Scandigo supermarket in Torrevieja imports the cheese from Sweden through a special agreement, in order to avoid customs regulations

**Relatively High Threat**

5. Industry rivalry

**Spanish segment**
- Strong competition from all cheeses in the market as well as other perceived substitutes
- Many products that cover the wanted criteria among the Spaniards, which our product does not

**High threat**

**Norwegian segment**
- One direct competitor represented in the market, and in several point of sales in the Costa Blanca area

**Medium threat**
3.2.1 Kotler’s Purchasing Process; Spaniards

**Recognition**
- Most Spaniards are not familiar with the brown cheese. Therefore, needs like hunger and curiosity to international products can stimulate Spaniards to consider brown cheese.

**Information search**
- The information search for the Spaniards is more comprehensive than for Norwegians. The Spaniards will use personal sources in order to receive information about the product, where to buy it and how to consume it. Personal sources, as Norwegian friends, or having a personal relationship to Norway, are important sources of information.

**Evaluation of alternatives**
- Most Spaniards are not familiar with the brown cheese. However, the Spaniards that have tasted the product evaluate the alternatives to brown cheese based on these criteria:
  - Spaniards are generally more price sensitive than the Norwegians living in Spain. As the brown cheese is an expensive product, price is important when evaluating other alternatives.
  - The availability of the cheese. The brown cheese is only sold in Norwegian and Scandinavian supermarkets in areas with a high concentration of Norwegians.
  - Other Spanish substitutes are also considered as alternatives. The Spaniards who have tried the brown cheese consider chocolate and caramel as substitutes.

**Purchase decisions**
- The purchase decision is usually made in-store. Price and product design affect the purchase decision.

**Post purchase behavior**
- The Spanish consumers can re-purchase the brown cheese if the product fulfills their expectations.
3.2.2 Kotler’s Purchasing Process; Norwegians

Recognition
- The most important reason for the Norwegians to purchase brown cheese in Costa Blanca is the “feeling of home”
- This is a familiar and traditional product that is frequently consumed in Norway
- The emotional aspects of brown cheese are more important than hunger
- Both permanent residents and tourists in Costa Blanca eat brown cheese daily, and recognize the need for this product when cooking traditional Norwegian dishes

Information search
- The information search for Norwegians is rapid
- They are familiar with the product, and how to consume it
- Most Norwegians in Costa Blanca are familiar with the point of sales where they can buy Scandinavian products
- However, not all the Norwegians in Costa Blanca are aware of the fact that Synnøve is now offering brown cheese
- Word of mouth and the local newspaper are important sources of information
3.2.2 Kotler’s Purchasing Process; Norwegians

Evaluation of alternatives

- The Norwegian consumers evaluate the alternatives to brown cheese based on these criteria;
  - Tine is currently the only company that offer brown cheese in Costa Blanca
  - The price of the brown cheese
  - Most Norwegians do not believe that there are any direct substitutes to the brown cheese. However, ham, eggs, white cheese and Manchego are amongst the products Norwegians also purchase
  - The different types of brown cheeses available in a store
  - The different package sizes available. It is possible to purchase packages of 500 grams and smaller. This depends on the segment
  - The accessibility of the brown cheese. This is one of the key success factors for Euro Marketing. If the brown cheese can be purchased in close proximity, Norwegians are more likely to buy it
3.2.2 Kotler’s Purchasing Process; Norwegians

Purchase decisions

• The purchase decision is either made in-store or planned in advance
• If the Norwegians in Costa Blanca want to purchase brown cheese, they need to do so in the Norwegian or Scandinavian supermarkets
• Familiarity, taste, and usage are important criteria for the purchase decision

Post-purchase behavior

• The Norwegian consumers in Costa Blanca are likely to re-purchase the brown cheese if the product fulfill their expectations
• Again, the “feeling of home” is important for the post-purchase behavior
• Since the brown cheese is a part of most Norwegians’ evoked set, the re-purchase frequency is high
4 Research Design and Method

Qualitative research

- We have chosen to use qualitative research for this thesis. The reason for this is that we want to gain an in-depth understanding of human behavior in terms of their cheese habits. We also want to find Why and How consumers make purchase decisions. For that we have chosen to use:
  - *Observation* in cheese stores and how customers behave while purchasing cheese assortment
  - *In-depth interviews* with Spaniards and Norwegians
  - *Focus groups* consisting of 4-8 people to get a bigger picture of cheese habits for Spaniards and Norwegians, and their perception about the Norwegian brown cheese

- During in-depth interviews and focus group interviews, we are going to prepare samples of cheese served in different ways
5 List of Information Needed

List of information needed from our primary research

• Spanish market
  ▪ Is there a market for this product
  ▪ Perception of cheese in Spain
  ▪ Habits
  ▪ Cheese criteria
  ▪ Price sensitivity

• Norwegians in Spain
  ▪ Brand preference
  ▪ Time spent in Spain
  ▪ Price sensitivity
  ▪ Demand
  ▪ Substitutes
  ▪ Habits
6 Primary Research
## 6.1 Overview of the Qualitative Research

<table>
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<tr>
<th>Date</th>
<th>Where</th>
<th>Contact Person</th>
<th>Occupation</th>
<th>Method Used</th>
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<tr>
<td>20th of April</td>
<td>Barcelona</td>
<td>Man, 33 years old</td>
<td>Administrative</td>
<td>In-depth interview</td>
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<td>20th of April</td>
<td>Barcelona</td>
<td>Man, 35 years old</td>
<td>Personal Trainer</td>
<td>In-depth interview</td>
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<td>Technician</td>
<td>Focus Group</td>
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<td>2th of May 2012</td>
<td>Barcelona, Formatgeria la Seu</td>
<td>Kathrine McLaughlin, 55 years old</td>
<td>Gourmet Cheese Owner</td>
<td>In-depth interview</td>
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<tr>
<td>11th of May 2012</td>
<td>Barcelona, Tutsaus</td>
<td>Woman, 55 years old</td>
<td>Gourmet Cheese employee</td>
<td>Professional in-depth interview</td>
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<td>Torrevieja</td>
<td>Man, 50 years old</td>
<td>Early retirement</td>
<td>In-depth interview</td>
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<td>Man, 45 years old</td>
<td>Priest</td>
<td>In-depth interview</td>
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<td>Chef at the Norwegian Church abroad</td>
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<td>Eirin Dahl, 45 years old</td>
<td>Owner of Scandigo</td>
<td>Professional in-depth interview</td>
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<td>Focus Group</td>
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<td>Man, 52 years old</td>
<td>Manager of the Norwegian club</td>
<td>Focus Group</td>
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<td>Frode Martinsen, 42 years old</td>
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<td>Albir</td>
<td>Woman, 60 years old</td>
<td>Retired</td>
<td>Focus Group</td>
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</table>
6.2 Catalonia
6.2 Why Catalonia?

- We decided to carry out our primary research for Spaniards in Catalonia based on several reasons.
- First, we wanted to get an understanding of the Spanish food, and in particular, cheese habits. We also needed to find out how Spaniards perceive the brown cheese. Due to the previously mentioned limitations, we conducted a convenience sample in Barcelona.

Catalonia
- Catalonia is an autonomous region located in the north-east of Spain, and comprises four provinces: Barcelona, Girona, Lleida, and Tarragona. Its capital and largest city is Barcelona which is the second largest Spanish city by population after Madrid. Catalonia has a population of 7,535,251 people.
- The region has a strong food culture. In addition, Catalonia has a significant production of wines and cheese, amongst others.

Barcelona
- Barcelona is the capital of Catalonia and has a population of 1,621,537 people.
- The city is an important financial, educational, cultural and commercial centre in Spain.
- Barcelona is a popular tourist destination with visitors from all over the world. This contributes to Barcelona's international atmosphere.
- The city is the largest metropolitan area with the Mediterranean coast.
- Even if the Spanish cuisine has a strong position in the city, there is also several international shops and restaurants represented in the market.
6.2 In-depth Interview I

**Interview object:** Man  
**Age:** 35  
**Occupation:** Personal trainer

- We prepared several different dishes with brown cheese, such as; sauce with meat, a cheese plate, toast and biscuits with jam and brown cheese
- The first impression of the package was quite positive, and he liked the design which reminded him of coffee. The nutritional aspects of the cheese did not meet his criteria, but he said he would still consider buying the product
- When he tasted the cheese, the reaction was sceptical and more negative than the first impression. His preferred dishes were the sauce with the cheese as an ingredient, and the toast with cheese and jam. The latter was classified as his favourite
- He did like the texture of the cheese, and described the taste as “different”
- His general cheese habits consist of buying regular Gouda sliced for sandwich use. He is not particularly brand loyal customer, and price is an important issue when buying cheese
- He guessed that the cheese were sold at LIDL in Spain for around €2-3 (500g)
- Regarding Norwegian products, he was only familiar with salmon, but he expects in general both high quality and a high price from Norwegian products, based on previous experiences
- He was likely to buy the product if the design was associated with Norway, without even trying the product
6.2 In-depth Interviews and Focus Groups

In-depth interviews with two Spaniards
- Man 33 years old
- Man 35 years old

Interviews with two professionals
- The shop owner of the gourmet cheese shop Formatgeria la Seu, Katherine McLaughlin
- An employee in the gourmet cheese shop Tutusaus

Focus group
- Men
- Age: 25-35
6.2 In-depth Interview II

**Interview object:** Man  
**Age:** 33  
**Occupation:** Administrative

- We prepared several different dishes with brown cheese, such as; sauce with meat, a cheese plate, toast and biscuits with jam and brown cheese
- The interview object states that he normally eats cheese as an appetizer. The cheeses he usually purchases are Emmental, La Mancha or Roquefort. Even though these cheeses are all possible to buy in a supermarket does the object also shop at gourmet cheese shops. He states that he eats cheese 2 – 3 times a week, and do consider him selves as a “cheese knower”. There is however no familiarity with the Norwegian brown cheese. He was however able to mention several Norwegian food products such as salmon, and the Norwegian cheese Jarlsberg
- The interview object found the package strange, and did not think that the design was particularly appealing for a cheese product
- After having tasted the product with the different dishes was there the clear favourite the course that consisted of the brown cheese on a sweet bread with jam. The object further stated that this was something he could consider eating as breakfast
- Even though the interview object did not like the package or the design of the product, the colour was not seen as a huge obstacle. It was not a colour normally seen on cheese, but it was not repellent either
6.2 Professional Interview I

**Interview object:** Katherine McLaughlin  
**Age:** 55  
**Occupation:** Owner of gourmet cheese shop Formatgeria La Seu

- Katherine McLaughlin is the *Formatgeria La Seu*’s founder and proprietor, based in Barcelona since 2000. The shop is situated in the area of El Gotico, and offers a selection of the “very best Spanish farm cheeses”
- In addition to cheese is the shop also selling Formatgelat, which is ice cream served with cheeses made of cow, goat and blue cheese
- Katherine was already familiar with the Norwegian brown cheese after tasting it a few years ago. Even though she knew about the product, she still finds the taste strange and unusual. First of all, she was not sure how to consume it, but knew that the cheese is very famous in Norway and connected with the skiing culture
- Moreover, we asked her about cheese habits in Spain and got quite similar answers as we got from focus group and in depth interview: an important criteria for purchasing cheese is health benefits
- Furthermore, the preferred way of eating cheese is with bread and fruit
- She also confirmed that the customers that buy cheese at special cheese stores all have a good economy
6.2 Professional Interview I

Her thoughts about Gudbrandsdals cheese:

• “Block cheese” is perceived as a cheap cheese
• Make the cheese round, so it would be perceived as gourmet cheese
• It is necessary to change the name, it is too difficult for foreigners to pronounce and remember it
• The cheese contains too much fat and sugar, most Spaniards are concerned about health benefits
• A positive aspect of the cheese is its long expiration date
• Advertising should have focus on “a sporty delicious product from Norway” (as it is connected with skiing culture in Norway)
• Norwegian products are perceived as products of high quality, and she recommended the use of the Norwegian flag on the cheese

Her suggestions to how sell the cheese in Catalonia are:

• Sell it as a pre-serve product
• As grated cheese over desserts
• As the last meal with cava
• Fill two slides of cheese with ice cream
• This means that if the brown cheese, Gudbrandsdals cheese, should be successful in Catalonia, it is would be necessary with many significant changes, something we believe is not possible
• Katherine found our assignment very interesting and asked us to come back and tell us how it went
6.2 Professional Interview II

**Interview object**: Woman

**Age**: 55

**Occupation**: Employee of gourmet shop Tutusaus

- This shop, located in Barcelona´s Indústria Street, was initially established in 1977 as a ham and cheese wholesale store. With the years it oriented itself more and more to the general public, enlarging its product range and service, to become what it is today: a very select shop, mainly specialized in all kinds of Spanish ham as well as national and imported traditional cheeses.
- The interview object had heard about the Norwegian brown cheese, but stated that she thought it had a strange taste and appearance.
- They did not sell any sweet goat cheeses that could be similar to the brown cheese.
- The customers of the shop are older people usually with an above average economy.
- Lastly, she did not think there was a big market for the brown cheese in Catalonia, mostly based on the package and the color.
6.2 Focus Group I

**Interview objects:** 4 people  
**Age:** 25-35  
**Occupation:** Mix of students and employees

- We prepared several different dishes with brown cheese, such as; sauce with meat, a cheese plate, toast and biscuits with jam and brown cheese
- Their first impression of the package was rather negative, and some thought it looked like soap. One said that he did not perceive this as a cheese and would be confused if he found this in the store
- They described themselves as above average cheese eaters, and always had cheese in the fridge. They said they mostly eat cheese in sandwiches and in social settings. In social settings, they were also positive to trying new cheeses
- Price was not an important factor when buying cheese
- They agreed that advertisement might affect their decision of buying a product. But the trusted sources like family and friends is also an important source of information
- The first reaction after tasting the product was that “the cheese was strange”. They did not like the texture of the cheese, and felt it was too “sticky”. However, there were some discussions within the group about this subject
- When eating the cheese alone the group agreed that the taste of the cheese was too strong. They felt that the color was strange. They agreed that the cheese seemed like a mixture between fois gras and butter
- The preferred dish was with jam or the sauce with the brown cheese as an ingredient. The group consensus was that they would probably not buy the cheese
- They believed the product should be sold in gourmet shops at a rather high price – €15-20
6.2 Observations

• We carried out an observation in various stores in Barcelona. We did this to assess the assortment of cheeses in the market, and to find possible competitors or substitutes

Stores of observation:
• Marys Market, Passeig de Gracia
• El Corte Ingles
• El Corte Ingles Gourmet
• Formatgeria la Seu
• Alcampo
• Carrefour (Glories)
• Mercadona
• Caprabo
6.2 Findings from Catalonia

In-depth interviews and focus groups

- No product familiarity
- Negative aspects
  - Taste, texture, smell, design, name, color
  - The price is considered too high since the macro segment is quite price sensitive
- Mixed opinions
  - Whether the price is an obstacle or not
- High thoughts about Norwegian products in general

- Health benefits an important factor
- To summarize, the product does not meet the wanted criteria for the Spanish consumers

Observations

- Some sweet cheeses
  - Goat cheese with honey
  - With fruits
    - However, no resemblance with our product
- Many goat cheeses
  - Different color and taste
- Swedish cheese at Corte Ingles
- Mix of Spanish and international products
  - Mary’s market
  - Corte Ingles and Corte Ingles Gourmet
- No cheeses similar to our product
  - Color, taste, packaging
- Many international cheeses
  - No Norwegian products
6.3 Costa Blanca
6.3 Costa Blanca Research Areas
6.3 Why Costa Blanca?

- There are many areas in Spain with a high concentration of Norwegians, such as Costa Blanca, Costa del Sol and the Canary Islands, that could have been ideal for our primary research.
- However, due to limited time and resources, we had to choose only one of these destinations. We found that Costa Blanca was the best place to conduct our primary research based on the high concentration of Norwegians and the proximity to Barcelona.
- Costa Blanca refers to over 200 kilometers of Mediterranean in the Alicante province. Because of the location, a thriving tourism industry has been developed, and is a popular destination for British, German and Scandinavian travelers.
- The major tourist destinations are Benidorm, Alicante, Dénia, Torrevieja, Alfas del Pi and Xàbia.
- In 2007, the number of the Norwegian population in Benidorm and Torrevieja was 23,000. The total population of the province of Alicante was 1,917,012 in 2008.
6.3 Why Costa Blanca?

The Norwegian Club in Torrevieja
• The Norwegian Club in Torrevieja was founded on November 28th in 1986. The club is a place where the Norwegian people living in Torrevieja can meet for coffee and waffles or for special occasions.

Reuma Sol Health Center
• Reuma Sol is a health center for treatment and training outside Alfas del Pi. The center is owned by the Norwegian Rheumatism Association. The clients are mainly Norwegians and a Norwegian supermarket is also found on the premises.

The Norwegian Club in Alfas del Pi
• The Norwegian Club Costa Blanca was started in 1970, and was the first club of its kind in Spain. Here, Norwegians that live permanently, or spend longer periods of time, in the Alfas del Pi region can gather. The Norwegian Club has a cafeteria offering Norwegian foods, organizes different activities and is an important meeting point for its users.
6.3 In-depth Interviews and Focus Groups

Three in-depth interviews
• Two interviews with members of the Norwegian church abroad in Torrevieja
• A Norwegian resident Torrevieja

Three interviews with professionals
• Interview with Scandinavian supermarket owners/employees:
  ▪ Eirin Dahl, Scandigo
  ▪ Frode Martinsen, Tema 2000
  ▪ Bjørn Terje Berg, Reuma Sol Kolonial

Four focus groups
• Two focus groups with members of the Norwegian clubs in Torrevieja and Alfas del Pi
• Focus group with a selection of visitors at Reuma-Sol in Alfas del Pi
• Focus group with Norwegians residents in Albir
6.3.1 Torrevieja
6.3.1 Torrevieja

- Torrevieja is a seaside city located in the south of Costa Blanca
- The population of Torrevieja was 105,270 in 2012
- In recent years the local economy has expanded immensely due to the tourism industry, with tourists mostly from Germany, Great Britain and Scandinavia. Huge parts of them live in Torrevieja all year around
- There is a large Norwegian community in the area and you can find a big variation of Norwegian clubs, restaurants, grocery stores, schools, a Scandinavian center and a Norwegian Church abroad
- In addition, there are several magazines and newspapers targeting Torrevieja and the Norwegian communities in general
- The age range of Norwegians is mainly over 60 years old
6.3.1 Focus Group I

- **Interview objects:** 4 people from The Norwegian Club in Torrevieja
- **Age:** 60-85

- We carried out a focus group consisting of 3 women and one man, all retired and residents in Spain
- We were very well received and they immediately offered us coffee and waffles with brown cheese. The group was very enthusiastic about doing the interview, as they all appreciate the brown cheese, and they wanted to help
- All of them said that they use the cheese on a daily basis, both personally and at the club
- There was much knowledge about stores with Norwegian products, and the most of the group visited these stores from time to time. They also admitted to bringing the cheese with them when coming from Norway. This was most likely due to the higher price of the product in Spain
- The group agreed that they miss Norwegian food products in Spain, but the need was partially covered because of the availability of these products in Torrevieja. Even though the traditional Norwegian cuisine is very important for the group, they acknowledged that they had become more influenced by Spanish food products
- They were not very brand aware, but usually chose Tine due to habits. They had little knowledge of the cheese from Synnøve, but they were enthusiastic about trying this brand
- The use of the brown cheese was still the same as in Norway, they all used it mostly on bread and waffles or as an ingredient
- The group dynamic was good, and we had a high-quality interview with satisfying results
6.3.1 In-depth Interview I

- The Norwegian church abroad was more than happy to help us with our assignment
- We performed two in-depth interviews, each lasting around one hour

Interview 1:
- **Interview object:** Priest of the Norwegian church abroad
- **Age:** 45

- The interview object and his family consume brown cheese daily. Even after nine years in Spain, the Norwegian habits and the way of using cheese haven’t changed
- The cheese is available in Spain, both at the church and at the shops around in Torrevieja. The interview object’s family usually purchase brown cheese in Spain, even though the price is much higher than in Norway
- He was positive to Synnøve’s brown cheese in Spain, and would prefer to purchase Synnøve’s cheese rather then Tine’s. This was due to political reasons, and thoughts regarding Tine’s “monopoly” advantage in Norway
6.3.1 In-depth Interview II

Interview 2:

Interview object: Chef of the Norwegian Church abroad
Age: 48

- The object’s family does not consume as much brown cheese as the family from Interview 1, but used it with waffles at the church and as an ingredient in sauces
- They had a stronger need for Norwegian products while living in the US rather than in Spain, probably because the products are more available in Spain due to the proximity to Norway
- She and her family perceive themselves as an international family after living so many years abroad. Even though the interview object said that she and her family do not eat as much brown cheese as they did in Norway, it was clear that they still consume the cheese more than he was aware of
- On the question regarding whether she would buy Synnøve's brown cheese in Spain, she was clear that if there was a price difference, she would rather purchase Synnøve’s cheese
6.3.1 In-depth Interview III

- **Name:** Eirin Dahl
- **Age:** 45
- **Occupation:** Owner of the Scandinavian Supermarket, Scandigo

Scandigo is a Scandinavian Supermarket in Torrevieja, the supermarket is run and owned by native Norwegian Arvid and his wife Eirin. We went there to see if the brown cheese was represented, which brand that was and what their thoughts were about our product. The shop has existed for around 10 years. Their specialty is Norwegian food products, but they also have a vide selection of Swedish and Danish food products. The shop is popular among the Scandinavians in the Torrevieja area, and they also have Scandinavian clients all the way from both Madrid and Portugal. The owner described their customers as both full time residents as well as tourists. The owner told several stories about their customers going directly from the airport to the shop in order to buy Norwegian products such as fish, bread, sauses and brown cheese.

Brown cheese was represented in the supermarket, but from our competitor Tine. We were told this was due to exports regulations and the agreements from their importer. The supermarket recived all their Tine brown cheese from an importer, and they sold three different types of brown cheese; Fløtemys cheese, Ekte geit cheese and Gudbrandsdals cheese, the latter being our product. The price of this cheese was 7.9 euros, and was lower then the other brown cheeses. The reason for this is that Gudbrandsdals cheese was possible to import through Sweden through a special agreement.

However, if we were to have a good offer on the Synnøve cheese, the owners were more than interested in selling it, since they felt that there is a demand in the market.
6.3.1 In-depth Interview IV

- **Interview objects:** Couple living in Torrevieja
- **Age:** 50
- **Occupation:** Early retirement

The couple are both around the age of 50 years old and spend approximately 6 months in Torrevieja each year.

They were very welcoming and gladly answered our questions.

They prefer to eat Spanish food during their stay in Torrevieja, but Norwegian food products are still important to them. The couple does most of their grocery shopping at local supermarkets, and they therefore do not purchase Norwegian products very often.

The couple are familiar with one store selling traditional Norwegian food, but they normally do not shop here as it is far away and the prices are high. Because of this, they bring brown cheese from Norway when they go to Spain. They do not eat brown cheese every day, but they always have it in the fridge if they have visitors.

They say their cheese habits vary from Torrevieja and Norway. In Spain, they eat more cheese. Usually, they make cheese platters and use cheese as a snack in Spain while they normally just eat cheese with bread in Norway. They do not miss the brown cheese if they do not have it as they are very satisfied with the great selection of both Spanish and international cheeses in Spain.

The couple values quality over availability, but add that they probably would buy more Norwegian products if there was a store closer to their house.

They prefer Gudbransdals cheese of the different brown cheeses, and they said they would buy Synnøve’s cheese if it was available in Torrevieja.
6.3.2 Alfas del Pi/Albir
6.3.2 Alfas del Pi/ Albir

- Alfas del Pi is located in the north of Costa Blanca and had a population of 18,469 in 2006.
- The town has the second largest concentration of Norwegian residents abroad along with substantial Dutch and English communities.
- Similar to Torrevieja, Alfas del Pi is mainly based on tourism. It has a large Norwegian community with Scandinavian shops, schools, a health center and a Norwegian Church abroad.
- They have a selection of magazines and newspapers targeting the Alfas del Pi area as well as The Norwegian communities in general.
- The age of Norwegian people living in Alfas del Pi ranges from kids to elderly people. There are many families living there as well as retired people.
- It is also a favored place for people coming to Spain due to health reasons.
6.3.2 Focus Group II

- **Interview objects:** 5 people on vacation at Reuma Sol Health Center
- **Age:** 45 - 75
- **Occupation:** Retired/ early retirement

- We conducted an observation in the supermarket and a focus group with four of the guests at the center
- The participants of the focus group was in the age 45-75, all tourists and staying at the center for around two weeks. The participants of the focus group did not know each other beforehand
- They were all very positive to the brown cheese and our project. They had brought the cheese with them from Norway, as they didn’t know they could buy it at the center. It was a mutual agreement that they would buy the cheese at the center the next time, even though it was 3 euros more expensive than in Norway
- They all missed Norwegian products when travelling abroad, and the brown cheese in particular, together with the Norwegian Gouda cheese
- The favorite brown cheese was the Gudbrandsdals cheese. Neither of the participants said they were particularly brand loyal. They stated that the type of brown cheese was more important than the brand. Availability was the most important re-purchasing criteria
- They all wanted to buy Synnøve brown cheese if available in Spain, and in particular if this was in sliced packages. This was based on the fact that several of them were alone, and did not need so much cheese as the 500g or 250g packages that are currently available in the Scandinavian Supermarkets
6.3.2 Focus Group III

- **Interview objects**: 6 people permanent residents in Albir
- **Age**: 55 - 65
- **Occupation**: Retired

We carried out a focus group at a restaurant in Albir with 6 Norwegians we met there. When we told them about our bachelor thesis were they intrigued and the brown cheese caused excitement.

The group agreed that they did not miss Norwegian food products in Spain since the need was already covered due to the availability of these products in the area. Two of the interview objects had in fact been to the Norwegian Supermarket Tema 2000 earlier that day. Even though the group claimed to have adopted several of the Spanish food habits was it clear that traditional Norwegian cuisine was very important for the group.

The group said that they were quite interested in cheese and always had some sort of cheese in the fridge. Their habits of eating cheese however had not changed while living in Spain.

Type of brown cheese was more important than brand, but some preferred Synnøve due to the monopoly that Tine has.

They stated that price was not an important issue when buying cheese.

They agreed that they would probably buy Synnøve if it was available in Spain, but since they were not big consumers, they would prefer smaller packages, or packages of sliced cheese.

After talking about the brown cheese for so long, the group decided to have a “waffle party” the next day where they would serve waffles with brown cheese.
6.3.2 Focus Group IV

- **Interview objects:** 4 members of the Norwegian Club in Alfas del Pi
- **Age:** 60-80

We received a warm welcome when we visited the Norwegian club, and we were talking with the current manager, his wife and two retired people. They were eager to answer our questions and had many strong opinions about the topic.

The members either brought brown cheese from Norway or bought it in one of the Scandinavian supermarkets in the area. Preferably, the members brought the cheese with them from Norway as the price is lower there. The members said they did not miss Norwegian food, but the more we spoke about this, the more it seemed like Norwegian food was important and frequently eaten by the club members. Two of the people interviewed did not buy brown cheese in Spain as they lived in Altea, an area without any Scandinavian stores.

However, they do eat brown cheese when visiting the club. They all agreed that availability was the most important key factor for buying brown cheese and other Norwegian products in Spain.

Even though the people interviewed still eat traditional Norwegian dishes at home, they have also been influenced by the Spanish food culture. However, traditional Norwegian food is still important.

They were not very brand loyal, but some said they prefer Synnøve due to political reasons.

The brown cheese habits have not been changed by living in Spain, and they still eat brown cheese with bread, waffles or as an ingredient.

One of the club members suggested selling sliced brown cheese.
6.3.2 Professional Interviews

Interview I
Interview object: Frode Martinsen, employee of Tema 2000
Age: 42
- Tema 2000 is a supermarket that sells Scandinavian groceries, including the Gudbransdals cheese from Tine
- The store has a relatively high sale of brown cheese, both in store and through shipments to other parts of Spain to Spaniards
- However, the sale is season-based, and decreases during the summer months
- Both Norwegian residents and tourists purchase the brown cheese
- According to Frode, “when importing brown cheese to Spain, it is important to be aware of the various costs related to transport and customs. Also, the minimum of one pallet is recommended when shipping to the Costa Blanca area”

Interview II
Interview object: Bjørn Terje Berg, owner of Reuma Sol Kolonial
Age: 45
- The store is part of the health care centre where the visitors can purchase Norwegian groceries
- The store has three sorts of brown cheese, both in 500g and 250g packages
- The brown cheese is important for the visitors. The store is small, and sells approximately 20-25 packages of brown cheese per month
- The sale doubles in July and August, when the centre receives more visitors
6.3.2 Findings Alfas del Pi

- Norwegian/Scandinavian stores
  - Already selling Tine
- Brown cheese is consumed daily
  - At home, in the Norwegian club, in the Norwegian church abroad
- The Norwegians were very positive to the Synnøve brand, even though some were not aware that Synnøve offers brown cheese
  - The political issues were central
- Accessibility more important than brand. If both brands are available many would choose Synnøve due to political issues
- Not price sensitive
- Norwegian food products and habits are important
- The type of brown cheese more important than the brand
- The most important factors for this macro segment are; accessibility, user-friendliness and convenience
- Substitutes: other Spanish cheeses (Manchego was most popular), Jarlsberg, eggs and ham
6.3.2 Brown Cheese Sales in Costa Blanca

- This graph shows the sales of brown cheese in Costa Blanca based on information from three different Scandinavian shops.
- The high numbers for Tema 2000, are based on sales both in the Alfas del Pi area, as well as shipment all over Spain.
- We can see that the high season is from September to May for Tema 2000 and Scandigo.
- For Reuma Sol, which is located in a Norwegian health center, the high season is from June to August. The reason for this is that most visitors of the center are there during the summer months.
6.4 Global Conclusion
6.4 Answer for Catalonia

Is there a demand for Synnøve brown cheese in Barcelona, Catalonia?

• Yes, however with strong limitations
  ▪ It would be necessary to change the product
    ▪ Design, taste, color, texture, name, shape, nutritional attributes, price
  ▪ There should be a stronger link to Norway, since Norwegian products are perceived as high quality products
    ▪ Package emphasizing the Norwegian image and values
6.4 Answer for Costa Blanca

Is there a demand for Synnøve brown cheese amongst the Norwegians in Costa Blanca?

• Yes, there is a demand;
  ▪ Key success factors: accessibility, competitive price and differentiation
  ▪ The clients are not price sensitive. Still, Synnøve needs to have equal or lower price in order to compete with Tine
  ▪ Traditional Norwegian dishes are still eaten daily, even after several years abroad
  ▪ Substitutes: Spanish cheeses (Manchego), ham, eggs, Jarlsberg
Part 2: Strategic
1 Mission

“Euro Marketing AS is a company arranging competence programs and marketing. We work with our customers’ internal and external processes to ensure the best overall results for them to create sustainable advantages. Euro Marketing AS is active in exporting Norwegian coffee, cheeses and sardines to USA, and we are offering imported children clothing to the Norwegian market through our web shop www.lapetitefleur.no”
- Euro Marketing AS
We define the risk – profitability binomial as medium

Risk:
• There are not particularly high costs by entering the Spanish market
• However, considering the current macroeconomic situation in Spain, the risk can be considered as medium
• We also define the risk as medium since there is currently only one direct competitor in the industry
• Further on, the risk can be considered as medium since Euro Marketing is a very small company with limited resources
• The company is already engaged in international business which indicates that the company is willing to take a higher risk
Since the risk is considered to be medium the profitability can also be regarded as medium. This is done in order to reach equilibrium in the binomial model

**Profitability**
- Euro Marketing is a small company so the resources are naturally limited
- There is a low marginal cost in the industry where Euro Marketing is competing, and especially amongst food products
- There seems to be a market for our product in Spain, with only one direct competitor. However, this competitor is already well established in the market, and have benefited from the first mover advantage. Moreover, it can also be mentioned that Tine has a strong market share also in Norway. All of this indicates that Euro Marketing and Synnøve have medium profitability in the risk – profitability binomial
3 Frame of Reference

WHAT
- Nutrition
- Pleasure
- Feeling of home

HOW
- Norwegian food products
- Brown cheese

WHO
- Spaniards
- Norwegians
- Companies

EUROMARKETING
These are our two macro segment, Norwegians and Spaniards

The company’s resources are limited, since Euro Marketing is only exporting the products and is not directly in charge of product modifications.

Due to the fact that it will be difficult to change all the product attributes needed to meet the wanted criteria in the Spanish segment, our recommendation is that they drop this macro segment.

Furthermore, the volume of the Catalan market shows that there will be a low profitability if entering the market.
5.1 Conclusion Porter’s Five Forces Spaniards

Conclusion for the Spanish macro segment:

- There is a high threat in all the five forces in this macro segment.
- Our research shows that the market for brown cheese in Catalonia seems to be very little, and that the industry therefore can be seen as unattractive. This conclusion is based on our secondary and primary research.
- Our findings indicate that an extensive product change would be necessary in order to get the Spaniards to adapt the product. This product change would include everything from design, name, texture of the cheese and the general taste.
- We do not find the market potential big enough in Catalonia in order to justify these changes.
- Moreover, we consider the competitiveness to be high due to many competitors and substitutes as well as the need to change our product. Because of this, and the small market size the profitability is low.

- Based on this, we choose not to continue with this macro segment. In other words, we will only focus on the Norwegian macro segment from this point on.
5.2 Conclusion Porter’s Five Forces Norwegians

Conclusion for the Norwegian macro segment:

- For the Norwegian market the external threats were to some extent modified, and the industry is seen as relatively attractive.
- This is based on the fact that significant parts of the Norwegian market are already familiar with the product. Moreover, our research shows that Norwegian products are greatly missed when Norwegians are abroad, and that there are found large concentrations of Norwegians in several areas of Spain.
- This indicates that there should be a market for the brown cheese among the Norwegian population (both residents and tourists) in Spain.
- When it comes to competitiveness, Tine is already represented in the market. However, this is a big competitor, currently being the only player on the market with 100% market share.
- Since Tine is already represented in the market, and has shown to be successful, it is clear that there is a market for the brown cheese in Spain. However, as Tine has a strong position in the market, we can expect the profitability to be at a medium level.
Micro-segmentation is the process of dividing macro segments into smaller groups, micro segments, based on similarities and needs within each segment. This is done in order to better identify needs and wanted criteria in a certain micro segment. With this information, it is possible to target different subdivided groups with different marketing mixes.

From our macro segment, we have developed nine micro segments. In order to identify them, we used two different variables:
- Benefits sought
- Family life cycle
<table>
<thead>
<tr>
<th>Family life cycle</th>
<th>Benefits sought</th>
<th>Families with children</th>
<th>Middle aged</th>
<th>Retired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feeling of home</td>
<td></td>
<td>The Traditional Norwegian Family</td>
<td>The Permanent Residents</td>
<td>Old Habits</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Norwegian traditions are provided for the children in order to maintain stability and habits</td>
<td>Occasional buyers</td>
<td>Used as an ingredient</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Brown cheese seen as an essential product</td>
<td>Sliced cheese</td>
<td>Sliced cheese</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Prefer different sorts of brown cheese</td>
<td>Old habits</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Occasional nostalgic feelings</td>
<td></td>
</tr>
<tr>
<td>Gourmet</td>
<td></td>
<td>International Family</td>
<td>Quality Conscious/ Gourmet</td>
<td>Small Scale Consumers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not price sensitive</td>
<td>Willing to pay as long as they get what they want</td>
<td>Buy familiar products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Like to experience the local cuisine while on vacation</td>
<td>Open to other substitutes</td>
<td>Would buy sliced cheese</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low consumption of typical Norwegian food products</td>
<td>Prefer the local cuisine</td>
<td>Do not like to throw food away</td>
</tr>
<tr>
<td>Price sensitive</td>
<td></td>
<td>The Importers</td>
<td>Adaptable</td>
<td>Small Scale Importers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Moderate price sensitivity</td>
<td>Price sensitive</td>
<td>Price sensitive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Choose the cheapest brown cheese available</td>
<td>Choose the cheapest brown cheese available</td>
<td>Bring cheese from Norway</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Brings cheese from Norway</td>
<td>Uses other substitutes</td>
<td>Bring sliced cheese</td>
</tr>
</tbody>
</table>
6 Micro Segments

The Traditional Norwegian Family
- This segment consists of families with small children, permanent residents as well as tourists visiting Spain
- They have a strong focus on providing the traditional and familiar Norwegian environment, even when abroad. Therefore, the brown cheese is a central and important part of their everyday diet. The key aspect in this segment is the habits of the children
- The level of influence from substitutes is low

The International Family
- Consist of families with children visiting Spain
- They like to experience the local cuisine and are open to substitutes
- This group is not price sensitive and appreciate gourmet products while on vacation
- This segment does not have a high consumption of traditional Norwegian products

Small Scale Consumers
- This segment shares many of the qualities as the earlier mentioned segment, Old Habits, but the “small scale consumers”, are normally tourists visiting Spain
- With this, it is inevitable that the group is attracted to local substitutes and are open to try new products. However, the brown cheese still has a central position in their daily diet when abroad
6 Micro Segments

The Importers
• This segment consists of families with children, permanent residents as well as tourists visiting Spain
• This group can be said to be moderately price sensitive. This means that they are somewhat limited by price, and chooses to bring the cheese with them from Norway
• If needed, they will buy the cheese in the point of sales in Spain from time to time
• As a result of their price sensitivity they will most likely choose the cheapest brown cheese available

The Permanent Residents
• This segment consists of permanent residents in Spain
• The status of the family life cycle is “empty nest”. Norwegian traditions are important and they have not adapted to the local cuisine
• The purchase frequency depends on the availability of the products
• The segment is not loyal to the Gudbrandsdals cheese, but also prefer different sorts of brown cheese
• These households normally consist of one to two persons, and the consumption is therefore somewhat limited
6 Micro Segments

Quality Conscious/ Gourmet
• This segment consists of both permanent residents and tourists
• The key characteristic of this group is that they are willing to pay as long as they get what they want. Price is not an issue, and the family life cycle is in the stage “empty nest”
• This segment is particularly open to other substitutes, and prefer the local cuisine. In other words, Norwegian products are not a part of the daily diet, but is eaten occasionally

Adaptable
• This segment consists of permanent residents in Spain. They are normally staying in Costa Blanca due to health issues
• They have somewhat adjusted themselves to the Spanish customs. However, it is likely that this process has been partly involuntary, due to financial reasons
• They tend to buy many Spanish substitutes, and rarely buy Norwegian products
• If the segment were to buy brown cheese they would choose the cheapest alternative available
6 Micro Segments

Old Habits
- This segment consists of retired people living permanently in Spain
- They have a strong connection to Norway and its traditions. Therefore, they have not adjusted to the Spanish cuisine and lifestyle
- They prefer Norwegian restaurants and seek Norwegian communities
- The household consists of one or two persons. With this, the consumption is quite low, and smaller, and more convenient package of brown cheese would be preferable
- However, the segment are loyal users of the brown cheese and they always have it in the fridge. The cheese is also seen as an essential ingredient when cooking

Small Scale Importers
- This segment consists of mostly tourists visiting Spain
- Their key factor is that they bring the cheese with them from Norway. This is done since the group is price sensitive
- The household have one or two members. This factor affects the volume of the consumption, and they normally bring with them smaller packages (sliced) from Norway
- The traditional Norwegian habits with the brown cheese are important
7.1 Solution Life Cycle

Growth phase
• This model is used in order to analyze the attractiveness of the product, and determine where our product is in its life cycle
• We believe the brown cheese is in the growth phase due to these factors:
  ▪ Tine is the only competitor in the Costa Blanca market, and has been present in the market since the 1970’s, and the consumers are therefore familiar with the product
  ▪ The brown cheese is diversified with three different products
    o In order to successfully enter on this market, it is necessary for Synnøve to differentiate their products
8 SWOT Analysis

Our SWOT analysis is based on both Euro Marketing and the producer of the brown cheese, Synnøve Finden

Strengths

- Euro Marketing is a growing company
- Euro Marketing has a lot of experience and knowledge to offer
- Euro Marketing already has years of international experience
- Euro Marketing has expertise in the Scandinavian ethnic food market segment in the US
- The brown cheese is a traditional Norwegian product
- Euro Marketing is a diversified company, and operates only with high quality products and merchandise
- The product has previously showed to be successful abroad
- Synnøve brown cheese is well established in the domestic market
- Synnøve has proved to be an innovative company
- Synnøve has been a success story, and has gained the support of many Norwegians against all odds

Weaknesses

- Euro Marketing is a small company
- The company has limited resources
- Euro Marketing is not established in Spain
- The company lacks market knowledge in the Spanish market
- The brown cheese has a limited market potential in Spain
- High price compared to other Spanish substitutes
- There are no significant differences between the Tine and Synnøve brown cheese
- The previous fact makes the brand loyalty low
- Synnøve brown cheese lacks the amount of international experience that Tine has and the first mover advantage
- The market share for Synnøve in the domestic market has been declining for the last three years
8 SWOT Analysis

Opportunities

- The Scandinavian segment can be considered to have a high purchasing power and are not price sensitive
- Currently there only exists one direct competitor in the market
- No brown cheese substitutes for the Norwegian segment, except from Tine
- The Gudbrandsdals cheese has proven to be the most successful brown cheese in the Costa Blanca market
- Brown cheese is the most preferred Norwegian product by Norwegians when traveling abroad
- Since Tine is already established in Costa Blanca, it is likely to be a potential market
- Political factors in Norway favoring Synnøve
- High concentration of Norwegian residents in certain parts of Spain
- Many potential point of sales in Costa Blanca
- The brown cheese covers the need for “the feeling of home” for Norwegians living in Spain
- Differentiate themselves from Tine
- Norwegians in Spain are positive to the brand even if they are not familiar with the product

Threats

- The current Spanish economy crisis
- The biggest competitor, Tine, is already established in the Spanish market
- Several cheaper indirect substitutes on the Spanish market
- Some of our target segments are not aware that Synnøve offers brown cheese
- Many Norwegians bring the cheese with them from Norway when going abroad
- Scandigo is able to import through Sweden, and is therefore able to sell at a lower price
- Tine has a strong market share in the domestic market
- The point of sales are limited to the Scandinavian supermarkets
- In order to survive in the market, it is vital to differentiate ourselves from Tine
- Strict import regulations due to Norway non-membership of the European Union
## 9.1 KSF and DC

<table>
<thead>
<tr>
<th>Macro Segment 1 Norwegians</th>
<th>Key Success Factor</th>
<th>Needed Distinctive Competence</th>
<th>Is it a distinctive competence for our company?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Accessibility  • Differentiation  • Competitive price</td>
<td>• Cooperation with experienced distributors  • Updated market knowledge, through efficient market researchers  • Competitive costs</td>
<td>• Yes</td>
</tr>
</tbody>
</table>
9.1 KSF and DC

- The KSF and DC are in perfect correlation with each other
- Comments to the matrix:
  - **Accessibility**: One of the key success factors from our primary interviews is accessibility. This means that the respondents stated that if the product was accessible they would buy it. In order to meet this factor it is necessary to have broad knowledge related to export and a close cooperation with distributors. Euro Marketing possesses this quality with regards to the US market where they are already targeting the Scandinavian segment. Considering this, there should not be any difficulties transferring this knowledge to Spain. In other words, cooperate with a talented and experienced distributor in the Costa Blanca market.
  - **Differentiation**: The brown cheese in Costa Blanca is in the growth phase in the product life cycle. This means that diversification is needed. Our direct competitor, Tine, is established in the market and is currently selling three different kinds of brown cheese. In order to be competitive it is vital for Euro Marketing and its distribution network to be aware of the market demand at any time. This is done through extensive market research and updated intelligence related to the competition.
  - **Competitive price**: In order to compete in this market it is necessary to have a competitive price strategy. This means that costs must also be competitive.
10.1 Choice of Competitive Strategy

Choice of competitive strategy

Cost Leadership

• This strategy focuses on productivity and competitive costs within the market
  ▪ The production and shipping costs are likely to be quite equal to the competitor. In other words, it is not viable to compete on costs
  ▪ Norwegian products have a generally higher price than the Spanish substitutes due to a higher price level in Norway
  ▪ The brown cheese is seen as a relatively “expensive” product
  ▪ The brown cheese has to be imported into Spain which adds transportation and customs costs
• This means that we will not be able to carry out a cost advantage strategy
10.1 Choice of Competitive Strategy

Choice of competitive strategy

We have chosen the strategy; Differentiation

“Differentiation by a firm from its competitors is achieved when it provides something unique that is valuable to buyers beyond simply offering a low price” – Michael Porter

- By differentiation, we mean that we have to differentiate ourselves from the other substitutes in the Spanish market as well as the competitor
- Seeing as Tine exports the Gudbrandsdals cheese from Sweden, and avoids a lot of the costs, we are not able to compete with a cost advantage strategy
- The brown cheese is a unique product in the Spanish market, currently only offered by Tine. Therefore we can sell it at a premium price. In addition, the product triggers and covers the “feeling of home” need for Norwegians
- Since we have established that the brown cheese is in the growth phase of the product life cycle, it is important to differentiate our product from the competitor in order to gain market share
- There are no real substitutes for the Norwegians in the Spanish market, which means that the only direct competitor is Tine. Based on this, it is vital to differentiate our product from what Tine is offering
- As already mentioned, it will be difficult to offer the same product at a cheaper price. This means that the only way to distinguish ourselves is to offer a differentiated product. One way we can do this is through offering different packages in terms of volume and convenience. This will be discussed further later in the assignment
10.2 Choice of Growth Strategy

**Product development strategy**
- This strategy involves offering new or improved products in an already existing market. The fact that Synnøve is not represented in the Costa Blanca market, means that this strategy is not suitable.

**Market Penetration**
- This strategy focuses on increasing sales of already existing products in already existing markets. This strategy is not eligible for us, since we are looking at expansion to new markers.

**Diversification**
- This strategy focuses on creating a new product in a new market. The fact that the brown cheese already exists in the Costa Blanca market, makes this strategy not an option.

**Market development**
- This strategy involves expanding existing products to new markets in order to increase sales. The fact that the Tine brown cheese is already represented in the Costa Blanca market, while Synnøve brown cheese is not, justifies this choice of strategy.
10.2.1 Market Development Strategy

**Geographic expansion**

- Our research indicates that there is a market for brown cheese in Costa Blanca. Therefore, the next step is to establish a strategy for geographic expansion. We have chosen this approach since we want to launch our product in a foreign market.
- Due to both limited resources and the fact that one of Euro Marketing’s core competences is exporting, this is the growth strategy we recommend the company to pursue in order to enter the Costa Blanca market.
- It is necessary to establish a stable and reliable distributor that has the required knowledge and connections in the target market.
- A central distributor is also essential if further expansion into other Norwegian communities (Costa del Sol, Canary Islands etc) is wanted.

### Ansoff Matrix

<table>
<thead>
<tr>
<th>Product</th>
<th>Market Penetration</th>
<th>New Products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Existing markets</strong></td>
<td><strong>Market penetration</strong></td>
<td><strong>Product development</strong></td>
</tr>
<tr>
<td><strong>New markets</strong></td>
<td><strong>Market development</strong></td>
<td><strong>Diversification</strong></td>
</tr>
</tbody>
</table>
10.3 Competitive Attitude Strategy

**Leader**
- In order to follow this strategy it is necessary to be the market leader in a certain product market. In our case, Tine is the dominant market leader, and it is therefore impossible for us to follow this strategy.

**Challenger**
- This strategy involves directly attacking the competitors in the market. This is done through targeting the same segment and market as the competitors. The level of our binomial risk/profitability matrix indicates that we are not able to follow this strategy. In addition, our market share in the domestic market shows that it is going to be difficult to challenge the market leader Tine.

**Follower**
- This strategy involves following the market leader, through an adaption of the products and strategy. We have not chosen this strategy, since we wish to be competitive in the niche markets.

**Niche**
- This strategy involves targeting a few segments in our market, rather than targeting the market as a whole. In other words finding niche markets.
- Based on this, the most suitable competitive attitude for Synnøve would be to target the niche markets.
10.3 Competitive Attitude Strategy

Niche

• Given the fact that we are not able to compete with Tine in the market as a whole, we have decided to follow the niche strategy, focusing on one or few micro segments. The choice of micro segments will be discussed further under the segmentation strategy.

• However, the niche segments will be significantly different from each other and the rest of the market. This means that they will react different to the same stimuli.

• Moreover, the chosen segments need to show a potential profit and growth in order to be eligible.

• The niche strategy correlates with the KSF’s and the choice of competitive strategy that we have chosen.

• In order for Synnøve to succeed in the Costa Blanca market it is necessary to differentiate themselves from the competitor, Tine.

• Our recommendation is therefore to follow a niche strategy, where they can use their strengths to be competitive in the market.
11 Segmentation Strategy

Undifferentiated
- This strategy involves approaching the market as a whole with the same marketing mix, without taking into account the differences between the different segments
- Tine is using this strategy, as they are targeting “All Norwegians in Costa Blanca”. With this, it is difficult for us to compete by using the same strategy

Focused
- This strategy involves concentrating on one specific segment, in the sense of following a specialized strategy
- This strategy was not suitable for us as we wanted to target several segments, with different marketing mixes

Differentiated
- This strategy involves developing different market mixes to each target segment
- With reference to the previous findings, we found that using a segmentation differentiation strategy would be the most suitable
- Even though the Norwegian consumers are quite homogeneous, there are significant differences between them
- This means that each of the segments need their own marketing mix, as they react differently to the same stimuli
- This will be discussed further when deciding a marketing mix
11.1 Segmentation Strategy

Based on key information from our primary research and our matrix of nine micro segments, we found the following criteria to be essential:

- Permanent residents or spending a significant part of the year in Spain
- Strong Norwegian relations and traditions
- Brown cheese is a part of the every day diet
- Low influence of Spanish substitutes
- Not particularly price sensitive towards Norwegian food products
- Would buy the cheese if available

With this, we have chosen to focus on two different segments. In other words we are going to use a differentiated segmentation strategy:

- The traditional Norwegian family
- Old habits
### 11.1 Segmentation Strategy

<table>
<thead>
<tr>
<th>Family life cycle</th>
<th><strong>Families with children</strong></th>
<th><strong>Middle aged</strong></th>
<th><strong>Retired</strong></th>
</tr>
</thead>
</table>
| Feeling of home   | The Traditional Norwegian Family  
Norwegian traditions are provided for the children in order to maintain stability and habits  
Brown cheese seen as an essential product | The Permanent Residents  
Occasional buyers  
Sliced cheese  
Prefer different sorts of brown cheese  
Occasional nostalgic feelings | Old Habits  
Used as an ingredient  
Sliced cheese  
Old habits |
| Gourmet           | International Family  
Not price sensitive  
Like to experience the local cuisine while on vacation  
Not a high consumption of typical Norwegian food products | Quality Conscious/ Gourmet  
Willing to pay as long as they get what they want  
Open to other substitutes  
Prefer the local cuisine | Small Scale Consumers  
Buy familiar products  
Would buy sliced cheese  
Do not like to throw food away |
| Price sensitive   | The Importers  
Moderate price sensitivity.  
Choose the cheapest brown cheese available  
Brings cheese from Norway  
Use other substitutes | Adaptable  
Price sensitive  
Choose the cheapest brown cheese available.  
Uses other substitutes | Small Scale Importers  
Price sensitive  
Bring cheese from Norway  
Bring sliced cheese |
11.1 Segmentation Strategy

**The Traditional Norwegian Family**

We chose this segment because of its promising qualities in relation to our product which are:

- Spend a lot of time of the year in Spain (includes both tourists and permanent residents)
- They have small children who greatly influence which groceries they purchase. As previously mentioned, the brown cheese plays an important role in Norwegian children’s everyday diet, and the consumption is therefore high
- Strong Norwegian traditions and habits
- Not price sensitive regarding Norwegian food products
- Prefers to buy the brown cheese locally rather than bringing it from Norway
- Due to the size of the household, the consumption of brown cheese is relatively high
11.1 Segmentation Strategy

**Old Habits**

We chose this segment because of its promising qualities in relation to our product which are:

- The status of the family life cycle is “retired”
- Permanent residents in Spain
- Plays an active role in the Norwegian communities
- Strong Norwegian traditions and habits
- Not price sensitive - regarding Norwegian food products
- Prefers to buy the brown cheese locally rather than bringing it from Norway
- Rarely travels to Norway
- Uses the brown cheese as an food ingredient in order to make the traditional Norwegian dishes
- Their food habits are deeply rooted in the Norwegian culture and are not likely to change
- Even though they consume brown cheese daily, the amount is somewhat limited due to the size of the household. Packages with sliced cheese could be preferred
### 11.1 Segmentation Strategy

The reasons for dismissing the remaining micro segments:

- None of the dismissed micro segments fulfilled our essential criteria when developing a segmentation strategy.
- The gourmet customers tend to prefer the local cuisine, and have found a great deal of Spanish substitutes.
- The middle aged segments have adapted themselves more to the Spanish food culture, and have in general more international food habits. In addition, the feeling of home need is not as strong as in the other family life cycle segments.
- The price sensitive segment was not seen as profitable since they prefer bringing the cheese with them from Norway, and are reluctant to buy the cheese locally.

<table>
<thead>
<tr>
<th></th>
<th>Families with children</th>
<th>Middle aged</th>
<th>Retired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feeling of home</td>
<td>The Traditional Norwegian Family</td>
<td>The Permanent Residents</td>
<td>Old Habits</td>
</tr>
<tr>
<td>Gourmet</td>
<td>International Family</td>
<td>Quality Conscious/Gourmet</td>
<td>Small Scale Consumers</td>
</tr>
<tr>
<td>Price sensitive</td>
<td>The Importers</td>
<td>Adaptable</td>
<td>Small Scale Importers</td>
</tr>
</tbody>
</table>
11.2 Family Life Cycle

- Micro segment I, "Old Habits", is currently in the "older single/couple" in the family life cycle.
- Micro segment II, “The Traditional Norwegian Family”, is currently in the “full nest” stage of the family life cycle.
This map emphasizes the way we wish to be perceived by our consumers.
12.2 Positioning Strategy

The positioning map helps to identify who our competitors are and how they position themselves strategically.

- In order to position our product we have chosen the variables user friendliness and perceived consumer value. Both of these variables were key factors in our findings and are consistent with our KSF’s and development strategies.
- Furthermore, these are the factors that we feel are most important in order to differentiate ourselves from Tine, and succeed within our niche markets.

User friendliness and perceived consumer value:
- By offering products that emphasize convenience, practical solutions and the feeling of added value through product attributes, we cover the needs of our two micro segments. We believe these variables are vital for Synnøve in order to establish themselves in the market. However, the strategy is easily copied and a more sustainable strategy is therefore needed in the long run. This should involve linking the brand together with the variables on an emotional level, which will create loyal customers. Moreover, Synnøve will be perceived as the user friendly brand that delivers high value to the consumers.
Since we have chosen a differentiated segmentation strategy we are going to develop two different marketing mixes, one for each micro segment; “Old Habits” and “The Traditional Norwegian Family”.

The marketing mixes are going to be quite equal since the micro segments possess several similarities. However, their consumption habits differ and we will therefore only change one P, the “product”.

<table>
<thead>
<tr>
<th>Old Habits</th>
<th>The Traditional Norwegian Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td></td>
</tr>
<tr>
<td>Promotion</td>
<td></td>
</tr>
<tr>
<td>Place</td>
<td></td>
</tr>
<tr>
<td>Product I</td>
<td>Product II</td>
</tr>
</tbody>
</table>
13.1 Marketing Mix: Price

• Neither of the segments are seen as price sensitive, as accessibility and the feeling of home need is more important than the price. In addition, Tine and Synnøve’s brown cheese has very similar attributes.

• Our findings indicate that customers are not particularly brand loyal, and will choose the cheapest brown cheese available. Therefore, one of the key success factors for the product is having a competitive price with respect to Tine.

• As previously mentioned as a threat, Scandigo in Torrevieja is selling Tine Gudbrandsdals cheese at a lower price due to a special import agreement from Sweden. However, we do not perceive this as a high threat as it has only been observed in one supermarket.

• Despite this, our findings indicate that the average price for 500 grams Gudbrandsdals cheese is around €9-10.

• Therefore, we should offer the same product at the same price. However, since we are targeting a niche market, customers are not going to be price sensitive if we meet the specified needs for the micro segments.
13.2 Marketing Mix: Promotion

- Our research shows that some bring the cheese with them from Norway due to the lack of knowledge of places where it is possible to purchase the brown cheese in Costa Blanca. Therefore, it is important to inform these people about the purchasing opportunities in the area.
- The Norwegian clubs, supermarkets and churches are important gathering points for permanent residents as well as for tourists, and as previously mentioned, the Norwegian magazines and newspaper play an important part in the Norwegian community. Based on this, we recommend using both the local media as well as the social gathering points.
- Both of our segments have a strong connection to the Costa Blanca area either as permanent residents or as tourists.
- In the following table we have specified which marketing channels that we think should be used for each target group.
## 13.2 Marketing Mix: Promotion

<table>
<thead>
<tr>
<th>What</th>
<th>Where</th>
<th>Who</th>
</tr>
</thead>
</table>
| Advertisement in magazines/newspapers | • Viking Posten  
• Que Pasa  
• Spania Posten  
• Spania Journalen | Norwegian permanent residents and Norwegian tourists |
| Advertisement online        | www.spania24.no  
www.spaniaavisen.no  
www.spaniasidene.com  
www.aktueltspania.net | Norwegian tourists and Norwegian part time residents |
| Promotion                   | • In point of sales  
• Scandigo  
• Tema 2000  
• Reuma Sol Kolonial  
• In the Norwegian Clubs  
• Torrevieja  
• Alfas del Pi  
• In the Norwegian Church Abroad  
• Torrevieja  
• Albir-Villajoyosa  
• Alicante | Norwegian permanent residents and Norwegian tourists |
| Samples                     | • In the Norwegian Clubs  
• Torrevieja  
• Alfas del Pi  
• In the Norwegian Church Abroad  
• Torrevieja  
• Albir-Villajoyosa | Norwegian permanent residents and Norwegian tourists |
13.2 Marketing Mix: Promotion

- The table on the previous slide shows how we recommend to promote the Synnøve brown cheese in the Costa Blanca market.
- In order to reach the segments, it is important to take advantage of channels like the Norwegian magazines, web pages, and the Norwegian gathering points, such as the Norwegian churches abroad and the Norwegian clubs.
- By using these channels, it is possible to create “word of mouth”.
- This should be done by offering Synnøve brown cheese in the cafeterias of the Norwegian gathering points and making the customers aware of this.
- Moreover, the gathering points can be used as promotion spots since the brown cheese is consumed there every day.
- Advertisement in the Norwegian magazines, newspapers and web sites will create awareness of Synnøve brown cheese for both segments.
- Regarding the advertisement in magazines, we have focused the promotion on the four biggest magazines/newspapers in the area:
  - Viking Posten – Weekly edition
  - Que Pasa - New edition every six week
  - Spania Posten - New edition twice a month
  - Spania Journalen – Monthly edition
13.3 Marketing Mix: Place

- This value chain shows how Euro Marketing is going to get the Synnøve brown cheese to the end consumer.
- The local distributor plays an important part in this process, since it is the distributor that provides the market knowledge, the communication and sale with the supermarkets. Therefore, it is essential for Euro Marketing to find a local distributor with extensive market knowledge and experience.
- Furthermore, we would recommend Euro Marketing to use a distributor that already works with Tine. This is due to the fact that this distributor will already know the Costa Blanca market, as well as the needs/demand for our product.
- As previously mentioned, under limitations, the information we possess regarding distribution is quite restricted. However, we know that the Scandinavian supermarkets who are currently importing the brown cheese from Tine, use local distributors.
- The main two distributors are:
  - Norseland
    - A daughter company of Tine, responsible for exporting Tine products in Europe
  - Dan-food
    - A Malaga based, Danish company, currently distributing the brown cheese to Scandigo and Reuma Sol Kolonial
- These distributors are centralized and deliver to the different Scandinavian supermarkets in Spain, in Costa del Sol and Costa Blanca (Annex 1)
13.3 Marketing Mix: Place

- Regarding the point of sales, we would recommend the Scandinavian supermarkets in Torrevieja, Alfas del Pi and Albir.
- Even though our findings indicate that Tema 2000 in Albir has a significantly higher sale of brown cheese than the other two supermarkets, we believe that all markets have potential.
- With reference to the graph on slide 59, the reasons for Tema 2000 high volume of sale is due to the online shop and shipment all over Spain, in addition to the daily in-store sale.
- Regarding the slightly lower sales at Reuma Sol Kolonial, this is due to the fact that this supermarket is located within a health center. However, the customers are not price sensitive, as the nearest supermarket is several kilometers.
- We do only recommend Euro Marketing to sell to Scandinavian supermarkets, through distributors, and not directly to the Norwegian gathering points. This is based on the fact that the consumption is quite low, and they purchase the cheese from the Scandinavian supermarkets.
13.4.1 Marketing Mix: Product I

Old Habits

• As previously mentioned, this segment values Norwegian traditions and habits. Seeing as this segment have reached the “old couple” and “old single” stage in the family life cycle
• This means that they are not able to consume a large amount of food products in general, including the brown cheese, due to the size of the household
• Therefore, we recommend to offer the brown cheese in smaller packages to satisfy the need of this target segment
• In order to build on our KSF’s, competitive - and positioning strategy, we recommend to focus on the user friendliness of the product
• This strategy will differentiate Synnøve from Tine, generate word of mouth and hopefully create loyal customers
• In other words, the main focus in this segment, needs to be on user friendliness. This attribute is a critical factor within this segment, and should be developed further in the long-run in order to remain competitive
13.4.1 Marketing Mix: Product I

Our recommendations based on our findings are as follows:

• Small (220g) user friendly packages with sliced cheese, in order to meet the demand from the segment
• User friendliness, through offering pre-sliced cheese
  ▪ This will make the cheese easy to open and close
  ▪ Easy to apply (no cheese slicer necessary)
  ▪ Smaller packages adjusted to the need of the segment
  ▪ Ideal for picnic and other outdoors activities

• Our research shows that both Tine and Synnøve offer this package in the domestic market, but Tine does not export this to the Costa Blanca area at the moment
• Furthermore, small packages have a higher kilo price, but the price might be perceived lower, which makes them profitable to sell
• Our research indicates that there is a high demand for sliced cheese in this segment
• Moreover, our findings show that the sliced cheese is one of the products Norwegians bring most frequently from Norway
• Packages with sliced cheese will meet the needs of this segment, since the segment represents mostly elderly people with a smaller consumption
13.4.2 Marketing Mix: Product II

The Traditional Norwegian Family

- This segment also values Norwegian traditions and habits, but unlike the “Old Habits”, they are in the “full nest” stage in the family life cycle. Therefore, they have a high consumption of groceries, including brown cheese.

- The 500 grams package of Gudbrandsdals cheese is the most sold brown cheese, both on the domestic and Costa Blanca market. Synnøve offers 800g packages in the domestic market, but we do not see this as convenient for the consumers as they will most likely perceive these packages to be too expensive.

- Based on our research, our recommendation is to offer large packages of brown cheese, as this will meet the needs of this segment. By large we mean packages of 500 grams. Tine is already offering this size in Costa Blanca. However, our research shows that there is a demand for Synnøve brown cheese. This demand is based on political factors favoring Synnøve, low brand loyalty, low switching costs for the consumers and high familiarity in the domestic market.

- Like the other segment, we need to build on our KSF’s, competitive - and positioning strategy. We recommend to focus on the user friendliness of the product. By doing this Synnøve will be able to differentiate themselves from Tine.
13.4.2 Marketing Mix: Product II

Our recommendations based on our findings are as follows:

- 500g packages, in order to meet the demand from the segment
- User friendliness, through offering the packages with a complementary cover:
  - This will prevent the cheese from drying
  - The cheese will be better preserved
  - It is convenient
  - It is easy to open and close

- This is a short-term strategy, which should be done in the introduction phase
- The idea of the cover was well received by the interview objects
- The strategy will differentiate Synnøve from Tine, generate word of mouth and hopefully create loyal customers. However, in the long run, it is necessary to develop a more sustainable strategy, as this product attribute is easy to copy
- In order to generate a long term success a good strategy is to create an emotional attachment to the brand
- We feel that this strategy is ideal for families with children since they usually prefer the 500g packages. In addition, our findings indicated that this segment value convenience and accessibility
The budget is made as an indicator, since we do not possess accurate numbers, as this is outside our problem area

- First of all, both the products we suggest, sliced cheese and 500g, already exists in Synnøve’s product assortment. This means that there will not be additional costs related to product development

Estimate of sales:

- As mentioned, the average price of the Gudbrandsdals cheese in Costa Blanca is €9-10, and our price should not exceed this level
- An estimated number for the three Scandinavian Supermarkets is 330 brown cheeses of 500g sold each month, during the high season, while in low season, sales can drop down to 100 packages
- This sale includes all the three versions of Tine brown cheese in the market. With a clear preference towards Gudbrandsdals cheese
- The sale is only from Tine, and our research indicates that should Synnøve enter the Costa Blanca market they will earn a significant part of the market. This is based on our qualitative research where all respondents were positive, and wanted to try the Synnøve brown cheese
- To summarize; we strongly believe that if the marketing of the Synnøve brown cheese is carried out successfully, they can gain a significant amount of market share
These are the main cost factors:

**Transport – refrigerated goods special**
- Brown cheese is considered as “fresh goods”. This means that there are strict regulations related to transportation of the products. By Norwegian law (Regulation June 27, 9645)

**Export inside the union**
- Due to the fact that Norway is not a part of the European Union are extra customs, and additional VAT costs going to be added

**Distribution**
- As mentioned, our research indicates that there are two main distributors that cover the Costa Blanca market
  - Norseland
  - Dan-food
- We have not been able to obtain the accurate numbers of the distribution costs, but based on our findings regarding Tine, we can assume that the cost regarding distribution for Synnøve will be similar. In other words, these costs sees to be sustainable and we do not see them as an obstacle

**Promotion**
- As previously mentioned, the promotion of the Synnøve brown cheese is vital for its success in the Costa Blanca market
- Even though the costs are not going to be unreasonably high, this cost factor will account for a significant part of the cost budget. First of all in advertisement in local newspapers, samples and promotion in point of sales

To summarize; our budget is based on estimates, our findings and Tine’s strategy in Costa Blanca
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http://www.euromarketing.no/

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http://www.tine.no/produkt/ost/brunost/tine-lettere-fl%C3%B8temysost
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Brown cheese

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REPORTS
Euromonitor International- Analysis, Passport GMID, Cheese in Spain (01.12.2011)

BOOKS
Contemporary Strategy Analysis, Robert M. Grant, Seventh edition 2010 - Chapter 3
DOs and DON’Ts

**DO’s**

- Start early by contacting potential interview objects
- Active participation during the tutorials and summarizing the key points afterwards within the group
- Meet frequently and work consistently throughout the entire period
- Get familiar with the methodology used at ESADE early, in order to avoid confusion
- Keep close contact with the company you are writing for
- Always be prepared for the tutorials and classroom sessions
- Set deadline within proximity, to challenge yourselves, but be realistic

**DON’Ts**

- Do not underestimate the workload
- Do not postpone important tasks
- Do not expect that the company you are cooperating with will do the assignment for you
- Do not expect that everyone speaks English
- Do not to other regions without a map
- Do not hesitate to get a hold on the needed material
Distributors for Brown Cheese in Europe

Annex 1

**United Kingdom**
Bayham Foods Ltd. in Eyam, United Kingdom Hope Valley S32 5BW
P.O.Box 2081 Eyam
Phone: +44 1433 639 717

**Norseland Limited**
Lakeside House
1 Furzeground Way
Stockley Park
UXBRIDGE
Middlesex UB11 1BD
UK

**Spain**
Danfood
Poligono La Vega, 19
Cala de Mijas, Malaga 29649
ES

**Denmark**
Delimo AS in Skævinge, Denmark
Industrivej 25
DK-3320 Skevinge
Phone: +45 4828 8344

**Germany**
TINE Norwegian Dairies GmbH in Hamburg, Germany
Postfach 740463
22094 Hamburg
Phone: +49 4073 10640

**Sweden**
Milko Mejerier in Stockholm, Sweden
Svärdvägen 11
Phone: +46 8 446 56 50
Guide for qualitative methods; in depth interviews and focus groups Norwegians in Costa Blanca

1. Recognition
   1. Tell me the last time you bought cheese?
      - Which type?
        - When, where, why, price, place, brand...
   2. General cheese habits
      - When, how...
      - Has the cheese habits changed while living abroad?

2. Information search
   1. What is your source of information when purchasing food?
      - Advertisement, family, friends, promotion, Internet, point of sales...

3. Evaluation of alternatives
   *Awareness and image of the main cheese brands*
   1. What are your criteria when buying brown cheese? (brand, promotion, taste, price, convenience)
   2. Tell us 3 cheese brands you can remember?
      - How would you define, with one word, each of these brands?
   3. What do you consider as substitutes for brown cheese?
      - In which occasions do you eat brown cheese?
      - Which products do you purchase and eat if cheese is not available?

4. Purchase decision
   1. When and where do decide your purchases?
      - Planned in advance, in the store...

5. Post-purchase behavior
   1. Do you usually buy the same brand? (In the sense of re-purchasing criteria)
      - Why? What does it depend on?
        - Brand loyalty, occasions, usage, price, convenience....

6. General variables
   1. Do you miss Norwegian groceries when abroad?
   2. Do you miss the Norwegian brown cheese in Spain?
   3. Would you be willing to buy the Norwegian brown cheese during your stay? (probably to a higher price)
   4. Do you buy any Norwegian products during your stay?
   5. Are you aware of point of sales in the area that sell Norwegian products/ and or brown cheese (regardless brand)?
6. What do you buy as a substitute for brown cheese when Spain?
7. What type of food do you prefer eating during your stay Spain?
   (Norwegian/Spanish/other)
8. How much time do you spend in Spain during one year?
9. Reason for being in Spain? (holiday, long term stay, resident, student, other)

We plan to use the same guide for both the indebt interviews and the focus groups. However, we are going to make some small adoptions if needed. This is depending on the dynamics of the focus group.
Guide for qualitative methods; in depth interviews and focus groups; Spaniards in Barcelona, Catalonia

1. Recognition
1. Tell me the last time you bought cheese?
   o When, where, why, price, place, brand...
2. Familiarity with any international food products?
3. And/or Norwegian food products?
4. What image does Norwegian food products have in your opinion?

2. Information search
1. How do you decide your purchases (source of information)?
   o Advertisement, family, friends, promotion, point of sales, internet...

3. Evaluation of alternatives
1. What are your criteria’s when purchasing cheese?
   o Health benefits, taste, price, familiarity, general usage, convenience, brand...
   * Awareness and image of the main cheese brands:*
     o Tell us 3 cheese brands you can remember
     o How would you define, with one word, each of these brands

2. What do you consider as substitutes for cheese?
   o In which occasions do you eat cheese?
   o Which products do you purchase and eat if cheese is not available?

4. Purchase decision
1. When and where do decide your purchases?
   o Planned in advance, in the store...

5. Post-purchase behaviour
1. Do you usually buy the same brands? (In the sense of re-purchasing criteria)
   o Why?
   o What does it depend on?
     • Brand loyalty, occasions, usage, price, convenience....
(Giving the cheese to the people interviewed)

6. Pre-taste evaluation

1. Describe this product
   o Colour, packaging, smell...

7. Post taste evaluation

1. What is your first impression?
   o Do you like it?
     o Why do you like it? / Why do you not like it?
       ▪ Taste, qualities, texture, previous equal taste experience...

2. In which occasions would you eat this cheese?
   o Why?
     o Tapas, with bread, as a dessert, food ingredient...

3. How do you perceive the quality of this product, and would you pay a higher price for it?

4. In which type of shops do you think this cheese should be sold?

5. How do you perceive this product in general?
   o Positive and negative aspects

We plan to use the same guide for both the indebt interviews and the focus groups. However, we are going to make some small adoptions if needed. This is depending on the dynamics of the focus group.
**Observation Guide for Barcelona, Catalonia**

We are also going to use the method of observation. Our observation is going to take place mainly in the different types of cheese point of sale, ie, Supermarkets (Caprabo, Mercadona), El Gourmet in El Corte Ingles, with other gourmet point of sales.

**What we want to observe is:**

1. How international is the cheese selection?
   - Types of cheese
2. Are there any similar products available?
3. How are the price ranges (how big is the different prices between national and international products)

**Observation Guide for Costa Blanca**

We are also going to use the method of observation in Costa Blanca. Our observation is going to take place in the Scandinavian Supermarkets in Torrevieja, Alfas del Pi mainly and Albir

**What we want to observe is:**

1. Is the Norwegian brown cheese represented?
   - Types of brown cheese
   - What is the price range for the products?
2. Does the shop offers a wide range of Scandinavian products?
3. Type of clients
   - Nationality
   - Age
Guide for qualitative methods; Professional In-depth Interviews with Spanish Shops in Barcelona, Catalonia

1. Do you sell any Scandinavian cheeses?
2. Have you heard about the Norwegian brown cheese?
3. Do you have any cheeses based on goat milk?
4. Are you selling any sweet cheeses?
5. In what occasions are these cheeses consumed?
6. What cheese criteria does the customer emphasize?
7. Who are their regular customers?
8. Opinions about our product; Pro’s & con’s

Guide for qualitative methods; Professional In-depth Interviews with Norwegian Shops in Costa Blanca

1. Do you sell brown cheese?
2. Which brown cheeses do you sell?
   • Package size, brand, types of brown cheese
3. How much brown cheese do you sell during a year?
4. Is the sale season based?
5. Who are their regular customers and who purchase brown cheese?
   • Norwegian permanent residents, Norwegian tourists, other tourists, Spaniards
6. Do you experience any demand from Spaniards? (If yes, from which geographical area?)