Live Arctic AS
Bachelor of International Marketing

BI Norwegian Business School
University of Mannheim
June 8th 2014

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This paper is done as a part of the undergraduate program at BI Norwegian Business School. This does not entail that BI Norwegian Business School has cleared the methods applied, the results presented, or the conclusions drawn.
Acknowledgements

The authors would like to express their appreciation to all the people contributing to the thesis.

Special thanks to Mr Andreas Friis, founder and CEO of Live Arctic, for contributing with information and support throughout the process.

We would also like to thank the questionnaire respondents for contributing to the quantitative research of the thesis.

Finally, we would like to express our gratitude to our supervisor, Isabell Sieberz (Department of BWL and Marketing, Prof. Dr. Dr. h.c. mult. Christian Homburg) at the University of Mannheim for her support in making this thesis a reality.

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Mannheim, June 8th, 2014
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I. Executive summary

Andreas Friis founded Live Arctic AS in February 2010, in Porsgrunn, Norway. The company is a Norwegian lifestyle business and social enterprise that sell healthy energy bars. It is built upon a hybrid business model, combining business means with altruistic motives. Live Arctic was the first Norwegian company to introduce a 1:1-model, meaning that for every energy bar sold, the company donates one meal to a malnourished child through the Norwegian Red Cross, the current partner in Norway.

This thesis aims to research the market potential for Live Arctic in Germany, moreover how they can reach their strategic goal by developing an entry strategy for the same market. Secondary data was used to gain important knowledge about the research objective. Primary data was collected, mainly through a survey, to obtain unexplored information and to access more details on customer buying behaviour in the German market, and the attitude towards Live Arctic’s products and product category.

The research findings and - analysis revealed interesting information about Live Arctic’s resources and capabilities, as well as information about the German market and – customer behaviour. Live Arctic’s strengths and weaknesses were identified and were fundamental when giving recommendations to overcome the German market’s major threat of high competition. The thesis was submitted with recommendations for an entry mode, segmentation and positioning strategy, as well as recommendations for organizing the marketing mix activities.
II. Abbreviations

1:1 Model – Live Arctic’s model for charity
AS or A/S – Norwegian or Scandinavian Joint Stock Company
ACE – Attitudes, Competences and Embodiment
App. - Appendix
BWL – Betriebswirtschaftslehre (German – Business Administration)
B2B – Business-to-business
B2C – Business-to-consumer
BCG – Boston Consulting Group (American company)
B.Sc – Bachelor of Science
B.A – Bachelor of Arts
E.g./F.e./F.ex. – For example
Etc. – Etcetera/And so on.
Et al. – And others/and elsewhere
i.e. – In effect/That is
IL – Inbound Logistics
EU – European Union
EEA – European Economic Area
Facebook – An online social networking service
CSR – Corporate Social Responsibility
CEO – Chief Executive Officer
Globality – Term describing the end face of globalization introduced by economist Daniel Yergin
GmbH – Company with limited liability
GDP – Gross Domestic Product
OECD – Organization for Economic co-operation and Development
oHG – General Partnership
OL – Outbound Logistics
Hashtag – Is a word or an unexpected phrase with the number sign “#” (a form of metadata tag)
Instagram – An online photo-sharing, video-sharing and social networking service
LA – Live Arctic
M.Sc – Master of Science
NOK – Norwegian Kroner (currency)
PODs – Points of difference
POPs – Points of Parity
R&D – Research and Development
SAP – SAP AG (German company)
SWOT – Strengths, Weaknesses, Opportunities and Threats
VALS – Values, Attitudes and Lifestyles
VRIN – Framework used to describe a company’s valuable-, rare, imitable and non-substitutable resources.
The 4 P’s – Marketing term describing the product, price, place and promotion
WTO – World Trade Organization
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1. Introduction - The scope and objective of the thesis

This marketing research thesis is the final work of our Bachelor degree in International Marketing, guided by the BWL faculty at University of Mannheim and the marketing faculty at BI Norwegian Business School. The thesis was conducted by a group of three students on behalf of Live Arctic AS.

The purpose of this thesis is to provide Live Arctic with strategic recommendations for penetrating the German market. The authors will aim to provide the company with a strategy based upon an analytic approach in order to ascertain the most appropriate entry to the German market, if they are to enter in the near future.

The authors will from now on refer to the company as LA.
COMPANY PROFILE
2. Company profile – Live Arctic: Natural energy bars with a good cause!

LA is a Norwegian company founded in 2010 with the business concept of selling energy bars made of natural and nutrient ingredients. Their aim is to promote a product for health-conscious people with an active lifestyle. The company focuses on building a competitive international brand, moreover a Norwegian Lifestyle Brand, based upon the core values of Norway and the typical Norwegian lifestyle.

LA is based on a fourth sector business model (Live Arctic 2014b), which combines charity and business. Their vision is to improve and inspire the world, and their strategic goal is to sell one million bars over a time period of five years with the means of making a difference in peoples lives. LA’s ambition is to be a leading within corporate social responsibility (CSR) and sustainability in Scandinavia.

Mr. Andreas Friis is the founder of LA, and also the managing director. He graduated from the Norwegian School of Economics in 2007 with a B.Sc and M.Sc in Economics & Business Administration. He also holds a B.A in Comparative Politics from the University of Bergen. LA is wholly owned by Friis Investment AS, and is controlled by Mr. Friis alone.

LA wishes to expand in the years to come, and hopes that their products can be a part of exporting and sharing the Norwegian culture and nature in the future.

2.1 The Business Model

As mentioned, the fourth sector business model is a hybrid between charity and business. The CEO, Andreas Friis, wrote his master thesis on the subject, and his analysis focused on competitive advantages and disadvantages of the specific business model. Relevant findings from the analysis were indications that fourth sector companies can have competitive advantages in customer relations, in employee relations, and especially in their relationships with their suppliers and other alliances - where the companies are able to genuinely leverage the business model, and therefore save cost for the company (Andreas Friis 2009, p. 2). The analysis found that it is
unclear whether the limited access to capital might become a competitive disadvantage for fourth sector companies over time.

“The idea behind the choice of business model is to make use of the possible advantages the fourth sector business model might bring to LA” (Mr. Andreas Friis 2014).

![Fourth Sector Matrix]

*Figure 1: The Fourth Sector Matrix (Appendix 1)*  
*Source: Andreas Friis (2009, p.2)*

**2.2 Markets, sales and production**

LA started test-selling the energy bars to different companies in Norway in 2012. The sale was conducted with a direct business-to-business (B2B) approach, and Mr. Friis immediately saw potential for future sales of larger amounts and close cooperation with selected companies.

The first business-to-consumer (B2C) sales happened in April 2013, through selected stores in Skien. Mr. Friis wanted to lay the foundation for the company with sales through local distributors in the startup phase.
The business has developed over the past year, and today the products are sold in Skien, Oslo, Bergen, Trondheim and Åndalsnes. LA uses a multichannel sales method with distributors such as; university cafés, fair trade stores, sports shops, health food stores, and upscale supermarkets. The energy bars are also sold through specific online stores, as well as LA’s own online shop. Due to being a relatively new establishment, LA is at the time only present in Norway and the products are not sold in other countries.

The production facility is located in Spain. LA has chosen to outsource the production because of the low risk involved and the low amount of capital needed to get it started. “Starting a production facility can be very costly, therefore it was more relevant to outsource” (Mr. Andreas Friis, CEO, LA). The factory is greatly positive to LA, and cut its margins by 50% in order to contribute to the company’s vision and philosophy (Mr. Andreas Friis).

In addition, the factory has its own R&D section. This makes it easier for LA to develop future products, and avoid the risk of marginal flexibility in developing new product content.

2.3 International expansion

Since its inception, LA has been planning a future international expansion. All the marketing and information on the webpage is already in English. Mr. Friis has stated that LA should do parallel work and look at different ideas and possibilities to expand internationally to other Scandinavian-, and/or North-European countries. One of the company’s goals is to operate in several international markets in the EU and Scandinavia within five years. Canada is also mentioned as a prospective market. The online store is considered as highly relevant for the expansion process, and the company is researching how it can be well adapted to handle orders from other countries.

While LA has arranged for international expansion, Norway is at present the top priority market for the company.
2.4 Financial situation

Although Friis Investment AS wholly owns LA AS, the finances for both companies are different. The financial statement for LA AS reflects in some ways that the company is newly established. Numbers from 2012 show that the financial strength is fairly low, and the lack of assets makes the company more vulnerable. Although the operating revenue and assets has increased since 2010; the gross profit margin is negative. The solidity and profitability is not considered as satisfactory, however the liquidity is considered as very good. According to Proff Forvalt, this indicates that the company is able to settle an account in the short run, but they have a considerable credit risk (Proff Forvalt 2014a).

Figure 2: Financial statement analysis

Source: Proff Forvalt (2014b)

2.5 The product

The product consists of two parts: the physical product of the energy bar, and the charity aspect of the product.

The company sells two different flavored energy bars, cranberry/raspberry and cranberry with cranberry juice. Both energy bars are marketed as being the “perfect in-between meal”. LA has worked with nutritionists in Norway to make the bars as complete as possible with macronutrients, a good combination of proteins, healthy fats and long-chained carbohydrates (Live Arctic 2014c). LA was the first brand allowed to use the widely distinguished “chia seeds” in food related products by The Food Safety Authority in Norway. The Chia seeds include Omega 3 and a significant amount of
fiber. The seeds have proven effects on improving heart conditions, teeth- and bone strength, and treating Diabetes type 2 (Huffington Post 2013).

The charity aspect of the product is referred to as the 1:1-model by LA. This means that the company will donate one nutrition pack to a malnourished child for every single energy bar sold (Live Arctic 2014a). The cost of the nutrition pack is included in the price of the product.

2.6 *The brand and logo*

LA chose the brand name to reflect the Norwegian lifestyle and way of living. The logo was developed together with graphic designer and art director Mr. Remi Juliebø. The designer and Mr. Friis agreed on integrating the important Norwegian values and the Scandinavian style in the logo. The Norwegian mountains were central, and the designer stripped the original sketches of the mountains down to a minimalistic and sleek result.
The finished result of the logo is based upon mountains and fire. This was done to make the logo more dynamic. The colors of the logo are chosen with regards to the colors of glaciers, snow, and the North Pole, which enhances the impression of the arctic lifestyle. The colors of the wrapped products are chosen on the basis of the content, which is raspberry and cranberry.

Having a logo that reflects the brand name will often make it easier for customers to remember the product. “Products come and go; brands have long-enduring features.” (Prof. Bryan Lukas 2013, Value-based Marketing).
3. Methodology

The methodology of the thesis is based upon Gripsrud, Olsson and Silkoset’s research process model (Gripsrud, Olsson and Silkoset 2010, p.36). The first stage in the process is to define the research aim, e.g. what the analysis will regard. The second stage is to develop the research questions, and the third stage is to choose the design and the data needed to answer the questions. In the fourth stage the data will be collected through the selected method, and in the fifth stage the data will be analysed. At the end of the process the methodology and research information will be summarized in a conclusion.

![Research Process Model Diagram]

Figure 3: The research process model
Source: Following Gripsrud, Olsson and Silkoset (2010, p.36)

3.1 Problem definition, research aim and - questions

The following problem definition is developed with focus on LA’s vision and the strategic goal of selling one million energy bars in five years:

*How can LA enter the German market to help reach their strategic goal, and contribute to the company’s vision?*

The thesis aims at researching the German energy bar market, German consumer behaviour and attitude towards LA’s products and core concept. The purpose is to provide LA with strategic recommendations for penetrating the German market. The following research questions are developed to explore the potential for LA in the German energy bar market:

- What characterizes the German customer behaviour and attitude towards charity, and what defines their buying behaviour towards energy bars in general?
• Which internal capabilities and resources make it easier for LA to penetrate the German energy bar market?
• What marketing mix adaptation is needed to best serve German customers?
• Which distribution channel will be most efficient in penetrating the German market?

3.2 Research design

The research design describes how the analytic process should be conducted in order to answer the specified problem definition and the research questions. It is important to know what kind of data is necessary, how to collect it, and how to analyse it. The choice of design depends on how much already existing knowledge the analyst has about the topic of interest, and the level of ambition in regard to analysing and explaining contexts (Gripsrud, Olsson and Silkoset 2010, p.38). The three different research designs explained by Gripsrud, Olsson and Silkoset (2010) are: explorative, descriptive, and causal design.

Figure 4: Research designs
Source: Following Gripsrud, Olsson and Silkoset (2010, p.38)

The authors did not use a causal design, as it is commonly used to examine possible cause and effects through experiments (Gripsrud, Olsson and Silkoset 2010, p.45), and this was not relevant to answer the research questions.
**Explorative design**

Because the authors had limited information about LA and the energy bar market, the explorative design was suitable to get access to information needed for the further analytic process. The authors interviewed Mr. Andreas Friis early in the process to access primary data about LA and the CEO’s view of the energy bar market. Secondary data was collected through sources such as Euromonitor and written documents provided by the CEO, Mr. Andreas Friis.

The authors wanted to access potential distributors’ personal opinions and perceptions of the company profile and products, as well as information about general market conditions. In order to obtain this information an explorative design was used. The authors carried out one depth-interview with the Giffelkette café at Engelhorn Sport, which is one of the most common techniques used within an explorative design (Gripsrud, Olsson and Silkoset 2010, p.39).

**Descriptive design**

The authors chose to further use a descriptive research design, which is mainly quantitative and adapted when the analyst has a basic understanding of the problem area (Gripsrud, Olsson and Silkoset 2010, p.41). To describe the German consumer behaviour and attitude towards charity, energy bars and LA’s products, brand, and vision; a survey was conducted. The authors had access to secondary data about LA and the German energy bar market, and made use of existing theories to identify relevant variables for the survey questions (Gripsrud, Olsson and Silkoset 2010, p.50). Theories used to identify the variables were the marketing mix model, and the fourth sector business model.

**3.3 Data collection**

The data was mainly collected through an online survey with the aim of getting access to primary data, which could support findings from statistical reports and other secondary sources. The authors used the online survey software “SoSci survey”, to easily reach out to the possible respondents, and make the process more efficient. The
survey tool was offered free of charge, which was suitable with regards to the limited financial means offered to conduct the analysis. It was shared online via e-mail and social media.

The data was also collected through a direct approach on the street, with a printed version of the survey. The responses were collected over a time period of 60 days. A graphical overview showing when the respondents replied is shown in in the appendix (Appendix 2).

The results of the survey will provide the authors with descriptive information on consumer behaviour towards LA’s products and the energy bar market. The results of the interview will provide unexplored information of potential distributors views of LA’s products, company profile, and general market conditions. This will lay the foundation for the recommended entry mode.

3.4 Survey, interview and findings

The survey was translated into German before distribution to ensure that the respondents understood the questions properly. The questions were based on the interview with Mr. Friis and the research questions. The respondents where asked to answer in total 54 questions. The questions consisted of general questions regarding demographics and Likert-scale questions, as well as multiple-choice questions. In total the survey got 82 responses, and the authors obtained the responses through Internet and personal request. The respondents were almost equally divided between men and women; the most represented age range was between 18 - 25 and 26 - 35 years. Almost 90 % of the respondents considered themselves as active persons shown in figure 5. In addition to this, almost all of the respondents agreed upon liking to eat and buy healthy food (Figure 6).
3.4.1 General findings and product

The survey showed that in 3 of 5 situations the respondents preferred eating fruit, sandwich is also highly represented. The situation where energy bars had the highest result was before or after workout (Appendix 3). A situation where energy bars are almost never considered is when at a café. When the respondents were asked about which contexts they buy energy bars and quick energy related products, the results showed that most respondents prefer energy bars as in-between meals (Figure 7).
The effect they want to achieve when eating energy bars is to set hunger and get more energy (Figure 8). The latter effect can be congruent with in which situation they prefer to eat energy bars, - where energy bars scored high in preferred meal before or after a workout.

Figure 7: In which context is energy bars or related energy products purchased

Figure 8: What is expected to achieve when eating an energy bar.
Further analysis showed that over three-quarter of the respondents agreed or strongly agreed that they care about charity, and over half of the respondents were also willing to pay more for products that supports a good cause (Figure 9). According to the respondents, the charity aspect seemed to be a more prominent factor than the ingredients when it comes to the willingness to pay more for the bars. This can indicate that Germans have a positive attitude towards charity products and are somewhat willing to pay more for a product that supports a good cause.

![Figure 9](image)

**Figure 9: Attitude towards charity, and willingness-to-pay for charitable products.**

The respondents were asked about to which charitable organization they would prefer to donate (Figure 10). The options they could choose from were based on well-known multinational organizations, and organizations based in Germany. The charitable organizations with the most responses were Deutsches Rotes Kreuz and UNICEF.
When asked about which product they were willing to try without previous experience the results showed that energy bars where most represented, closely followed by fruits and smoothies. Further the authors wanted to see if people willing to try out new products also were willing to try out LA’s energy bars. The findings showed that 39 % of the respondents that had answered they frequently tried out new products were also willing to try out the LA bars (Appendix 4). Based on this the results clearly indicates that consumers willing to try new products is also likely to try out the LA bars.

3.4.2 Price and place

The survey had two questions regarding the willingness to pay: for an energy bar and for a Live Arctic bar. Because of the minimum contribution that each bar has to provide to serve production cost and the cost linked to the charity aspect, the minimum price option had to be higher for the Live Arctic. When analyzing aspects around the price, the results showed that the majority of the respondents are willing to pay between €0.50 - 1.49 for a regular energy bar and between €1.00 - 1.99 for a Live Arctic energy bar. The tendency indicates that the respondents are willing to pay more for a Live Arctic bar because of the charity aspect. Income seemed to have a little influence on how much the respondents where willing to pay for the energy bars.
The respondents were asked where they purchase energy bars and related quick energy products. As seen in figure 11 the supermarket is highly preferred, followed by drug stores and bio-shops. This tendency is also congruent with the respondents’ opinions on where they expected to be able to buy LA energy bars, in which showed in figure 12.

Figure 11 (left) and 12 (right): “Where do you purchase quick energy related products?” and “Where do you want to be able to buy the Live Arctic bars?”

3.4.3 Promotion

When the respondents were asked where they would expect to see commercials/ads from Live Arctic, the media that got the most responses was Internet, magazines, and in-store promotion (Appendix 5). Newspapers were the least expected. The respondents were more willing to try out new food product if it was recommended to them by friends and family, rather than after seeing an advertisement as shown in figure 13.
The respondents were asked what they associated with the Norwegian lifestyle. The five most mentioned responses were Nature, Winter, Fjords, Active and Mountains. Some of these are key elements and part of LA’s logo, so this can indicate that the logo may work outside of Norway. When it comes to preferences of Norwegian brands in general, it is a general opinion among the respondents that Norwegian brands stand for quality. 49% of the respondent agreed upon this question, and 50% where indifferent.

3.4.4 Interview with Giffelkette café, Engelhorn Sport, Mannheim

The authors interviewed a sales person at the Giffelkette café at Engelhorn sport in Mannheim. This was done to acquire general observations on what types of customers that visits the shop, and if there were a noticeable trend in consumers buying behavior. Giffelkette was chosen because it is located in the largest sports warehouse in the city-center of Mannheim, and the authors see a linkage between LA and consumers associated with the sport segment, which are likely to be present in this café.

The interviewee informed the authors that families out shopping, or spouses waiting for their respective partner were typical customers. Students were not represented in the same degree. In general, the customers buy mostly coffee and cakes, and the healthier
alternatives that the café provides (e.g. smoothies and vitamin water) also seem to be popular. The interviewee observes that the emerging health trend that he sees developing in Europe seems to have an effect on the consumers buying behavior at Giffelkette.

3.5 Research limitations, Validity, and Reliability

This section will present the research limitations, validity, and reliability of the survey. It is important to test the validity and reliability of the survey, as this reveals to which extent the methods used- and the results and conclusions obtained are valid and trustworthy (Gripsrud, Olsson, Silkoset 2010, p. 99).

Research limitations

- The sample size of respondents is too small in comparison to the total population in order to generalize the analysis.
- A majority of the respondents were students.
- Limited capital and resources to organize and administrate the survey.
- A large number of the respondents executed the survey on the move (street, lunch break, etc.). Factors like time availability, stress and the respondents’ mood could have interfered with the survey.
- The authors are not fluent in German. Language barriers were hard to overcome and statements could have been misinterpreted.
- There was no available guidance for the online respondents if they misinterpreted one or more question/s.
- The respondents could have decided not to answer truthfully.

Validity

Validity concerns accurately measuring what we want to measure (Gripsrud, Olsson, Silkoset 2010, p. 51). The authors decided to focus on increasing the content- and face validity.
Content validity concerns to what extent the methods used actually measure the entire theoretical term (Gripsrud, Olsson, Silkoset 2010, p. 100). In the survey, the authors measured different kinds of terms such as, customer preferences, brand preferences and charity attitudes. To measure these terms, the authors collected information from secondary sources as well as primary data to define what needed to be measured, and by doing so the terms were well covered in the survey. Meaning that the content validity is positive.

Face validity concerns the respondents’ subjective opinion of what is being measured (Gripsrud, Olsson, Silkoset 2010, p. 101). To capture mistakes, and to make sure the questions were understandable and coherent with the terms measured, the survey was pretested on test-respondents.

The validity of the survey could have been improved if the survey was based upon an explorative design with focus group interviews. This would have provided more information about consumers on beforehand, and could have been useful when defining terms to measure in the survey.

Reliability

Reliability concerns the quality and the consistency of what is being measured (Gripsrud, Olsson, Silkoset 2010, p. 102). The survey has certain research limitations that could lead to random errors, which will reduce the reliability. The reliability of the survey could have been tested to ensure the consistency of the measurements.
INTERNAL ANALYSIS
4. Internal analysis

The internal analysis is important to include for highlighting the strengths and weaknesses of the firm that can affect the internationalization process. The analysis will show whether or not LA is prepared for internationalization, and it will lay the foundation for the SWOT analysis. The SWOT will show how their capabilities and resources can be used to take advantage of opportunities, and overcome threats. To complete the internal analysis, models like ACE, VRIN and the Bakka-model will be used.

4.1 Introduction to preparedness for internationalization

«A company’s adaptation to international markets has to take into consideration the competitive- and market environment they will face, and their own ability to manage these» (Solberg 2010, p.140). To better understand and get an overview of which of these environmental factors has to be taken into consideration, we base our internal analysis, and later the external analysis, on the structure of the model: choice of strategy in international markets, found in Solberg 2010.

Figure 14: Strategic alternatives – Preparedness for internationalization
Source: Following Solberg (2010 p.141)
International business culture

An international business culture is defined as a «set of attitudes and experiences that coin-side with the company’s international commitment» (Solberg 2010, p. 145). These attitudes can affect, in a positive or negative way, how the company will face the challenges of being in international markets. LA in this case, has a positive attitude towards internationalization, however at the time being, it is considered passive because of the primary focus on their domestic market. If LA were willing to focus and commit on the German market, according to Solberg (2010, p.146), their knowledge would increase with the general international commitment. We will show the attitudes towards internationalization in section 4.2, by using the ACE framework.

Market share in reference market

Having a market share in the reference market is essential for the company’s success, as market shares create sales and revenues. A reference market is referred to as the natural market that a company should approach (Solberg 2010, p.147). At present LA has not taken significant or visible market shares in their domestic market, due to the fact that the company is a new establishment and a relative small company, facing the dominating and well-established market competitors. A way to analyze LA’s share in the reference market is to apply the BCG-Matrix. The matrix builds on two factors: 1) the growth in the market and 2) the relative market share of the company in the present market (Solberg 2010, p.146). After the internal and external analysis, the SWOT will provide LA with some pointers indicating if the German market is a suitable new reference market.

Market network

Having a favorable market network plays an important role in being a successful exporter. The information shared in the network is beneficial by giving trust, loyalty and shared norms between the strategic partners, and it will stimulate and help motivate the company’s ability to be more committed in international markets (Solberg 2010, p.148). LA has from the start built a strong relationship with their distributors and formed strategic alliances and relations in their domestic market. The company also got a
reliable relationship with their manufacturer in Spain. These networks can be beneficial in the process of seeking opportunities in new markets and gaining market information.

4.2 **ACE**

The ACE- analysis supported by Solberg (2009) and other scientists’ shows us if there are any significant differences between highly successful exporting companies, and less successful ones.

The most crucial part will be how LA analyse, decide and chooses to work with a prospective market network in Germany, since the network will support both operations and the marketing measures of the company. The ACE analysis will help us determine if LA is ready for an internationalization process and a German market entry in general. The framework let us interpret interconnected factors such as the following three components: Attitudes, Competence, and Embodiment.

![Figure 15: The ACE-model](source: Following Solberg (2009, p.138))

4.2.1 **Attitudes**

It is highly important that management and the employees of the relevant company are exposing-, and set with the appropriate attitudes affecting the company’s activities and decisions (Solberg 2009, p.132).
**Attitudes towards risk**

Due to an extensive amount of the company’s operational capital being received from non-profit- and governmental organizations, as well as known personal contacts of Mr. Friis, and Mr. Friis himself; One could assume that the attitude towards risk is low in general. However, LA’s willingness to invest abroad has been present (production facility in Spain), and as Solberg (2009, p.133) illustrates; positive attitudes towards investments abroad is essential to achieve success. On the other hand, he also concludes that exporters with a somewhat high degree of available capital and funds are more capable of taking risks than businesses with a lower degree of resources.

LA will most likely find a way to manage the risk of internationalization, and base the investment decision on the level of market knowledge.

**Market orientation**

Market orientation is a management philosophy. It explains in which degree the manager of a business will explore and emphasize information provided by the market and customers, to develop activities that lead to better results based on the information received (Solberg 2009, p.133).

Solberg (2009) proved that successful exporting companies tend to spend more time and resources on improving relations with customers and representatives, than improving their own products. It could be wise for LA to pay attention to-, and meet the customers (i.e. distributors/representatives) needs to a somewhat moderate degree. Problems with high degrees of market orientation occurs when businesses excessively monitor customers in general, and the customers’ product preferences. This type of special treatment can drive costs to immense levels.

Although these problems can occur, it is proven that sustainable relationship management with both customers and representatives is absolutely crucial for a positive development in the process of exporting (Solberg 2009, p.133). LA interviewed several companies regarding production before deciding to partner with the Spanish company. The authors strongly believe and recommend that the same process should be adapted to some degree when looking for distributors and representatives in Germany.
**Attitudes towards foreign culture**

It is hard to perform a thorough analysis, as the authors have limited knowledge of LA’s cultural knowledge and awareness. It can however to some extent be concluded with the assumption that Germany and Norway do not have many significant cultural differences with regards to business- and personal communication.

Germany is considered as one of Norway’s most important trade partners, as countless Norwegian businesses deal with German business partners on a daily basis, and vice versa (Norwegen 2014). This makes it easier for LA to form an idea of what to expect and how to overcome or deal with the few present cultural differences.

**4.2.2 Competence**

Successful exporters tend to follow guidelines and use their competence in the internationalization process.

**Capabilities and insights**

Solberg (2009, p.136) states that there is little evidence proving that general company capabilities and insights in relevant firm activities separate successful exporters from less successful ones. Only in the area of sales expertise does the more successful exporting companies claim that they are superior.

Capabilities in areas like: language, cultural understanding, logistics and contract negotiations did not show any significant detectable differences. This could indicate that LA should be compelled to choose distributors or sales representatives with an appealing approach, and great operational experience in the area. It could also indicate that LA might want to improve their sales techniques and abilities based on a current insight assessment.

**Marketing**

The authors will go into detail on LA’s marketing strategy, its importance, and the measures needed for success later in the thesis. Out of the four P’s (price, product, place
and promotion), Solberg (2009, p.136) defines place as the most important and crucial one for a successful export process. The interesting remark here is that it is not the actual form of the sales channel (e.g. agent, distributor, sales office, etc) that is crucial, but rather how the company choose to manage and cooperate with their foreign partners. Once again highlighting the importance of sustainable export-partner relationship-management.

4.2.3 Embodiment

It is absolutely necessary that a company’s employees (on every stage position wise) possess the same attitudes towards the internationalization process. This is especially critical for management, as business management tend to regard the export as insignificant before it accounts for 15 - 30% of the total revenue (Solberg 2009, p.137). Highly successful export companies have management that usually spend more time on internationalization operations than less successful companies.

Since LA is such a small company with few employees, the authors are positive that the attitude regarding internationalization will be mutual on all company stages/levels.

Conclusive remarks

Internationalization can be characterized as a process in which expands the international corporate culture of the actual business by developing attitudes, competence and strengthening embodiment and leadership (Solberg 2009, p.138).

As LA is a somewhat smaller company, the ideal solution would be to improve weaknesses in marketing by investing heavily in finding reliable-, experienced and well-connected distributors with the similar ambitions as the company. LA will be able to gain knowledge, and constantly develop their insight and competences over time by moderately planning and implementing a strategy for export and internationalization.
4.3 VRIN Framework

According to Barney (1991) the VRIN framework suggest that a company needs four specific attributes to possess a sustainable competitive advantage. It must have valuable and rare resources, it must be imperfectly imitable, and it can have no strategically similar market substitutes. A company is defined to have a competitive advantage when it «Manages to possess an advantage over market rivals, despite efforts of the rivals to overcome it» (Thompson et al. 2011, p. 148). By analysing LA’s resources with the use of this framework, it becomes easier to determine their competitive power, and identify which existing factors that are defining the company as a more attractive choice for consumers.

Valuable resources

To be considered as valuable, a resource has to be relevant for the company’s strategy, and assisting with improving the effectiveness and efficiency of the company in general (Barney 1991). Having strategic partners that contribute in many ways, either with financial indirect support, or product development in addition to cutting production costs; can be identified as valuable resources. The 1:1 business model is seen as a valuable resource in the way that it can work as a facilitator for the consumers’ willingness to pay more for the product, because it supports a good charitable cause. The survey findings are in many ways supporting this statement. Moreover the combination of the healthy ingredients and nutrients are considered as important resources, as some consumers are getting more health-conscious and concerned about eating and buying healthy food. The latter opinion was apparent among the respondents in the survey, which was also shown in figure 6.

Rare resources

A rare resource has to be limited, and not available for the company’s competitors to be considered as a competitive advantage (Thompson et al. 2011, p.148). Some of LA’s valuable resources can be considered as rare. The producer’s positive attitudes towards LA’s business model have resulted in the producers giving LA a significant discount (Mr. Andreas Friis). Getting discounts from the producer could however also be possible for market rivals to obtain by other means. This is not a rare resource in it self,
what makes it rare is the fact that the discount has been obtained without haggling. Moreover free office space, price reduction in offered services from the graphical designer, and almost pro-bono juridical services can be identified as a result from LA’s business model.

_Imitable resources_

The valuable and rare resources are to some extent difficult to copy, again the business model is essential. The notion of social responsibility and sustainability can be copied by other firms, however, the fourth sector model is more difficult for well established firms to copy because of the general assumption that most companies seeks to maximize profit. Mr. Friis himself can be seen as a non-imitable resource. The human capital he brings to the firm, together with the product and business model has been decisive in the initial start up of the company, and is hard for existing rivals to copy.

_Non-substitutable_

The source must have no strategically equivalent valuable resources that are rare and imitable (Barney 1991). This means that there are few of LA resources that pass this «test». When it comes to the product, rivals of LA can produce a substitute product, and make energy bars that are perceived as healthy like the LA bars. In addition the 1:1 model can be substituted fully by new entrants, or by existing rivals introducing a similar model by donating a percentage of the profit to charity.

_VRIN - Conclusive remarks_

There are several resources that can be considered as valuable and rare for LA. Most of them however will not pass a test of being hard to copy, or having equivalent substitutes and therefore becoming defined as sustainable competitive advantages. However, a combination of human capital and the business model of the company can be viewed as an advantage as long as it is not met with countermeasures from rival competitors.
4.4 Value Chain analysis

The value chain analysis developed by Michael Porter (1985, p.37-42) assists in illustrating the company’s set of activities involved in delivering value to the customers. It helps to find a distinct and clear understanding of what the actual competitive advantages of the company are, and how we can improve the activities (i.e. cost efficiency, product, branding, internal, etc.) of the company. LA’s value chain activities have been analysed to study the company’s most significant resources.

**Support activities**

<table>
<thead>
<tr>
<th>Product R&amp;D, Technology, and Systems Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resource Management</td>
</tr>
<tr>
<td>General Administration</td>
</tr>
</tbody>
</table>

**Primary activities**

<table>
<thead>
<tr>
<th>Supplychain management</th>
<th>Operations</th>
<th>Distribution</th>
<th>Sales and marketing</th>
<th>Service</th>
</tr>
</thead>
</table>

*Figure 16: Example of Company value chain*

*Source: Following Thompson et al. (2011, p.159)*

4.4.1 Support Activities

As previously elaborated, LA is a company with relatively few employees, and an autonomous corporate structure with Mr. Friis completely in charge as CEO. This could be of major competitive advantage, as other companies in the same industries may be less independent, and for instance controlled by shareholders. LA saves capital on the low amount of people employed, and the low wages paid to the current employees. «Nofima Mat» and the production factory represents the second support activity. Nofima Mat is Norway’s leading food research foundation, and has helped LA by allocating a team that consists of one project manager, an expert nutritionist, and a baker to assist in developing the ideal energy bars (Mr. Andreas Friis).
The production factory handles all production, procurement and packaging. The employees at the production factory are highly positive towards LA’s vision, and the R&D department is actively engaged in improving the product and finding new solutions for the company. The product design and general graphical design represents the final support activity performed by an external freelancing agency.

4.4.2 Primary Activities

The inbound logistics (IL) received from the factory in charge of production, procurement and packaging represents the first category in the primary activities. The IL stores the supplies at the main office in Skien.

Outbound logistics (OL) such as order processing and delivery is then handled, and this represents the second and third primary activity in the value chain.

Marketing and product sales represent the fourth and final primary activity. All relevant marketing measures are conducted and finalized by Mr. Friis, such as the managing of the marketing mix: Product, Price, Place and Promotion, and the choice of which markets to enter. LA transports the products to approximately 25 retail stores in Norway. The company also sell the products from their own website: www.livearctic.com.

Conclusive remarks

Mr. Friis is in charge of the majority of the activities, which makes LA a highly independent and flexible company. It can be helpful to start the process of internationalization with fewer controlling powers in a company, which indicates that exporting products can be viewed as attractive for LA status quo.
4.5 BCG – Matrix

As mentioned earlier this model analyzes the share in the reference market. And it builds on two factors: 1) the growth in the market and 2) the relative market share of the company in the present market. It is possible to identify which position the company’s products have in the market (Solberg 2010, p.146) based on this model. The matrix consists of four squares: star, cash cow, question mark and dog.

![BCG Matrix Diagram]

Figure 17: LA placed in the BCG-matrix
Source: Following Solberg 2010, p.147

At present the authors see Norway as LA’s reference market. In the domestic market LA possesses no detectable market shares. According to Euromonitor’s market research, the snack bar market in Norway is a rapidly growing industry, and it seems to be many opportunities for small players in the market (Euromonitor 2014a). This provides indications that the snack bar market in Norway is far from saturated. Based on the two factors: growth and market share, we can place LA in the “question mark” square. According to Solberg, when placed in this square the company should consider whether or not it is possible to gain a competitive advantage that could turn them in to a «star» in the long run, meaning gaining higher market shares. The other alternative is to discontinue the product because of negative earnings that is often a result of being placed in this square (2010 p. 147).
In LA’s case, this indicates the need to gain more market shares to be able to move in the right direction. It has previously been identified by LA, that once the company gains a new customer, they identify the willingness to pay more, and that the new customer is loyal towards their products (Mr. Andreas Friis).

4.6 Bakka-Model

The “Bakka-model” created by Bjarne Bakka and described in Solberg (2010, p.119-122), divides the internationalization process into four specific phases. Later Solberg added a fifth phase. The initial stage of the process describes trial export, and it then continues to extensive and intensive export, international marketing and global marketing. In this section the authors will place LA in the Bakka-model, and by doing so hopefully be able to see which factors that is likely to influence the company’s decision-making regarding a possible entry into the German markets.

Motive of export

As mentioned earlier LA has arranged for an international expansion, and looked at the possibility to enter Scandinavian or North European countries. The launch of the web page in English clearly indicates that the company has taken actions to facilitate the awareness of the products to non-Norwegian speakers. On the other hand, the web-shop is still only available in Norwegian. The main goal has been to get a foothold and a market share in the Norwegian market.

Market selection

LA is at the moment exclusively present in the Norwegian market. The future goal of the company has been international expansion to be present in the other Scandinavian countries, the United States and Canada. Mr. Friis believes that these latter markets are more susceptible for LA’s product and visions due to the rapid growing health trends, and the fact that Mr. Friis has existing networks in these countries. This strategy, with random selection of markets and entry into neighboring countries is coherent with the trial export phase in the Bakka-model. The German market has not been left out of LA’s
assessment, but it has not been prioritized because of the saturation of the market of energy bars.

**Market share**

Being a newly-established company could be consistent with a low market share, this is also the current situation for LA. As mention earlier they are trying to make a market share in their domestic market by increasing their distribution. However seen in an international scale, LA is rather invisible. Being a small actor in a big market, with limited resources makes the process of achieving market shares relative hard.

**Organization**

As stated in the company profile LA is run by Mr. Friis alone. He has full responsibility for the domestic market, and the possible expansion to international markets. He is highly motivated to spread his vision of LA and its energy bars as broad as possible, this meaning entering new markets. According to the Bakka-model this would place LA in the extensive export phase, being a full time «one man show» if the company would have been representative in international markets.

**Entry Strategy**

As informed of by Mr. Friis, an expansion would be carried out by using sales representatives or by collaborating with a licensee or distributor in the representative markets. In accordance with the “Bakka-model” these actions would put LA in the “extensive export” or “international marketing”. In these phases entry strategies are recognized by agents and licensing.

**Marketing mix**

The promotion of the energy bars on the domestic market has been rather limited, due to the company’s lack of financial resources. As a result they have used celebrity endorsers and PR-stunts to create buzz around the products, rather than paying for advertisement. The focus of the brand is at its high quality ingredients and altruistic motives, making the bars pricier than other similar products.
For LA to be present in other markets, some small adjustments to the language of the packaging has to be done, but the product itself does not need any adaptations as of today.

**Economic result**

LA’s economic results show a rather marginal and negative development. An entry to another foreign market will be costly and demands a lot of financial and human resources. As mentioned in Solberg (2010, p.120) it is likely that it will take up to several years before an export will become profitable. If LA are to enter international markets at the present time they would find themselves with marginal or negative results, placing them in the «trial export» phase.

**Conclusive remarks**

When summarizing this model the authors have placed LA in the trial export phase. According to Solberg (2010, p.119) this means that they need to obtain knowledge about the potential markets and market conditions, and which potential strategic partners that are most suitable. In addition the management should continue supporting the export commitment.

**4.7 Summary of the internal analysis - Preparedness for internationalization**

The internal analysis shows that LA possesses a high degree of motivation towards an international expansion, and that the company has good support activities. However, due to limited capital, LA struggles with promotion activities and marketing measures. To be ready for an international expansion it is crucial to find a strategic partner that provides the necessary means, and possesses an already established network. It will be highly important to build sustainable relationships with the potential- partner and distributors. Based on the analyses, LA’s preparedness for internationalization can be defined as medium.
5. External Analysis

The external analysis has the purpose of looking at LA’s competitive environment, as well as the structure of the industry in the German energy bar market. The German market will be new and unfamiliar, and will consist of other possibilities, barriers and customers than LA’s domestic market. The external analysis will aim to give an overview of factors that influence the macro- and the microenvironment, as well as trends and future prospects - which the authors feel is important to consider when entering a new market. The findings will later be presented in the SWOT. The authors based the analysis on data from the survey and secondary sources, and used three different tools to complete it.

![Diagram of company environment]

*Figure 18: The company environment*

5.1 The German energy bar market

Energy bars are a main component within the three categories of “sports nutrition”, “snack bars” and “meal replacement” (Mr. Andreas Friis). To examine the German energy bar market, trends and prospects should be described for all the three categories above. However, survey findings indicate that the majority of the respondents do not consider energy bars an alternative when it comes to meal replacement and weight loss, and the purpose of the product is not to serve as a weight loss supplement. Therefore the
authors will not examine the category of meal replacement. In addition, it is important to be aware of LA’s goal of being a healthy lifestyle product, and their purpose of offering a healthy in-between meal (Mr. Andreas Friis). With this in mind, the market for healthy in-between meals will be described as well.

**Sports nutrition**

The market for sports nutrition in Germany has grown over the past five years. The most important factor contributing to the growth was the increasing number of fitness centres (Euromonitor 2009). Euromonitor’s report (2009) on the German sports nutrition market showed that the target audience was already changing and widening five years ago. It was moving away from exclusively serving the bodybuilder segment, to cover more of the fitness segment. Today more women are working out, and young men are becoming increasingly conscious regarding their body and appearance.

In 2012, the market for sports nutrition performed relatively well in terms of value sales (Euromonitor 2013a). A key component for potential growth is that the German market for sports nutrition is not fully penetrated yet (Euromonitor 2013a). From the results of the survey conducted by the authors, it is clear that energy bars are one of the most preferred alternatives when it comes to what people eat before and after workout, compared to the other alternatives listed. This makes the market for sports nutrition relevant in terms customer preferences.

**Snack bars**

The market for snack bars consists of different types of products, both healthy and unhealthy. Granola/muesli bars are the only products within the category of snack bars that are gaining significant sales, as they are considered to be a healthier alternative to snacking than other products, and can therefore benefit from the health and wellness trend in Germany (Euromonitor 2014a). The trend of choosing healthy alternatives is also quite visible when looking at the survey findings in chapter 3 of this thesis.
The German snack bar market has a forecast of increasing value sales with help from the trends mentioned above, and the developing availability in impulse channels such as convenience stores (Euromonitor 2014a).

*Healthy in-between meals*

The market for healthy in-between meals does not consist of one specific type of food, and is a very broad category. Consumers also have very different opinions of what constitutes a healthy in-between meal. However, the matter was investigated in the survey, and a majority of the respondents considered fruits to be a healthy in-between meal, followed by smoothie, muesli, sandwich, and energy bars. Other alternatives such as salads, nuts, yoghurts, and vegetables were also mentioned.

The trend to live a healthy lifestyle, as previously illustrated, has a huge impact on this market. As more people are getting conscious about their own health, more companies see an opportunity to target consumers that seek healthy alternatives. Euromonitor’s report (2013b) on health and wellness in Germany shows that healthy food and beverages has had a strong growth, and that consumers show a willingness to pay higher prices for healthier products.

**5.2 PESTEL**

To further examine the environment and explore the factors influencing the German market, the authors will use what is referred to as the PESTEL framework. The PESTEL framework is a tool used to analyse the macro environment, which include strategically relevant components over which the company has no direct control (Thompson et al. 2011, p.98).

The analysis will be completed with focus on political-, economic-, social-, technological-, and legal factors. The environmental factors will not be considered, as they are not important to answer the research questions, and will not have any impact on the strategy.
5.2.1 Political factors

The political factors include policies and processes, regulations and laws set by the government in which a company must comply (Thompson et al. 2011, p.98). Because Germany has memberships in the EU, EEA, WTO and the OECD, government legislations regarding protectionism of sovereign businesses are harder to implement. This means that the market is more likely open to new establishments, especially in regard to the EU policy of the Single market with free flow of capital, goods, services, labour, (European commission 2014). The political factors have influenced Germany to become the fourth most competitive country in the world (World Economic Forum 2014). Germany is also the fifth largest market in the world, which is based on its large domestic market and the strong export business (World Economic Forum 2014).

The EU policy of free trade will make it easier for LA to enter the German market. The fact that Germany has a market of significant size can also be a positive factor for entry. However, it also indicates that Germany is a much more competitive market than Norway.

5.2.2 Economic factors

The economic factors include rates of economic growth, unemployment, inflation, interest, trade deficits or surpluses, savings, per capita domestic product, and conditions in the markets for stocks and bonds affecting consumer confidence and discretionary income (Thompson et al. 2011, p.98).

Germany is the fourth largest economy in the world and the largest within the Euro zone (Trading Economics 2014), with a GDP of 2,737.6 billion euro (Statistisches Bundesamt 2014a). Germany is also the largest consumer market in Europe, with being the most populated country of 81.8 million people (OECD, Better Life Index 2014). A part of why the German economy is both stable and strong is due to their qualified labour force and developed infrastructure. The inflation rate was at 1.5 %, in 2013, and the unemployment rate is among the lowest in the EU, at 5.5 % (Statistisches Bundesamt 2014b).
These factors have influenced the consumer behaviour, and the consumer spending has increased during the two first quarters of 2014. The positive development in the retail business is due to the success of the labour market, the rising incomes, and the stable prices (The Federal Ministry for Economic Affairs and Energy 2014). This may strengthen the purchasing power and ensure a high level of consumption, which is another good indication for entering the German market. The energy bars produced by LA will have a higher price compared to similar products, and therefore the rising incomes among Germans gives a good forecast for the consumers ability, and also willingness-, to purchase these products.

5.2.3 Social factors

The Social factors consist of values, attitudes, cultural factors, and lifestyles that impact on businesses and change over time (Thompson et al. 2011, p.98).

As already explained, it is a growing trend to live a healthy lifestyle in Germany, but at the same time there are more people being classified as obese. In 2009 51 % of the adults in Germany was overweight, and 15 % were obese (Statistisches Bundesamt 2014c). Obesity can be a factor influencing government expenses on health in Germany. Therefore the government might be more likely to support the healthier alternatives in the food industry.

Another factor, is the presence of the many bio-supermarkets, and bio-brands in stores around Germany. It is likely to believe that there is a relatively high interest among the German people to buy natural foods, eco-friendly products, and bio-products. These two factors can be seen as positive for LA, especially because their products consist of natural and health-promotional ingredients (Company profile, the product).

5.2.4 Technological factors

Technological factors refer to the pace of technological change and technical developments that have the potential for wide-ranging effects on society (Thompson et al. 2011, p.98).
The most relevant technological factor is the access to- and the increasing use of Internet and smartphones. This can be a possibility for the marketing aspect of LA and also for distribution in the future. Even though discount supermarkets is the strongest distribution channel of food at the time (Euromonitor 2013b), there is also a shift towards the more digital markets.

5.2.5 Legal factors

For the legal factors, such as laws and regulations, it is important to consider the ones concerning sales and potential sales representatives. If a foreign supplier decides to use indirect sales methods, there are several rules and laws that must be considered. The law that regulates these rules is the Handelsgesetzbuch. Indirect sales methods can be; sales through independent traders, such as importers, wholesalers, and retailers, or sale through sales agents; such as commercial representatives, commission agents, and exclusive representatives, e.g. independent dealers.

If LA were to sell their products through any of the indirect methods mentioned, they will need to follow the regulations set by the German government, mainly listed in the Handelsgesetzbuch (Bundesministerium der Justiz und für Verbraucherschutz 2014).

If the entry strategy for LA will be to set up a subsidiary or a company in Germany, it is important to consider taxation. “All entrepreneurs with commercial activities carried out through a subsidiary or a non-resident’s commercial permanent establishment in Germany are liable for trade tax“ (Deloitte 2013). The trade tax is relevant for foreign establishments in Germany, and ranges from 14% to 17% of the income. In order to avoid double taxation, Germany has a tax relief through the OECD, which includes Norway.

PESTEL - Conclusive remarks

The PESTEL analysis indicates many positive aspects about the German market. The Low entry barriers, and free trade agreements, are revealing that the market is open for new establishments, although the level of competition may be higher. The economy in Germany is very favourable, and consumers have a high ability to purchase. The
political and legal system provides well-regulated laws and legislations. All together it shows that Germany is a stable and balanced market. The ongoing and developing trend to live a healthy lifestyle suits LA well. This creates a favourable outlook for LA, when it comes to the macro environment, if they are to enter in the future.

5.3 The industry’s globality

In this part of the external analysis the authors would like to examine the industry’s globality (see abbreviations), which takes both macro- and micro environmental factors into consideration. The industry structure can be very different depending on the influence of global factors (macro), and the degree of international competition (micro) (Solberg 2009, p. 142). Solberg (2009) points out that it is completely necessary to investigate what type of industry the company operates in, and in which direction the industry will develop. The industry’s globality can be analysed through looking at two components: globalization drivers and competitive structure.

![Diagram of Strategic alternatives – The industry’s globality](image)

*Figure 19: Strategic alternatives – The industry’s globality*

*Source: Following Solberg (2010, p.141)*
5.3.1 Globalization drivers

Globalization drivers affect the industry structure, and there are especially three conditions worth mentioning: protectionism of own industry, nationalistic attitudes with the buyer, and different preferences among buyer segments (Solberg 2009, p.144)

Protectionism of own industry
Protectionism of own industry is almost non-existing in Germany. Because Germany is a member of the EU, the WTO, and the OECD, laws and legislations regarding this issue are hard to apply.

Nationalistic attitudes
A nationalistic attitude with the buyer is a difficult and sometimes sensitive area (Solberg 2009, p.144). In Germany these attitudes exists to some extent, like in almost every other country. However, nationalistic attitudes towards food products such as energy bars would most likely not be a huge barrier for LA, because the market is already influenced by international brands.

Buyer preferences
Traditions and old laws or regulations may have laid the foundation for specific preferences among the German population. Standardization of certain products is a good example of this. When it comes to energy bars, the products are not very differentiated in their features, and as physical products they will not face barriers such as taste preferences that are hard to overcome. The authors also raised the question of taste preferences in the survey, and found that most respondents would prefer berries or chocolate

Regarding the charity part of the product, the German customers may show preferences in terms of which charity organization they will support. This matter was investigated in the survey, and the results may be important to consider when entering the market.

When it comes to branding, the German population may show preferences in terms of brand identity. As stated in the survey findings, there is a general opinion among the respondents that Norwegian brands indicate good quality. This is a supportive factor for
LA’s entry to the German market, and can therefore be seen as a positive globalization driver.

5.3.2 Competitive structure – Leading competitors in the industry

When analysing the competitive structure it can be useful to identify the leading competitors in the industry (Solberg 2009, p. 142).

To identify the competitive structure in the German market, one needs to look at the segments served and the purpose of the product offered. The competitors can change depending on the entry mode and the positioning of LA in the German market. Therefore the healthy in-between meal category, sports nutrition-, and snack bar segment, identified in previous section on the German energy bar market, must be considered when describing the competitive structure.

The companies identified in the different categories were placed in the matrix according to their degree of international orientation and their degree of specialization. The authors have chosen to measure the degree of specialization on the basis of how much the segment of energy bars, snack bars, or healthy in-between meals, make up for their portfolio of products. The degree of international orientation is measured in terms of the company’s effort and presence in the international market, and is based on information on the companies’ webpages.
The competitive industry structure in the sports nutrition market is identified as global. There are mainly three dominative companies, two domestic and one international. Atlantic Multipower Germany GmbH & Co oHG is the largest company, leading the category and accounting for around a third of the value sales. The two other large companies are Genuport Trade AG with 12% of the market share, and Weider Germany GmbH with 11% (Euromonitor 2013a). All of the three industry leaders are also engaging in other product categories, and for Atlantic Multipower and Genuport Trade the sale of energy bars only account for a minor share of their product portfolio. Unfortunately, the authors have not been able to collect numbers of sales according to product category for the industry leaders. This would have been a more accurate measurement of their presence in the energy bar segment.
The German snack bar market is characterized by a global industry structure. The industry has mostly companies with higher and medium presence internationally. The industry leader is Schwartauer Werke, with a predicted account for over 50% of the value sales in the category in 2013 (Euromonitor 2014b). Their main brand in the category is Corny, which is benefitting from high brand familiarity among German consumers. Private labels, of drugstores like Rossmann, are also quite present, with several products such as energy bars and fruit bars (Appendix 6). Small and more specialized international companies also influence the industry.
Competitive structure - Healthy in-between meals

The competitive structure in the healthy in-between meal segment is based on what constitutes a healthy in-between meal for consumers, and on the companies selling such products in Germany.

The industry structure is identified as potentially global. There are mostly domestic companies present, with both high and low international orientation, and with different degree of specialization. MyMuesli is a German company specializing on healthy portion packed muesli mixes. The company is currently present in over 100 cafés over Germany, Switzerland and Austria. They also distributes through some of the big supermarkets in Germany, like REWE (MyMuesli 2014).

Private labels include drugstores, such as Rossmann, and supermarkets like REWE. They offer products like nuts and dried fruit. These companies, does however, show low degree of specialization compared to other industry competitors. Seeberger GmbH is also a quite present and domestic company, selling nuts and fruit bars (Seeberger 2014).

Figure 22: Competitive structure - Healthy in-between meals
In addition to these companies we have looked at the company “Innocent Alps GmbH”, whom is a domestic company specializing in production and distribution of smoothies. They are present in many stores and cafés, including the distinguished and international coffee shop Starbucks (Innocent 2014).

“No labels” is defined as all small coffee shops, supermarkets, or bakeries that offer their own fruit cups, salads etc. The products offered are often freshly made and are quite present in this segment.

*Industry globality - Conclusive remarks*

The industry’s globality shows that there are few barriers when it comes to globalization drivers, and like the PESTEL analysis, indicates positively signs related to the German market being open for international newcomers. However, the three potential markets are crowded with numerous competitors. Large German companies with low specialization mainly dominate both the sports nutrition- and the snack bar market. The healthy in-between meal segment is a somewhat different, with a more fragmented market; mostly domestic companies with both high and low degrees of specialization. This clearly illustrates that it will be important for LA to find the right positioning- and segmentation strategies.

**5.4 Porter’s five forces**

To analyse the microenvironment in more depth and look at other factors of competition influencing the German energy bar market, the authors will use Porter’s five forces. The model describes the competitive environment a company exist in, and is used to analyse the industry’s underlying structure (Porter 2008, p. 80). It is important to consider other factors, as competition for profits goes beyond established industry rivals (Porter 2008, p. 79). The model includes competitive rivalry as well as four other forces: customer power, supplier power, potential entrants, and substitute products.
5.4.1 Threat of new entrants

The threat of new entrants is high/medium. New entrants to an industry bring new capacity and a desire to gain market share that puts pressure on prices, costs, and the rate of investment necessary to compete (Porter 2008, p. 80).

The entry barriers are low, and the existing sellers in the industry are also engaging in other product segments. This can be a sign that companies in other industries will seek to participate in the energy bar segment, and therefore become potential new entrants. Meaning that related diversification can occur. The industry forecast of growth is also quite promising, and shows a stable outlook (Euromonitor 2013a, 2014b). However, customer demand is not growing rapidly, and newcomers to the industry cannot expect attractive profits at once. This means that the industry might not be as attractive as assumed, and thereby decreasing the threat of new entrants.

New entrants to an industry bring new capacity and a desire to gain market share that puts pressure on prices, costs, and the rate of investment necessary to compete (Porter 2008, p. 80).
5.4.2 Bargaining power of suppliers

The bargaining power of the suppliers is high/medium. The suppliers’ products are not hard to obtain, and there are lots of substitutes to the raw material needed in production of energy bars. Berries come in many different forms and tastes, as do nuts, corn and seeds. This decreases the bargaining power of the suppliers. On the other hand, the raw material delivered by the suppliers is not modified in any special way. This makes the possibility of backward integration for energy bar producers limited, and is a good sign for the suppliers, making their bargaining power stronger. Another factor contributing to the suppliers bargaining power stronger is that they are not dependent on the energy bar industry for a large portion of their revenues. The suppliers engage in other industries as well, such as other food related productions.

5.4.3 Bargaining power of buyers

The buyer bargaining power is high. Firstly, the buyer in this context can be different depending on the mode of entry. It can be the wholesaler, retailer or the consumer. Either way the customers switching costs will be almost non-existing, and the physical product of energy bars is weakly differentiated. The industry supply of energy bars is quite strong compared to the demand. The ability to integrate backwards into the business of the seller is existing as the buyers can bake or make substitute products themselves. The raw materials used in production of energy bars are available in convenience stores. However, this might be more costly for the customer, and will in most cases be an option not considered.

5.4.4 Threat of substitutes

The threat of substitutes is high. There are many substitutes to energy bars, within all three categories mentioned before. Substitute products to energy bars are all kinds of quick energy related products that is available to the customer, or considered by the customer. All together these products make up for a huge market. The buyer switching costs are non-existing, substitute products have comparable features, and the substitute products are attractively priced, or priced at the same level as energy bars.
5.4.5 Competitive rivalry

The energy bar market in Germany has high rivalry. There are numerous companies providing the customers with somewhat the same products that are weakly differentiated. Many of these companies are German, and some are from other EU nations (Appendix 6). The German companies are of medium to large size, and seem to be engaged in production of several different categories of packaged food. The buyers switching costs are very low as energy bars are categorized as fast moving consumer goods, and therefore a low involvement purchase. Nevertheless, it is important to remember that even though rivalry is a strong force in commodity industries, such as the energy bar market, - it may not be the factor limiting profitability (Porter 2008). Porter (2008) states that rivalry is especially destructive to profitability if it is concentrated on price because price competition transfers profits directly from an industry to its customers.

5.5 Summary of the external analysis

The external analysis has shown that the German market is open and has a good prospect for growth. Factors that are especially encouraging are the trend to live a healthy lifestyle, good and stable economy, and the high degree of international orientation in almost all of the market categories for energy bars. The main problem for Live Arctic will be the high degree of competition. Positioning and segmentation will therefore be crucial for the entry strategy.
SWOT ANALYSIS
6. SWOT-Analysis

The SWOT analysis will illustrate the evaluation of LA’s situation, and provide the basis for further strategy implications to utilize their strengths, overcome their weaknesses, take advantage of opportunities, and defend against threats (Thompson et al. 2011, p.151).

6.1. Strengths

LA has an independent company structure with the CEO completely in charge of the company’s operations, making new prospective measures easier to plan and execute. The CEO can also be seen as a non-imitable resource himself. Combining his competence with the company’s product and business model could be an advantage.

The company’s altruistic vision and belief is clear, and the objectives and goals are clearly defined and stated. LA’s valuable contacts, partners and acquaintances are engaged in the development of products and making the company successful, and can be identified as a distinctive competence (Thompson et al. 2011, p.151) the competitors may not possess in the same degree.

The fourth sector business model provides potential competitive advantages in: customer relations, cost saving factors, and the relationship with suppliers, and this is identified as valuable- and rare resource (Chapter 4, VRIN) (Fourth sector Business model, Friis). Additionally, the product is developed by an expert nutritionist and a professional chef; making it both healthy and tasteful to consumers. This factor can be identified as one of the company’s core competences.

6.2 Weaknesses

LA has limited access to capital, and might encounter difficulties raising capital for an internationalization process, and other operations and measures with elements of uncertainty. As LA is a relatively new establishment, the company’s brand-equity,
awareness and recognition could be less significant than more established market competitors.

The company also has relatively low experience regarding internationalization and export. Other competitors with more resources will most likely surpass LA when it comes to recruiting talented employees in these fields.

6.3 Opportunities

The market and industry bear evidently low trade barriers, making it accessible for LA at lower costs than other markets. It can also be considered as open for foreign companies, since there are no actively protectionist measures. The general German economy is considered as balanced and stable, making a market entry less uncertain than entering unstable economies. For instance, rising incomes and stable prices may strengthen the purchasing power and ensure a high level of consumption.

Another factor that is potential beneficially for LA is the increasing trend present in Germany to live- and promote a healthy lifestyle. Also, the healthy in-between meal market is in general fragmented, and not dominated by any specific competitors, making it easier to compete for smaller companies with less access to capital. A general opinion, identified in the survey, proves that the relative population in Germany associates Norwegian brands and products with high quality, which indicates that LA could have advantages in the market linked to its origin.

6.4 Threats

As previously elaborated in the external analysis, we can clearly identify the high level of competition in the German market. We evaluated the industry as appreciably competitive in the Porters-Five-Forces analysis, and conclude that the high-medium bargaining power of suppliers- and buyers, the high/medium threat of new entrants, and
the high threat of substitutes and competitive rivalry would compose threats to LA’s process of internationalization.

Several companies of considerable capacity and in procession of extensive resources already obtain significant market shares in the market segments for energy-bars, sports and snacks. In the market for healthy in-between meals consumers can choose between several existing alternatives, and as proven in the survey result; energy bars were among the least favourable ones (Appendix 11). This can also pose a threat for LA when entering the German market.
STRATEGY and RECOMMENDATIONS
7. Strategy and recommendations

This part of the thesis will contain strategic options and recommendations for LA in the German market. The recommendations are founded in the previous analyses of the internal and external environment, i.e. the SWOT analysis, and will include; Solberg’s (2009) nine windows, segmentation and positioning, mode of entry, and marketing mix adaptations.

7.1 Solberg’s nine strategic windows

Solberg’s (2009) nine strategic windows combine the analysis of the industry structure and the business’ internationalization ability, and provide strategic recommendations of measures to be implemented.

Figure 24: Solberg’s nine strategic windows
Source: Following Solberg (2009, p.149)
We place LA in “Seek niches in international markets”. This strategic window is reserved for companies with little experience in international business, in markets where several competitors possesses more significant resources and capabilities. Solberg (2009, p. 151) states that the company at hand should develop minor niches where it can identify competitive advantages, i.e. technology, delivery flexibility, etc.; and by doing so, the company will be able to improve its position in the respective markets.

LA should aim for differentiation, specify its niche, and clearly display its vision and business philosophy. Solberg (2009) explains that to which degree the company delimits and specify its niche defines how much it will be protected from its international competitors, and how much more it will be able to improve its internationalization abilities (i.e. Climb the strategic model horizontally). This would also imply that the company would be taking a lower risk with regard to the entry strategy, which is highly recommendable since businesses in this strategic position tend to be vulnerable, and in need of financial- and management aid (Solberg).

Solberg also states that a number of Norwegian businesses with narrow market niches and lack of internationalization experience is failing due to not following this strategy. The authors want to make sure that LA will be clearly able to communicate its niche attributes and differentiate itself from international competitors. This will be elaborated under strategy and recommendations.

7.2 Strategic problem definition and objectives

Based on the SWOT analysis the authors have developed the following strategic problem definition:

“How can LA use their strengths and overcome their weaknesses to take advantage of the existing opportunities, and successfully position themselves in the highly competitive German market, and at the same time be able to contribute to their own vision?”
The strategic problem definition will be answered in the next part of the thesis by setting clear objectives and define recommendations for segmentation, positioning, the mode of entry, and the marketing mix.

Objectives

Objectives are an organization’s performance targets (Thompson et al. 2011, p.151). The authors have used the SMART formula to set objectives (Stahl 2014). It explores whether or not the objectives are specific, measurable, achievable, realistic and time-based.

Operational objectives (2-5 years):
The authors have identified three overall short-term objectives that contribute to LA’s and its vision.

- Sell equal amounts of energy bars in Germany and Norway.
- Gain brand equity in all markets (measured by brand awareness and brand image)
- Increase the customer’s share of mind, i.e. develop the brand strength, uniqueness and favourability

Strategic objectives (5-10 years):
The strategic objectives illustrate the outcomes that can strengthen the company’s market share, competitive vitality, and future business prospect (Thompson et al. 2011, p.151).

- LA should secure a mutual trustworthy and stable relationship with the strategic partner, and expand the professional market network over time.
- The company should gain a solid customer base, and obtain significant market shares in operating markets.
- LA’s overall objective is to donate 1 million meals to malnourished and starving children in developing countries. The authors believe that this is highly ambitious, yet possible in the longer-term (i.e. 5 – 10 years).
7.3 Critical Success factors

The authors have identified four critical success factors LA needs to successfully penetrate the German market: Marketing, brand positioning, segmentation, and a local partner.

*Marketing* is crucial for LA to rightfully promote the health aspect and the charity aspect of their products, and promote the brand to gain brand awareness and brand equity. As previously illustrated in the SWOT analysis this could be a major competitive advantage. The company will also need to follow up all advertisement, and constantly evaluate if the campaigns created has attracted attention in the market. As Prof. Dr. Hoyer (2014, p. 22) states, attention is the key goal of almost every market communication.

As concluded with in the external analysis, it is crucial that the choice of *brand positioning* is appropriate, and meets the market demands and overcome the threats of competitors and substitutes. In addition LA needs to be specific in the *segmentation* process to reach the desirable target group and increase customer profitability and lifetime value.

*A local partner* will also be necessary due to LA’s limited access to capital and resources. The contract signed with the strategic partner should be lucrative, and helpful for LA to overcome the threats and take advantage of the opportunities in the market.

The critical success factors will be taken into account when further explaining the strategy in more detail.

7.4 Segmentation and positioning

In this section the authors will identify the appropriate segment for LA in the German market, as well as presenting recommendations of how to correctly position the brand according to the segment. As stated previously, the positioning will be crucial for a successful entry, and therefore it will be highly important to identify the right segment.
Customer needs are different, and can vary greatly depending on several factors. If LA manages to position correctly according to the segment, increased attention can be obtained, and LA will be able to reach the operational objective of gaining brand awareness.

The authors will use data from the survey and the external analysis to identify needs and preferences, and further match these with LA’s resources and capabilities described in the internal analysis. The segmentation and positioning strategy will give implications for the mode of entry, and how LA should organize its marketing mix.

7.4.1 Segmentation

Two broad groups of variables can be used to segment consumer markets. One can look at descriptive characteristics, or behavioural considerations (Kotler and Keller 2009, p. 253). Descriptive characteristics can be geographic, demographic, and psychographic. Behavioural considerations reveal different characteristics such as consumer responses to benefits, use occasions, or brands, which can be associated with each customer-response segment. To properly identify the correct segment for LA in the German market, both methods will be applied.

![Market segmentation variables](image)

**Figure 25: Market segmentation variables**

**Geographical segmentation**

Geographical segmentation divides the market into different geographical entities, such as nations, states, regions, cities, or neighbourhoods (Kotler and Keller 2009, p. 253). The authors believe an appropriate segment for LA can be found in places where environment and altruistic motives are considered as important matters. It is also
essential that the place is open to international influences, and that it facilitates sports activities.

The authors suggest that a city like Mannheim will be a right starting point. Mannheim is a city that is highly influenced by an international industry, with many international brands present. Mannheim is also a quite developed city, and offers lots of sports activities. The survey was conducted in Mannheim, and as showed in the survey findings, 60% of the respondents see themselves as active persons. 80% of the respondents also showed that they care about charitable causes. As stated in the research limitations, the number of respondents is not enough to generalize, however, the results can give implications of Mannheim’s opinion towards these matters.

*Demographic segmentation*

Demographic segmentation criteria can be age, gender, family lifecycle, income, occupation, generation, nationality, and education (Kotler and Keller 2009, p. 255). The relevant criterion for LA will be age. As stated in the survey findings, income did not affect the willingness to pay a higher price for LA’s products, and will therefore not be considered.

LA’s segment will be both men and women in the age group 18-45. The survey did not reveal any differences between men and women of how they perceive LA’s products, and therefore both genders are relevant. The age group is quite broad, simply because people can be active regardless of their age. However, it was narrowed down to 18-45, as a segment too broad might reveal higher differences in response to promotion and marketing activities.

*Psychographic segmentation*

In psychographic segmentation buyers can be divided into groups on the basis of lifestyle, personality traits, or values (Kotler and Keller 2009, p. 261). LA’s segment should be highly interested in living a healthy lifestyle, and will therefore be equally interested in buying healthy and natural food. In addition it is important that the segment lives an active lifestyle, involving sports- or in-/outdoor activities. It is also relevant that the prospective target group possess altruistic values and believe in charity. According to the VALS framework (Kotler and Keller, p. 261) LA’s segment can be
identified with the classification-group *Thinkers*. *Thinkers* are mature, satisfied, and reflective people that are motivated by ideals, and who value order, knowledge, and responsibility. They seek durability, functionality, and value in products.

*Behaviour segmentation*

Behaviour segmentation divides buyers into groups based on their knowledge of, attitude toward, use of, or response to a product (Kotler and Keller 2009, p. 263). Firstly, LA’s segment must be able to see the benefit of buying a healthy product, and the benefit of giving to charity. Secondly, they perform sports activities or other related activities regularly, and keep themselves updated on knowledge about health, which results in consuming healthy food. The segment should also respond well to new international brands.

The segmentation strategy is summarized in the following definition of LA’s target group:

*Active women and men aged 18 to 45, living a healthy lifestyle, in possession of knowledge about health, and values that reflect altruistic motives.*

The segmentation strategy and target group reflects that LA should stake out a position that covers segments in both the market for healthy in-between meals, and the sports nutrition market. This decision can also be based on the SWOT that defines the healthy in-between meal market as more favourable due to a fragmented competitive structure. The sports nutrition market will be very relevant, as LA will target active people.

The next step after defining the target group, is designing the appropriate positioning strategy.

7.4.2 *Positioning*

“Positioning is the act of designing the company’s offering and image to occupy a distinctive place in the minds of the target market” (Kotler and Keller 2009, p. 308). The goal of positioning is to maximize the potential benefits of the firm by locating the brand in the mind of the consumers.
As elaborated in Solberg’s nine windows LA should seek niches in International Markets, therefore they should position accordingly. This means that LA should seek to differentiate the brand from competitors by matching the attributes of their product to the defined segment. The authors will describe the positioning strategy by looking at points-of-difference (PODs), and points-of-parity (POPs).

**Points-of-difference**

“PODs are attributes or benefits consumers strongly associate with a brand, positively evaluate, and believe they could not find to the same extent with a competitive brand” (Kotler and Keller 2009, p. 309). One of the threats pointed out in the SWOT analysis is the high degree of competition LA will meet in the German market, thus creating a strong, favourable and unique image of LA is essential. The attribute that separates LA from its competitors in Norway is their 1:1 business model. This attribute should also be one of the PODs for LA in the German market. The other relevant attribute that should be focused at is healthy ingredients and the related active image. The goal will be that consumers associate health benefits, activity, and corporate social responsibility and - sustainability with LA.

**Points-of-parity**

POPs are defined as associations that are not necessarily unique to the brand but may be shared with other brands (Kotler and Keller 2009, p. 310). These associations can further be divided into two basic types: category and competitive.

Category POPs are associations consumers view as essential to a legitimate and credible offering within a certain product category, and competitive POPs are associations designed to nullify competitors PODs (Kotler and Keller 2009, p. 310). LA should concentrate on being as good as similar products regarding features such as taste and quality. They should also set focus on living up to the expectedness of the product to deliver quick energy and set hunger (Chapter 3, Survey findings). LA will then be seen as equal to competitors when it comes to these attributes.
**Conclusive remarks - Positioning**

Based on this strategy LA will gain the opportunity to accelerate on their true PODs of being the healthiest alternative, being associated with an active image, and by being the leading brand when it comes to corporate social responsibility (CSR) and sustainability. LA’s positioning strategy and POD’s are illustrated in figure 27 by using a strategic profile/strategy canvas, described in the book Blue Ocean Strategy (Kim and Mauborgne 2010, p.35-36). The strategic profile is an analytic tool used to diagnose the company and build a Blue Ocean Strategy, in other words offer the customers different and specific values (Kim and Mauborgne 2010, p.35-36). The factors of competition represent different attributes LA possesses. The energy attribute must be increased in order to contribute to the active image, and the healthy nutrition and CSR activities must be top priority.

![Blue Ocean Strategy Canvas](image)

*Figure 26: Blue Ocean Strategy Canvas – Live Arctic’s Current Situation*
7.5 Mode of entry - Entry strategy

In this part the authors will provide knowledge and recommendations regarding which distribution channel and mode of entry LA should adapt when starting the internationalization process.

According to Solberg (2009, p.250), a distribution channel can be defined as *the different external sales departments the product passes, on the route from the exporter to the consumer*. Solberg states that the distribution channel chosen by the exporter must complete several important distribution system-tasks, like for instance: promoting the product, developing lucrative contracts, logistics of the products, financing the export, completing payments and transactions, limiting taxes and expenses, and inform the exporter about the recent market developments (Solberg 2009, p.251). He further elaborates that the main strategic issues of distributing in foreign markets is the distance to the market, both in terms of geography and cultural habits. Therefore, it is crucial to select a well-suited distribution channel that will grant a stable development and active dialogue with LA.

As explained in the previous chapters of the thesis, LA is a company with few employees and limited market knowledge. They will in the longer-run need to develop a
network of professionals to ease the needed capacity and assist the distribution-task process.

Solberg (2009, p.253) suggests the following entry strategies: Importers, wholesalers, agents, sales offices, or exporting without local market representation. While, Thompson argues why strategic alliances and partnerships can be beneficial as an entry strategy for a new market.

The authors will exclusively address the entry strategies they considered as applicable for LA.

*Export through importers*

It exists several advantages and disadvantages linked to exporting through an importer (Solberg 2009, p. 255). The key advantages for LA would be that the one prospective importer purchases the products from Norway and LA will bear no marketing costs or financial risks after the transaction is completed. Nevertheless, even though this would in theory imply less financial risk for LA, the company would only be exporting products to-, and focused on one customer. This implies that LA will be financially dependant on one customer in the market, and it is therefore important to be thorough when evaluating the prospective importers.

The importer will cover the areas of distribution like for instance: Promotion, sales, transportation, service, and others. However, the importer may also carry other brands of the same category that can be considered as substitutes for LA’s products, and will cover the respective areas of distribution for these brands as well (Solberg 2009, p.256).

*Export without a representative*

With the adaption of this particular sales strategy, the exporter comes in direct contact with the retailers, sellers and distributors. The export strategy could be beneficial for LA since they will have more control of the internationalization process. The company can also increase their knowledge about the market and internationalization processes in general, which will be valuable for possible future negotiations with distributors in
possession of significant market shares (Solberg 2009, p.261). It does however demand significant resources in general, and implies that the company works longer hours on developing strategies and analysing the prospective distribution channels itself (Solberg 2009, p.261).

**Strategic Alliances and Partnerships**

“Strategic alliances are formal agreements between separate companies in which there is strategically relevant collaboration of some sort, joint contribution of resources, shared risk, shared control, and mutual dependence” (Thompson et al. 2011, p.237-238).

In strategic alliances, the companies often engage in cooperative marketing and/or jointly developing new products. Thompson argues that strategic alliances help build and sustain the competitive advantage, blocks competitive threats, reduces a significant risk to the company’s business, and is a way for the company to get into new markets quickly (Thompson et al. 2011, p.237). On the other hand, problems can occur due to different management styles and cultural clashes.

If LA should select this approach, it is critical to pick a partner with similar values, operating in a somewhat similar industry with the same target groups. The company also needs to be sensitive of the cultural differences, and recognizing that the alliance must benefit both sides. Moreover, the most crucial thing for LA would be to actively engage and display distinct signs of willingness to work with the partner. Thompson mentions a recent study indicating that even though strategic alliances increase by 25 % annually, about 60 to 70 % of them fail each year. He concludes that a strategic alliance will fail unless the partners contribute to the cooperative arrangements and is committed to sharing skills and resources.

**Entry Strategy**

Due to LA’s limited workforce and capital, the authors firmly believe that the company should consider an internationalization approach that is of less risk and capital burden. LA should find a method that can keep the company well informed and/or to some extent cooperating in developing measures and decisions in the new market. As Solberg
(2009, p. 297) illustrates, companies with limited resources do not need to pursue internationalization strongly. However, if the companies find reasons to operate in foreign markets (e.g. if they have special competences or a special product suitable for a foreign market), they should do it carefully and follow measures gradually. It has already been proven that LA is in possession of a product suitable for the German market, so this will be a correct guideline to follow.

The authors believe that LA needs assistance and valuable expertise from market orientated companies/individuals in order to find their niche in the market and differentiating themselves from the competitors. The best way to achieve this is to form a partnership with a stable market actor active in both Germany and Norway.

The authors purpose a partnership with Swiss-based sport apparel manufacturer, Odlo International AG. Odlo and LA operates with several similar values, such as the ethical and altruistic way of doing business, and promoting the active and healthy lifestyle. The company is based in both the German and Norwegian market, and has an own store in Mannheim’s city-centre. Odlo was founded by Norwegian Odd Roar Lofterud in 1946, and is currently owned by Norwegian private-equity firm Hercules. This could indicate that the corporate culture is to some extent similar, language barriers will be easier to overcome, and that cultural differences are less relevant.

The authors believe that a partnership with Odlo could help LA reduce the demand for capital and resources, meet the critical success factors, and overcome the weaknesses and take advantage of the opportunities listed in the analysis. It would also be beneficial for Odlo, as LA will assist in further promoting their values and increasing the brand awareness and -equity overall.
7.6 Marketing mix

According to Kotler and Keller (2009, p.63), the four P’s represent how sellers consider their available marketing tools as a way to influence customers, and how these tools are designed to deliver a benefit to the customer.

![Diagram of the marketing mix]

Figure 28: The marketing mix

7.6.1 Product

The authors recommend that both bars should be offered on the German market with the same quality and size as on the Norwegian market. The customers will then have the opportunity to choose the flavour they prefer. The blue and white logo and brand name are designed to give associations to the Norwegian lifestyle, and as the survey showed; the respondent associated winter, mountains and nature among other things with the Norwegian lifestyle. The authors believe that it is important for brand recognition that the logo on the packages is kept consistent with the colour on the original logo. Thus stated in the Bakka-model that small alterations to the product is enough, it could be wise to alter the packaging to make the logo and the extended product, i.e. the 1:1-model, more visible product features. The latter is important for the product to differentiate itself form the competitors and evolve into a symbolic product that the segments affiliate with. As elaborated in the positioning strategy, the 1:1 model and CSR will be one of LA’s POD’s. Further it is important to have the packaging and related material translated into German.
7.6.2 Price

It is important to look at how substitute products are priced and what the customers’ willingness-to-pay for the products are, to be able to set a fair price for LA’s bars. However, since the authors have placed LA in «seek niches» in the nine strategic windows it is possible for the price to be set higher. The majority of the respondents were willing to pay between € 1.00 to €1.99 for the LA bars. At the same time they were also willing to pay more for the bars because of the charity aspect. Based on this, the retail price for the products can be set between € 1.50 and € 2.50, as long as the contribution margin associated with the production is met. In comparison, the international brand «Raw Bite», which is one of the higher-priced energy bars in the German market, is priced at € 1.99 in the bio-shops. Again it is important to stress the fact that the charitable aspect and the high quality of healthy ingredients is the reason for the somewhat higher price. Due to the scarcity of capital, it will be hard for LA to offer slotting allowances to further promote the product in store, this will therefore not be considered when setting the retail price.

![Bar chart showing willingness to pay for a Live Arctic energy bar](image)

*Figure 29: Willingness to pay for a Live Arctic energy bar*
7.6.3 Promotion

When entering the German market it could be a smart move for LA to provide their potential partner, Odlo, with a «LA marketing kit» consisting of guidelines for product placement, promotion and the necessary promotional accessories. This will ensure that LA will have some control over the marketing efforts in the German market.

LA will likely be promoted in the local store in Mannheim if the potential strategic partnership with Odlo can be realized. The authors recommend that the promotion activities are clear, and that both Odlo and LA should promote their collaboration on their webpages. Odlo has several ambassadors for their brand; among these are athletes like Ingalena Heuck and Dario Cologna (Odlo 2014). LA could definitively benefit from the partnership if promotion activities are extended through the same ambassadors, especially regarding the direct link between sports and LA’s positioning strategy.

As mentioned earlier the respondents expected to see commercials or ads from LA on the Internet and in stores. Based on this the authors recommend that LA should make a German version of their webpage and include posts in German on the company’s Facebook site. The authors also recommend increasing the use of Instagram as a way of sharing pictures of products and news. Instagram can additionally be used to launch and share customer competitions, where people can get a reward if they share pictures or include hashtags of LA on their own photos. This specific social media platform is a very effective segmentation tool, as LA can use the hashtags of words they want the consumers to associate with the brand.

The use of social media can create buzz and a positive spread of word of mouth (WOM) surrounding the products and in the end lead to brand awareness. It is also highly relevant as a promotion tool with regard to incorporate marketing practices as a two-way flow between consumers and brands. Dr. Hoyer (2014, p.20) addresses the fact that marketers should let consumers decide when and where they want to be exposed to marketing communication. This will help LA to overcome consumers increasing resistance to marketing promotions (Dr. Hoyer 2014, p.19).
Energy bars are in general considered as a low involvement product. However, LA’s bars has an affective aspect of the 1:1 model, thus a prospective advertising campaign should tie positive emotions to the product (Dr. Hoyer 2014). Promotion of this aspect will be essential to be able to reach the customers, as well as separating LA from the herd.

The segmentation showed that Mannheim is a suitable market for LA, and that the target group consists of active people. To gain more brand awareness for the energy bars it could be a strategic move to participate in sponsoring of local sporting events, e.g. the SAP Arena Marathon. Here LA could take part in the exhibition that is associated with the event, and also be able to promote their PODs of having an active image and being the healthiest energy bar and in-between meal on the market. The cost per square meter for this event was €45 in 2014, and further cost will vary accordingly (Marathon Mannheim 2014). Local representation is considered essential for supervising this event.

In regards to which charitable organizations LA should support, the respondents preferred Deutsche Rotes Kreuz and UNICEF. The cooperation with a charity organization will need to be clarified with their potential partner, but the authors recommend that one of these two organizations should be top priority.

7.6.4 Place

As mentioned earlier by Solberg (2009, p. 136) place is the most important factor concerning the market mix. As established by the survey, the population prefers to by energy products in supermarkets, bio-markets or drugstores. However, based on the high competition in the market, the energy bars would have difficulties being visible enough amongst the other substitutes in certain channels. The authors recommend that the products first of all should be available in their partner’s physical store(s) in Mannheim. The choice of location is connected with the choice of segment and positioning strategy. Odlo’s store is located in the shopping area in Mannheim, and is connected to the largest sports warehouse. This implies that LA’s target group of active and health conscious people will be present there.
It is also necessary to consider whether or not the goods will be shipped directly from the producer in Spain to the German market, or from Norway. The latter will result in extra costs regarding custom clearance into markets, and shipping to and from Norway. Sending direct from Spain, if possible, would be beneficial regarding the trade agreements within the EU.

Conclusive remarks – Marketing mix

LA should organize its marketing mix around the identified PODs of being the healthiest alternative, being associated with an active image, and by being the leading brand when it comes to corporate social responsibility (CSR) and sustainability.

The product should be adapted to the German market, offered in both flavours, with a price between €1.50 and €2.50. The logo and packaging should be kept consistent with colours of the original LA logo, and it will make sense to show a more visible picture of the charity aspect on the packaging.

It is highly important for LA to be able to promote through digital platforms and other medias that require less capital. However, it is also important to remember that local presence will be necessary in Mannheim. Therefore marketing budgeted money should be set aside to sponsoring of local sports events. Help from the potential partner Odlo with promotional activities will be needed.

Because LA is dependent on a partner to enter the German market, it will be natural to sell the products through the partner’s distribution channels. This will also help LA to differentiate from competitors, and at the same time reach their target group.
8. Final recommendations

To give the best possible final recommendations the authors will present the research problem definition once again:

*How can LA enter the German market to help reach their strategic goal, and contribute to the company’s vision?*

The internal analysis proved that LA posses the right attitudes and high motivation towards international expansion. However, due to limited capital marketing measures will be hard to apply, and the objectives will be hard to reach. The German market is open to new entrants, and can be viewed as a good choice for LA’s international expansion. Nevertheless, it is crucial to overcome the large threat of high competition for a successful entry.

In order for LA to enter the German market successfully, and help reach their strategic goal of selling one million energy bars in five years, they will need to enter into a partnership. The authors identified the Swiss company, Odlo as a potential partner. Their marketing mix should be organized carefully after the target group and positioning strategy. This will make it possible to gain brand awareness, and finally contribute to their vision of improving and inspiring the world by being the leading brand when it comes to corporate social responsibility (CSR) and – sustainability.
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Huffington Post (2014), “Chia Seed Benefits: 10 Reasons To Add Chia To Your Diet,” (accessed March 27, [available at http://www.huffingtonpost.ca/2013/06/03/chia-seed-benefits-_n_3379831.html]


Other:

Competitors - Home pages:

Innocent, www.innocentdrinks.co.uk (2014)
IV. Appendices

Appendix 1: The Fourth Sector Matrix

- $\beta =$ How much of business purpose is to benefit a greater, public good
- At $\beta = 50 \%$, half of dividends are given away towards a greater good
- At $\beta = 100 \%$, all of dividends are given away towards a greater good
- At $\beta = 0 \%$, dividends are paid out to shareholders 0 to a greater good
- A model where it is donated from net profits or revenue can be considered as a Fourth Sector-model, if what is given away is equal to or greater than dividends paid out to shareholders. Though, this is not recommended since it could potentially compromise long-term sustainable growth of the organization.
- $\pi = R - C$ where [ $R =$ revenue ] and [ $C =$ cost ]

Source: Andreas Friis 2009, The Emerging Fourth Sector, p.76
Appendix 2: Timeline of survey

Total number of respondents

- 27-Mar: 23 respondents
- 29-Mar: 8 respondents
- 31-Mar: 6 respondents
- 2-Apr: 4 respondents
- 4-Apr: 2 respondents
- 6-Apr: 4 respondents
- 8-Apr: 10 respondents
- 10-Apr: 4 respondents
- 12-Apr: 4 respondents
- 14-Apr: 1 respondent
- 16-Apr: 1 respondent
- 18-Apr: 1 respondent
- 20-Apr: 3 respondents
- 22-Apr: 1 respondent
- 24-Apr: 1 respondent
Appendix 3: Preference of quick energy product

Which given situation do you prefer the following?
### Appendix 4: Contingency analysis

#### Contingency Analysis of 19. I frequently try and/or buy new food products?

**By 38. I am interested in trying Live Arctic's energy bars.**

<table>
<thead>
<tr>
<th>Count</th>
<th>Total %</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>19. I frequently try and/or buy new food products?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0,00</td>
<td>0.00</td>
<td>2.44</td>
<td>2.44</td>
<td>1.22</td>
<td>1.22</td>
<td>7.32</td>
</tr>
<tr>
<td>0,00</td>
<td>11.76</td>
<td>11.76</td>
<td>2.56</td>
<td>12.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0,00</td>
<td>33.33</td>
<td>33.33</td>
<td>16.67</td>
<td>18.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,22</td>
<td>6.10</td>
<td>6.10</td>
<td>3.66</td>
<td>0.00</td>
<td>17.07</td>
<td></td>
</tr>
<tr>
<td>100,00</td>
<td>29.41</td>
<td>29.41</td>
<td>7.99</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.14</td>
<td>35.71</td>
<td>35.71</td>
<td>21.43</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.00</td>
<td>3.66</td>
<td>4.88</td>
<td>10.98</td>
<td>1.22</td>
<td>20.73</td>
<td></td>
</tr>
<tr>
<td>0.00</td>
<td>17.65</td>
<td>23.53</td>
<td>23.08</td>
<td>12.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.00</td>
<td>17.65</td>
<td>23.53</td>
<td>52.94</td>
<td>5.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0,00</td>
<td>8.54</td>
<td>4.86</td>
<td>23.17</td>
<td>4.88</td>
<td>41.46</td>
<td></td>
</tr>
<tr>
<td>0.00</td>
<td>41.18</td>
<td>23.53</td>
<td>48.72</td>
<td>50.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.00</td>
<td>20.59</td>
<td>11.76</td>
<td>55.85</td>
<td>11.76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0,00</td>
<td>0.00</td>
<td>2.44</td>
<td>8.54</td>
<td>2.44</td>
<td>13.41</td>
<td></td>
</tr>
<tr>
<td>0,00</td>
<td>0.00</td>
<td>11.76</td>
<td>17.95</td>
<td>25.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0,00</td>
<td>0.00</td>
<td>18.18</td>
<td>63.64</td>
<td>18.18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,22</td>
<td>26.73</td>
<td>20.76</td>
<td>47.56</td>
<td>9.76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,22</td>
<td>26.73</td>
<td>20.76</td>
<td>47.56</td>
<td>9.76</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Appendix 5: Promotion

Where do you expect to see commercials for Live Arctic?

- Magazine
- Newspaper
- Poster
- In store promotion
- Television
- Internet
## Appendix 6: Competitor analysis 1

<table>
<thead>
<tr>
<th>Brand</th>
<th>Product</th>
<th>Price per bar</th>
<th>Promotion</th>
<th>Placement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lubs</td>
<td>energy-ausdauerriegel cranberry-aprikose,</td>
<td>€ 0,99</td>
<td>Top shelf at Alnatura, no other visible</td>
<td>Alnatura, Basic bio Supermarkt</td>
</tr>
<tr>
<td></td>
<td>Fruchtriegel</td>
<td>(Fruchtriegel)</td>
<td>promotion in store</td>
<td></td>
</tr>
<tr>
<td>Rapuntzel</td>
<td>Fruchtschnitte Cranberry-Cashew</td>
<td>€ 0,99</td>
<td></td>
<td>Alnatura, Basic Bio Supermarkt, Der Bio Markt</td>
</tr>
<tr>
<td>Allos</td>
<td>Fruchtschnitte Cranberry</td>
<td>€ 0,99</td>
<td></td>
<td>Alnatura, Der Bio Markt</td>
</tr>
<tr>
<td>Raw Bite</td>
<td></td>
<td>€ 1,99</td>
<td>Athletes, photo shoots, magazines</td>
<td>Alnatura</td>
</tr>
<tr>
<td>Eat Natural</td>
<td>Eat Natural dark chocolate with cranberries and macadamias</td>
<td>€ 0,99</td>
<td></td>
<td>Rossmann</td>
</tr>
<tr>
<td>ene Bio</td>
<td></td>
<td>€ 0,49 - 0,89</td>
<td></td>
<td>Rossmann</td>
</tr>
<tr>
<td>Bleib gesund</td>
<td>Fruchtschnitte Cranberry Kirsch</td>
<td>€ 0,49</td>
<td></td>
<td>Rossmann</td>
</tr>
<tr>
<td>Multaben</td>
<td></td>
<td>€ 1,69</td>
<td></td>
<td>Rossmann</td>
</tr>
<tr>
<td>Seitenbacher</td>
<td></td>
<td>€ 1,43</td>
<td></td>
<td>Rewe, Galleria Kaufhof</td>
</tr>
</tbody>
</table>
## Appendix 7: Competitor analysis 2

<table>
<thead>
<tr>
<th>Brand</th>
<th>Product</th>
<th>Price per bar</th>
<th>Promotion</th>
<th>Placement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live Arctic</td>
<td>Energy bar</td>
<td>in € 1.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>out €1.99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MyMuesli2go</td>
<td>Instant muesli 4 types of flavour</td>
<td>€ 2.90</td>
<td>on counter display</td>
<td>Gipfelkette Café Engelhorn</td>
</tr>
<tr>
<td></td>
<td>Fruit smoothie</td>
<td>€ 2.90</td>
<td></td>
<td>Gipfelkette Café Engelhorn</td>
</tr>
<tr>
<td></td>
<td>Sandwitch</td>
<td>from € 3.50</td>
<td></td>
<td>Gipfelkette Café Engelhorn</td>
</tr>
<tr>
<td>Café-Tasse</td>
<td>various Belgian chocolate bars</td>
<td>€ 2.86</td>
<td>on the counter promotion</td>
<td>Illy café Frankfurt</td>
</tr>
<tr>
<td></td>
<td>45gr</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tartufo dolce</td>
<td>Nut nougat white and dark chocolate</td>
<td></td>
<td>on the counter promotion</td>
<td>Sammo café</td>
</tr>
<tr>
<td></td>
<td>fruit cup</td>
<td>€ 2.40</td>
<td></td>
<td>Sammo café</td>
</tr>
<tr>
<td>Milka</td>
<td>chocolate muffin</td>
<td>€ 1.50</td>
<td>displayed in counter</td>
<td>Sammo café</td>
</tr>
<tr>
<td></td>
<td>Various food and smoothies</td>
<td></td>
<td>displayed in counter</td>
<td>Basic Café</td>
</tr>
<tr>
<td></td>
<td>Various energy bars</td>
<td>from €0.49 -  €2.00</td>
<td></td>
<td>Rossmann, DM, Basic, Alnatura</td>
</tr>
<tr>
<td>«BAKKA-MODEL»</td>
<td>Trial Export</td>
<td>Ekstensive Export</td>
<td>Intensive Export</td>
<td>Multinationa l marketing</td>
</tr>
<tr>
<td>----------------</td>
<td>--------------</td>
<td>------------------</td>
<td>-----------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Export motive</td>
<td>Operative</td>
<td>Operative</td>
<td>Strategic/operative</td>
<td>Mainly strategic</td>
</tr>
<tr>
<td>Market selection</td>
<td>Random neighbor country</td>
<td>Many markets</td>
<td>Market concentration</td>
<td>Market expansion</td>
</tr>
<tr>
<td>Market Share</td>
<td>Company is «invisible»</td>
<td>Insignificant</td>
<td>Increasing</td>
<td>Large in chosen markets</td>
</tr>
<tr>
<td>Entry strategy</td>
<td>Warehouse «piggiback»</td>
<td>Agent</td>
<td>Sales office in main market</td>
<td>Licensing. Production</td>
</tr>
<tr>
<td>Economic result</td>
<td>Marginal or negative</td>
<td>Marginal or negative</td>
<td>Positive contribution</td>
<td>Mutual dependence of reference market</td>
</tr>
</tbody>
</table>

Appendix 8: Bakka-model

*Source: Bakka-model (Solberg 2010 p.122)*
Appendix 9: Live Arctic survey

LIVE ARCTIC FRAGEBOGEN


Ihre Unterstützung unseres Projekts schätzen wir sehr.

Vielen Dank!

Tine Schjønhaug Larsen
Silje Brenk Gulbrandsen
Daniel Holth Larsen

In einem ersten Schritt bitten wir Sie allgemeine

1. In welcher Altersgruppe befinden Sie sich?
   o 18 – 25
   o 26 – 35
   o 36 – 45
   o 46 – 55
   o 56 – 60
   o 60+
   o
2. Welches Geschlecht haben Sie?
   o Männlich
   o Weiblich

3. Beschäftigung:
   o Student/in
   o Arbeitnehmer
   o Nicht erwerbstätig
4. Jährliches Einkommen (brutto):
- € 0 – 15499
- € 15500 – 30499
- € 30500 – 55499
- € 55500 – 80000
- Mehr als € 80000

5. Persönlichkeit
Nun würden wir Sie bitten, uns einige Informationen zu Ihrer Persönlichkeit und Ihren Essgewohnheiten zu geben.
Inwieweit stimmen Sie den folgenden Aussagen zu?

<table>
<thead>
<tr>
<th>Aussage</th>
<th>stimme gar nicht zu</th>
<th>stimme eher nicht zu</th>
<th>unentschieden</th>
<th>stimme eher zu</th>
<th>stimme voll zu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ich sehe mich als eine aktive Person.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ich esse gerne gesunde Lebensmittel.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ich kaufe gerne gesunde Lebensmittel.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wenn ich mich gesund ernähre, fühle ich mich besser.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In der Regel bevorzugen ich ökologische Lebensmittel oder Lebensmittel mit natürlichen Inhaltsstoffen.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ich ziehe es vor, vegane oder vegetarische Produkte zu essen.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. Was betrachten Sie als eine gesunde Zwischenmahlzeit?
Mehr als eine Alternative ist möglich
- Obst
- Energieriegel
- Smoothie
- Sandwich
- Muffin
- Müsli
- Schokolade
I. Sonstiges

Inwieweit stimmen Sie den folgenden Aussagen zu?
Mir sind die Nährwerte der Nahrung, die ich zu mir nehme besonders wichtig.

Bevor ich ein bestimmtes Nahrungsmittel kaufe bzw. zu mir nehme, informiere ich mich über die enthaltenen Nährwerte.

Nun geben wir Ihnen einige Situationen, vor Geben Sie uns bitte an welches Nahrungsmittel Sie in der vorgegebenen Situation bevorzugen.

7. Wenn es Ihnen an Energie bei der Arbeit oder in der Ausbildung fehlt.
Mehr als eine Alternative ist möglich.
- Obst
- Energieriegel
- Smoothie
- Sandwich
- Muffin
- Müsli
- Schokolade
- Sonstiges

8. Wenn Sie Hunger verspüren.
Mehr als eine Alternative ist möglich.
- Obst
- Energieriegel
- Smoothie
- Sandwich
- Muffin
- Müsli
- Schokolade
- Sonstiges

9. Vor oder nach sportlichen Aktivitäten.
Mehr als eine Alternative ist möglich.
- Obst
- Energieriegel
10. Wenn Sie privat oder beruflich unterwegs sind.

Mehr als eine Alternative ist möglich.
- Obst
- Energieriegel
- Smoothie
- Sandwich
- Muffin
- Müsli
- Schokolade
- Sonstiges

11. Wenn Sie in einem Café sind.

Mehr als eine Alternative ist möglich.
- Obst
- Energieriegel
- Smoothie
- Sandwich
- Muffin
- Müsli
- Schokolade
- Sonstiges

In den folgenden Fragen wollen wir mehr über Ihr Kaufverhalten wissen.

12. Welche der folgenden Zwischenmahlzeiten wären Sie bereit auszuprobieren, ohne in der Vergangenheit Erfahrungen mit dem jeweiligen Produkt gemacht zu haben?

Mehr als eine Alternative ist möglich.
- Obst
- Energieriegel
- Smoothie
- Sandwich
- Muffin
- Müsli
- Schokolade
- Sonstiges

13. Kaufverhalten

Inwieweit stimmen Sie den folgenden Aussagen zu?
Ich bin immer an neuen/innovativen Produkten, auch im Bereich von Nahrungsmitteln, interessiert.

Ich bin eher bereit, neue Lebensmittel auszuprobieren, wenn Freunde oder Familie mir diese empfehlen.

Ich bin eher bereit, neue Lebensmittel auszuprobieren, wenn ich das bestimmte Produkt bereits in der Werbung gesehen habe.

14. Haben Sie in den letzten Monaten eine Werbung für Energieriegel gesehen?
   o Nein
   o Ich kann mich nicht erinnern
   o Ja
   o Wenn ja, wo und für welches Produkt?

15. Wie oft kaufen Sie Energieriegel oder verwandte Produkte mit schneller Energiezufuhr?
   o Täglich
   o Wöchentlich
   o Monatlich
   o Selten
   o Nie

16. Wie oft konsumieren Sie Energieriegel oder verwandte Produkte mit schneller Energiezufuhr?
   o Täglich
   o Wöchentlich
   o Monatlich
   o Selten
   o Nie

17. Welche Art von Zwischenmahlzeiten mit schneller Energiezufuhr würden Sie bevorzugen?
   Mehr als eine Alternative ist möglich.
   o Obst
18. Welchen Effekt erhoffen Sie sich, wenn Sie einen Energieriegel zu sich nehmen? 
Mehr als eine Alternative ist möglich.
   - Ich stille meine akuten Hunger
   - Ich hole mir Energie
   - Ich versuche Höchstleistungen (sei es auf beruflicher oder privater Ebene) zu erzielen
   - Ich nehme Vitamine und Mineralien als Ergänzung zu meinen normalen Mahlzeiten zu mir
   - Ich weiß es nicht
   - Sonstiges

19. Wonach sollte ein Energieriegel Ihrer Meinung nach schmecken? 
Mehr als eine Alternative ist möglich.
   - Obst / Beeren
   - Schokolade / Kakao
   - Nüsse
   - Kokosnuß
   - Exotische Geschmacksrichtung (bspw., Cookies und Sahne, Apfelkuchen, etc.)
   - Sonstiges

20. Wo kaufen Sie Produkte, die eine schnelle Ernergiezufuhr versprechen (bspw. Obst, Energieriegel, Smoothie, Sandwich, usw.)? 
Mehr als eine Alternative ist möglich.
   - Bio-Supermärkte (bspw. Alnatura, Reformhaus, etc.)
   - Supermärkte (bspw. Aldi, Lidl, Rewe, Galleria, etc.)
   - Sportläden (bspw. Engelhorn Sports)
   - Drogeriemärkte (bspw. DM, Rossmann)
   - Cafés
   - Ich kaufe solche Produkte meist nicht in einem bestimmten Läden, sondern eben genau dort, wo ich in dem Moment Energie über einen Snack brauche oder den kleinen Hunger stillen möchte
   - Sonstiges

21. In welchem Zusammenhang haben Sie Energieriegel oder ähnliche Produkte bereits gekauft?
Mehr als eine Alternative ist möglich.
   - Als Mahlzeit vor oder nach einer sportlichen Aktivität
   - Als Zwischenmahlzeit
   - Als Snack
   - Als Teil einer Mahlzeit
22. Wie viel wären Sie bereit für eine Energieriegel zu bezahlen?
- € 0,10 – € 0,49
- € 0,50 – € 0,99
- € 1,00 – € 1,49
- € 1,50 – € 1,99
- € 2,00 – € 2,49
- € 2,50 – € 3,00

Die folgenden Fragen beziehen sich nun auf Ihre Haltung gegenüber Wohltätigkeitsarbeit. Anschließend gibt es noch einen kurzen Fragenblock zu Ihrer Haltung gegenüber Norwegen bzw. norwegischer Produkte.

23. Wohltätigkeit
Inwieweit stimmen Sie den folgenden Aussagen zu?

<table>
<thead>
<tr>
<th></th>
<th>stimme gar nicht zu</th>
<th>stimme eher nicht zu</th>
<th>unentschieden</th>
<th>stimme eher zu</th>
<th>stimme voll zu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mir ist Nächstenliebe und das Engagement für die Gemeinschaft (bspw. Wohltätigkeit) wichtig.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ich würde ein wenig mehr für ein Produkt bezahlen, wenn ich so eine gute Sache unterstützen könnte.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

24. Für welche Wohltätigkeitsorganisation wären Sie bereit zu spenden?
Mehr als eine Alternative ist möglich.

- Deutsches Rotes Kreuz
- UNICEF
- Brot für die Welt
- Aktion Deutschland Hilft
- Amnesty International
- Save The Children Fund
- Sonstiges

Inwieweit stimmen Sie den folgenden Aussagen zu?

<table>
<thead>
<tr>
<th>Norwegische Marken stehen für gute Qualität.</th>
</tr>
</thead>
<tbody>
<tr>
<td>stimme gar nicht zu</td>
</tr>
</tbody>
</table>

26. Welche Produkte kommen Ihnen in den Sinn, wenn Sie an Norwegen denken?

- Kleidung
- Kosmetik
- Möbel
- Lebensmittel
- Sonstiges

27. Was verbinden Sie mit dem norwegischen Lebensstil?
Wählen Sie fünf Attribute, die Ihrer Meinung nach den norwegischen Lebensstil am besten beschreiben.

- Aktiv
- Nachhaltigkeit
- Natur
- Gemeinschaft
- Aktion
- Im Freien
- Winter
- Gletscher
- Fjorde
- Berge
- Minimalismus
- Skandinavisches Design
- Fürsorge
- Sport
- Frieden
- Freiheit

**Live Arctic** verkaufte leckere und natürliche Energieriegel in zwei Varianten:

* Cranberry + Himbeer (pinkener Riegel)
* Cranberry mit Cranberry-Saft (roter Riegel)

**Live Arctic** hat in Zusammenarbeit mit Ernährungswissenschaftlern in Norwegen einen Energieriegel entwickelt, der eine gute Kombination aus Proteinen, gesunden Fetten
und langkettigen Kohlenhydraten bietet.

Die „Live Arctic“ Energieriegel sind die perfekte Zwischenmahlzeit, wenn Sie Energie brauchen - ob bei der Arbeit, in der Schule, wenn Sie aktiv, oder aber draußen in der Natur sind.

Sie liefern sowohl ein außerordentliches Maß an Proteinen als auch an Omega-3 und haben dabei auch noch weniger Zucker als herkömmliche Energieriegel.

28. Inwieweit stimmen Sie den folgenden Aussagen zu?

<table>
<thead>
<tr>
<th>Aussage</th>
<th>stimme gar nicht zu</th>
<th>stimme eher nicht zu</th>
<th>unentschieden</th>
<th>stimme eher zu</th>
<th>stimme voll zu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ich bin interessiert daran, Live Arctic Energieriegel auszuprobieren.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ich bin interessiert daran, Live Arctic Energieriegel zu kaufen.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ich würde erwarten, Live Arctic Energieriegel in einem Café kaufen zu können.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ich würde erwarten, Live Arctic Energieriegel in einem Supermarkt (bspw. REWE, ALDI, etc.) kaufen zu können.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ich würde erwarten, Live Arctic Energieriegel in einem Bio-Supermarkt (bspw. Alnatura, Basic, etc.) kaufen zu können.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ich würde erwarten, Live Arctic Energieriegel in einem Drogeriemarkt (bspw. DM, Rossmann etc.) kaufen zu können.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ich würde erwarten, Live Arctic Energieriegel in einem Sportsladen (bspw. Engelhorn Sports etc.) kaufen zu können.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ich würde Live Arctic Energieriegel als Zwischenmahlzeit zu mir nehmen.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ich würde Live Arctic Energieriegel als Snack zu mir nehmen.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Ich würde Live Arctic Energieriegel nach dem Training zu mir nehmen.

Ich würde Live Arctic Energieriegel zu mir nehmen, wenn ich privat oder beruflich unterwegs bin.

Ich glaube, dass Live Arctic Energieriegel gesünder als andere derartige Produkte sind.

Ich gehe davon aus, dass Live Arctic Energieriegel eine bessere Qualität als andere Energieriegel bzgl. der speziellen Inhaltsstoffe liefert.

<table>
<thead>
<tr>
<th>29. Über welchen der folgenden Werbekanäle würden Sie erwarten, Werbung für Live Arctic Energieriegel zu sehen?</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mehr als eine Alternative ist möglich.</td>
<td>o Magazin</td>
<td>o Zeitung</td>
<td>o Plakat</td>
</tr>
<tr>
<td></td>
<td>o An der Verkaufsstelle (bspw. Werbebanner im Laden)</td>
<td>o Fernsehen</td>
<td>o Internet</td>
</tr>
<tr>
<td></td>
<td>o Lifestyle Blog</td>
<td>o Sonstiges</td>
<td></td>
</tr>
</tbody>
</table>

**Live Arctic**'s Vision ist es, Leben zu retten, Menschen zu begeistern und zur Verbesserung der Welt beizutragen. Live Arctic möchte zeigen, dass auch wirtschaftlich-denkende Unternehmen einen positiven Beitrag zu unserer Gesellschaft beitragen können.

**Live Arctic** spendet 100% aller zukünftigen Dividenden. (bspw. an das Deutsche Rotes Kreuz) Darüber hinaus, um eine sofortige Wirkung zu erzielen, spendet die Firma jeweils eine Mahlzeit für ein unterernährtes Kind für jeden einzelnen verkauften Energieriegel.

- *Es ist eine einfache und bequeme Möglichkeit, einen Unterschied zu machen*

<table>
<thead>
<tr>
<th>30. Wie viel wären Sie bereit, für einen Live Arctic Energieriegel zu bezahlen?</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>o € 0,50 – €0,99</td>
<td>o €1,00 – €1,49</td>
<td>o €1,50 – €1,99</td>
<td>o € 2,00 – € 2,50</td>
</tr>
</tbody>
</table>
### 31. Inwieweit stimmen Sie den folgenden Aussagen zu?

<table>
<thead>
<tr>
<th>stimme gar nicht zu</th>
<th>stimme eher nicht zu</th>
<th>unentschieden</th>
<th>stimme eher zu</th>
<th>stimme voll zu</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ich bin bereit mehr für Live Arctic Energieriegel auszugeben, weil das Produkt sehr gute Nährwerte bietet.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ich bin bereit mehr für Live Arctic Energieriegel auszugeben, weil das Produkt einem wohltätigen Zweck dient.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 10: Data collection

<table>
<thead>
<tr>
<th>Data collection</th>
<th>Q1: Age</th>
<th></th>
<th></th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1: Age</td>
<td>18 - 25</td>
<td>26 - 35</td>
<td>36 - 45</td>
<td></td>
</tr>
<tr>
<td></td>
<td>39</td>
<td>29</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Q1: Age</td>
<td>46 - 55</td>
<td>56 - 60</td>
<td>60+</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>82</td>
</tr>
<tr>
<td>Q2: Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>40</td>
<td>42</td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3: Occupation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>47</td>
<td>32</td>
<td>3</td>
<td>82</td>
</tr>
<tr>
<td>Employee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4: Income pro year (brutto)</td>
<td>0 - 15499</td>
<td>15500 - 30499</td>
<td>30500 - 55499</td>
<td>55500 - 80000</td>
</tr>
<tr>
<td></td>
<td>45</td>
<td>12</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Q5: I see myself as an active person</td>
<td></td>
<td></td>
<td></td>
<td>Sum</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Indifferent</td>
<td>Agree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Q6: I like to eat healthy food</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Indifferent</td>
<td>Agree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Q7: I like to buy healthy food</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Indifferent</td>
<td>Agree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Q8: Eating healthy makes me feel better about myself</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Indifferent</td>
<td>Agree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Q9: I generally prefer ecological food or food with natural ingredients</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Indifferent</td>
<td>Agree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Q10: I prefer to eat vegan or vegetarian products</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Indifferent</td>
<td>Agree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>26</td>
<td>24</td>
<td>20</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q11: I consider the following as a healthy in-between meal</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruit</td>
<td>Energy bar</td>
</tr>
<tr>
<td>80</td>
<td>16</td>
</tr>
<tr>
<td>Chocolate</td>
<td>Sandwich</td>
</tr>
<tr>
<td>3</td>
<td>20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q12: I care about the nutrition in the food I purchase and eat</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
</tr>
<tr>
<td>3</td>
<td>9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q13: I read the nutrition facts on the products I purchase and eat</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
</tr>
<tr>
<td>10</td>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>I prefer the following when:</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Q14: I lack energy at work or school</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruit</td>
<td>Energy bar</td>
</tr>
<tr>
<td>61</td>
<td>20</td>
</tr>
<tr>
<td>Chocolate</td>
<td>Sandwich</td>
</tr>
<tr>
<td>34</td>
<td>31</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q15: When you are hungry</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruit</td>
<td>Energy bar</td>
</tr>
<tr>
<td>40</td>
<td>9</td>
</tr>
<tr>
<td>Chocolate</td>
<td>Sandwich</td>
</tr>
<tr>
<td>10</td>
<td>62</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q16: Before and after a workout</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruit</td>
<td>Energy bar</td>
</tr>
<tr>
<td>60</td>
<td>29</td>
</tr>
<tr>
<td>Chocolate</td>
<td>Sandwich</td>
</tr>
<tr>
<td>4</td>
<td>17</td>
</tr>
</tbody>
</table>
Q17: When you are on the run

<table>
<thead>
<tr>
<th></th>
<th>Fruit</th>
<th>Energy bar</th>
<th>Smoothie</th>
<th>Muffin</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>58</td>
<td>21</td>
<td>22</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chocolate</td>
<td>Sandwich</td>
<td>Muesli</td>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>49</td>
<td>7</td>
<td>5</td>
<td>195</td>
<td></td>
</tr>
</tbody>
</table>

Q18: When you are at a café

<table>
<thead>
<tr>
<th></th>
<th>Fruit</th>
<th>Energy bar</th>
<th>Smoothie</th>
<th>Muffin</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>4</td>
<td>28</td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chocolate</td>
<td>Sandwich</td>
<td>Muesli</td>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>45</td>
<td>6</td>
<td>17</td>
<td>178</td>
<td></td>
</tr>
</tbody>
</table>

Q19: I frequently try and buy new food products

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Indifferent</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>17</td>
<td>17</td>
<td>39</td>
<td>8</td>
</tr>
</tbody>
</table>

Q20: I am more willing to try new food products when friends or family has recommended it to me.

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Indifferent</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td>0</td>
<td>19</td>
<td>35</td>
<td>22</td>
</tr>
</tbody>
</table>

Q21: I am more willing to try new food products when I have seen advertisement for it.

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Indifferent</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7</td>
<td>20</td>
<td>36</td>
<td>16</td>
<td>3</td>
</tr>
</tbody>
</table>

Q22: Which of the following products could you be willing to try or buy without past experience:

<table>
<thead>
<tr>
<th></th>
<th>Fruit</th>
<th>Energy bar</th>
<th>Smoothie</th>
<th>Muffin</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>44</td>
<td>47</td>
<td>44</td>
<td>33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chocolate</td>
<td>Sandwich</td>
<td>Muesli</td>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>39</td>
<td>28</td>
<td>1</td>
<td>277</td>
<td></td>
</tr>
</tbody>
</table>

Q23: Have you seen any energy bar commercial during the last month

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Cannot recall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>51</td>
<td>29</td>
<td></td>
</tr>
</tbody>
</table>

Q24: How often do you buy an energy bars or related quick energy products?

<table>
<thead>
<tr>
<th></th>
<th>Never</th>
<th>Rarely</th>
<th>Monthly</th>
<th>Weekly</th>
<th>Daily</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>34</td>
<td>9</td>
<td>12</td>
<td>1</td>
<td>82</td>
</tr>
</tbody>
</table>

Q25: How often do you eat energy bars or related quick energy products?

<table>
<thead>
<tr>
<th></th>
<th>Never</th>
<th>Rarely</th>
<th>Monthly</th>
<th>Weekly</th>
<th>Daily</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>38</td>
<td>10</td>
<td>6</td>
<td>82</td>
<td></td>
</tr>
</tbody>
</table>
### Q26: What type of quick energy products would you prefer?

<table>
<thead>
<tr>
<th></th>
<th>Fruit Energy bar</th>
<th>Smoothie</th>
<th>Muffin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chocolate</td>
<td>Sandwich</td>
<td>Muesli</td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td>66</td>
<td>17</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>24</td>
<td>25</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Q27: What would you expect to achieve when eating an energy bar?

<table>
<thead>
<tr>
<th></th>
<th>Set Hunger</th>
<th>Get more energy</th>
<th>Get the most out of my workout</th>
<th>Get a supplement of vitamins and minerals</th>
<th>Don’t know</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>34</td>
<td>52</td>
<td>13</td>
<td>12</td>
<td>14</td>
<td>3</td>
</tr>
</tbody>
</table>

### Q28: What sort of flavor(s) would you prefer in an energy bar?

<table>
<thead>
<tr>
<th></th>
<th>Fruit/berries</th>
<th>Nuts</th>
<th>Chocolate/cocoa</th>
<th>Special flavours</th>
<th>Coconuts</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>55</td>
<td>47</td>
<td>43</td>
<td>14</td>
<td>4</td>
<td>15</td>
</tr>
</tbody>
</table>

### Q29: Where do you purchase the quick energy products (e.g. Fruits, Energy bar, Smoothie, Sandwich, Muffin, Muesli, Chocolate etc.)?

<table>
<thead>
<tr>
<th></th>
<th>Bio-supermarket</th>
<th>Supermarket</th>
<th>Sportshops</th>
<th>Drugstores</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31</td>
<td>61</td>
<td>4</td>
<td>35</td>
</tr>
<tr>
<td>Cafés</td>
<td>Random shops</td>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>19</td>
<td>26</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

### Q30: In which contexts do you purchase energy bars or related energy products?

<table>
<thead>
<tr>
<th></th>
<th>As a before or after workout meal</th>
<th>As a between meal</th>
<th>As a snack</th>
<th>As part of a meal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>32</td>
<td>50</td>
<td>40</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>As a meal</td>
<td>Weight loss</td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>4</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

### Q31: How much are you willing to pay for a regular energy bar?

<table>
<thead>
<tr>
<th></th>
<th>€ 0,10 - 0,49</th>
<th>€ 0,50 - 0,99</th>
<th>€ 1,00 - 1,49</th>
<th>€ 1,50 - 1,99</th>
<th>€ 2,00 - 2,49</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12</td>
<td>27</td>
<td>31</td>
<td>10</td>
<td>2</td>
</tr>
</tbody>
</table>

### Q32: I care about charity and charitable causes?

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Indifferent</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>3</td>
<td>12</td>
<td>46</td>
<td>20</td>
</tr>
</tbody>
</table>

111
**Q33:** I would pay a little more for a quick energy product that supports a good cause?

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Indifferent</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>6</td>
<td>21</td>
<td>39</td>
<td>16</td>
</tr>
</tbody>
</table>

**Q34** Which of these charitable organizations would you prefer to donate to?

<table>
<thead>
<tr>
<th></th>
<th>Deutsches Rotes Kreuz</th>
<th>UNICEF</th>
<th>Brot für die Welt</th>
<th>Aktion Deutschland Hilft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deutsches Rotes Kreuz</td>
<td>59</td>
<td>52</td>
<td>32</td>
<td>20</td>
</tr>
<tr>
<td>Amnesty International</td>
<td>30</td>
<td>23</td>
<td>7</td>
<td>223</td>
</tr>
</tbody>
</table>

**Q35:** Norwegian brands indicate quality.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Indifferent</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
<td>41</td>
<td>31</td>
<td>9</td>
</tr>
</tbody>
</table>

**Q36:** Which product category do you think of when you hear Norwegian quality?

<table>
<thead>
<tr>
<th></th>
<th>Clothing</th>
<th>Cosmetics</th>
<th>Furniture</th>
<th>Food</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>37</td>
<td>13</td>
<td>17</td>
<td>33</td>
<td>13</td>
</tr>
</tbody>
</table>

**Q37:** What do you associate with the Norwegian lifestyle? Pick the three you find the most suitable.

<table>
<thead>
<tr>
<th></th>
<th>Active</th>
<th>Sustainable</th>
<th>Nature</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>39</td>
<td>14</td>
<td>70</td>
<td>8</td>
</tr>
<tr>
<td>Mountains</td>
<td>28</td>
<td>8</td>
<td>22</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>26</td>
<td>48</td>
<td>17</td>
</tr>
<tr>
<td>Action</td>
<td>7</td>
<td>7</td>
<td>45</td>
<td>351</td>
</tr>
<tr>
<td>Sports</td>
<td>Peace</td>
<td>Space</td>
<td>Fjords</td>
<td></td>
</tr>
</tbody>
</table>

**Q38:** I am interested in trying Live Arctic’s energy bars.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Indifferent</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>14</td>
<td>17</td>
<td>34</td>
<td>11</td>
</tr>
</tbody>
</table>

**Q39:** I am interested in buying Live Arctic’s energy bars.

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Indifferent</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>20</td>
<td>22</td>
<td>30</td>
<td>2</td>
</tr>
<tr>
<td>Q40: I would expect to be able to buy Live Arctic’s energy bars at a café.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------</td>
<td>-----------------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Indifferent</td>
<td>Agree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>20</td>
<td>20</td>
<td>20</td>
<td>19</td>
<td>3</td>
</tr>
</tbody>
</table>

| Q41: I would expect to be able to buy Live Arctic’s energy bars at a supermarket |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| Strongly disagree | Disagree | Indifferent | Agree | Strongly Agree |
| 7               | 7              | 9              | 45             | 14             | 82              |

| Q42: I would expect to be able to buy Live Arctic’s energy bars at a Bio-market |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| Strongly disagree | Disagree | Indifferent | Agree | Strongly Agree |
| 6               | 9              | 11             | 36             | 20             | 82              |

| Q43: I would expect to be able to buy Live Arctic’s energy bars at Drugstores (e.g DM, Rossmann etc.) |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| Strongly disagree | Disagree | Indifferent | Agree | Strongly Agree |
| 4               | 3              | 16             | 42             | 17             | 82              |

| Q44: I would expect to be able to buy Live Arctic’s energy bars in a Sports shop |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| Strongly disagree | Disagree | Indifferent | Agree | Strongly Agree |
| 8               | 7              | 38             | 21             | 8              | 82              |

| Q45: I would eat Live Arctic’s energy bars as an in-between meal. |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| Strongly disagree | Disagree | Indifferent | Agree | Strongly Agree |
| 14               | 9              | 21             | 31             | 7              | 82              |

| Q46: I would eat Live Arctic’s energy bars as a snack. |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| Strongly disagree | Disagree | Indifferent | Agree | Strongly Agree |

| Q47: I would eat Live Arctic’s energy bars after a workout. |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| Strongly disagree | Disagree | Indifferent | Agree | Strongly Agree |
| 12               | 11             | 17             | 30             | 12             | 82              |

| Q48: I would eat Live Arctic’s energy bars when I’m on the run. |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| Strongly disagree | Disagree | Indifferent | Agree | Strongly Agree |
| 8               | 9              | 28             | 29             | 8              | 82              |
Q49: I believe that Live Arctic’s energy bars are healthy.

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Indifferent</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>9</td>
<td>16</td>
<td>43</td>
<td>13</td>
<td>1</td>
</tr>
</tbody>
</table>

Q50: I expect Live Arctic energy bars to be of higher quality than other related products

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Indifferent</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6</td>
<td>12</td>
<td>44</td>
<td>18</td>
<td>2</td>
</tr>
</tbody>
</table>

Q51: In which of the following advertising channels would you expect to see advertisements for live Arctic Energy Bars?

<table>
<thead>
<tr>
<th></th>
<th>Magazine</th>
<th>Newspaper</th>
<th>Poster</th>
<th>In store promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>51</td>
<td>10</td>
<td>21</td>
<td>48</td>
</tr>
<tr>
<td>1</td>
<td>24</td>
<td>56</td>
<td>36</td>
<td>1</td>
</tr>
</tbody>
</table>

Q52: How much are you willing to pay for a Live Arctic energy bar?

<table>
<thead>
<tr>
<th></th>
<th>€ 0,50 - 0,99</th>
<th>€ 1,00 - 1,49</th>
<th>€ 1,50 - 1,99</th>
<th>€ 2,00 - 2,50</th>
<th>missing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15</td>
<td>33</td>
<td>28</td>
<td>5</td>
<td>1</td>
</tr>
</tbody>
</table>

Q53: I am willing to pay more for Live Arctic energy bar because of the ingredients.

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Indifferent</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4</td>
<td>17</td>
<td>28</td>
<td>28</td>
<td>5</td>
</tr>
</tbody>
</table>

Q54: I am willing to pay more for Live Arctic energy bar because of the charity aspect

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Indifferent</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3</td>
<td>4</td>
<td>15</td>
<td>46</td>
<td>14</td>
</tr>
</tbody>
</table>

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How would you personally evaluate the German market, what would be your expectations of the market in general?

Generally speaking, I would start of by assuming that the German market has more product varieties and substitutes than the Norwegian. So for a company like Live Arctic it would be extremely important to focus on the quality of our products and differentiate them from the market competitors.

I would assume that the differences in living standards vary more in Germany than in Norway, therefore it could be relevant to specify the targeting of more exclusive target groups or upscale markets, and sell the products at for instance more exclusive shops and grocery stores.

I believe that you need to understand the industry sector of the market you enter.

In Norway it is a general rule of thumb that when you enter a market you need the help of wholesalers or other distributors in order to penetrate the market properly.

The crucial thing for me personally would be to find a trustworthy partner in Germany that can help provide sales, distribution and promotion, or alternatively an agent that could provide sales and a distributor to provide the promotion and sales.

In which distribution channels do you want to be present in the future, and what do you think about selling your products at universities, fitness centers, cafés, etc?

In Norway we are currently looking for sales partners in the more upscale supermarket, and we have recently made a deal with grocery store «Meny» that we are really excited about.

However, there are several channels that we consider as relevant to reach the consumers that are interested in our products, since the customers can be basically everyone.

As it is right now, students, working people, retired people and families are buying our products, therefore I would say that it is more the psychographic segmentation criteria that are relevant.

Our products are even present at Gas Stations, and they do surprisingly well, so I am not to concerned regarding the choice of channels.
Would you immediately consider The German Red Cross as your charity partner if you enter the German market?

Not necessarily, it can be whoever fits the profile.

As it is right now, I am experiencing some problems related to earmarking the funds I am in procession of.

The Norwegian Red Cross had originally already given me notice that I could earmark the funds for aid, but now we are experiencing some difficulties because The Red Cross has changed their mind and would like to receive the funds as a regular donation - which is something I cannot grant.

So as it is right now, we are comfortable with using other charity organizations.

What do you believe could be the biggest challenges related to marketing and promotion if Live Arctic decides to enter the German market?

I would say that the biggest challenge is to make the brand well known, increase brand equity and brand awareness.

This could be a big challenge especially if the market partner is not concerned with marketing or promotion. Without marketing or promotion, the demand for the product will not really be present right away.

Related to price, what is the charge you would apply in Germany?

Ideally it should be priced around the same as in Norway (€3.65), but it can be adjusted accordingly to information I will provide you with.

The authors have also had contact with Mr. Friis via email for other questions. Do you still sell your products to other companies (B2B)?

Yes. However, it is quite volatile; a company can buy a massive order once, and then maybe never buy a product after that. I have signed subscriptions with some companies, and deliver goods to them every month.

Who were Live Arctic’s first distributors?

It was two local health food stores and a local gym.
Why is the production outsourced?

It costs around €3M to set up production, and if one chooses to do so - it is advantageous to produce as many products as possible; and as it is right now Live Arctic’s demand would be less than what is produced.

Do you have any general comments to Live Arctic’s financial situation?

The financial situation is critical. Although it is improving, sales are not covering the costs of the business yet. Therefore I am looking for partners and alliances.

How many employees work at Live Arctic?

Right now it is just my family and I. However, interns and partners contribute occasionally. Accounting is outsourced to a professional firm.
Appendix 12: Interview – Giffelkette, Engelhorn Sports

Position: Student/Part time worker at Giffelkette café, Engelhorn Sport, for the last three years.

What is the general concept of the café, how would you like to be perceived by your customers?

The concept of the café is based on Italy and the Italian lifestyle. We sell Italian style coffee and snacks. We sell several Italian products, and we try to make the snack, food and drink experience fresh and healthy for our customers.

What company manages Giffelkette café?

Right now, a private company owned by a local Italian restaurant- and café operator manages us. However, within a short period of time Engelhorn and their team will manage us. So, as it is right now, we are in a sort of in-between process. We assume that some of the products will be changing also now that Engelhorn is taking over.

What type of people shop at your café? Are you able to briefly explain and characterize your customers?

Unlike other local cafés, we have a really small percentage of student customers. I would say that most of our customers are families on a shopping trip. Typically, we have a lot of husbands and older males waiting for their wife to finish shopping, or visa versa.

We do however see some students and pupils occasionally.

What products sell the most at the café?

I would say that we sell around 70% coffee. Few people buy the muesli-bars or snacks, but Vitamin Water, smoothies and cakes are quite popular.

Have you recognized a healthy trend among the customers and locals?

Yes, of course. I think that this is something you can see all over the western- world, not just here in Mannheim. The trend to be- and eat healthy has completely emerged all over Europe, and this is also reflected in our customers buying behavior.

What is your opinion on Live Arctic as a product and in general? Do you think it will be successful in your café?

First of all, a lot of these energy-bars are not as healthy as claimed. They often contain a lot of sugar, fat, calories, and so on. However, assuming that this product is as healthy as stated, then I think it could be a potential success.

I believe that a lot of our customers buy products that they have heard of from previous
experiences, like for instance Vitamin Water, which is a product many people has seen while abroad or on TV. In order for Live Arctic to succeed, it has to be promoted right, and the customers need to have-, or gain knowledge regarding the product before purchasing it.

Would you have tried the product if you ever came across it as a private individual?

Yes, sure! I think it seems very interesting.
V. Affidavit

I hereby declare that I have developed and written the enclosed Bachelor Thesis entirely on my own and have not used outside sources without declaration in the text. Any concepts or quotations applicable to these sources are clearly attributed to them. This Bachelor Thesis has not been submitted in the same or substantial similar version, not even in part, to any other authority for grading and has not been published elsewhere. I am aware of the fact that a misstatement may have serious legal consequences.

Mannheim, June 8th, 2014

------------------------------------------------------------
Silje Brenk Gulbrandsen                                      Daniel Holth Larsen

------------------------------------------------------------
Tine Schjonhaug Larsen