Positioning of a brand point of parity
- a study of a possible approach for taking position of a point of parity in a mature business to business market

CAROLINA CARLSSON
KRISTINA LINANDER

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Carolina Carlsson
Kristina Linander
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Carolina Carlsson; 850726-6966
ccarls@kth.se
Kristina Linander; 850102-4007
klp@kht.se
Abstract
Every organisation has to build their brand on specific associations that they want to be related to. These associations can be divided into two categories: points of parity and points of difference. Traditionally brands have been concentrating on the company’s points of difference in their positioning strategies. It is more complex to take the position of a point of parity than it of a point of difference. Positioning involves finding a distinct place in the customer’s memory for the right reasons the company wants to convey and in that way maximize the profit potential for the company. To be able to achieve this, the company need to define its target group, its competition, and in what way the brand are alike the competition and in what way they differ from their competition. Existing brands positioning derives from the brand’s identity. The problem question is how can an organisation gain the position of a point of parity? Food Safety is relevant to use as an example given that it is impossible to compromise with, since it could lead to bankruptcy if not properly handled. The aim is to dissolve the complexity of the situation by using well known theory about marketing strategies, brand building, positioning, brand identity, brand equity and communication.

The solution consists of three phases that forms a model of a strategy. In the first phase the organisation need to set up their marketing and brand strategies, their frame of reference and decide on their identity, what point of parities and point of differences they want to be associated with. The second phase involves elaboration of the identity into brand equity. For a point of parity it is a longer process than for a point of difference. The last phase is the communication of the brands message and identity. Communication is the key to linking the identity to the customer. The steps are combined in the strategy set up in this research. Since markets are dynamic it is important to resubmit and keep working with all steps of the strategy. The strategy is summarised in the following picture.

Key-words
Positioning, Points of Parity, Brand Identity, Brand Equity, Brand communication, Food Safety
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Carolina Carlsson & Kristina Linander
Table of content

1 INTRODUCTION ........................................................................................................ 1
  1.1 BACKGROUND ................................................................................................. 1
  1.2 PROBLEM .......................................................................................................... 2
  1.3 PURPOSE AND AIM ...................................................................................... 3
  1.4 LIMITATIONS ................................................................................................. 3
  1.5 OUTLINE ......................................................................................................... 3

2 METHODOLOGY ....................................................................................................... 4
  2.1 PARADIGM ....................................................................................................... 4
    2.1.1 Positivistic methodologies .................................................................. 4
    2.1.2 Interpretivist studies ........................................................................... 5
    2.1.3 Triangulation ......................................................................................... 7
  2.2 APPROACH ....................................................................................................... 7
  2.3 THEORETICAL FRAMEWORK ....................................................................... 8
  2.4 EMPIRICAL FRAMEWORK .............................................................................. 8
    2.4.1 Food Safety ............................................................................................. 8
    2.4.2 Importance of Food Safety along the Supply Chain ......................... 9
    2.4.3 Case Study on Tetra Pak Processing Systems AB ......................... 9
    2.4.4 How other companies use Food Safety ........................................... 10
  2.5 RELIABILITY AND VALIDITY ....................................................................... 10

3 THEORETICAL FRAMEWORK ............................................................................. 11
  3.1 STRATEGIC MARKETING ............................................................................. 11
  3.2 BUSINESS TO BUSINESS MARKETING ..................................................... 13
  3.3 SUPPLY CHAIN MANAGEMENT ................................................................... 14
  3.4 DIFFERENTIATION ....................................................................................... 14
  3.5 POSITIONING ................................................................................................ 15
  3.6 REPOSITIONING ............................................................................................ 16
  3.7 POINTS OF PARITY AND POINTS OF DIFFERENCE .............................. 18
  3.8 BRAND IDENTITY ........................................................................................ 21
  3.9 BRAND EQUITY ............................................................................................. 22
    3.9.1 Keller’s Customer-Based Brand Equity Pyramid, CBBE Pyramid .......... 24
  3.10 COMMUNICATION ......................................................................................... 25
    3.10.1 Marketing Communication ................................................................ 26

4 EMPIRICS .............................................................................................................. 27
  4.1 FOOD SAFETY ................................................................................................ 27
  4.2 TETRA PAK PROCESSING SYSTEMS ............................................................ 28
  4.3 MARKET DEMANDS ....................................................................................... 29
  4.4 INTERVIEWS ................................................................................................. 29

5 FINDINGS .............................................................................................................. 30
  5.1 LAWS AND REGULATIONS ......................................................................... 30
  5.2 COMPETITION ............................................................................................... 31
  5.3 CUSTOMER DEMANDS ................................................................................. 32
    5.3.1 Dairy demands ..................................................................................... 32
    5.3.2 Retailer demands ............................................................................... 33
    5.3.3 Consumer demands .......................................................................... 34
  5.4 INTERVIEW RESULTS .................................................................................... 34
    5.4.1 Interview I ............................................................................................. 34
    5.4.2 Interview II ............................................................................................ 35
    5.4.3 Interview III .......................................................................................... 37
1 Introduction

This chapter includes a general outline of the thesis, it starts with a short background explanation and then describes the problem, purpose, and aim. After that the limitations are set up. At the end of the chapter a short abstract of the outline is presented to make it easier for the reader to understand the research.

1.1 Background

Every organization has to build their brand on specific associations that they want to be related to. These associations can be divided into two categories: points of parity and points of difference. Points of parity are an association that the product or service must offer at the specific market the organisation is active in. Points of difference are on the other hand distinct features that the company use to differentiate from their competition. These differentiating associations are often what the brand is associated with in the mind of the customer and can be both tangible and intangible. (Kapferer, 2004) (Kotler & Keller, 2006). This often leads to ownership of that specific position (Kotler, 1999).

Brand positioning specifies the approach the brand uses to grow on the market at the competitors’ expense. Positioning of a brand implies highlighting the brands distinctive features which makes the brand different from its competitors and attractive to its customers (Kapferer, 2004). Positioning involves finding a distinct place in the customer’s memory for the right reasons the company wants to convey and in that way maximize the profit potential for the company. To be able to achieve this, the company need to define its target group, its competition, and in what way the brand are alike the competition and in what way they differ from their competition. In other words they need to define their target market, their competitors, their points of parity, and their points of difference (Keller, Apéria, & Georgson, 2008). Traditionally brands have been concentrating on the company’s points of difference. However, these points of difference are not enough to preserve a brand and thus be better than the competition. It is important to consider two other aspects of positioning, the frame of reference and the features that the brand have in common with competitors, as well (Keller, Sternthal, & Aybout, 2002).

Existing brands positioning derives from the brand’s identity. A brand is more than a name, a logo, colours, slogan and symbols. These factors have to exist but a brand is most of all a promise to the customer and consumer. It is a promise to supply specific characters, qualities, advantages and services in a consistent way. The identity is what helps an organisation to feel that it truly exists and that it is coherent, yet unique and has its own history and its own place that
differentiate themselves from their competitors (Kapferer, 2004). An attempt to define the relationship between the customers and brands produced the term brand equity in marketing literature and has highlighted the importance of having a long term focus within brand management (Wood, 2000). The task is to make a quality product and build a brand image that creates a positive consumer evaluation (Farquhar, 1989).

Food Safety is of great importance to all businesses handling food products. Food Safety and safe food refers to food that does not cause any threat to a person’s health when consumed and it is equivalent with good food hygiene. Every step in the food chain plays an important role in the process of producing safe food, from raw material to the consumer (Griffith, 2006).

Food Safety can be seen as a point of parity for an equipment manufacturer. It is something that the company has to offer their clients. Food Safety is relevant to use as an example given that it is impossible to compromise with, since it could lead to bankruptcy if not properly handled. For example, a car manufacturer company might have a three years warranty as point of parity and therefore it is unnecessary to try to differentiate it self in that matter, you could offer an warranty for five years and therefore make the argument a point of difference or maybe start a war with your competitors regarding who offers the longest warranty. When outlining the argument this way it seems unnecessary to differentiate a point of parity but in practice a positioning analysis is needed to understand the market and what positions are possible to take.

1.2 Problem

As explained in the background it is complex to take the position of a point of parity. It is much easier to take ownership of a point of difference, since the competition is lower. There is always a chance of being copied but when being first with something often means ownership of the position. In some cases it is desirable to take ownership of a point of parity. As mentioned in the example in the background with the comparison of Food Safety and a car warranty it becomes clear that there are different kinds of points of parities. In some cases it can be a competitive advantage to have ownership of the point of parity but it is a more difficult process and not as common as positioning on a point of difference. The problem question *is how can an organisation gain the position of a point of parity?*

When discussing Food Safety in the terms of differentiation it is hard to add more “years” to make you stand out from the competition. One can ask if differentiation of Food Safety is a necessity or even possible. The complexity in the question is due to the necessity of Food Safety. An equipment manufacturer works in the business to business segment and has to regard the
whole supply chain in their marketing strategies which also contributes to the complexity of the problem.

1.3 Purpose and Aim
The purpose of this research is to investigate and understand how an organisation can use a specific brand association that is a point of parity, in their positioning strategies. More specifically how they can create a position and what possibilities there is. The aim is to dissolve the complexity of the situation by using well known theory about marketing strategies, brand building, positioning, brand identity, brand equity and communication.

1.4 Limitations
The research is practiced as a Master Thesis project at the Industrial Economies and Management programme at the Royal Institute of Technology (RIT) in Stockholm, Sweden. The project is 30hp, which is equivalent with 20 weeks and is performed by two students during fall/winter 2011/2012. The study is restricted to the Business to Business, B2B, industry since the literature and previously research manly regards the Business to Consumer, B2C, industry and the differences in the approaches is interesting to highlight. Food Safety is as mentioned a phenomenon that is more and more noticed by the public and therefore interesting to investigate. The business that is chosen for investigation is the food processing manufacturers, which is a mature industrial market where the positions are well established, and the repositioning more complex. When looking at customer demands China has been chosen as a geographical limitation with United Kingdom as a reference country. When it comes to demands on the equipment, a restriction has been set to UHT (Ultra High Temperature) treatment of milk.

1.5 Outline
The study starts with a literature review to gain thorough knowledge about marketing strategies, brand building, positioning, brand identity, brand equity and communication, but also Food Safety factors in the chosen field. Also information about previous research and legalisations and restrictions is gathered. This information is strictly evaluated to make sure it is of importance and validity to what is defined by the researchers as purpose and aim. The methods of the research is chosen and evaluated in the initially phase of the study. The literature review results in a theoretical framework, which is used as a foundation for the empirical review. In the empirical part information about how companies use Food Safety in their marketing strategies is gained through interviews at Tetra Pak Processing Systems AB (TPPS). Also the producer, retailer and consumer demands regarding Food Safety are collected to evaluate what place in the marketing strategy Food Safety should have. To further investigate the positioning of Food Safety two
other companies in the same industry, SPX Flow Technology and GEA Group, is investigated regarding their positioning and differentiation of Food Safety by information gained from the Internet. Next the empirical data is evaluated in relation to the theoretical framework set up for positioning strategies. This is thoroughly analysed to answer the problem question and answer to the purpose and aim that are set in the beginning by the researchers.

2 Methodology

The research has been divided into two parts, first a general investigation of the use of positioning in a mature business to business market is performed, the second part is an exploration of the possibilities to position a point of parity. A thorough examination of the theory of marketing strategy and brand building has been done, where relevant knowledge for this study is collected. The same is done for the phenomenon Food Safety in the chosen industry, and also with regards to the supply chain. Second, an empirical study consisting of interviews on Tetra Pak Processing Systems and also of the markets demands regarding Food Safety is carried out. These elements are the core of the study, from which the research paradigm and approach is based on. The following information is retrieved from the book “Business Research – a practical guide for undergraduate and postgraduate students” written by J. Collis and R. Hussey 2009.

2.1 Paradigm

A research paradigm is a philosophical framework to explain how a research is conducted. There is two main paradigms, positivism and interpretism, which could be compared to two endpoints of a line, two extremities. Positivism is based in reality and is not depended on humans and the goal is to verify theories. This is done by empirical studies such as observations and experiments. This method was popular earlier but research practiced today is often by a paradigm that resembles positivism and deals with the understanding of social phenomenon. Logical reasoning is used to underline the research by precision, objectivity and accuracy. Interpretism is based on the apprehension that the social reality is not objective but highly subjective since it is shaped by different interpretations. The researcher is involved in what is being investigated since it is impossible to separate these two. Positivism concentrates on measuring social phenomenon while interpretism focus on studying the complexity if the social phenomenon with an approach that results in an interpreting understanding of the problem. These are, as mentioned, the two keystones of paradigms, beyond them there are many approaches.

2.1.1 Positivistic methodologies

Different types of research with positivism as a paradigm are described in this section.
EXPERIMENTAL STUDIES

Experimental studies are performed to investigate relations between variables. The independent variable, which is changeable, is used to examine how it affects the dependent variable. The study is performed in a laboratory or in reality, which one is chosen depends on the circumstances. In a laboratory the control over the variables is greater while experiments performed in reality is exercised in the nature of the phenomenon but the variables and the surrounding factors is harder to control. There is an amount of research designs to choose from, repeated measuring, independent selection, matching pairs and independent design. The choice is dependent on a number of main questions such as the amount of samples, nature of the samples and time of the experiment. The size of the samples also has to be decided.

EXAMINATION

This method means collecting secondary or primary data from a sample with a purpose to analyse them statistically and generalise the results to a specific population. In case of a small population, data from each individual can be collected while for a larger population a test sample is collected. The examination can be divided into two categories. Explaining research has a purpose of giving a correct re-production of a phenomenon at a specific time or different times. Analytical research decides if there is a relation between two or more variables. Examination can also be used in an interpretistic study.

CROSS-SEXTION STUDIES

This method performs research in different contexts but at the same time period and is commonly used to investigate economical aspects from a large amount of organisations or population. It is commonly used when resources and time is limited and provides a snapshot of the phenomenon. It is difficult to make the study large enough and the problem enough isolated and only describes the existence of a phenomenon not why it exists.

LONGITUDINAL STUDIES

This method is used to investigate the dynamics of a research problem through examine the same issue at different times. The time perspective is extended, sometimes several years. This method is more time consuming and expensive to perform but can sometimes be executed by secondary data. Big changes during over time and the reason for the changes are investigated.

2.1.2 Interpretistic studies

This section describes methodologies that can be used when the paradigm is interpretism.
HEUMANTICS

Heumantics is a method that focuses on interpretation and understanding of the information with the help of historical and social forces. It was used in the beginning to interpret historical texts, now a days it is used in all situations where you want to recreate a historical meaning and is performed through repeated relation to the context when interpreting the meaning of a text.

ETHNOGRAPHIC RESEARCH

This method derives from the anthropologies, the science of the human origin and social relations. A sample is studied to gain understanding and a description of the specific group. The purpose is to interpret the social group the same way as the members of the group should have done. The researcher often becomes a member of the group and the research is usually performed during a long period of time.

PARTICIPATION RESEARCH

This method claims that the participants are as involved as possible in the study, which is performed in their natural environment. The participants decide direction of the research and the researcher develops questions and answers as a shared experience with the participants. Three approaches to this type of research are identified as combined research, participating action research, and action research.

ACTION RESEARCH

By finding an effective way to perform a conscious change in a party controlled environment and then interpret the results, action research is executed. The method is often carried out within an organisation and it is important to have a close contact with the constituent. Within the academic research this method has been criticized since the purpose is close related to those of a consulting assignment or journalism. Therefore some chose to call it action science to avoid the criticism.

CASE STUDIES

A case study is used to explore a specific phenomenon in its natural setting through the usage of different methods to gain thorough knowledge. The research is time consuming and is performed during a long period of time. The focus is on one group, one happening, one company, one process or one person. Since these exists in the real world there are many external factors affecting them and happenings at a specific point in time can be hard to interpret if the background is unknown.
BASED THEORY

This is a method to develop a derived theory about a specific phenomenon. It is grounded in positivistic studies, which starts with a theoretical framework, develops a hypothesis and collects information, which can support the hypothesis. In this cases only information that are specific to the case, and not depended on previous theory, is collected.

FEMINISTIC, GENDER AND ETHNICAL RELATED STUDIES

Feministic studies are used to understand a phenomenon trough a woman’s point of view towards men’s. Gender related studies examine both men’s and women’s point of view. Ethnical studies describe how a particular ethnical group experience a phenomenon.

2.1.3 Triangulation

Triangulation is when different kind of sources is used to gain the information or different research methods and/or more than one researcher is investigating the phenomenon. By using this approach the research should gain wider validity and reliability. There are different kinds of triangulation; triangulation of theory – one theory is used to describe another, triangulation of information – information from different times and sources are used, triangulation of researchers – more than one researcher performs the study on their own, and triangulation of methodology – when more than one methodology is used but from the same paradigm.

The main paradigm of this study is chosen to be interpretism since the researchers will make interpretations based on the discovered information, both theoretical and empirical. The research explores the chosen phenomenon in its natural settings and at mainly one company and the methodology can be counted as a case study.

2.2 Approach

Inductive approach to research refers to a study where a new theory is developed. This study uses the theoretical and empirical information to make contributions to the research in the matter, hence, the study is of inductive approach. To define research, the way of addressing the research when collecting information is used. The two main approaches for this is quantitative and qualitative research. The first is used for statistical methods while the latter is a way of interpreting methods. It is not certain that only one of them is used in a research project although in this study mainly the qualitative approach is used seeing data is collected and interpreted without statistical methods.
2.3 Theoretical Framework

The theoretical framework consists of secondary data that has been acquired from books, articles, websites and reports to explain marketing concepts of positioning and differentiation.

A famous name in the marketing field is Philp Kotler. Hence, he has been chosen to be a valid source for information about strategic management. He has written many books and some of them in collaboration with others, which also has been used in this research. Two books by Kotler are “Marketing Management”, 2002, and “Kotlers marknadsföring”, 1999, and these build a base for a large amount of our theoretical framework. Other researchers and authors in the field often refer to him. Since the books are not from the last couple of years the information has been updated with more resent publications. For information about business to business marketing the book “Business marketing management: B2B” by M. Hutt and T. Speh, 2010, has been used among others. For literature about brand management, positioning etc. books and publications of well known researchers and authors such as Kevin Lane Keller, Jean-Noël Kapferer has provided information. Some Swedish authors has been used as well, Henrik Ugglas book “Positioning: Teori, trend & strategi”, 2006, and Frans Melin “Varumärkesstrategi”, 1999 are considered valid choices and have provided theory to underpin the research.

2.4 Empirical Framework

For the collection of empirical data different methods has been used. The purpose is to compare the theoretical framework with reality to be able to evaluate the potential of using Food Safety or any point of parity in strategic positioning. This is done trough a experimental case study at Tetra Pak Processing Systems as well as investigating the importance of Food Safety along the supply chain. Both secondary and primary information is gained in this process.

2.4.1 Food Safety

Since Food Safety is part of the assurance for the public health all over the world, there are a lot of agencies setting up guidelines and standards. In the developed countries these guidelines are further used and applied than in less developed countries. The USA has regulations and authoritlys controlling their food chains and these have been used in this research as theory of how Food Safety should be assured in the processing equipment. The U.S. Food and Drug Administration (FDA) (www.fda.gov, 2011) is an authority for controlling the food standards in the country. These authorities are supported by the 3-A SSI sanitary standards (www.3-a.org, 2011) which are a legitim set of guidelines used by many organisations not only in the USA. The 3-A SSI consists of an amount of different documents regarding different food products or steps in the food chain. These sources have been used to describe good Food Safety manufacturing, and
mainly the *3-A SSI Accepted Practices for the Design, Fabrication, and installation of Milking and Mink Handling Equipment*, (3-A SSI Sanitary Standards, 2002).

An equivalent organisation in Europe is the *European Food Safety Authority* (efsa) (www.efsa.europa.eu) (The European Food Safety Authority, 2011). Efsa is an organisation which assess and communicate the risk related to the food chain by performing scientific studies on different subjects. To provide guidelines there is *The European Hygienic Engineering & Design Group*, EHEDG (www.ehedg.org) (The European Hygienic Engineering & Design Group, 2011) which is an organisation of equipment manufacturers, research institutes and health authorities. They provide documents describing the right way to manufacture process equipment for the production of safe food. Documents of particular interest for this research are mainly Document 8 and 10 (EHEDG doc 8, 2004) (EHEDG doc 10, 2007), but others have been evaluated as well. Another organisation that provides guidelines, codes of practice, recommendations and standards are *Codex Alimentarius* (www.codexalimentarius.net) (Codex Alimentarius, 2011). The standards usually relate either to a specific type of food product or a specific food process. For this research guidelines for milk and milk product, and closed processing equipment are used.

### 2.4.2 Importance of Food Safety along the Supply Chain

Since the study is performed in a business to business market and within a company that works relatively early in the supply chain, the value and importance of Food Safety is investigated further down the chain. To understand the possibilities and demands for a brand association such as Food Safety the whole supply chain has to be considered. Therefore research on how Food Safety can bring value to mainly consumers but also retailers has been conducted. The source for such information is secondary and attained from previously conducted research. In this section the geographical limitations has been set to China since it is a fast growing market and the United Kingdom is used as a reference since they are considered to be at the leading edge in their work with Food Safety.

### 2.4.3 Case Study on Tetra Pak Processing Systems AB

The choice to perform a case study was made due to the acquired knowledge that can be gained from a real case scenario. The purpose of the case study is to understand how Tetra Pak Processing Systems, as a food processing equipment manufacturer, can address the problem and gain a stronger position on the market regarding Food Safety. TPPS is a valid choice for such study since they are a global provider of high technology processing equipment where the risks for Food Safety emergencies and contaminated food are large and highly relevant. Tetra Pak
Processing Systems works on a mature market and is well known in the business, it is therefore important to not only live on old merits but also evolve with the market and listen to market demands. The case study is carried out through interviews and discussions with employees at Tetra Pak Processing Systems. The interviews were semi-structured and both done in person and as telephone interviews. The researchers have also had access to internal documents where information has been attained. Since some of these contain confidential information, such as strategies and product specifications, it cannot be used in this research. Information through presentations performed by employees at Tetra Pak Processing Systems and are also used in the empiric part of this research. The study is from an outside-in perspective. The following persons has been interviewed:

- Stefan Åkesson – Manager of Food Safety and Equipment Safety – Discussions has been carried out continuously from the 17th of October 2011 to the 25th of November the same year
- Ebba Hedblad – Strategic Marketing Manager – Interview took place the 30th of November 2011
- Thomas Wernant – Marketing and Product Management Director – Interview took place the 28th of December 2011
- Nicole Uvenbeck – Marketing Manager Homogenization – Interview took place the 3rd of January 2012
- BertOve Bejevik – Marketing Director – 4th of January 2012

2.4.4 How other companies use Food Safety

By looking at two other companies than Tetra Pak, GEA Group and SPX Flow Technology, a perspective of different ways to use Food Safety can be gained. The information about GEA Group and SPX Flow Technology is collected from their homepages and therefore not as profound and detailed as the one gathered from Tetra Pak.

2.5 Reliability and Validity

The reliability and validity is related to the results of the research. If the result is to be reliable a conformed study must have established the same results. This is above all important to studies of positivistic character. If the study is of interpretistic nature it is not as important since it is difficult to conduct the same study once again, since the researchers of the phenomenon are involved and influences the study themselves. Instead more focus is put on the observations and interpretations ability to be explained and understood when the reliability is evaluated. Hence, for a study like this the reliability is low or of little importance. The validity is often harder to
acquire. Validity is defined as the extent to which the result of a study reflects the phenomenon that is researched and the ability of solving the problem that is chosen initially. This research is of an interpretive paradigm, which is equivalent with low reliability and high validity.

3 Theoretical Framework

The theory that the research is based on is presented in this chapter. The theoretical framework starts by explaining strategic marketing as a whole. The methods used to perform a strategic marketing within a company is described in more general terms initially, later more focused information on the chosen field of theory for the specific problem is presented. Later on more brand building theories are described. This structure is selected to create a depth in the theory that is needed to make sure the purpose and aim is fulfilled.

3.1 Strategic Marketing

Marketing aims to realise the social needs and desires. It refers to fulfilling people’s or organisation’s needs in a profitable matter. It is not just about creating products, advertise them and distribute them. It is also about knowing different types of demands to be able to influence these demands (Kotler, 2002). Philip Kotler is professor in marketing and he proposes that businesses must create a web of marketing qualities to be successful. Porter claims that a company does not have a strategy as long as they make the same effort as their competition, only a little better. Eminent is not the same as having a successful strategy. Succeeding strategies consists of a unique combination of strengthening activities that prevents replication. It is common to chose a short strategy that promises success in marketing and there are nine most common approaches, which is described in the in the following text (Kotler, 1999).

- Winning by higher quality - It is important to have good quality, but to claim great quality without a definition is useless since quality means different things to different people and for different products. It is almost impossible to evaluate the quality just by looking at a product. Companies are now a day much alike when it comes to quality. If a company is known for its quality it is important that there are customers willing to pay for that quality.
- Winning by better service - Customers define service in different ways such as quickness, obligingness, knowledge, ability to solve problems etc. Just claim to provide better services is not enough.
- Winning by lower prices - If lower prices are a company’s marketing strategy it has to be careful since there is always a possibility that another actor comes to the market offering
even lower prices. Low prices are not enough to build a viable company, quality and service are necessary too.

• Winning by large market shares - A company makes more money if there are fewer competitors on the market. This often provides a well known brand and creates a larger opportunity that the first time buyer chooses the specific company but this does not automatically results in greater revenues.

• Winning by adaption and change - The cost of adapting to every costumer is high. Mass customisation could work but far most it is an unprofitable strategy.

• Winning by continuously product development - This is a good strategy mainly if the company has the leading position in its category relative the competition. Although some products have a limit for how much it is possible and profitable to develop them.

• Winning by inventing new products - This strategy can be profitable but it can be difficult to introduce new products on the market. If a company does not introduce new product there is a possibility it gets forgotten but there is always an economic risk in the introduction of a new product.

• Winning by gaining new markets with a high growth - Some market leaders have made a lot of money on this strategy. It is very common that companies fail to do so, only a few companies succeed and then must continuously keep updated to stay at that position.

• Winning by outperform the customers’ expectations - Instead of satisfied customers the companies want excited customers. If you outperform the customers’ expectations they will have higher demands at the next purchase. At some point the company have to settle with just living up to the expectations of the latest expectations. Each company must choose which expectations to fulfil to make it profitable.

Smart marketing companies strengthen their customers’ knowledge, their own knowledge of customer relationships, and understanding of customer economies. They invite the costumer to be part of creating the product and use targeted communication and integrate the marketing communication to provide a comprehensible message at every customer contact. Marketing is more of a battle for knowledge as an asset than resources as assets. Competitors can replicate each other’s products but not the knowledge the organisation possesses (Kotler, 1999).

A company has to position their offers in a way that makes their customers aware of the benefits in their offer. Positioning is the effort made to imprint the offers’ crucial benefits and differences in the mind of the customer. Beyond the crucial benefits the salesman will present, to potential customers, further reasons to choose their brand. A brand does not have a central attribute or benefit without an appropriate positioning (Kotler, 1999).
It is important to develop the total offer since the customer chooses the organisation with the best overall offer. One way to develop the best total offer is to evaluate the customers’ preferences (Kotler, 1999). The organisation needs to develop the brand, a brand does not only consist of a name and logo but of the associations that is linked to the brand. These associations are crucial to the brand. Hence, it is important to properly build the brands identity (Kapferer, 2004).

3.2 Business to business marketing

There are a lot of differences in the marketing of business to business (B2B) compared to marketing in business to consumer (B2C) organisations since there are a lot of differences on the markets. First the customers of B2B companies are fewer and bigger and buy more products. There is often a closer relationship between the seller and customer and since there are few customers they have a greater influence and therefore seller has to customise the products to a greater extent (Kotler, 2002). The geographical segmentation of customers is more substantial and most of the customers are stationed near big cities. The methods for the purchasing is professional when dealing with a business instead of a consumer, products to business is procured by educated purchasing personnel and follows guidelines set up by the specific organisation. The product demand is not always regulated by the price. A shoe manufacturer does not produce fewer shoes if the price on leather decreases. It is rarely possible to make big changes in the production methods short term. Fluctuated demand in the B2B means that when the demand increases on a consumer product, the demand on the equipment for producing such product increases too. An increase in demand at the B2C market could by the same logic mean an increase on the B2B market. The demand of the B2B market is connected to the demand at the B2C market (Kotler, 2002) (Hutt & Speh, 2010). Hutt and Speh (2010) also ads the stimulating demand to the characteristics of business market in relation to consumer goods markets. A B2B organisation has to develop market programmes that reach the end customer and therefore they must monitor them too. Price sensitivity and demand elasticity refers to the response of the quantity demand to regulate the price. When changing the price the quantity demand changes too. Regarding the geographical perspective of the goods, business products commonly reach outside a specific country’s boundaries (Hutt & Speh, 2010).

The customers of business markets can be divided in to three categories; commercial organisations, institutions (i.e. universities) and governments. The market driven organisations is aware of the market and connects it to the customer. They consider the changes in the market and interpret the customer’s responses to the marketing programme. It is important to avoid isolation in the work, successful companies have marketing managers who integrate and who understands the manufacturing process, research and development, and customer services and
uses these to develop marketing strategies that match the customers’ needs. A close collaboration with the customer is a premise to the success of many organisations (Hutt & Speh, 2010).

### 3.3 Supply Chain Management

Supply chain management means linking manufacturing processes together to all its strategic suppliers, main stakeholders, and customers to gain effectiveness. The goal is to improve the speed, precision, and effect of the process through strong connections in the chain. This is accomplished by share of information, joint planning, joint technology, and benefits. A business is a valued partner in the chain if the benefits are large. This switches the focus from price to value and products to solutions. The customers in the business markets put great emphasis on the marketers supply chain capacity (Hutt & Speh, 2010).

The business market consists of mainly three actors. The first one is users, users buy industrial products or services to use in production of other products or services. They sell their products to business or consumer. Next actor is original equipment manufacturer, OEM, which purchases industrial goods to put in other products and sell to business or consumer. The last one is dealers and distributors that include all commercial businesses who buy products from users and OEMs. These actors are not exclusive but overlap each other. It is important to understand the business motivations since different customers have different reasons to buy a product (Hutt & Speh, 2010).

The best marketing strategists base their value positioning on points of difference that has the greatest importance to the final customer, it reflects clearly on the customers’ business priorities. The greatest difference of business markets and consumer goods markets is the nature of the market, the pattern of the demand, the buyer behaviour, and the buyer – seller relation. Manufacturers have the largest dollar volume on purchasing in the USA, most of them are small and the buying force is concentrated to a few businesses that are geographically concentrated (Hutt & Speh, 2010).

### 3.4 Differentiation

The foundation of all business is a product or an offer. There are variations in how these products and offers can be differentiated. A regular challenge for marketers of products is to create a relevant and distinct product differentiation. The differentiation can be based on physical differences such as performance, structure, sustainability, dependability, looks and packaging. It could also be based on differences in availability, which could mean how available the product is in stores or if it is possible to order over Internet etc. Another differentiation point is differences
in service where delivery, education, guidance and reparations play a part. Other differences are those of price and last those of image (symbols, atmosphere, media, etc.) (Kotler, 1999).

Two effective ways to create physical differences is features and design. A feature creates a fast and substantial way to provide more advantages. Design can create a visible differentiation of a product or package. All successful differentiations have the potential to attract imitators. When the imitators introduce their products at the market, often to a lower price, it puts pressure on the original developer. There are in this case three scenarios to choose from. One way to handle the problem is to cut the price on the product, and except less revenue, to protect the market share. Another way is to keep the price and loose some of the market share. The third alternative is to find a new way to differentiate the product. The latter provides the best shot for a sustainable maximized income. The organisation needs to continuously seek new advantage. The expectation of finding a sustainable advantage in a market with a lot of competition is almost a fantasy (Kotler, 1999).

3.5 Positioning

Existing brands positioning derives from the brand’s identity. But it exploits a specific advantage of the identity at a given time in a given market and against a certain group of competitors (Kapferer, 2004).

The marketing manager must use the target marketing to create the tools for the marketing mix that will support and provide the product with its positioning. A company could choose a wide positioning or a specific positioning. Porter have suggested that organisations should concentrate on the product differentiation, low price leading and create a niche. However, an organisation should avoid being good at all factors but not best in any of them; this will lead to lost market shares. Michael Treacy and Fred Wiersemas model consists of the factors product leading, best performing and best client contact. Different customers prioritise different factors. They recommend a choice of one of the factors to be head of and create an acceptable level of the other two. The organisation should continuously improve the superior position if they want to keep it, and improve the acceptable level of the other two factors since the competition also improves themselves (Kotler, 1999).

There are some important situations to avoid when it comes to positioning. First there is under positioning that means that the organisation has failed to present a strong central advantage or reason to buy the product. Over positioning is when the created positioning is to narrow and potential customers might overlook the brand. Another risk is confusing positioning which occur when an organisation claim they have two or more advantages that contradict. Irrelevant
**Positioning** is when the organisation claims to have an advantage that few or no customers care about. The last situation to avoid is *uncertain positioning* which occurs when an organisation claims to have an advantage that potential customer has doubts that the organisation can accomplish (Kotler, 1999).

Positioning is two step process. The first step is to decide to what category the brand should be associated with. The other step consists of finding the brands significant difference in comparison with the other products and brands on the chosen markets (Kapferer, 2004).

A brand’s positioning (the answers to the for questions; what? for whom? when? Against whom?) does not reveal the brands entire significance nor reflect its full potential. It prevents us from exploring brand identity and singularity. It is difficult to completely differentiate a brand from its competitors simply by positioning. Positioning allows marketing to depend on creative ideas and current inventions. A certain positioning is not associated with a specific way of promotion. A brand has the ability to communicate with words, images, sounds, colours, movement, and style, but positioning can only control the word (Kapferer, 2004).

Brand positioning is more competitive than brand identity. The aim of positioning is to identify and take advantage of strong purchasing policy’s that give the company and edge. Positioning specifies the best ways to attack competitors’ market shares. Brand identity is more stable than positioning and has a longer perspective of the future because it is linked to the brand’s roots and fix parameters (Kapferer, 2004).

### 3.6 Repositioning

When brands age the challenge is to make sure the brand is up to date and that it responds to the customers alternating needs. It can be achieved in different ways, sometimes a brand’s positioning might be sufficiently rich that it can be kept over the years. In other cases presenting the same points of difference are not enough, the meaning that is associated with the brand needs to deepen. In a more clear way describe how the brand is correlating to the consumers’ aims and motivate them to use the brand (Keller, Sternthal and Tybout, 2002).

Henrik Uggla (2004) has described repositioning in his book “Positionering: Teori, trend & Strategi”. Repositioning is a strategy to change an existing position in direction of a more attractive position with the purpose to widen the market or vitalise organisations, brands, people or places and make them more relevant and attractive. There are different aspects that can be in need for repositioning, the company, the whole organisation could be in need of redefining its vision and direction because of external pressure. A brand can be in need for repositioning, whole or in part, because they are stuck in a position trap and are perceived as rigid and out-
dated. The reasons for repositioning could also be such as renaming because of globalisation. Repositioning of products can be a result of being caught unwanted positions and the experience of outdating. The most common trap for a product is getting stuck at old attributes. This is a secure way to destruction of the organisation and also the brand and repositioning is sometimes the only rescue. A person can reposition as an individual or as a working person. Wanting to expand ones identity is not uncommon. The reason for repositioning a place could be to expand the location, brand or identity.

Fast growing product life circles and an external pressure on many companies to be relevant to their customers have lead to expansion of repositioning. Organisations state that they work with market expansion when often these expansions and diversifications just are a step in the repositioning strategy were the company looks to broaden the brands meaningful content (Uggla, 2006).

A repositioning must seem relevant to the customer and must contribute something for the customer in relation to the situation of use, attitude, and values. How much it is possible to reposition a business depends on the customer’s frame of reference for the specific organisation or brand, the starting position regulates what repositioning is possible. The organisation must also evaluate how to gain parity at the new category and if it is possible do supply at the new promise or if the position is impossible to reach (Uggla, 2006).

Repositioning comes with a lot of opportunities, it can be a starting point for something new and lucrative and could lead to new segments and business opportunities and diversification of the old. It might create energy, differentiation, clarity and a new focus and knowledge of the organisation, brand and product. There are some risks as well. If the company cannot keep their promise they lose credibility and there are also some categories were it is not accepted to reposition. If an organisation or brand repositions itself frequently it might be perceived as opportunistic and to have less credibility. If the repositioning is in collaboration with an external partner it involves more risks and the organisation gets more vulnerable since it is impossible to control the partner (Uggla, 2006).

Repositioning could be seen as something positive or sometimes something unnecessary. Some claims it to be a necessary solution when a brand has lost its credibility at the market. Uggla (2006) state that repositioning can be seen as an emergency solution when a dynamical marketing strategy does not exist, and the holder is opportunistic and a fortune hunter.
3.7 Points of parity and points of difference

A well defined brand positioning will help to guide the company’s marketing strategy by clarifying what the brand is all about, in which way it is unique, in which way it is comparable with its competition, and why the customers should buy and use the brands products (Keller, Apéria, & Georgson, 2008). Brand positioning is what the marketer wants the customers to know about the brand in contrast to what they already know. Positioning is an attempt to style the company’s offering and image so that is gets a distinct place in the mind of the intended customer (Kotler & Keller, 2006). Positioning involves finding a distinct place in the customer’s memory for the right reasons that the company wants to convey and in that way maximize the profit potential for the company. To be able to achieve this, the company need to define its target group, its competition, and in what way the brand are alike the competition and in what way they differ from their competition. In other word they need to define their target market, their competitor, their points of parity, and their points of difference (Keller, Apéria, & Georgson, 2008).

The first step in strategic brand management, according to the book *Strategic Brand Management* (Keller, Apéria, & Georgson, 2008), is to identify and create brand positioning. The brands positioning involves identifying and establishing points of parity and points of difference to be able to form the brand identity and create a matching brand image. To create a competitive advantage and give the customers reasons to why they should buy the company’s products it is essential that the brand is associated with unique and meaningful points of difference. Some associations do not need to be unique for the customer they just need to be at least as favourable as the competitions, and those are called points of parity. They are essential to have so that the customers do not rule out the brands products just because they lack something that the competition has. There are three different types of points of parity; category points of parity, which are associations that the customers consider mandatory for a brand to fit in the specific market, competitive points of parity that are associations that aims to constrain a competitor’s point of difference and points of parities associations that are shared between the company and its competition. Points of difference are associations that should increase the chances that customers will choose a company’s specific brand product. It is associations that are unique for the brand and that are strongly appreciated and favoured by customers (Keller, Apéria, & Georgson, 2008).

Traditionally brands have been concentrating on the company’s points of difference. However, these points of difference are not enough to preserve a brand and being better than the competition. It is important to consider two other aspects of positioning, the frame of reference
and the features that the brand have in common with competitors, as well. There are always occasions when it is necessary to offer the same features as the competition. For an effective brand positioning it is required to make well thought-out plans of both the points of difference and the brands points of parity. Defining the frame of reference is important because it determine which associations that will operate as points of parity and which ones that will operate as points of difference. With positioning it is of great importance to make sure that the organisation have established a frame for the product or service, that the points of parities are leveraged well, and that the brands points of difference are compelling (Keller, Sternthal, & Tybout, 2002).

A variable that could influence the choice of frame of reference is the products place in its lifecycle. For a newly established product its frame of reference is often determined by the already existing products on the market so the customers easily can distinguish what kind of product it is and what aims it is fulfilling. Growing opportunities and treats can be a reason for a change of frame of reference in the later parts of the lifecycle (Keller, Sternthal, & Tybout, 2002).

When the frame of reference is chosen, the points of parity, which are needed within that specific frame, should be established. There are certain criteria’s that needs to be fulfilled to make the consumers accept the brand within the specific frame of reference. The consumers might not see a bank without saving opportunities as a real bank. Marketing strategist generally knows the importance of identifying points of parity when introducing a new brand. For more innovated products it seems more difficult to find an already existing frame of reference and establishing the points of parity there. New products that does not fulfil the points of parity within the frame of reference end up with having difficulties to making the consumers understand what kind of product they have and what objectives it should meet. Already existing brands also need to re-evaluate their points of parity ones in a while since attributes that ones was points of difference might have transformed into points of parity (Keller, Sternthal & Tybout, 2002).

Brand parity has got a negative tone to brand managers since high brand parity is associated with more price sensitive customers. It is also associated with brand loyalty, which is related to brand equity. High levels of brand loyalty create high levels of brand equity, and high equity is hard to develop in a world of high parity. The study “The Role of Brand Parity in Developing Loyal Customers” by Iyer and Muncy found that the relationship between customer satisfaction and customer loyalty is stronger for people with low parity perceptions than for people with high parity perceptions. The study also found that the relationship between perceived quality and customer loyalty toward the brand is stronger for people with low brand parity than for people with high brand parity (Iyer & Muncy, 2005).
If the frame of reference has been identified correctly the points of difference will become strong and unique associations that will make the brand stand out from the other brands within the same frame of reference. Positioning should not only be built on a brand’s points of difference but they should not be ignored either. Points of difference are the advantage a brand has in comparison to its competition. It is the attributes that the customers keep in mind about a specific brand. This is the foundation of a successful positioning. There are three types of brand difference: brand performance associations, brand imagery associations, and consumer insight associations. Brand performance associations are related to the customers’ functional requests and how well the product/service fulfils those. An example of this could be when buying clothes or a book and the buying decision is based only on the functional properties of the product. When a decision is based on earlier experience for example a haircut or a restaurant visit, customers uses brand imagery associations. Brand imagery is often anchored in who is using the brand and under which circumstances. Consumer insight associations are generally used when a brand’s performance and imagery associations does not distinguish enough from the competition. A brand that can show that they have insight in the customers’ world and their problems companies’ goals tend to be more successful in showing the customers that they are the right brand for them. But overall the brand performance associations and the brand imagery associations are more attractive to the customers than the consumer insight associations. The competition might kill a brand’s points of difference by offering the same attributes and in that way they become points of parity instead. For the points of difference to be successful they need to be desirable for the consumers but they also need to be feasible for the brand. A wanted position should be feasible for the company, create an advantage that is profitable, and preventive, defensible and hard to attack or copy for the competition (Keller, Sternthal and Tybout, 2002).

Leading market brands often market their product by category points of parity and in that way creating a message that says that they are the ones generating the frame of reference. The other actors on the market have to fulfil the points of parity to express their frame of reference but then they use points of difference to compete. For example, Pantene offers a fresh and healthy hair than Suave offers a fresh and healthy hair to a lower price.

There are many pitfalls to be aware of in brand positioning for example trying to build brand awareness before anchored a distinct position, it is hard to try to convince anyone else who you are before you know it yourself, or trying to promote attributes that the consumers care less about. Investing too much money in certain points of difference that are easy to copy by the competitors should be avoided too. Positioning is meant to keep competitors at a distance not to
attract them. Some brands are too caught up with responding to the competitions choices that they forget their own positioning and are drawn away from it. It is rarely easy to repositioning a brand, it might even be impossible. When a positioning that works well for a brand is found it might in the long run need to be expressed in a more modern way but a repositioning should be well thought through before realising. To generate an effective positioning involves deciding a frame of reference, points of parity and points of difference and making sure that the different attributes does not contradict each other (Keller, Sternthal and Tybout, 2002).

3.8 Brand Identity

A brand is more than a name, a logo, colours, slogan or symbol. These have to exist but a brand is far most a promise to the customer and consumer. It is a promise to supply specific characters, qualities, advantages and services in a consistent way. A campaign can create name recognition, some brand knowledge and partly create preferences. But a campaign is not able to create a tie to the user. These experiences stem from other places where the customer has been in contact with the business, through employers and communication. A brand is created when these experiences have been positive and that is way organisations must work towards getting the employees to understand how they are a reflection of the brand. Brand identity is a brand management tool that specifies the facets of a brand’s uniqueness and value. For already existing brands the brand identity is the source for the brands positioning. The identity is what helps an organisation to feel that it truly exists and that it is coherent, yet unique and has its own history and its own place that differentiate themselves from their competitors (Kapferer, 2004).

According to Kapferer (2004) a brand’s identity is clearly defined when the brand’s vision and aim is set and when the brand has chosen a value that makes it different from its competition based on the brands roots and competences. A brand identity is defined by its tangible and intangible characteristics, everything that makes the brand what it is. The brand identity is based on its roots and heritage, everything that gives the brand its unique legitimacy and authority within its world of precise values and benefits.

Brand identity can be divided into six facets, the brands physique, personality, culture, relationship, reflection, and self image. The physique is the brands specificities and qualities, it is the spine of the brand its tangible added value. The first step in developing a brand is to define the brands physical aspect: what is it substantially? What does it do? And how does it look like? Personality, by communication the brand is creating its character. One way to do this is to give the brand a spokesperson or a figurehead, either real or symbolic. Culture, a brand is a culture and each brand has its own which the brands products derive from. The culture is the set of values feeding the brand with inspiration. Relationship defines the mode of conduct that most
identifies the brand with. This has a number of implications for the way a brand acts, delivers services, and relates to its customers. For example IBM symbolises orderliness, whereas Apple conveys friendliness. Reflection, a brand is a customer reflection. A brand is often symbolised with a certain kind of users, young ones or elderly, for fathers or maybe show-offs. The reflection is the target’s outward mirror. The customers should be reflected in the way they want to be perceived when choosing a specific brand. But this should not be mixed up with target that describes the brands potential customers and users. Self-image is the targets own internal mirror. An inner relationship with yourself is developed by its own attitudes against certain brands. For example for one that is buying a Porsche the aim could be to proving to yourself that you have a great carrier and the ability to afford it. These six facets define the brand identity by also its limitations that it may change or develop within. All these facets interrelate with each other and create a well structured entity. Brands have the gift of speech and can only exist if it is communicating. According to the figure the physique, relationship and reflection the brands social facets that gives the brand its outward expression. They are all visible facets and are the one on the left in the figure. Personality, culture and self-image are the ones that are within the brand, its spirit. The prism helps to understand the essence of both brand and retailer identities (Kapferer 2004).

3.9 Brand Equity

An attempt to define the relationship between the customers and brands produced the term brand equity in marketing literature and has highlighted the importance of having a long term focus within brand management. Brand equity has proliferated into different meanings. There are customer orientated definitions and company orientated definition (Wood, 2000). Brand equity can be defined as the total value added by the brand to the core product. To create brand equity, the brand must differ in an advantageous way to the customer in the product category (Mudambi, Doyle, & Wong, 1997).

In Aaker’s model (1996), brand equity is composed of five components: brand name awareness, brand loyalty, brand associations, perceived quality, and other proprietary brand assets such as patents and channel relationships as shown in Figure 1 (Aaker, 1996).
Brand Loyalty - the extent to which people are loyal to a brand is expressed in the following factors: Reduced marketing costs (hanging on to loyal customers is cheaper than charming potential new customers), trade leverage (loyal customers represent a stable source of revenue for the distributive trade), attracting new customers (current customers can help boost name awareness and hence bring in new customers) and, time to respond to competitive threats (loyal customers that are not quick to switch brands give a company more time to respond to competitive threats).

Brand awareness - the likelihood that consumers recognize the existence and availability of a company's product or service. Creating brand awareness is one of the key steps in promoting a product. It can be measured using the following parameters: Anchor to which associations can be attached, familiarity and liking, signal of substance/commitment to a brand and, brand to be considered during the purchasing process.

Perceived quality - the extent to which a brand is considered to provide good quality products can be measured on the basis of the following five criteria; the quality offered by the product/brand is a reason to buy it, level of differentiation/position in relation to competing brands, price (as the product becomes more complex to assess, and status is at play, consumers tend to take price as a quality indicator), availability in different sales channels (consumers have a higher quality perception of brands that are widely available) and, the number of line/brand extensions (this can tell the consumer the brand stands for a certain quality guarantee that is applicable on a wide scale).

Brand associations - associations triggered by a brand can be assessed on the basis of the five following indicators the extent to which; brand name is able to ‘retrieve’ associations from the consumer’s brain, association contribute to brand differentiation in relation to the competition, brand associations play a role in the buying, brand associations create positive attitude/feelings and the number of brand extensions in the market.

Other proprietary brand assets - Other proprietary assets: examples are patents and intellectual property rights, relations with trade partners, and airlines' landing slots (the more...
proprietary rights a brand has accumulated, the greater the brand’s competitive edge in those fields).

According to Farquhar (1989) brand equity could be managed through three stages. In the introductory stage, the task is to make a quality product and build a brand image that creates a positive consumer evaluation. The next stage is elaboration, where efforts are to be made to foster attitude accessibility in the consumer’s mind. The third stage is fortification, where the strategy is to extend the brand to other products.

3.9.1 Keller's Customer-Based Brand Equity Pyramid, CBBE Pyramid

Keller’s CBBE model consists of a sequence of steps for building a brand. The first step is to figure out who you are, the brand identity. The second step is to establish what you are, the meaning of the brand. The third step is about what your customers think or feel about the brand. How does your customers identify the brand and what meaning does it have for them, its all about brand responses. The fourth and last step is about brand relationships, the brand should here try to convert the brand response to create an intense, active, and loyal relationship. The ordering of the steps are essential and says that brand meaning cannot be established unless the brand identity has been created, the same applies for brand responses which cannot occur unless the right brand meaning is developed and brand relations cannot form unless proper responses has been obtained (Keller, Apéria, & Georgson, 2008).

Keller has established six brand building blocks; **Salience, Performance, Imagery, Judgments, Feelings**, and **Resonance** into a pyramid and says that significant brand equity can only result if brand reach the top of the pyramid, Figure 2. The blocks up the left side of the pyramid represent a rational route of brand building (Keller, Apéria, & Georgson, 2008).

![Figure 2. Keller’s CBBE Pyramid](image)
Brand salience measures the brand awareness, for example, how easily and how often the brand is evoked under various circumstances or situations. A highly salient brand is one that has a brand awareness that is both deep and broad. Brand salience is an important first step in building brand equity but for most customers other considerations like the meaning or the image of the brand plays a severe role. The two main types of brand meaning is brand performance and brand imagery. There could be different types of associations that become linked to the brand and these associations should fulfil all three dimensions: strength, favourability, and uniqueness, in order to create brand equity. If a brand association is unique it will only add value to the brand if the association is favourably for the customer, and desirable brand associations also need to be sufficiently strong so that the customers recall it and link it to the brand. All strong associations may not be favourable and the favourable associations may not be unique. The associations can be divided into points of parity and points of difference. Brand judgments are the personal opinions of the customers, which they form from all the different brand performance and imagery associations. The judgments are often about the quality, credibility, consideration, and superiority. Brand feelings are the emotional responses and reactions the customers connect to a brand. So all sorts of customer responses are possible but what is important to the brand is how positive the responses are. The responses must also be accessible and come to mind when consumers think of the brand. The relationship consumers have with brands and brand resonance has two dimensions, which are activity and intensity. Activity measures how frequently the consumers uses or buys the brand while intensity measures the strength of the attitudinal attachment and sense of community (Keller, Apéria, & Georgson, 2008).

3.10 Communication

Bråten’s communication model from 1968 is a sequential communication model that is based on a transmitter that formulates the aim. Then the transmitter develops a content that is shaped in words and pictures. The aim is sent to the receiver through a channel where the message is exposed to noise and after that the receiver interprets the messages and reacts in a specific way according to the transmitter’s aim (Holm, 2002).

Aim by the transmitter → Content by the transmitter → Channel with noise → Content interpreted by the recipient → Recipients’ reaction.

Rhetoric’s are the core curriculum of communication. Rhetoric is the science of speaking well in contrast to grammar, which is about speaking right. Rhetoric has always been important but has received renewed interest because of today’s increased information flow. There are many different messages competing for attention, credibility and acceptance, which have increased the requirements to be able to convince, not only persuade. The core of rhetoric is to persuade to
speak so as to convince. One of the difficulties with the rhetoric is people’s tendency to protect
themselves from things that is perceived as just trying to influence, that someone is trying to
impose on other its own view, the suspicion that you really are being manipulated. Gerhardus
Johannes Vossius, author of the classic work of rhetoric “Elementa Rhetorica” in 1652, defines
rhetoric as the art of in each case to see what is devoted to convince. The speaker’s main purpose
is thus to convince, and he must therefore first understand what he best can satisfy with, and be
able to convey this in a convincing manner (Holm, 2002).

Development of an effective communication process includes the following (Kotler, 2002):

- Identify the target group
- Decide desirable outcome of the communication
- Create the message
- Choose communication channels
- Decide on a communication budget
- Decide what media should be used and how much
- Measure the results
- Organize and structure the integrated marketing communication process

The target group decides what is important to message, how it should be communicated, when it
should be communicated and to whom it should be communicated.

3.10.1 Marketing Communication

It is of great importance that the positioning is communicable to success. The differentiated
benefits that form the base for the positioning should be clearly highlighted within the market
communication. Market communication should be consistent which mean that the basic idea of
the positioning concept should impregnate all communication within the brand (Melin, 1999).
The prime tool in marketing communication within B2B marketing is personal selling (with both
above and below the line activities as support). Communication in B2B markets are individual
and often in need of face to face meetings. This results in customised messages and fast feedback
to the clients (Fill, 2006).

The importance of brand uniqueness has a long history in advertising and was introduced by
Rosser Reeves in 1961 in his book “Reality in Advertising”. Reeves said that that a brand needs
to develop a Unique Selling Position called USP. The key to a successful advertising was to
make an offer that says buy this product and you will receive this benefit (Koekemoer & Bird,
This chapter aims to present the reference frame of the empirical study. It starts with a short description of Food Safety and then of Tetra Pak Processing Systems AB (TPPS). After this an explanation of the sources for the empirical findings follows.

4.1 Food Safety

Food born diseases has gained a lot of attention in media and resent crises have made the issue highly prioritized. Research and documentation shows that almost 30 percent of the population in industrialised countries may have suffered from food borne diseases (FAO/WHO, 2008) (accessed 10 July). It is hard to tell how big the global effect is but during 2005 about 1.8 million people died from diarrheal. In the USA about 76 million cases of food poison is reported and about 5000 deaths each year (Talas, Ucar, & Özcelik, 2010). In developing countries there is no documentation about the occurred outbreaks but the substantial presence of diarrheal deceases indicates a big problem related to Food Safety (WHO, 2007). The Pan European Conference on Food Safety took place and during this it was described that food born diseases caused by microbiological organisms is a large and growing threat to the public health, and most countries with systems for documentation of food borne diseases has reported a significant growth.

Hence, Food Safety is of great importance to all businesses handling food products. Food Safety and safe food refers to food that does not cause any threat to a person’s health when consumed, it is equivalent with good food hygiene. Every step in the food chain plays an important role in the process of producing safe food, from raw material to the consumer. The following Figure 3 presents the most common steps in this chain.

![Figure 3. Food Supply Chain](image-url)

It is important to remember that every chain is only as strong as its weakest link and this is also applied to the food chain. It is not only the processors and producers who are responsible of Food Safety but also the authorities and the consumers (Griffith, 2006). When an incident occurs where the Food Safety is compromised and consumers get diseased the consequences can be devastating. It has resulted in embargo, fluctuations in price, reduced consumption of products...
and a damaged reputation to the affected industry and also to the food industry in general (De Jonge, Van Trip, Renes, & Frewer, 2010). Within an organisation there are many factors that compete for attention and one of the biggest competitions to Food Safety is the vision for low costs. However, this can result in the opposite outcome when the vision for low costs is accomplished at the expense of Food Safety. It is important to note that one of three of the organisations, which cause food poisoning, is likely to liquidate. Handling Food Safety should be one of the step stones in a successful and ethic organisation (Griffith, 2010).

Every part of the food supply chain must take its responsibilities and Food Safety refers to all measures and dimensions that are designed to prevent international contamination of food products that are dangerous to the public health (Lopez-Gomez, et al., 2009). Hence, different kind of legalisations and standardisations has been developed to help countries and food producers to assure safe food products. When producing equipment for the food industry one must also meet the demands of the costumer, retailer and the food producing companies. To understand these demands a plan of strategic marketing and marketing research could be set. The food producing companies are at the beginning or middle of the food chain, which means they resell their products. An organisation that produces the equipment for the food producers must also take in to account the demands of all the actors in the food chain after the producing. This means the demands of retailers and consumers is just as important to take in to consideration as the ones of the producers when designing a market strategy.

4.2 Tetra Pak Processing Systems

AB Tetra Pak (TP) has two major business areas, Packaging Solutions and Processing Solutions. TP develop, produce and market systems for refining, packaging and distribution of liquid food. The most common to think of in relation to Tetra Pak are packaging, which is the greater part of the business. Tetra Pak Processing Systems provides processing equipment such as separators, heat exchangers, homogenizers and other key components. They also provides aseptic processing solutions, flow equipment and automation. They offer complete solutions and processing equipment for dairy, cheese, ice cream, beverages and prepared food. “Protects what’s good” are a quest that is reflected in every part of the organisation. As a leading organisation within packaging and processing solutions they strive to make food safe and available everywhere. The quest is far more than just making great packaging solutions, it also comprise support of the customers business, reduce environmental impact and create a better future for all stakeholders. Tetra Pak Processing Systems offer a complete product portfolio consisting of, among other, milk processing solutions and can supply a single valve or a complete plant. They adjust their solutions to the customers’ specific needs. They reach dairies all over the world and with a
widespread technical competence they help capture market opportunities and broaden the customers product scope. Tetra Pak Processing Systems offers solutions and applications for milk with long shelf life. Aseptic technology has provided the possibility of offering a larger part of the world’s population liquid milk. UHT (Ultra High Temperature) treatment is a heating process for preserving milk. Microorganisms are eliminated through heating to temperatures in the scope of 137-140 degrees, during a short period of time, 2-10 seconds. See Appendix I for further information about UHT treatment of milk. If the treated milk is packed in aseptic conditions it can have a shelf life of months and be stored in room temperature.

Tetra Pak describes brands as an important tool in making an organisation and their products well known. Over time, brands can get their own character and be perceived by customers and consumers as symbols that are associated with quality, dependability and knowledge. Tetra Pak has put a lot of time, effort and money in building strong brands. Brands are seen as long term strategic tools and are considered one of the organisations most valuable asset, (Tetra Pak, 2012).

4.3 Market Demands

To gain perspective of what necessary aspects there is of Food Safety the most common rules and regulations has been studied and evaluated. Also the competition has been examined, where GEA Group and SPX Flow Technology has been chosen since they are two of the main competitors of TPPS. Their web pages have been carefully analysed to gain this information. Then the demands along the supply chain have been evaluated. First the diaries demands has been set up and abstracted. Then the retailer, supermarkets and hypermarkets, and at last the consumers demands. All market demands have been found from secondary sources and mostly from webpages on the Internet. Consumers’ demands have foremost been found in other studies. There has also been some email contact with some of the retailers and diaries. The whole outcome of the studies can be found in Appendix II, Appendix III and Appendix IV.

4.4 Interviews

The interviews have been conducted with employees of different fields at Tetra Pak Processing Systems, they were semi-structured and both done in person and as telephone interviews. The researchers have also had access to internal documents where information has been attained. Since some of these contain confidential information, such as strategies and product specifications, it cannot be used in this research. Information through presentations performed by employees at Tetra Pak and are also used in the empiric part of this research. The study is from an outside-in perspective. The following persons has been interviewed:
• Stefan Åkesson – Manager of Food Safety and Equipment Safety – Discussions has been carried out continuously from the 17th of October 2011 to the 25th of November the same year
• Ebba Hedblad – Strategic Marketing Manager – Interview took place the 30th of November 2011
• Thomas Wernant – Marketing and Product Management Director – Interview took place the 28th of December 2011
• Nicole Uvenbeck – Marketing Manager Homogenization – Interview took place the 3rd of January 2012
• BertOve Bejevik – Marketing Director – 4th of January 2012

5 Findings

In this chapter the findings from the empiric studies are presented. It starts with a presentation of the rules and regulations that must be followed in processing of UHT treated milk. Next section describes what the competition to TPPS provides when it comes to Food Safety. After that the research of the demands trough the supply chain is presented. First a conclusion of the demands from common dairies in China and the United Kingdom are described. Following is a description of the demands the retailers in the same countries has on Food Safety. After this the customer demands in China are explained. The last section of this chapter concludes the interviews with the employees at TPPS.

5.1 Laws and Regulations

• All product contact surfaces will be free of cracks, crevices, and dead end areas that could impede cleaning (USDA) (EHEDG, Doc 8).
• The cleaning rate should be at least 5 feet per second (1.5 meters per second). For all circumstances the flow should be high enough so that all surfaces will be rinsed (3A-SSI number 605-04).
• Product contact surfaces should have a finish that does not allow soil and bacteria to get caught and there is a factor called $R_a$ that should not exceed 0.8 µm.
• The number of joints, both welded and detachable should be minimized as far as possible (EHEDG, Doc 10, 2007). All permanent joints should be continuously welded and free of pits, folds, crevices or projections (3-A, Doc nr 606-05, 2002) (USDA).
• For all the length of the dead end should be smaller than the diameter of the pipe of the dead end ($d>l$).
• The equipment should be easy to maintain and clean to secure its performance to avoid contamination. An aseptic application should be easy to sterilize and have to prevent intrusion of microorganisms. It should be easy to clean and should protect the product from recontamination. It must be easy to monitor and control all functions that are critical to the contamination of microorganisms.

• The materials must be resistant to corrosion, non-toxic, mechanical stable and the finish of the surface is not to be affected when used in the intended matter. Stainless steel is the preferable choice of material in processing equipment (EHEDG, Doc 8, 2004) (USDA) (FDA, Code of federal regulation title 21 part 110.40). The stainless steel should preferably be of the AISI 300 series or corresponding ACI types according to 3-A SSI and USDA.

• Food producers have responsibility to keep track of their product one step back and one step ahead in the food chain, it means they must be able to identify where the product came from and to where it has been sent (EC No 178/2002, 2002).

• Food Safety should guarantee food to be free from everything that might in any way be harmful. For the quality assurance to be able to guarantee that the product is safe its quality assurance system must consist of Food Safety related specifications. ISO9000 is a quality assurance system. The quality assurance systems aim is to create a reference frame to make sure that every process is performed with the same method, information, competences and check points. This creates clear demands and communicative policies and procedures. The quality assurance system also makes sure that the work is well documented. Hazard Analysis and Critical Control Point (HACCP) systems are a risk assessment program where possible risks for the process is documented and control values are developed to avoid these potential risks. According to the European law, EC no 852/2004, general implementation of procedures based on the HACCP principles, together with the application of good hygiene practice, should reinforce food business operators’ responsibility and that it is the food business operators responsibility to put in place, implement and maintain a permanent procedure or procedures based on the HACCP principles.

5.2 Competition

GEA Group’s core value is engineering for a better world. They focus on process technology and components for demanding production processes in various markets. They want to be known
for providing the world with innovative solutions for smart food processing and for a more efficient use of energy. GEA Group makes products for plants and machines of hygienic or aseptic design for the dairy industry, beverage and food industry, and also systems for filling and sealing plastic packaging. GEA Group offers traceability solutions in accordance to the EU regulation 178/2002. GEA Group uses stainless steel in accordance with 3-A SSI and USDA.

SPX Flow Technology’s core value is driven by innovation. They are working to deliver sustainable solutions that exceed customers' expected value by focusing on the following; waste prevention and loss reduction, reuse of resources, improved value of raw materials, water and energy reduction, product safety and security, and social responsibility. All SPX Flow Technology’s valves meet the hygienic standard applications and almost all meet EHEDG and 3-A SSI’s requirements. The material used in valve sealing is FDA Approved and they are adhere to 3-A SSI, PMO, CSA, CSN and EHEDG standards. SPX Flow Technology uses stainless steel in accordance with 3-A SSI and USDA. SPX Flow Technology fulfils the EU regulation 1935/2004 regarding food contact materials. SPX Flow Technology offers full traceability for Food Safety that compliance with food regulations for example their quality assurance system is according to ISO 9001.

5.3 Customer demands

*Flowing section is the conclusion of the customer demands that has been collected throughout the case study.*

5.3.1 Dairy demands

Chinese diaries have in common that they guarantee to follow certain regulations and standards to ensure safe food production. These regulations and standards apply to different measures that must be taken. Following, the most common standards of the diaries in China and a short description of them:

- ISO9001
- ISO14001
- ISO22000
- IFS quality certification
- HACCP
- GMP

In addition to these, some of the reviewed diaries also apply: OHSAS18001, GB/T280001-2001, TPM, 5S, ISO/TS2002-1, FSSC20000, BRC, SQF2000 and GMA-SAFE / QMI – SAI Global.
Something almost all dairies have in common, and strictly highlight the importance of, are quality assurance systems and full traceability in every part of the food supply chain. Continuous and thorough inspections and audits are important. A transparency of the production that can give the consumer full insight to which steps and processes their bought food been put through and its origin is preferable.

The dairies in the United Kingdom expect that the production equipment fulfil certain laws and regulations so that the product does not harm their customers’ health. Dairies have quality policies that involve building trust by offering products and services that match their consumer’s expectations and preferences but also in accordance with internal and external Food Safety regulatory and quality requirements. Nestlé is a company that takes Food Safety very seriously by maintaining the same Food Safety standards in all countries in which they operate.

- Traceability in example in accordance with the European legislation 178/2002
- HACCP
- Red Tractor Assurance, which aims to provide retailers and consumers with confidence about product quality attributes of the milk leaving the farm premises, including Food Safety, animal welfare and environmental protection.

5.3.2 Retailer demands

Also to the retailers in China have certain rules and regulations that are important and used as a tool to ensure safe food production. The ISO22000 standard is mentioned as important as well as quality assurance systems and traceability. The importance of working close together in the food supply chain is highlighted.

The retailers in the United Kingdom have large influence on the frame of reference since they do expect certain demands to be fulfilled so that they will be able to deliver safe products to their customers, dairies.

Retailers in the UK often set up their own Food Safety standards about design and construction of equipment, factory hygiene, personal hygiene, process controls, traceability, allergen control, HACCP, quality management system, cleaning programme etc. These standards comply with national or international laws, regulations or guidelines like Codex Alimentarius, European regulation, ISO standard or BRC Global standards. For the retailers the origin and traceability of the food is of great importance but also the being able to guarantee the quality is significant.

- HACCP
- ISO 9000
- BRC
5.3.3 Consumer demands
Consumers have some different perceptions of what ensures safe milk. Prior the Food Safety catastrophe in 2008 the most prominent factor when buying milk was shelf life and brand. After the crisis quality certifications has gained a lot of attention. Before not many consumers did reflect over certifications that ensured safe food, but now it is one of the highest appreciated factors when buying UHT milk. Chinese consumers rank it as the factor they are willing to pay most for when they want to be sure to buy safe milk. The government’s certifications are rated as better than a third party certification. Although, shelf life is still regarded as the best indicator of safe milk followed by the brand to consumers.

5.4 Interview results
In this section the results of the performed interviews are summarized. The aim is to describe all relevant discussion in a continuous text for each interview answering the main questions.

5.4.1 Interview I
Discussions have taken place continuously with the Manager of Food Safety & Equipment Safety at Tetra Pak Processing Systems, Stefan Åkesson during the period of the 17th October 2011 to the 25th of November 2011. The complexities of communicating Food Safety have been noticed within the organisation and are something that Stefan is thinking as highly relevant to pay attention to. The biggest difficulties lay in the fact that customer takes Food Safety for granted. It should just be there and Food Safety can’t be levelled, like “higher Food Safety or better Food Safety” in the message to customers. Recent crisis has made securing Food Safety highly important for the customer therefore it is important for TPPS to assist their customers in their marketing to the retailers and consumers; this to have a competitive advantage. Recent studies show that no one currently holds the leading position of Food Safety in the liquid food industry according to Stefan.

Tetra Pak Processing Systems’ main association, which they hold as position and puts a lot of effort in communicate both internally and externally is performance. This association is then divided into two aspects; cost and quality. In the concept of cost, environmental aspects are regarded and as a part of quality, Food Safety and food quality is an aspect. This is how Tetra Pak Processing Systems has structured their marketing message. Stefan describes the main difficulties with marketing of Food Safety. The first one is when telling a customer that something has ”better Food Safety”, the customer might start questioning the safety of the previous equipment. In the liquid food industry the companies has a relationship with its customer and they would like a customer to return. Therefore, it is important the customer is highly satisfied with the previous equipment and must not question its level of safety. Another
difficulty described is the complexity of differentiating Food Safety since it is a "must have attribute".

Important drivers when it comes to Food Safety are the consumers and their organisations, the retailers, legalisation and standards and the food industry itself. All these have demands on what qualifies as proper level of Food Safety standards and attributes. Tetra Pak Processing Systems’ vision is to make food safe and available everywhere. Tetra Pak Processing Systems invest in different resources in their products, brand and company to assure and assist in providing safe food. Food Safety is an “umbrella” and can be divided in several subgroups, like; hygiene, material in food contact, traceability and quality assurance management. These are the building blocks they convey to their customer. TPPS aims to assure the customer safety through being their partner from engineering through the entire process and all the way to the consumer. TPPS focus on complete solutions, production solutions, in their marketing and not on individual components as others do. This applies to both Food Safety as to other attributes.

TPPS has also a strong message around its control system Tetra PlantMaster as it includes not just full production control but also monitoring of production parameters, product tracking with traceability and functionality to secure tampering.

5.4.2 Interview II

*Ebba Hedblad is Strategic Marketing Manager at Tetra Pak Processing Systems in Lund, Sweden.*

**What are the core values of Tetra Pak Processing Solutions? What does Tetra Pak want to be associated with?**

Hedblad describes that TPPS has a motto; "protects what’s good" and a vision; "make food safe and available everywhere". This is two main associations TPPS want to be linked to.

**What do you put into the concept of strategic marketing? How does TPPS work with it, in general and regarding Food Safety?**

Hedblad describes the strategic marketing within Tetra Pak Processing Solutions. Out of 4000 employees only three persons are working with strategic marketing. TPPS product solutions do not interact with the final consumers of the products and relationship between them and their customers are not the same as in a business to consumer market. In an business to business market you do not put as much time into commercials nor as much focus on the end consumer as in an business to consumer market. The customers in a B2B market makes buying decisions more seldom and of greater importance then the customers in a B2C market. B2B customers are
not as emotional when making a buying decision. However, Hedblad experience the decisions of their consumer could be built on an emotional feeling in case the company has a long term relationship with the customer.

**You were involved in a positioning study recently, could you tell us about it?**

A position they recently took is performance guarantees which TPPS had found attractive to the customers in earlier positioning studies. The positioning studies has also pointed out that TPPS is in a mature market where all the participants are very much alike.

**How do you work with positioning on Tetra Pak Processing Systems? Regarding Food Safety?**

TPPS has chosen to use a category positioning strategy, which presupposes that they have a leading position in their market and that they can offer the best performance in each category. In terms of value positioning TPPS states that they can offer an added value, more for more. TPPS adds more functions to their solutions than the minimum demands of the customers. TPPS adds more functions to their solutions than the minimum demands of the customers. TPPS is one of the biggest actors on their market so they have the ability to offer more value based solutions to their customers. A main part of the customers are ready to pay more for TPPSs value added solutions. TPPS wants to deliver great value to their customers and because the market is mature the price is of high importance for the customers. TPPS has a high cost due to high quality and cannot charge too much. A way to differentiate from competitors is to add value.

**If you find a position where you think TPPS should improve its performance, or reposition, how do you proceed in doing that?**

When repositioning a brand within a business to business market Hedblad highlight the importance of communication of the new positioning throughout the whole business.

**What do you think are the biggest challenges regarding positioning?**

The difficulties TPPS sees with positioning are that the market they are in is mature and that there is no clear leadership within the market. TPPS is one of the biggest actors on the liquid food processing market and therefore, in their positioning studies, most of the participants are their already existing customers, which reduce the credibility of the studies. Different positioning studies have shown different results. However, between the different actors on the market the positions are quite similar in all studies. This could be a sign of a mature market, no one owns any specific position and everyone is copying each other.
Organisations often have both attributes and associations they must have (points of parity) and associations where they can differentiate themselves from the competition, which ones are TPPS’s?

Hedblad specifies Food Safety, delivery times, and price as their points of parity. As TPPS’s points of difference she would like to add performance within all categories, customer relationships, service, and customer value. A reason for TPPS customers to choose to buy a process solution from them could also be that the customer already have TPPS products installed and therefor their decision could be based on a so called installed base.

**How does TPPS communicate your strategies and values, externally and internally? What channels are used? How do you reach the customer (and what do you do to get noticed?)**

TPPS mostly uses direct marketing through their business units when communication to their customers. Sometimes they also participates in exhibitions both on business unit level and from the central level. It is up to the business units themselves to create opportunities for communication and meetings with the customers. TPPS focuses on trying to differentiate themselves from their competition in the selling phase. Most of TPPS communications to their customers are performed in this phase. Hedblad tells that TPPS is very concerned with their reputation and does not promise anything they cannot achieve. This might sometimes clog the communication to their customers since they do not what to say something they are not completely sure of.

**5.4.3 Interview III**

*Tomas Wernant is marketing director and works with product management in the geographical area of Russia, Ukraine and central Asia. He has been involved in bringing market thinking on the map in the geographical cluster he is active, his function is new to this cluster. Tetra Pak is a product driven organisation and has recently started to become more market driven and customer driven. His function is to establish more market thinking and processes and routines to make use of the information. He has been at this position for a year.*

**What are the core values of Tetra Pak Processing Systems? What does TPPS want to be associated with?**

Tetra Pak Processing Systems wants to be associated with competence and capability. They have a great knowledge in their field of work and there are a lot of technical competences within the company. Tetra Pak Processing Systems focus on the food industry and has a strong position on that market. Their competition is active on more markets while Tetra Pak Processing Systems only works in one market. They also have a strong focus on the future and developing new
technology, there is a strong drive for innovation. Tetra Pak Processing Systems is a large organisation and by their way of measuring they have the leading position. They are also available in many places.

**What do you put into the concept of strategic marketing? How does TPPS work with it, in general and regarding Food Safety?**

Tomas Wernant describes sales as satisfying the customers’ needs and marketing is identifying the need. It is important to understand what the customer wants, understand the market and what drives the market. You need to understand what influences the customer and the customer’s customer.

The group CEO rate Food Safety as one of the two most important parameters to the future of the organisation. They are working a lot with this factor. Tetra Pak Processing Systems want the position of Food Safety, to have ownership of that particular position. They strive to be the supplier, which delivers better and stronger Food Safety. They do not own the position today but are working towards it. To do this they, among other things, organise customer seminars where they inform what they put in the concept of Food Safety and also how they work with it in the product development and technology development. The purpose is to make the customer understand why Food Safety is important and that it is driven by customers’ demands.

Food Safety as a whole is a competitive weapon against both global and local competition.

**You were involved in a positioning study recently, could you tell us about it?**

Tomas Wernant started to work with positioning six years ago and is now in the second round. When they started six years ago, they gained knowledge of what position Tetra Pak Processing Systems held according to the market. It showed an opposite direction from what they thought and showed they were not as strong as they believed in what they counted as their position. This resulted in an effort to inform the market companies were their actual position was, where they were perceived as strong or weak, and the position of the competition. It also resulted in development of proposals of how to change these perceptions. Tetra Pak Processing Systems are still not a market driven organisation.

**How do you work with positioning on TPPS? Regarding Food Safety?**

When Tetra Pak Processing Systems holds a position, which they want, they focus on a strong delivering of this factor, for example Food Safety. A problem can be when they attain a high score on Food Safety from a customer and they have no knowledge if it is better or same as their competition. Tomas Wernant describes something he calls ”the three-dimensional picture”. This
refers to what a supplier is associated with, which he calls the ownership. If you are associated with a specific factor you also hold that position. Two organisations can supply the same products and attributes but only one of them is associated with a certain variable. This is where Tetra Pak Processing Systems want to be, they do not only want to deliver the right product but also create the right associations.

To reach this goal it is important to communicate certain key messages in everything, in ands and articles, both internal and external. If you do this year after year this will in the end be a position of your ownership. An example of this is Volvos position of safety. This is a position were Volvo has ownership although many other car manufacturers also provides safe cars. Volvo is perceived as the safest. They always mention safety, for the driver, for the front passenger, for the back seat passenger. In this way Tetra Pak Processing Systems plans to take position were they want ownership.

If you find a position where you think TPPS should improve its performance, or reposition, how do you proceed in doing that?

If a competitor is perceived to have a larger owner position, it is important to find out what they do to be perceived as stronger, find out what they communicate and what messages they provide. This can be done by looking at exhibitions, contracts, product prospects, seminars etc., this could be complemented by specific customer research. It is a long term work and it is important to be consistent to slowly but surely gain ownership of the position. Strategic marketing is long term and it is important to not change over time and stick to what has been said.

What do you think are the biggest challenges regarding positioning?

To find a position and have a strategy to actually getting there and keep it is a complex work. It is hard and you have to be consistent. Otherwise the position will fluctuate depending on what the market learn about your organisation and from your organisation. It is important to not change the message and communicate when new developments are performed. Report the most important parameters used when created the development and why they are important, for example to create a safe food production. It is a big challenge to make sure it works in a global perspective.

Organisations often have both attributes and associations they must have (points of parity) and associations where they can differentiate themselves from the competition, which ones are TPPS’s?
The most important factors to the market are the generic, these must be provided otherwise you are completely out, for example no one can survive without offering Food Safety. Hence, the organisation must repeat this and become stronger and classified as the best in these factors.

Tomas Wernant mentions that it is hard to find strong differentiated solutions in the given market. For example, when it comes to environment, everyone tells the same thing. Maybe you tell the customer they will save 30 per cent of electrical cost with your equipment, then it is important to know in relation to what you save this. Tetra Pak Processing Systems want to differentiate themselves by supplying facts. This is done by collecting measured values of a line or specific equipment and how it works when they exchange it and provide a "before and after situation". This can be used since it can provide facts that the savings are a specific amount. Therefore, it is important to find ways to measure energy consumption, water consumption, stream, etc. and with facts be able to tell the customer how it works. Provide the customer with facts is a way to differentiate the organisation.

It is important to listen actively to the customer and find small and big customer advantages. Saving measures often comes from environment or safety aspects.

**How does TPPS communicate its strategies and values, externally and internally? What channels are used? How do you reach the customer (and what do you do to get noticed?)**

Local functions use traditional channels to reach the customer. In Russia there are five fact publications used and also ads and articles. Here it is important no enter what is important from the organisations strategies, where one of the enablers are Food Safety. In all external communication within their cluster Food Safety shall be mentioned. For example, product development is performed to make food safer. They must have 100 per cent control to provide Food Safety.

Internally education for sales division is used. It is relatively new for their cluster and means acting in a different matter. To reach goals change must be created, since Tetra Pak Processing Systems have ambitious goals they cannot be reached if they continue to work in the same way as before, they have to improve.

Today they work with how to communicate the message of the value Food Safety brings to the customer, how they can highlight this in their contracts.

In March there is a local exhibition were Tetra Pak Processing Systems main message is Food Safety and cost effective solutions.
To differentiate from the customer they must be consistent in their message. It is a conservative slow moving industry they work in with long term solutions, it is no fast moving consumer goods. Hence, the importance of long term thinking can be highlighted again, the organisation should provide the same message for a long time, during several years, to become the message the organisation want to be associated with. To do this it is important to get it in to the employee’s minds (or subconscious) and in all communication.

5.4.4 Interview IV

* Tetra Pak has a big product portfolio and BertOve Bejevik works for a company within Tetra Pak that are responsible for a portfolio called processing components consisting of homogenizers, separators and heat exchangers. Bejevik is responsible for the marketing and technical sales and services for these products. 

**What are the core values of Tetra Pak Processing Systems? What does TPPS want to be associated with?**

Bejevik mentions Food Safety and reliable production as important TPPS’s core values.

**What do you put into the concept of strategic marketing? How does TPPS work with it, in general and regarding Food Safety?**

In TPs business marketing is targeted to the industry, business to business marketing. In this type of marketing it is important to create contact areas through relations with the customer on every level. You can never convince a customer to buy a specific solution if not a lot of persons at different levels in the organisation is involved i.e. what values can Tetra Pak bring to the customers CEO, to its quality executive, its production executive, etc. Tetra Pak works long term to establish their products in what they call first in mind, i.e. when a customer thinks about a homogenizer he should think about Tetra Pak’s, when he thinks about a heat exchanger the first choice should be Tetra Pak’s solution. To reach this Tetra Pak tries to communicate their innovativeness and their products in the customer’s production results in the lowest production costs. This is made through communication plans and a big part of their sales goes through their biggest customers. Tetra Pak analyses who within these organisations are the key persons who can decide if they should buy Tetra Pak’s products and then they create contact with these persons. Through visits and providing information they market their products to their customers. It is also important to learn from your customers which values they find most important and then try to develop these values to be first in mind or first choice. If they are this to the biggest customers it makes the smaller organisations think alike. It is easier to convince a smaller customer to buy their product if the biggest customers have it. They also work with
presentations, marketing materials, exhibitions, scientific magazines. The marketing is very focused on specific clients and persons.

Food Safety is a part of Tetra Pak and they have always worked hard with this aspect. For example they work with heat and not chemicals to sterilize. And all surfaces and materials are non toxic to humans. They continue the tradition that Tetra Pak has had from the beginning.

**You were involved in a positioning study recently, could you tell us about it?**

In the study they interviewed customers all over the world and asked questions to see how Tetra Pak were perceived in relation to their competition. The purpose was to measure how well Tetra Pak succeeds in their marketing of the messages they have and how their products are perceived relative their competition. This was made for every product in his field. The study showed that the customer did not perceive Tetra Pak as the better supplier in all aspects even where TP itself believes they are better. This study made them realise where they need to strengthen their performance and make sure the customers perceive Tetra Pak’s offers as better than their competition. You can also see the difference between different markets and therefore the messages have to be targeted to a specific market. It shows that by increasing the customers’ knowledge Tetra Pak can show they have a better performance in their solutions. Food Safety is the attribute Tetra Pak wants to hold as their strongest. This is a parameter that is given and therefore there is not a big difference between the competition, at least not if you compare with the big global organisation but maybe with smaller local competition.

**Why do you think positioning is important?**

To Tetra Pak it is important to get a better price by offering customer a product that is different. If the customers perceive there is a positive difference there is a reason to have a higher price on the product. Where the customer perceive TPs and the competitions offer to be equivalent, price is the only differentiator left. This results in price races. To TPPS positioning means there must be a difference, next step is to convince the customer he should pay for this difference. The first and most important step is to establish the difference. Positioning is the key to better margins.

**How does Tetra Pak Processing Systems work to keep a specific position you possess?**

Consistent innovations are the key to keeping a specific position. If you compare with the car industry, were a specific car has the lowest gas consumption. You have to make consistent improvements to this since the competition will catch up. It is important to invest to keep the difference.
If you find a position where you think TPPS should improve its performance, or reposition, how do you proceed in doing that?

The answer is innovation also in this case.

What do you think are the biggest challenges regarding positioning?

Bejevik mentions patience as one of the biggest challenges. It is easy to be enthusiastic in the beginning and plans to position them as having the lowest power consumption per produced litre of milk, this requires you work maybe 15 years until that is established in the market. To be consistent and not start with something else is a challenge. It is a heavy industry and it takes a lot of time to gain a position. If you compare with consumer products that might be bought every other day, many of Tetra Pak’s customers only buy their products once in ten years. It’s a bigger investment and therefore patience is important.

Organisations often have both attributes and associations they must have (points of parity) and associations where they can differentiate themselves from the competition, which ones are TPPS’s?

Point of parity: Food Safety

Difference: Low operational cost. Show the costumer that with TPPS’s solution they can produce one litre of milk to a lower cost than with the competitions solution. An investment can be big but provide you with lower production costs and this is where Tetra Pak has positioned.

Are there any differences in the marketing and communication of these different kinds of associations?

The different attributes are communicated the same way. They need to be in the same messages.

How does TPPS communicate its strategies and values, externally and internally? What channels are used? How do you reach the customer (and what do you do to get noticed?)

Internally: They use the product owners who are responsible to communicate to their sales organisations. This is performed through seminars, e-mails, online education and visits. The sales representatives then communicate with the customer. Internally the product owner’s works with the sales representatives globally, within processing there is about 300 sales representatives.

Externally: Tetra Pak Processing Systems works with presenting themselves at exhibitions and through seminars. They also work with digital ads and also sometimes advertisement in magazines. In this industry a message to a customer can take up till fifteen minutes to deliver since the message is complex and therefore it is hard to work with advertisement.
5.4.5 Interview V

Nicole Uvenbeck is Tetra Pak’s marketing manager for the homogenization department. The department consists of 35 people, they work with everything from production and engineering to sales and marketing of the homogenizer. Uvenbeck’s responsibilities include supporting the market companies in sales and marketing related questions regarding the homogenizers. The overall task is to increase the sales of Tetra Alex homogenizers in a profitable way.

What are the core values of Tetra Pak Processing Solutions? What does TPPS want to be associated with?

TPPS have two slogans they want to be associated with. Uvenbeck mentions that “performance drives sustainability” have been a slogan that TPPS has tried to be associated with before. Tetra Pak as a whole (not only TPPS) stands for ”Protects what’s good” and want to be associated with that.

What do you put into the concept of strategic marketing? How does TPPS work with it, in general and regarding Food Safety?

To take control of your position, what do you offer and what does your competition offer and how your customers perceives you, that is what Uvenbeck put into the concept of strategic marketing.

The product and technology departments make sure that all the requirements of Food Safety are meet. Uvenbeck says that there are a lot of technical details that has to be fulfilled, for example for the homogeniser they use a very high temperature for the sterilisations. This is a parameter that they are trying to highlight right now. It is not easy to show the parameters that benefit the Food Safety as it is for example parameters that benefit the environment. Tetra Pak has a vision called make food safe and available everywhere. One could say that by doing that TP are trying to get into people's minds that they will always consider Food Safety and that it is of high priority.

You were involved in a positioning study recently, could you tell us about it?

The taught with the positioning study was to get to know how their customers relate to specific attributes Tetra Pak has set up and what is important and how Tetra Pak is perceived in relation to their competition. Uvenbeck starts by describing how the study was made, about 300 persons were asked questions about what factors that are of most importance for them and also how well they think Tetra Pak perform these factors. The companies that were asked to be involved in this study was both customers of Tetra Pak and potential customers to Tetra Pak. Out of the 300
participants there were 138 persons that answered questions regarding the homogeniser. This study was the first positioning study that Uvenbeck’s department has been involved in where the participants could be anonymous. They saw this study to be a great opportunity to get some information about how their customers pictured them.

The result from the study will be a base for their continuing marketing strategy work. Their customers had a different picture of Tetra Alex homogenisation than what they thought and Uvenbeck’s department felt like that they had failed at communicating certain aspects of their product. The positioning study showed TP what they need to work on but also what strengths TP has. The homogenisation department at TP have always been a technical focused organisation but have not always succeeded in communicating this as well as their competition.

**Why do you think positioning is important?**

Uvenbeck thinks positioning gives the company insight on how customers perceive the company. She says that there may be attributes that TP are good at but if the customers do not appreciate them, then it is a waste of time and money. One must know where to focus our efforts and that is what we get when working with positioning.

**How does Tetra Pak Processing Systems work to keep a specific position you possess?**

Uvenbeck says that sometimes they have to repeat their advantages a hundred times before it reaches and is recognised by their customers. To repeat the message is something that is used on every level of Tetra Pak to keep a strong position.

**If you find a position where you think TPPS should improve its performance, or reposition, how do you proceed in doing that?**

It is important to provide the right message to the market companies and communicate it to the customer. You have to try to prove to your customers that TP is better at the attributes than what they previously perceived. One mistake we often make is that one takes for granted that customers already know you are good at certain things. Just because the company itself thinks that is good in a particular area does not mean that customers have the same opinion.

**What do you think are the biggest challenges regarding positioning?**

The downside of the recent positioning study according to Uvenbeck is the reliability of the results. From some markets they only got a few respondents and therefore there no statistical conclusions can be drawn. A way of avoiding this could be to look at fewer markets, such as emerging markets. An explanation of why the respondents from different markets were so uneven is that maybe it was easier to get hold of Europeans, than companies such as China or
other companies in emerging markets. You want to ask both customers and non-customers, but it is easy that the respondents mainly consists their own customers. This can lead to a misleading picture of reality.

The biggest challenges regarding positioning of Food Safety according to Uvenbeck is that it is hard to show of their improvements to their customers. Since it is hard to distinguish the differentiations between the different players on the market.

**Organisations often have both attributes and associations they must have (points of parity) and associations where they can differentiate themselves from the competition, which ones are TPPS's?**

The Homogenisation’s points of parity or must haves are: *Food Safety - offer solutions that ensures safe food production, understands my needs*, offers the best homogenizing efficiency for consistent product quality (high homogenisation effect = good quality of final product). *Offers best flexibility in terms of capacity and upgrading’s.*

In the general study only “offers solutions that ensures safe food production” was the only must have according to the respondents.

Differentiators according to the general study were guaranteed line performance, offers solutions that minimize cost per unit volume and, environmental impact in solutions.

For homogenizers - offers timely maintenance and spare parts, offers most cost efficient parts and low energy water and steam consumption, and environment.

Uvenbeck ads that it is important to not underestimate the power of the points of parities, cause they are attributes that your customers expects from you. If you are not able to fulfil these attributes your customers will be really disappointed and you will probably loose them to a competitor.

**Are there any differences in the marketing and communication of these different kinds of associations?**

From the resent study Uvenbeck had found out that some attributes was of greater importance to their customers that what they had though. Attributes that they though that Tetra Pak only needed to communicate at a higher level were also of great importance to the homogeniser customers at their own communication level.

**How does TPPS communicate its strategies and values, externally and internally? What channels are used? How do you reach the customer (and what do you do to get noticed?)**
Internally Tetra Pak Processing Systems mostly uses their intranet. Sometimes, when a new strategy is set for example, a DVD-film is used to inform the employees in a top down way. Your manager will show you the DVD and then you will discuss how you in your department will work to achieve these goals. A lot of the communication is also made by e-mail.

Externally Tetra Pak Processing Systems communicates directly to their customers though their market companies which are responsible for all communication in their specific region. They also try to get some attention in industry related magazines like “Dagens Industri”. Sometimes that works really well but it is often hard to get noticed. Tetra Pak are also involved in food processing related exhibitions which they put a lot of work in. Internet is of course also used but Uvenbeck thinks that Tetra Pak is not taking advantage of everything the Internet offers. Uvenbeck is convinces that their end customers search for information about homogenizers or other parts on the internet and believes that is a shortcoming that TPPS don not have much information available on the internet. Uvenbeck often hear internally at TPPS that their customers do not buy their equipment online and therefore it is not necessary with a lot of information on the Internet. She says that that is probably true but Uvenbeck is still convinced that they are looking for information about TPPS on Google and etc. Uvenbeck believes that their competitors are better at that. Facebook and youtube could be channels where Tetra Pak could show of their new improvements.

6 Discussion

The aim of this chapter is to connect the theoretical framework with the empirical findings and thereby answer the problem question set up in the introduction. The chapter starts with a more general explanation of the subject and later on gets more specific to be able to answer the question.

Working with positioning gives the company an insight in how customers perceive them. The aim is to figure out if what the company offers is in compliance with what customers want. The advantage of the position itself is that companies can distinguish their brand, and in that way be able to charge more for the products or services they offer. Positioning is the key to better margins as Bejevik says in his interview.

One of the reasons to this study is to find whether it is possible to adopt the position of an attribute that is a must have/ point of parity at the market. The case study examines the possibilities for the position of Food Safety in the food processing industry. It has been shown that Food Safety is a good example of something that everyone must have in the specific area that has been investigated. Both laws and customers and even customers' customers require actions throughout the whole supply chain to ensure safe food.
Several difficulties have been found when it comes to taking ownership of the position of Food Safety. Above all, there are many laws and rules that determine the frame of reference for the businesses, which makes it difficult for companies to motivate their customers to pay more for the product to obtain an even safer product than what the laws and regulations require. It is a mature market, which means that the different companies offer similar solutions, it is hard to distinguish a brand from the rest of the actors on the market. This makes it difficult to stand out with an attribute that is something that everyone must have. Volvo is one example of a brand that has managed to succeed to differentiate them with a point of parity, they have taken the position of safety within the car industry, even though the other brands also offers secure solutions.

When a the position a company want is identified a strategy on how to reach it must be elaborated and after that a lot of hard works waits to accomplish and to maintain that specific position. One difficulty is to be patient; according to Wernant, one must consider that it is a long term process. It can be compared to controlling an oil tanker, it will not turn with one hand motion there must be a significant amount of planning and considerations to fulfil the strategy. Finding a position that works globally is also a challenge, customer requirements and other factors in the market vary depending on where you are in the world. Under positioning is a common phenomenon in mature markets where it can be difficult for companies to find strong reasons for the customer why they should choose that particular brand.

A positioning study requires a lot of resources. It can be difficult to get an accurate perspective, it is important to get insights from organisations that are not already are customers. This is important to get the right results of the own brands equity. When making a strategy for achieving a specific position some fundamental steps are required and they will be presented in the following writing.

### 6.1 Brand strategy

It is important that companies have a vision and a plan with their marketing. The nine most commonly marketing strategies presented in the theory can be viewed as a base. Tetra Pak has chosen winning by higher quality to give the customers a higher economic outcome. By offering higher quality they also offers solutions that will work for a long period of time. By doing so TPPS can support a higher price since it will be lower for customers in a long term view. The higher quality also gives the customer the opportunity to produce a larger amount of produced product in a given time, which lowers customers' price per unit. The theory says that it is important to highlight an attribute, but without defining what it means, what benefits the customer will receive, it is of little value. Food Safety, quality assurance and traceability systems are what TPPS are using as evidence. Also performance guarantees could be valued as a quality
aspect. Although TPPS products are more expensive, they last longer because of the high quality, which results in lower operational costs, which results in lower costs per produced product. Here TPPS clearly shows that they have better quality and demonstrates the benefits of the cooperation. Generally, companies’ chosen strategy must be lucid and easy for the customers to understand and not confuse them by for example sending out messages that contradict each other.

6.1.1 Frame of reference
To be able to take control over a specific position the brand has to start with deciding to which category the brand should be associated with. Different markets have different factors that their products or services are associated with. While deciding up on a strategy, it is important to keep customers in mind, what customers want, what products and competition that are present on the market and what rules they must follow.

EXTERNAL FACTORS
There are not that much attention paid to external factors in the reviewed theory, it might be because it is taken for granted, but is important to highlight. Laws and regulations are something that is present within all categories and gives the ground rules for the specific market. All products and services have restrictions that they must follow in this case there are a variety of laws and regulations. Each country has its own laws, but there are many recommendations that companies can decide whether to follow or not. Each country determines which of these that are required to follow. For a global product the aim could be to try to meet all the countries requirements or adapt the product or service according to each country’s laws and regulations.

Regarding Food Safety, there are many different laws and regulations. There will be huge losses for everyone in the supply chain in case that TPPS does not follow the laws and regulations. Compliance with laws and regulations is something that customers’ takes for granted, at least here in Sweden, that the company offering the product or service meet all necessary requirements. It might not be the same way in other countries, where perhaps companies can market themselves through various certifications or certificates.

This is quite general, for a car manufacturer for example, there are laws on how much emission a car may produce, that there should be seatbelts and so on. For a shampoo, there are certain substances they cannot contain. Again, there are different rules in different countries, so you can choose whether to make a product for all countries or if you want to customize the product for each country, it depends on which solutions that is the most cost-effective one. In some cases it may be cheaper to produce everything according to the same conditions, while in other cases it
might be that the product is too expensive in some countries and therefore it is better to be customized.

CUSTOMERS
If there is no need from the customers, it is useless to put a company’s resources into it. When building the brand and its identity, it is important that the building blocks of the brand are strongly linked to the customers needs. Sometimes it is possible to create a specific need in the mind of the customer that is why it is important to think outside the box and be proactive.

In this case, where Food Safety has been investigated customers needs have been examined. When working in a B2B environment, there are many stakeholders throughout the supply chain to take in consideration. Here, there are several steps before the final product reaches the end customer, the customers' customers, in this case, retailers, and end customers who are the consumers. Everyone’s demands must carefully be analysed. This is the way one should work in all B2B environments but the supply chain may be different in number of stakeholders and other factors. The most important thing is that consideration will be given to them all. When it comes to Food Safety these attributes are of great importance and therefore TPPS should have considered them in their brand strategy. In B2C, there are fewer stakeholders and mostly it is only the end user you need to comply with. Take Volvo as an example, Volvo also works with retailers but can in its marketing deal directly with the end customer. The same applies to for example shampoo brands, their marketing is aimed directly at consumers. If they make a shampoo for blonde highlighted hair and they will highlight what this particular customer is looking for. TPPS’s product does not reach the final consumer of milk, it only affects its production.

COMPETITION
In order to differentiate yourself on a market you have to keep track of what competitors offer. In this empirical case, it is useful to divide the analysis of the competitors to the differences and similarities.

Differences
Tetra Pak Processing Systems’ competitors focus on components where as TPPS focuses on complete processing solutions. Thereby quality assurance and traceability programs could be a possible way for TPPS to differentiate with. TPPS’s programmes are custom-made for each processing solution, which makes it more effective than programmes that are more generally designed.

TPPS are active on a mature market where all actors offer similar solutions and fulfil the same customer needs.
Similarities

All parties on the market are controlled by and comply with in generally, all the laws, rules, and guidelines that are present for the specific market. Similarities that has been found is that TPPS and its largest competitor GEA Group and SPX flow technology offers traceability solutions in accordance to the EU regulation 178/2002, their materials are chosen in accordance with 3-A SSI and USDA, and their quality assurance programmes are according to ISO 9001.

Everyone must follow the laws, therefore, it is difficult to differentiate yourself with them. They could easily be used as benchmarks for companies because they are already determined. In other markets there may not be as many laws and regulations, and therefore it might be easier for companies to differentiate themselves there. Where the market is not as mature as it is in this case study it is easier to differentiate by just adding a new invention. Food Safety is a point of parity and it makes it harder to take the position because everyone must provide food safety. The easiest way to take a position is to differentiate yourself but in this case it is not as easy to find differences since it is something everyone has to offer. It is hard to find a point of difference within Food Safety, which everyone must have, they are easily copied and thereby consequently turning into a point of parity. Another difficulty is that it is unnecessary to add something that customers do not want and therefore they do not want to pay extra for it. Since all laws and regulations apply to all, you have to do something special to stand out. By saying that this model is safer the clients may question the safety regarding the former model or part. If the former were good enough why is it necessary to pay more for the next newer model? This is one reason why it is harder to take a point of parity than a point of difference position.

All these parameters create a framework for further work on the brand building process. It creates a foundation that one can be build upon but it is important to constantly keep track of the continuously changing market. Setting the frame of reference is a never ending work. One would think that you have completed this step after you have done it once, but the market is dynamic and the conditions constantly change.

In a mature market like the one TPPS is active on the changes are rather slow. It is also due to that TPPS’s customers make large purchases at fewer times. Consumer goods often exist in more changing markets and the work must be done more regularly. Major disasters, such as the melamine disaster, cause considerable changes and therefore it is important to stay ahead in order not to fall behind in such occasions. This is true for all markets, lack of safety in cars or toxic substances in shampoos can cause serious consequences and allows consumers and customers to be more aware of the specific attribute.
The core to positioning exists in brand building strategies. The brands core values should create the basis for the positioning strategy to create a consistency. Otherwise it might confuse the customers who receive mixed messages. With this in mind the frame of reference can be created to make the product attractive on the market. The strategy and the frame of reference create a basis for the brand identity that is connected to the brand. Brand identity is described in the model of the stair in the next section. The following picture is the core of positioning strategy. It is important to consistently control that the further positioning efforts are in line with the set frame of reference, Figure 4.

![Figure 4. Model of the Core of the Positioning Strategy](image)

### 6.2 Model of equity stairs

The following model of stairs, Figure 5, is based on Keller’s brand equity building steps. The green arrow points in the direction with the steps should be processed through. The red arrows highlight the importance of combining all steps and relate them to each other. They are supposed to mark the relationship between the steps and the importance to resubmit consistently when using this strategy.

![Figure 5. Model of stairs based on Keller's equity stairs](image)
6.2.1 Identity
According to existing theory, brand identity is a long term effort since it is linked to the brands roots and fix parameters while brand positioning is more competitive than brand identity. The case study is of Tetra Pak Processing Systems which is active on a business to business market were their customers make big investments every time they buy one of TPPS solutions. The investments are made at slow rate, at few occasions, and that is why there are some similarities within the positioning efforts and the long term brand equity and brand identity approach. The positioning strategy must be handled as a long term project and this is similar to other organisations in the business to business market, where the customer make large investments at few occasions. The customer does not come in contact with the selling company and its message as frequently as with a company active on the fast moving consumer market.

As presumed in the introduction, Food Safety can be counted as a point of parity. Food Safety is something that must be included in the product and both the customers and consumers demand it as well as other external influencing factors. Point of parities can be successfully used in the brands identity. Since Food Safety is a highly important factor and attribute of the processing equipment, it is a benefit for TPPS to include this in their identity. Tetra Pak uses ”Protect what’s good” which can be seen as what they want to be identified to. This is a phrase that is a wide message and not very defining. This is used for Tetra Pak as a whole and therefor maybe the message should be a bit abstract to be able to include as many segments and divisions of the company as possible. For Tetra Pak Processing Systems the phrase ”make food safe and available everywhere” is their core value and the core to the identity. This message is a bit more specific and therefor a bit more easy to relate to for the customers, which creates a more proper picture of TPPS in the customers minds.

Brand identity is a brand management tool that specifies the facets of a brands uniqueness and value. For already existing brands, the brand identity is the source for the brands positioning. Identity must have a distinct vision and aim. When looking at the usage of ”make food safe and available everywhere” it fulfils this purpose well. However, since Food Safety is a must have for the companies in the specific industry, the difficulties lies in what makes the brand special and distinguished, why they are different from other brands at the same market. Identity is not just a slogan but also all tangible and intangible attributes that are associated to the brand. A brand is created when these experiences have been positive and that is why organisations must work towards getting the employees to understand how they are a reflection of the brand.
6.2.2 Meaning
It is important to create a meaning and value to the customer in the brands message. To be able to set a higher price on products or services the organisation must succeed in explaining to the customer what added value is combined in the product or service, to make them understand it is worth the extra money, just as BertOve Bejevik describes in the interview. Tomas Wernant mentions the importance of understanding the customers needs to create the right value. An insight to the customers’ demands is necessary to fulfil their needs. Also Nicole Uvenbeck highlights the importance of insight to how the customers experience the company and the importance to make sure the customers value the solution that is offered. TPPS tries to get the message of lower costs per produced unit product in to their customers mind as a value adding attribute.

The intention of brand meaning is to, in a strategically manner, link both tangible and intangible brand associations to different properties of the brand. In this specific case it is harder to link intangible associations to the product since the solutions are very technical complex and within a business to business market. The customer does not get the same emotional relation as within a business to consumer relationship. The investments are based on more facts and strategies than when a consumer makes a purchase. However, as mentioned, sometimes this relationships can be build between the companies, although they are based on the same knowledge of the technology and cooperation rather than a feeling you get when you buy the product. It could be an interpretation that TPPS should create a feeling of security related to their product, their solutions are specifically trustworthy. If Food Safety is the brand identity, it should create a security to the customer, and by this means you have created a value and a meaning to the customer, it feels secure when buying TPPSs solutions. It could be compared to Volvo where safety is an identity, which creates a security among their customer, in contrast to, for example, Porsche. Porsche creates a feeling of luxury, status and speed. In the case of the shampoo producer, an exclusive shampoo creates a feeling of luxury and you feel extraordinary beautiful when you use it while a budget shampoo fulfils the basic needs of a shampoo, the hair feels clean.

6.2.3 Response
When wanting ownership of a specific position it is important to investigate how the customers or consumers experience the company. When the customers’ experiences of the company are the same as the company’s brand identity, the aim is reached. To own a specific position it is important that the specific attribute within the brand identity is the attribute the customers highly relate the company with. The complexity in the case of Food Safety is that it is a point of parity, which means it is important for the competition to be associated with this specific attribute as
well. To gain ownership of a point of difference is easier, since when this step is reached the position is usually owned since you are the only one pushing on that attribute. If you get to this step with a point of difference the position is taken. However, when taking the position of a point of parity the competition most certainly is aiming for it too. The thing is, not only one company can be at this step with a specific attribute. If you mention TPPS to a customer they might think of Food Safety, but when you mention GEA they maybe also associates them with Food Safety. This means you do not own the position. To take the position of a point of parity the customer should instead relate to Tetra Pak Processing Systems when someone mentions Food Safety. The company must be higher associated with the attribute than its competition to own the position. Volvo has succeeded in doing this with their safety-attribute. Safety is a must have to a car manufacturer, all cars must fulfil specific safety standards, but if a consumer thinks of a ”safe car” it is often a Volvo that pops up in their head.

6.2.4  Relationships
When this step of the stair is reached the goal of ownership of the position is commonly attained, the customer chooses the company primarily. BertOve Bejevik mentions in the interview that if you get the large customers to be loyal and creates good relations to them, the smaller customers get on board too. It is also important to maintain the relationship. A customer that uses products from a specific company is likely to use the same brand again when making new investments, assumed that they are satisfied with their previous purchase. And when it comes to solutions, or products used together, it is more likely that two products from the same brand works well together. Both when it comes to processing solutions and shampoos and conditioners. However, if the relationship is not maintained or you do not fulfil the customers’ expectations they will probably choose another supplier in time of the next procurement. Rumours of bad experiences spread fast and therefor it is easy to attain a bad reputation that can lead to great money loss.

TPPS is a good example of a market where it is of great importance to create a personal relationship, since it is a business to business market and the communication channels often are direct marketing. The customers make bigger and fewer investments than for consumer products, and therefor the relationship is of high importance. This is a way of creating a positive feeling towards the company. Even though the decisions not should be influenced of personal feelings in this kind of procurements, sometimes it is possible to create it to ones organisations advantage. It is also important to carefully explain any changes made in the product to the customers and why the changes are done, if the customer feels accessory the relationship is strengthened.
6.3 Communication
When the frame of reference is set and the aim with the equity stairs is set it must be fulfilled. To do this communication is a key factor. Communication is the key to relate the customer to the brand strategy. If the message is not reaching its recipient the strategies becomes useless. But since the employees in a company in a business to business market are a reflection of the brand, the internal communication is as important as the external. If an attribute is well established in the employees’ minds it will almost by itself be reflected onto the customer. Therefore, in this chapter, the communication is divided into internal communication and external communication.

6.3.1 Internal communication
The internal communication is important to keep the company united, everyone communicates the same thing, and the thing the brand strategies adjust them to. In larger organisations it can be hard to stir everyone in the same direction. At TPPS they have ”product owners” who are responsible for the communication to their sales departments. When communicating marketing strategies they use a top-down method. The management informs the product owners and they inform their team with what is necessary for their product. And as Tomas Wernant mentions, a brand is created when these experiences have been positive and that is why organisations must work towards getting the employees to understand how they are a reflection of the brand. The important messages must be communicated to the employees consistently to get established in their heads and therefore almost automatically reflected to the customer. The important associations may be represented in every internal communication to establish this. It is common that internal information is spread by email and intranets and of course by personal presentations. It might be good to set up a knowledge transfer system to assure all relevant knowledge stays within the organisation and can be used but everyone, it can be an important tool for the internal communication.

6.3.2 External communication
Both the reviewed theory and the interviewees highlight the importance of being consistent in the communication. Tomas Wernant tells that all external communication within his cluster should mention Food Safety and therefor create a place for the specific attribute in the minds of the customer. The market they are active in are a conservative slow moving industry with long term solutions, it is no fast moving consumer goods. Hence, the importance of long term thinking can be highlighted. The organisation should provide the same message for a long time, during several years, to become the message the organisation want to be associated with. To do this it is important to get it in to the employees’ minds (or subconscious) and in all communication. If the message is change frequently the customers get confused and the company can loose its credibility. The association of performance is divided into two aspects:
cost and quality. This provides an easy message for the customer to understand. They get lower operational costs and higher quality. It is important to communicate a brand’s advantages and what value it brings to the customer.

### 6.4 Positioning strategy

When an organisation has succeeded in communicating their message and taken ownership of the position, it is important to continue to be observant of the market and maintain their relationships. The market is dynamic, to different extents, and therefore the strategy must be evaluated consistently. Every part of the strategy to gain position is connected and it is a continuous work. The following figure is an explanation of the relations of the different parts of the strategy that is chosen to investigate in this research, Figure 6.

![Figure 6. Strategy for gaining ownership of position of a specific brand attribute](image-url)
The steps are combined in the strategy set up in this research. The brand or marketing strategy and the frame of reference creates a basis for the brand identity. The identity is then used as a basis for the positioning trough connecting it to brand equity. The communication is the key to relate the previous steps to the customer, since it is in the customers mind the brand exists. The position is not owned until the customers think so. Since markets are dynamic it is important to resubmit and keep working with all steps of the strategy, and not think you have succeed just because you have gone trough the steps ones, it is a continues process.

Different markets have a different level of dynamic that is why it can be difficult to know how often and at what rate it is suitable to resubmit. In a slow moving market, the steps can be more carefully analysed than in a fast moving market where maybe the steps take to much time to keep up the tempo at the market. In this study a mature slow moving market is the main objective for the investigation and that is why the strategy should work. A downside could be that in the slow market the resubmitting also gets slow and the results of the work and effort lingers. Supposedly the strategy could be adjusted to different markets and used by different organisations in different types of businesses.

The strategy is pretty simple which can lead to loss of some aspects of the brand building and the brand positioning processes, since each step could be more detailed and have more depth, but then it might not be as easy to apply and use. An advantage with the strategy is that it combines traditional marketing with brand identity and brand equity in a positioning perspective.

7 Conclusion

When working with positioning you get insight to the customers’ needs and a possibility to fulfil the needs. Positioning adds extra value to the brand, which creates opportunities for the company press the prices or increase their sales. It could require extra resources and sometimes it does not proved the expected results. It can be difficult to receive a general perspective, which provides the right insight to the brands equity.

7.1 Brand strategy

It is important to have a strategy to know your purpose and aim the strategy should be clear and consistent. The theory says that it is important to highlight an attribute but without defining what it means, what benefits the customer will receive, it is worthless. To be able to take control over a specific position the brand has to start with deciding to which category the brand should be associated with. Different markets have different factors that their products or services are associated with. While deciding up on a strategy, it is important to keep customers in mind, what customers want, what products and competition that are present on the market and what rules
they must follow. It is of great importance to consider the laws and regulations and not take them for granted.

If there is no need from customers the product or service will not be able to sell. Although customers does not always know their needs, sometimes you have to create the need in the customers mind. In a business to business market you have to find out all the customer needs through the supply chain.

To gain uniqueness on the market the completion must be evaluated. This also provides insights to what similarities a product must have. All this provides a framework for the brands point of parity and point of difference.

All these parameters create a framework for further work on the brand building process. It creates a foundation that one can build upon but it is important to constantly keep track of the constantly changing market. Setting the frame of reference is a never ending work. One would think that you have completed this step after you have done it once, but the market is dynamic and the conditions constantly change.

The core to positioning exists in brand building strategies. The brands core values should create the basis for the positioning strategy to create a consistency. Otherwise it might confuse the customers who receive mixed messages. With this in mind the frame of reference can be created to make the product attractive on the market. The strategy and the frame of reference create a basis for the brand identity that is connected to the brand. This is described in the model of the stair in the following section. The following picture is the core of positioning strategy. It is important to consistently control that the further positioning efforts are in line with the set frame of reference, Figure 7.
7.2 Model of equity stairs
The following model of stairs, Figure 8, is based on Keller’s brand equity building steps. The green arrow points in the direction with the steps should be processed through. The red arrows highlight the importance of combining all steps and relate them to each other. They are supposed to mark the relationship between the steps and the importance to resubmit consistently when using this strategy.

7.2.1 Identity
According to existing theory, brand identity is a long term effort since it is linked to the brands roots and fix parameters while brand positioning is more competitive than brand identity. When investments are made at a slow rate often in a mature business to business market and that is why there are some similarities within the positioning efforts and the long term brand equity and brand identity approach. A point of parity is something that must be included in the product and both the customers and consumers demand it as well as other external influencing factors. Point of parities can be successfully used in the brands identity since it should describe the brands value but it should also describe its uniqueness. For already existing brands, the brand identity is the source for the brands positioning. Identity must have a distinct vision and aim.

7.2.2 Meaning
The organisations must succeed in explaining to the customer what added value is combined in the product or service, and to do this you must understand the customer needs. The intention of brand meaning is to, in a strategically manner, link both tangible and intangible brand associations to different properties of the brand. In business to business markets it is harder to get
the same emotional relationship to the product as with a consumer product. Feelings associated with the product are a grand way of creating brand meaning.

7.2.3 Response
When wanting ownership of a specific position it is important to investigate how the customers or consumers experience the company. When the customers’ experience of the company is the same as the company’s brand identity, the aim is reached. To own a specific position it is important that the specific attribute within the brand identity is the attribute the customers highly relate the company with. To take the position of a point of parity the company must be higher associated with the attribute than its competition.

7.2.4 Relationships
When this step of the stair is reached the goal of ownership of the position is commonly attained, the customer choses the company primarily. One way is to get large customers to create good relationships with them, since smaller organisations tend to follow in their footsteps. It is of great importance to maintain the relationship if the customers are satisfied they will probably use the same brand again. The relationship creates a positive feeling towards the company. For example it is of great importance to carefully explain any changes made in the product to the customers and why the changes are done, if the customer feels accessory the relationship is strengthened.

7.3 Communication
When the frame of reference is set and the aim with the equity stairs is set it must be fulfilled. To do this communication is a key factor. Communication is the key to relate the customer to the brand strategy. If the message is not reaching its recipient the strategies becomes useless. But since the employees in a company in a business to business market are a reflection of the brand, the internal communication is as important as the external. If an attribute is well established in the employees’ minds it will almost by itself be reflected onto the customer. Internal communication is important to keep the company united, which makes the company solid in the eyes of the customer. In larger organisations it can be hard to stir everyone in the same direction, the important messages must be communicated to the employees consistently to get established in their heads and therefore almost automatically reflected to the customer. The important associations should be represented in every internal communication to establish this and relevant channels must be used. External communication must be consistent, if the message is change frequently the customers get confused and the company can loose its credibility. The communicated message should be easy for the customer to relate to and in a business to business market it is an advantage if you can show the customer how the message can be transferred in
own communication. To be effective in the communication you have to be proactive and anticipate the customer needs and operation method.

### 7.4 Positioning strategy

When an organisation has succeed in communicate their message and taken ownership of the position, it is important to continue to be observant of the market and maintain their relationships. The following figure, Figure 9, is an explanation of the relations of the different parts of the strategy that is chosen to investigate in this research.

![Figure 9. Strategy of taking Position over a Point of Parity](image)

The steps are combined in the strategy set up in this research. The brand or marketing strategy and the frame of reference creates a basis for the brand identity. The identity is then used as a basis for the positioning trough connecting it to brand equity. The communication is the key to relate the previous steps to the customer, since it is in the customers mind the brand exists. Since markets are dynamic it is important to resubmit and keep working with all steps of the strategy.
Different markets have a different level of dynamic that is why it can be difficult to know how often and at what rate it is suitable to resubmit. A downside could be that in the slow market the resubmitting also gets slow and the results of the work and effort lingers. Supposedly the strategy could be adjusted to different markets and used by different organisations in different types of businesses. The strategy is pretty simple which can lead to loss of some aspects of the brand building and the brand positioning processes, as it looks now it is easy to use. An advantage with the strategy is that it combines traditional marketing with brand identity and brand equity in a positioning perspective.

8 Proposal for further research

The concluding strategy must be further evaluated. Similar studies should be done to prove or disprove its credibility. First it has to be evaluated in the same environment as this study, i.e. a mature business to business market. The advantages and disadvantages could be further research and maybe lead to a development of the strategy presented in this thesis. It could also be tested in other situation in other markets to see if it could become a more universal strategy. It could also be researched for its validity and its necessity for points of difference instead of points of parity.
9 References

3-A SSI Sanitary Standards. (2002). *doc nr 606-05*. USA.


64


FDA. Code of federal regulation title 21 part 110.40.


[http://www2.sainsburys.co.uk/food/foodandfeatures/safety_quality/articles/quality_checked.htm](http://www2.sainsburys.co.uk/food/foodandfeatures/safety_quality/articles/quality_checked.htm).


USDA. *United States Department of Agriculture*. 

66


Ultra High Temperature (UHT) is an application for making aseptic products. Pasteurisation kills microorganisms in milk but the heat resistant spores needs higher temperatures to be killed to the right extent (Kutz, 2007).

When milk is heated to high temperatures the characteristics changes to a great extent, such phenomenon as browning, loss of nutrition’s sedimentation and cooked flavour are the outcome (Chavan et al, 2011). If the time the milk is exposed to the high temperature is kept as short as possible the negative effects can be minimized. When sterilising milk trough UHT applications temperatures over 135˚C are used for 1 – 5 seconds (Kutz, 2007). UHT processed milk has a longer shelf life, is easy to transport since there is no need for refrigeration and is more energy efficient.

There are two principles used when building a UHT plant, direct and indirect heating. Indirect heating is when the product temperature is increased without the heating medium getting in contact with the product. A heat exchanger is used for this purpose (Chavan, Chavan, Khedkar, & Jana, 2011). There are two types of heat exchangers most commonly used in dairy processing, plate and tubular exchangers. In a plate heat exchanger the heating medium and the product is separated by plates with channels for transportation of the substances (Wang, Sundén, & Manglik, 2007). The tubular heat exchanger consists of tubes that transport the product and a heating medium surrounding the tubes and therefore heating the product (Lewis & Heppel, 2000). The steps in the indirect UHT processing of milk are described in *The technology of dairy* (Early, 1998):

1. The first step of the UHT plant consists of a balance tank were standardized milk is fed at a temperature of 2-4 °C.
2. The next step is pre-heating the milk in a section of the heat exchanger to approximately 70-80°C.
3. Now the milk has to go through a homogenizer where the fat particles are reduced to size 1-2 µm at a pressure of 18-25 MPa.
4. The fourth step is when the milk goes through the heating section of the heat exchanger. The milk is heated to 135-140°C and held at this temperature for about 4 seconds in the holding tube.
5. When leaving the holding tube the milk gives up heat to cold water from the pre-heating phase which transfers the heat to the incoming raw milk.
6. When the milk is cooled down it enters an aseptic tank to await aseptic packaging.

For the direct UHT heating process the milk is heated by steam injections or infusion. When using injection method, steam is injected directly in to the milk and therefore raising the temperature of the milk. It is important that the milk is in a constant flow during this process. For steam infusion a container of steam is used, the milk is transported through this container and thereby its temperature is raised (Chavan, Chavan, Khedkar, & Jana, 2011). The steps of this method is also described in *R. Earlys (1998)* book:

1. The first step is the same as for indirect heating. The raw milk in the balance tank is transported to the pre-heating stage and heated to a temperature of about 80°C
2. In the next step the milk is pumped through the steam injector at an increased pressure, 0.5 MPa to prevent the milk from boiling. The steam raises the temperature of the milk up to 140°C.
3. To eliminate potential hazards the milk is held at the high temperature for about 3-4 seconds.
4. To reduce the milks temperature to 80°C at the same time as removing the same amount of steam that was injected, the product is flash cooled in a vacuum expansion vessel.

5. For the direct UHT processing the aseptic homogenizer is placed after the heating process. The size of the milk fates is reduced to appropriate size.

6. By passing through the cold water from the preheating in the heat exchanger the product is cooled to 18-25°C and filled in to an aseptic holding tank.

7. The direct heating method implies a faster heating, which results in fewer damage on the milks characteristics than indirect heating. But it is only suitable for some products and is very energy consuming.
Appendix II – Market demands

**Chinese diaries**

Mengniu carry out strict inspections, every batch has undergone raw material inspection, process inspection, and final inspection. The storage and transportation is closely monitored to guarantee safety. Certifications are used both governmental and private as a promise of food safety to the costumer. The following five certifications are important; ISO9001, ISO14001, OHSAS18001, GMP, HACCP. Green food is also important to Mengniu. The Milk-Source Western Business Centre from Mengniu carries out statistic analysis of quality, quantity and cost and has programmes to help confirm food source safety. Regarding the processing they use information lead production. Cleaning, on-spot, positioning etc. is monitored and standardized. Problems related to transportation are solved by bar code systems. They conduct more than 40 tests and the standards are higher than international standards in general. On every milk carton there is a stamp for contact information of the production source. (Mengniu, 2011)

**YILI**

They state that technical innovation has made them successful. They have international laboratories, for example a key laboratory for dairy processing and safety of Inner Mongolia region. They invest in development. An important factor to Yili is Quality management, which include food safety as a life line, it should be integrated trough the whole production to strengthen the safety measures consciously. They use certifications such as ISO14001, ISO9001:2000, ISO14001:2004, GB/T280001-2001, ISO22000:2005. They conduct strict quality controls in every part of the chain, from raw material to the consumer. Their quality policy puts the consumer first, quality is best when one strive for excellence trough continuously improvement. They also have a food safety policy, which enhances quality management and the delivery of safe and healthy products. They obey relevant laws and regulations and forge excellent and satisfying quality. Their quality goal is to supply consumers with superior products that are 100 per cent safe and healthy. Their goal regarding food safety is to have zero record of major food safety accidents. (Yili, 2011)

**BRIGHT**

Bright has imported advanced equipment to ensure good quality and outcome. They use Tetra Pak en aseptic packaging line from Sweden and the evergreen ip packaging line from the US. They also use Alfa Laval milking parlour and pipeline milking machine form Sweden and APV pre processing equipment from the UK.
They state quality management to be the most important position and uses quality management systems. They follow regulations such as ISO9000:2000, perform inspections and controls in every step of the chain by using quality assurance systems. They also apply TPM and 5S, HACCP and ISO9001 and follows requirements of food safety laws (Bright Dairy, 2011).

BONGRAIN

Food safety is an absolute priority. They use a quality assurance policy and regulations and standards and HACCP, Traceability and quality certification. They have quality test of their milk available online. ISO22000, IFS quality certification and ISO 14001 is used (Bongrain, 2011).

FONOTERRA


NESTLE

Safety can be improved through integrated work relationships through the whole supply chain. Production code is a part of a quality system, which is designed to help maintain the freshness of the food. Nestle's purchased products must fulfil specific demands they have set up regarding safety and quality. They use the following supporting regulations:(Nestlé, 2011)

- ISO22000 and ISO/TS2002-1 should be checked by audit.
- FSSC20000
- BRC
- IFS
- SQF2000
- GMA-SAFE / QMI – SAI Global
- Critical control points and good manufacturing practices

UK dairies

ROBERT WISEMAN DAIRIES

Robert Wiseman Dairies was established in 1947 and started out as a family farm in East Kilbride and is now a major milk company in the UK. Robert Wiseman dairies educate their staff in food safety concerning quality assurance, chemical and CIP, Control process, milk processing and plant automation (Robert Wiseman diaries, 2011).

ALPRO

Alpro complies with the European legislation 178/2002 for traceability through the supply chain. To fulfil this Alpro does following (Jason Atkinson, Alpro Customer Care):

They monitor incoming goods in description, quantity, date of receipt, and lot number.
Due to the use of procedures, instructions and a process management system, Alpro have the traceability between incoming goods and outgoing goods, through the whole internal supply chain.

All outgoing goods are batch-managed and have a specific number per pallet unit. Through Alpro’s system they register the identification, quantity, lot number, delivery date and the identification of the address of delivery. (Alpro, 2011)

**GUNDENHAM DAIRY**

Their core products are home grown milk, cream and potatoes, but they also source a large number of other products from local producers, which enables full traceability. These additional products all meet Gundenham’s own and their clients’ high standards. Their credentials include: SALSA accreditation, Safe and Local Supplier Approval, and 5 star rating for food and hygiene standards. (Gundenham Dairy, 2011)

**NESTLÉ**

(Nestlé, 2011)

NESTLÉ

Nestlé’s origins can be traced back to 1866, the first European condensed milk factory was opened in Cham, Switzerland, by the Anglo-Swiss Condensed Milk Company. In 1867, Henri Nestlé, a trained pharmacist, launched one of the world’s first prepared infant cereals ‘Farine lactée’ in Vevey, Switzerland. The two companies merged in 1905 to become Nestlé. The headquarters are still based in the Swiss town of Vevey. They employ around 280,000 people and have factories or operations in almost every country in the world. Nestlé sales for 2010 were almost CHF (Swiss Franc) 110 billion.

Nestlé’s Quality Policy involves building trust by offering products and services that match their consumer’s expectations and preferences but also in accordance with all internal and external food safety regulatory and quality requirements. Quality is everybody’s commitment. Nestlé continuously improve them to achieve the highest levels of quality. Nestlé maintain the same high food safety standards in all countries in which they operate and they guarantee the delivery of high quality products through their Quality Management System. Nestlé says that they never compromise on food safety and that they always comply with all applicable regulatory requirements. Nestlé’s core value is Good Food, Good Life. (Nestlé, 2011)

**ARLA**

Arla Foods UK plc processes approximately two billion litres of milk a year and is one of the UK’s leading dairy companies. Arla Foods UK plc’s roots can be traced back to 1864 to a man called George Barham, the son of a London dairyman, which formed the Express Country Milk Supply Company near Kings Cross Station in London. In Scandinavia the history of Arla Foods
can be traced back to a farm called “Stora Arla Gård” in Sweden in 1881 (http://www.arlafoods.co.uk/).

Arla has set standards for food safety throughout the food chain, which engage everyone, from their milk suppliers to consumers, in their food safety commitments. Arla delivers products and ingredients, which comply with the necessary standards and specifications. They maintain control over hazards in the manufacturing process by using a well functioning HACCP system and by empowering skilled employees. Concerning production facilities Arla meet relevant standards when maintaining and cleaning buildings and equipment to ensure food safety throughout the supply chain. Arla have traceability systems for tracing raw materials, ingredients and end products. (Arla Foods, 2011)

DELAMERE

Roger & Liz Sutton started Delamere their first dairy the 1980s. Today they produce fresh and UHT goats’ milk, sterilised cows’ milk, fresh Channel Island cows' milk, goats' butter, goats' yogurts and a wide range of goats' cheese across the UK.

Delamere are approved by the Red Tractor Assurance, which aims to provide retailers and consumers with confidence about product quality attributes of the milk leaving the farm premises, including food safety, animal welfare and environmental protection. (Delamere, 2011)

Retailer demands

Chinese retailers

AUCHAN

Auchan was the first Chinese hypermarket to fulfil the demands of ISO22000 certification. In Italy and Spain the stores also have ISO9000 or ISO9001:2000. (Auchan, 2011)

CARREFOUR

Performs controls at their suppliers. They are evaluated according to their safety conditions, risk control, HACCP plan, traceability and consistently with their specifications.

Every country is to fulfil the elements in the Group policy, Many countries have on-call systems which provides the supplier and stores a 24-7 contact with the quality department. Works close with the supply chain to be able to do fast recalls in case they suspects contamination of product or other health risks. (Carrefour, 2011)

UK retailers

TESCO

Tesco is one of the largest retailers in the UK. Food Safety is of primary concern for Tesco’s customers and therefore Tesco have set up food safety standards. The standards consider the design and construction of equipment, factory hygiene, personal hygiene, process controls, traceability, allergen control, HACCP, quality management system, cleaning programme etc.
The aim of Tesco’s standards is to ensure that all their branded products produced by their suppliers are safe, meet legal requirements and are of agreed quality. It clearly sets out Tesco’s requirements for their suppliers. The suppliers need to have an effective and accurate HACCP plan in place and it must have been developed using Codex Alimentarius HACCP principle. All equipment should be designed and constructed to enable hygienic cleaning in a good condition to prevent foreign body risks. The surfaces including welds and joints must be smooth and impervious, which implies that all food contact surfaces should have continuous welds, be free of inaccessible crevices, excessive scratches and pitting to prevent the trapping of food debris. All food contact material must comply with Regulation (EC) 1935/2004 or equivalent. Raw material, work in progress, finished product, processes, storage and equipment must be controlled, monitored and recorded when they are critical to product safety, legality or quality. A temperature monitoring system must be in place e.g. manual documented checks. Procedure must be in place to enable traceability of product from a finished pack back to all processes involved in the manufacture including the raw materials. (Tesco Food Manufacturing Standard V4).

Other things Tesco does are for example that they have supported the Chinese government with codifying their rules on food safety. Tesco has also supported the Chinese authorities in building capability within the supply chain, sharing their knowledge on food safety in storage and distribution. Tesco China has established its own food safety team made up by quality control technician and operational managers. (Tresco, 2011)

SAINSBURY’S

Sainsbury’s is one of oldest retailers in UK it was founded in London 1869. When a product idea is created by at Sainsbury’s their quality management system is put in place to ensure that everything is handled the right way, from when their suppliers manufacture the product until it reaches the end customer and consumer. Sainsbury’s core value is “Bets for food and health”. (Sainsburrys, 2011)

MARKS AND SPENCER

Marks and Spencer take food safety seriously since it is important to their customers. They consider both the rearing of animals and the growing of crops that they use in their products and the physical safety, for example testing for types of bacteria, chemical and allergens. Food safety is seen as a key part of their food development process. Everything they sell is of their own brand and because of that they have complete control over how the food is created and how it reaches the stores. Marks and Spencer are constantly working to maintain a close relationship with their suppliers to make sure they fulfil Marks and Spencer’s quality and safety standards.
Marks and Spencer have 70 qualified food professionals who are specialists in their own areas, who oversee Marks and Spencer’s product information systems and their testing programs. Marks and Spencer have a hygiene manual and the standards are set to exceed the typical industry hygiene standards. It considers preventing items or insects from finding their way into the food, and it ensures that the equipment is cleaned properly to eliminate bacteria. Marks and Spencer also inform their customers how to handle their products at home to make sure that the food is safe. (Marks and Spencer, 2011)

WAITROSE

Quality is of Waitrose's highest concern and they are vital about the origin and traceability of their products.

All of Waitrose’s milk suppliers comply with the requirements set within the BRC Global standards. The standard is divided into 7 chapters (Fiona Rayner Waitrose Customer Sales and Support):

Senior Management Commitment and Continual Improvement – For any food safety system to be effective it is essential that the factory senior management are fully committed to its application and continued development.

The Food Safety Plan (HACCP) – The basis for the Food Safety System is an effective HACCP programme based on the requirements of the internationally recognised Codex Alimentarius system.

Food Safety and Quality Management System - This sets out requirements for the management of food safety and quality, building upon the principles of ISO 9000. This includes requirements for product specifications, supplier approval, traceability, and the management of incidents and product recalls.

Site Standards – These define expectations for the processing environment including the layout and maintenance of the buildings and equipment, cleaning, pest control and waste management. This includes a specific section on managing foreign body controls.

Product Control – This includes requirements at the product design and development stage, Allergen management and the expectations of Laboratories and product testing.

Process Control – This covers the establishment and maintenance of safe process controls, weight/volume control and equipment calibration.

Personnel – This defines requirements for the training of staff and expectations on protective clothing and personnel hygiene.

In addition, Waitrose implement Technical policies and procedures which all supplier must adhere to, these include Traceability and material receipt.
quality assurance, Allergen and manufacturing controls, Reduction of food contamination post cleaning and GMP standards. These are all over and about the BRC Requirements. (Waitrose, 2011)

**Consumer demands**

In a study published in February 2008 (Wang, Mao, & Gale, 2008) the result showed that Chinese consumers of milk products tend to by small cartons of milk, usually containing one portion. About 95 per cent of the respondents in the study bought their products in supermarkets, especially if they lived in Beijing. The most prominent factor related to food safety when choosing milk was the products shelf life. The respondents related shelf life to the freshness of the milk and therefore an important attribute to the Chinese customer. Food safety certifications were of less importance in the buying decision. The brand was more often a key factor and the reputation of the producer was more important than the reputation of the supermarket or grocery store where the product was bought. Very few were aware of HACCP systems, among those who had heard of it most were highly educated.

Another study was conducted after the food crisis in 2008 and published in February 2011, Got (safe) milk? Chinese consumer valuation for select food safety attributes,(Ortega, Wang, Wu, Bai, & Olynk, 2011). This study also states that prior studies show that shelf life is the most important attribute regarding food safety to the Chinese consumer. Next is the brand of the product and last food product certifications. This is credence attributes which means the consumer can’t difference them before and after purchase and during consumption. Factors that are based on experience are such as colour, taste, etc got a lower rank when the purchase was made. One study got the result that consumers rank brand and place of purchase as the two top safety indicators when buying liquid milk in china.

Asymmetric information between suppliers and consumers is the cause of many milk safety incidents and to bridge the information gap quality and safety certifications are used. It is important to understand the consumer awareness of food safety issues and their preferences to the Chinese public health and for product marketers. UHT treated milk is one of the fastest growing food markets in china and makes an opportunity for milk companies to develop brand equity and gain consumer trust.

The study was conducted to contribute with economical aspects of the choices and preferences Chinese consumers have on food safety verification attributes in UHT treated milk. It evaluates the willingness to pay for a food safety attribute. The following food safety related attributes for UHT milk have been used in this study:

- Price
The results show that consumer benefit from both government and private certification. They also use the origin of the brand as a factor, a national brand is more beneficial than a regional one. Consumers relate the products with longer shelf life than three months to poorer food safety than those with shorter shelf life (UHT milk in china is mainly sold in two packages, plastic with milk with shorter shelf life and paper which contains milk with longer shelf life). The Chinese consumer prefers milk with shorter shelf life probably because they relate this to higher freshness and because they prefer the plastic cartons.

Regarding the willingness to pay for food safety attributes, government certification gets the highest score. Second are the brand then private certifications and least WTP gets the UHT milk with longer shelf life than three months. At the time of the study there were no private regulated certifications, which can explain the less shown confidence in those (a study in 2011 by Ortega et al showed the same results). Brand information is the second most appreciated attribute regarding food safety. In china the brand is counted as a good indicator of safety and quality. Although the private certifications didn’t exist they were the third most appreciated attribute and mainly valuable to urban consumers. A longer shelf life got a negative score on the WTP and could be interpreted as the Chinese consumers don’t think of a longer shelf life as a positive thing.

The result regarding the shelf life of the milk could be interpreted as the Chinese consumers directly relate the packaging to sustainability and quality. This is something the milk producers should notice.
Appendix III – Laws and regulations

Food business operators manufacturing dairy products must initiate procedures to ensure that immediately before processing the raw cows’ milk used to prepare dairy products is containing less than 300 000 bacteria per ml at 30 degrees Celsius. Processed cows’ milk used to manufacture dairy products should contain less than 100 000 bacteria per ml at 30 degrees Celsius (EC no 853/2004, 2004).

“Milk production holdings are to undergo official controls to verify that hygiene requirements are being complied with. These official controls may involve inspections and/or the monitoring of controls that professional organisations carry out. If it is shown that the hygiene is inadequate, the competent authority is to verify that appropriate steps are taken to correct the situation” (EC no 854/2004, 2004).

Cleanability

The lack of proper food safety consideration may cause unsafe food products to reach the consumer causing illness. Microbiological, chemical and physical hazards are the three types of contamination that must be avoided. Microbiological contamination means that pathogenic bacteria producing toxins exist in the product. Chemical contamination is when a chemical substance is mixed with the product and physical contamination is material, bile and pieces of material, gaskets etc. All these have to be considered in any aspect of the prevention of contaminated product. Chemical hazards can occur from plastic or rubber material in food contact, cleaning solutions, etc. Lubricants used in processing equipment can be a chemical hazard. The non-contact surfaces (surfaces of the machinery that has no contact with the product) can lodge both chemical and physical hazards and has to be easy to clean (Lelieveld, Mostert, & Holah, 2005).

Cleanability is a factor that is affected by the design.

When mechanical cleaning is intended as the only means for cleaning, the equipment design shall assure that all product contact surfaces will be free of cracks, crevices, and dead end areas that could impede cleaning. Also, the prescribed mechanical cleaning procedure shall be proven to effectively clean the equipment (USDA).

The cleaning rate should be at least 5 feet per second (1.5 meters per second). For all circumstances the flow should be high enough so that all surfaces will be rinsed (3A-SSI number 605-04, 2002).
Hygienic design

Hygienic design of food processing equipment is of main priority to assure that products be produced safe. In closed equipment there are a lot of aspects that can provide possible hazards. There are many complexities and the integration of the design and the flow of the liquid in the equipment are of main importance. Surface finish and its topography, gasket material and its design, weld quality, corners, and dead ends are design factors that could be a hazard if not constructed properly (Lelieveld, Mostert, & Holah, 2005).

In the process equipment the product contact surfaces must lack imperfections such as crevices etc, therefore (EHEDG, Doc 8, 2004):

- Other direct metal to metal contact than welding should be avoided, in aseptic equipment there is a risk that metal gaskets do not prevent the intrusion of bacteria.
- Steps in the process that exist due to inconsistent in the equipment or the pipe connections should be avoided.
- If gaskets and seals are used they must be designed so that no crevices where soil or bacteria can get caught are avoided.
- The use of o-rings in contact with the product should be avoided.
- Screw threads in contact with the product should be eliminated.
- Regarding corners and curved forms of the pipes the radius should be equal to or larger than 6 mm (minimum 3 mm) and sharp corners (<90˚) should be avoided.

According to; 3A-SSI document number 606-05 and USDA, angles less than 135˚ should have a pipe radius no less than 6 mm and all product contact surfaces should be self-draining. Interior and exterior of pipes should be self cleaning or voidable and easy to clean, Horizontal surfaces should be avoided and surfaces should slope (EHEDG, Doc 8, 2004). All closed process lines should be fully drainable and the pipes should slope 3˚ towards the draining points. All gaps between equipment and external surfaces should be visible and available for inspection and cleaning (EHEDG, Doc 10, 2007). According to US guidelines the slope of the pipes should be at least 8.3 mm per meter and the base of all product vessels should have an opening for drainage at no less than 21mm. All surfaces should be visible for inspection and easy to clean (3-A, Doc nr 606-05, 2002).

Roughness

Product contact surfaces should have a finish that does not allow soil and bacteria to get caught and there is a factor called $R_a$ that refers to the roughness of the surface. Regulations have set this
value to $\leq 0.8 \ \mu m$ (Lelievel et. al, 2003) (3-A, Doc nr 606-05, 2002) (EHEDG, Doc 10, 2007) (USDA).

**Welding and detachable joints**

The number of joints, both welded and detachable should be minimized as far as possible (EHEDG, Doc 10, 2007). Bad welding can lead to stagnation of product due to crevices, dead areas, rough surfaces, and further it might lead to contaminated product. The welding could compromise the product quality of an otherwise perfectly hygienic plant. The main purpose of a weld is to create a seam with enough mechanical strength. The hygienic criteria are an addition to the mechanical demands of the welds (EHEDG, Doc 9, 1993). Curved pipes should be chosen if possible, otherwise welding is the preferred alternative instead of dismountable joints where the hygienic risk is superior. However, the weld must be correctly accomplished (Lelieveld, et al, 2003). All permanent joints should be continuously welded and free of pits, folds, crevices or projections (3-A, Doc nr 606-05, 2002) (USDA).

Problems that a processing equipment constructor has to take into consideration are the following (EHEDG, Doc 9, 1993):

- **Misalignment** – When two edges of stainless steel are to be connected by welding all misalignment affects any possible step in the wall or bore. These steps can result in stagnated product and harbour bacteria. Misalignment has different causes such as irregular fitting before welding or mismatching in diameters or thickness of the tubes.

- **Cracking** – Crevices penetrating the product contact surfaces could harbour soil. The most common is central line cracks that goes along the welding metal and is often caused by a large gap at the joining preparation.

- **Porosity and inclusions** – Porosity at the surface, or excessive inclusions that have become detached and creates porosity at the surface, were product can stagnate and which are difficult to clean must be avoided.

- **Incorrect penetration** – In ideal cases the welding metal fills the entire joint and is smooth to the surface. During penetration a crack is left by the joint that could be a safety risk, both in vessel and pipes. Extensive penetration could trap product in the pipe work. These problems are often caused by bad welding or wrong parameters.

- **Lack of fusion at a sidewall** – The welding metal in the joint must be completely melted to the parent, otherwise a crevice will occur in the interface between weld and metal. This phenomenon is most common during Metal Inert Gas (MIG) welding.
• **Lack of gas shielding** – When a weld is completed from only one side the other side has to be protected by an inert gas. If not the weld will be rough and a heat affected zone that could harbour soil and bacteria occurs and is difficult to clean. Shielding gases are typically nitrogen or argon based.

A preferable method for welding is Tungsten Inert Gas (TIG) welding and can be used in pipes up to 4 mm thick. When thicker pipe work manual methods are used. Many hygienic applications use thin walled pipes and vessels. Automatic TIG is common and the main advantage is that the parameters are determined according to the geometry and thickness of the joint. High quality and reproducible welds are made and the operation requires less competence than manual welding (EHEDG, Doc 9, 1993).

If using detachable joints it is important that there is no coaxial misalignment of the two matching bores. There should also be an axial stop for controlled compression of the seal. If the seal expand with increasing temperatures space for the expansion should be included in the design. Sharp edges should be avoided so that seals are not damaged and the joints should be free from crevices. Inadequate design of the seals leads to difficult areas to clean and hazards of food product contamination (EHEDG, Doc 10, 2007).

**Dead ends**

Dead ends are spaces outside of the main product flow and should as far as possible be avoided. The velocity of the liquid in the dead area are lower than at the main flow, therefore the cleaning process might get ineffective since the velocity and kinetic energy gets lower than accepted when cleaning the dead ends (Lelieveld, et al, 2003).

Dead ends should be avoided or be as short as possible. For all the length of the dead end should be smaller than the diameter of the pipe of the dead end (d>l) If the dead end is upwards there is a possibility that there will be an area or air pocket were the detergent cannot reach and is therefore uncleanable. If the dead area is pointing downwards there might be an area where the flow of the medium does not reach and product without any possibility to drain the area and thus be a risk for contamination. Sensors attached to the equipment are a common risk for dead areas and must be placed in proper manner. Sensors and transmitters are preferably placed on a swept tee to minimize the risk of dead ends and welded to the pipe. It is also important to look at the direction of the flow when placing the sensor to avoid shadow areas (EHEDG, Doc 10, 2007).

**Functionality**

The equipment should be easy to maintain and clean to secure its performance to avoid contamination. An aseptic application should be easy to sterilize and have to prevent intrusion of
microorganisms. It should be easy to clean and should protect the product from recontamination. It must be easy to monitor and control all functions that are critical to the contamination of microorganisms. The cleanability is an important aspect since more advanced procedures is needed due to poorer design and this results in higher costs, reduced accessibility for the production and reduced life span for the equipment. However, equipment with a perfect hygienic design that lack the ability to perform its functional purpose is unusable and therefore the hygienic design might have to be compromised. (EHEDG, Doc 8, 2004).

9.1.1 Materials technical characteristics

There are regulations regarding the materials that are used in processing equipment. Materials in contact with product have to be inactive to the product, detergent and densification. The materials must also be resistant to corrosion, non-toxic, mechanical stable and the finish of the surface is not to be affected when used in the intended matter. Non-contact materials should be mechanical stable, smoothly finished and easy to clean. Stainless steel is the preferable choice of material in processing equipment (EHEDG, Doc 8, 2004) (USDA) (FDA). The same characteristics apply to the 3-A document number 606-05I and USDA plus that the surfaces should be free of pits, folding and crevices. It is important to check the legalisations in specific countries. The stainless steel should preferably be of the AISI 300 series or corresponding ACI types according to 3-A SSI and USDA.

Traceability

Tacking and traceability is an important part of assuring food safety. Food traceability could be defined as the ability to trace and follow a food, feed, food-producing animal or other substance included in food, in every step of the food chain, from raw material to the consumer. Food producers have responsibility to keep track of their product one step back and one step ahead in the food chain, it means they must be able to identify where the product came from and to where it has been sent. It is important to keep track of every occurrence the food product is exposed to. This is of great value in case of a food safety emergency, when the producer quickly can track down the source of contamination and recall all products that have a possibility of being polluted (Regatteri et al, 2007) (EC No 178/2002, 2002).

Automation solutions for traceability are commonly used to track products, control and minimize food to be recalled, create efficiency schemes, reduce operational costs and improve customer services. Bar codes are one way to document all inventories’ activities. RIFD is another way to label food for traceability purpose. RIFD is a microchip placed on the product or batch of products that keep track of all activities. The microchip can store a lot of information and the original information can be updated during the process and could be scanned from a distance.
The European law EC 853/2004 states that food business may only place products of animal origin for food products that are equipped with either a control mark or an identification mark. It requires that there are identifying marks on the products before they leave the facility. The label must indicate the country where the facility is located, and their approval number.

**Quality assurance and validation**

Food Safety and quality assurance is a type of guarantee. Food Safety should guarantee food to be free from everything that might in any way be harmful. Quality is defined as meeting the demands that are set up. For the quality assurance to be able to guarantee that the product is safe its quality assurance system must consist of food safety related specifications. The quality of the product is something that is agreed on between the manufacturer and the customer but also in accordance with the laws, regulations and standards. ISO9000 is a quality assurance system. There are different types of standards: Private voluntary international standards, National assurance systems and Proprietary systems, in UK for example the retailers themselves have great impact on the market and has created their own safety and quality demands (Holleran, Bredahl, & Zaibet, 1999).

The quality assurance systems aim is to create a reference frame to make sure that every process is performed with the same method, information, competences and check points. This creates clear demands and communicative policies and procedures. The quality assurance system also makes sure that the work is well documented. The documentation could for example consist of company’s quality manual, working instructions and methods (Dale, 2003).

Many food safety standards is generated by retailers and the manufacturing companies themselves since they have come to realise that it is affecting their business positively. They get a better reputation and gain more profit both to the customers and the suppliers (Reardon & Farina, 2002).

**Hazard Analysis and Critical Control Point (HACCP) systems**

All food producers should have developed a probabilistic risk assessment program where the possible risks for the process can be documented. Control values should be developed to be used to avoid these potential risks.

The HACCP system should at least involve the following criteria’s:
- Identifying the risks of the process
- An assessment of the risks to see how likely it is that they happen
- Evaluation of the existing process to see if any improvements are needed.
- Identifying your critical control points

According to the European law, EC no 852/2004, general implementation of procedures based on the HACCP principles, together with the application of good hygiene practice, should reinforce food business operators’ responsibility and that it is the food business operators responsibility to put in place, implement and maintain a permanent procedure or procedures based on the HACCP principles. The HACCP should involve identifying any hazards that must be prevented, eliminated or reduced to acceptable levels. The critical control points should then be identified for each step of the process to prevent or eliminate the hazard or to reduce it to acceptable levels. This includes establishing critical limits at the critical control points to separate acceptability from unacceptability. The HACCP should consist of establishing and implementing effective monitoring procedures at critical control points, establishing corrective actions when monitoring indicates that a critical control point is not under control, and establishing procedures to verify that the methods that are used work effectively. Last but not least is to create documents and records to demonstrate the effective application of the measures (EC 852/2004).
GEA Group

GEA Group is a system provider of food and energy processes and their core value is *engineering for a better world*. They want to be known for providing the world with innovative solutions for smart food processing and for a more efficient use of energy. They focus on process technology and components for demanding production processes in various markets. GEA Group makes products for plants and machines of hygienic or aseptic design for the dairy industry, beverage and food industry, and also systems for filling and sealing plastic packaging. They see themselves as market leaders. GEA Group makes customized solutions that are tailored to the product and the market requirements. GEA Group plans, design, deliver, install and perform the setup of the production lines. All information has been collected on GEA Groups webpage: http://www.geagroup.com/.

Hygienic design

GEA uses 180 degrees easy-to-install bends that facilitate accessibility to the production flow channels for inspection. They construct straight products flows without dead end, which makes them easy to clean.

Cleanability

GEA’s UHT-plants guarantee bacteriological safety by selecting appropriate heating parameters, such as temperature and time as well as by sterilisation of the complete UHT process plant prior to production starts. Their UHT-plants have CIP cleaning monitored via a conductivity measuring system. CIP systems – ensures the optimum quality assurance and increases product quality. Finds the optimum balance between chemicals, mechanics, temperature, and residence time. Liquid processing - Automated cleaning-in-place (CIP) systems are an important part of GEA’s hygienic design. Their CIP systems are designed so that the flow and the temperature meet the demands that are required. To achieve optimal cleaning they have turbulent flows when cleaning. After the CIP program the production can continue but if the cleaning program cannot guarantee a clean production a backstop will be activated to prevent any further production until the problem is adjusted.

Material

GEA’s tubular heat exchangers are made of the material no. 1.4571 (AISI 316 Ti) or better. GEA constructs production lines with simple and economic gaskets made from materials that are adapted to process conditions to reduce maintenance and costs.

Functionality

Process automation and integration, quality assurance and increased productivity drive the steadily increasing automation of plants and production processes. GEA TDS offers a wide spectrum of innovative process automation systems and services.

Traceability

GEA Group offers reporting and batch tracking. Batch processes are automated in accordance with ISA-S88a as an essential factor for a transparent, traceable production. Batch tracking in accordance with the EU regulation 178/2002. A standardised approach which allows customers to introduce a batch tracking system in manageable steps at a known cost (Process Technology for the Dairy Industry).
Quality assurance
Documentation and process optimisation: the supervisory control system allows operators to record measured values and switch status thus creating the necessary transparency for process optimisation.

SPX Flow Technology
Is according to their website a global leader in food & beverage, energy, and industrial markets worldwide. SPX core value is “Driven by innovation” (http://www.spxflowtechnology.com/). SPX headquartered are in Charlotte, North Carolina. They have 15,000 employees and are present in 35 countries. They have many brands such as APV, Bran + Luebben, etc. They are working to deliver sustainable solutions that exceed customers' expected value by focusing on the following:

- Waste prevention and loss reduction
- Reuse of resources
- Improved value of raw materials
- Water and energy reduction
- Product safety and security
- Social responsibility

Hygienic design
SPX’s tubular aseptic systems are called Unitherm & Spiratherm. SPX’s uses valves which in particular regulates the flow but they are also used to:

- Open/close or change-over product streams
- Safely separate incompatible media
- Protect against excessive/shortage of pressure
- Sample products from the pipeline

All valves meet the hygienic standard applications and almost all meet EHEDG and 3As requirements. The material used in valve sealing is FDA Approved. "Crevice-free" seals ensures that there is no gap between the sealing material and closing track, where otherwise the product could be trapped. They have valves that adhere to 3A, PMO, CSA, CSN and EHEDG standards. For their Homogenizations the food safety aspects are 3A compliant and their gaskets are FDA approved.

Cleanability
The period of circulation depends of the type of equipment that is being cleaned and the degree of fouling. For an UHT plant the circulation time is about 40 minutes. The process plants are cleaned under turbulent flow conditions with flow velocities in the region of 1.5 to 2.1 m/s.

Material
The construction materials of the entire process plant are resistant to the food and cleaning chemicals that are used. The materials are non-toxic, smooth, non-porous and free from crevices. The materials that are used most commonly are stainless steels such as AISA 304, 316 and 316L, which have good resistance to corrosion. Or elastomers and plastics SPX uses nitrile rubber, Nitril/butyl rubber (NBR), Ethylene propylene diene monomer (EPDM), Silicone rubber and Fluoroelastomer (Viton).

With regard to food contact materials SPX fulfils the EU regulation 1935/2004

Functionality
SPX offers standard automatic controls with temperature recorder/controller for controlling the product temperature at the heater, control stations for all pumps and valves, and multiple digital
temperature indicators with alarm set-points for indication temperatures between the various points in the system. An automatic final-temperature control alarms for falling temperature. The Unitherm has six indicators for monitoring temperatures after the heater, holding tube, the raw regenerator, homogenizer, aseptic regenerator, and final cooler. It also has alarm set points that control the sterilization.

**Traceability**
SPX offers full traceability for food safety that comply with food regulations,

**Quality assurance**
SPX follows the quality assurance system of ISO 9001. In addition to that they have a number of requirements to achieve a clean production, to fulfil these need they have different input controls, material certificates, inspection of welds and surfaces, function and wet test facility before delivery, and various product testings’ for their clients.