



ABSTRACT

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Title	Sweet innovations for the Chinese A case study of xylitol confectioneries' marketing opportunities on the Chinese markets		
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Abstract

Innovations are becoming more important for the success, prosperity and even survival of companies. Today, many international manufacturers are introducing their new and innovative confectionery products to the Chinese markets, where people are showing a strong preference towards health enhancing confectioneries. Although innovations are considered to be important also in food industries, only a few studies have been made about food innovations. The purpose of the thesis is to study xylitol confectioneries' marketing opportunities on the Chinese markets. The sub-questions of the research are: (1) Which factors are best taken into consideration when assessing marketing opportunities for health enhancing confectionery products? (2) What are the Chinese confectionery industry and markets like? (3) How new do consumers in Beijing and Shanghai perceive xylitol confectioneries to be? (4) How can xylitol confectioneries be distributed to potential clients in Beijing and Shanghai?

The research design of the thesis consists of an exploratory single-case study, which is approached by abductive reasoning with primary qualitative methods. Data for the thesis was collected by literature studies, interviews and e-mail questionnaires. In the thesis, two field studies were carried out. When assessing the marketing opportunities of xylitol confectioneries, it was noticed that the degree of newness in a product is a decisive factor. Marketing opportunities were discovered and it was concluded that xylitol confectioneries are dynamically continuous market innovations. However, in order to make consumers migrate to xylitol confectioneries, replacement demand has to be stimulated by emphasising product characteristics. The most likely consumers of xylitol products in China are early adopters and bigger groups of people can be reached by using different opinion leaders and other external influences. No one best way of distributing xylitol confectioneries could be found.

Based on the research results it can be concluded that in China niche markets should be found for xylitol confectioneries and better business opportunities can be found in xylitol pastilles with added benefits such as vitamins. The most likely early adopters of xylitol products were seen as better-off educated urban males and females under the age of 40 leading a busy lifestyle. In distribution, companies should concentrate more on the depth than breadth when distributing their products. Overall, the future prospects of xylitol confectioneries are promising on the Chinese markets. However, the high costs in trade and media make the Chinese markets hard to penetrate and creating consumer awareness and trial is essential.

Key words	China, confectionery industry, innovation, marketing opportunity analysis, degree of newness, xylitol, health enhancing and medicated confectioneries
Further information	