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A review of marketing strategies from the European chocolate industry

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Abstract

This paper reviews the main marketing strategies applied by the European chocolate industry. It focuses on the role of country-of-origin, product diversification and scenarios, and provides a historical overview of the industry. This is followed by a discussion of the association between a brand and country-of-origin, before scrutinising the chocolate industry. The analysis of this study uses evidence gathered from the consumer chocolate ranking, company annual reports, consultant statistics, corporate websites and the newspaper archives. The analysis compares the marketing strategies of case studies selected; namely, Ferrero Rocher, Cadbury, Lindt and Sprüngli and Godiva. Moreover, emphasis is placed on the similarities and differences of these brands and other chocolate brands outside Europe. The study's existing literature and analysis suggests that historical context and business history play important roles over time.

Keywords: Chocolate industry, Marketing strategies, Global brands, Qualitative research, Europe

Background

A brand and a country-of-origin have a positive correlation, as they influence consumers' brand evaluation, perceptions, purchasing behaviour and brand equity (Mohd Yasin et al. 2007). Therefore, they can offer brands another dimension to consider in their marketing strategies, and create competitive advantages in the industry. A number of studies emphasise the positive association of country-of-origin in marketing strategy for certain industries; for example, fashion and perfume (Bilkey and Nes 1982), luxury products and accessories (Godey et al. 2012; Aiello et al. 2009), cosmetics (Ramli 2015), automobile (Häubl 1996), chocolate (Camgöz and Ertem 2007; Ozretic-Dosen et al. 2007), and alcoholic beverages (Lopes 2007). These studies can provide a better understanding in creating a favourable brand image. In contrast, country-of-origin often leads to an unsuccessful association of product images and quality (Kabadayi and Lerman 2011; Lotz and Hu 2001). However, these positive and negative perceptions of brands and a particular industry or product may change over time due to innovation, technological advancements, personal lifestyle or the evolution of marketing strategies and techniques (Poh Chuin and Mohamad 2012), as well as changes in society and environment, founders philosophy, company mission and vision (Ramli 2017).

From a consumer perspective, marketing strategy is significant to promote the products, particularly the brand, and introduce its new extension. From the competitor perspective, marketing strategy apparently creates competitive advantage in both the local market and global industry. Therefore, marketing strategy (encompassing branding, marketing mix, and other strategies under this marketing strategy umbrella) is a mediator between the firm that introduces a brand or a product, the consumers, and their competitors (Olson and Mitchell 2000; Stewart 1997). Consequently, marketing strategy illustrates brand reliance, in order to position themselves in a particular market and industry, and target consumers. This paper reviews the marketing strategy from selected European chocolate brands as the key evidence for the European chocolate industry in positioning their brands outside Europe, and the extent of their role in the chocolate industry, which opens door to future marketing research.

Many researches have observed the food industry as one with longevity, alongside the alcohol and beverages industry (Lehu 2004; Lopes 2002). Many of the top global brands in the food industry, such as ketchup, chocolates, instant noodles, tin-canned foods, taste enhancers, instant soups, pastries and bakeries, cereals, sauces, and cheeses, which are well known in today's world, originate in diverse countries. The successes behind their brand names have gone through various timelines and have varying historical backgrounds. Furthermore, many global brands in the food industry, particularly chocolate, already have an established presence or reputation in particular countries for geopolitical or historical reasons. For example, European colonisation and its legacies (Khera 2001), and during the Industrial Revolution, which smoothened the transportation and saved cost (Jensen 1993), and later, the massive expansion of international exports by America during and after the Second World War (Barkema and Vermeulen 1998; Bairoch and Kozul-Wright 1996). Therefore, the expansion from one product category into another is easier and, potentially, the synchronisation of branding activity across different national markets. However, due to these historical world events, businesses and brand expansion may be affected; thereby resulting in some brands surviving, growing old, and sometimes dying (Lehu 2004). Interestingly, those brands featured in this paper that continue to exist today, are in the food industry, particularly chocolates. Table 1 presents the product life in food and beverages by Prodimarques, a French brand association.

According to Table 1, the food and drinks industry has existed for at least 200 years in one form or another. Therefore, when a brand is created, the competitors within the industry also grow, especially in the food and drinks industry. This, however, causes a problem to every brand in the industry; according to experts, brands may face an age problem if they are not well managed over time (Haig 2011; Berry 1992). This is because some brands grow old, some survive and remain young, and some die. As highlighted in Table 1, chocolate seems the most prominent to study, as pasta has a significant impact on ethnic identity and carries attributable culture factors (Laroche et al. 1998). Meanwhile, biscuits have complexity of ownership with dominant control and development, and management of brand was undertaken largely by firm owners and top-level managers (Low and Fullerton 1994). For example, National Biscuit's first president was involved heavily in development; launching Uneeda Biscuits, the first national brand packaged cracker in 1899 (Cahn 1969).

Although many firms in various industries that established big brand names were founded in the United States (US), according to Joachimsthaler and Aaker (1997),

Table 1 Brand average ages by food and drinks industry

Category	Main brands' average age (in years)
Dry foods and fresh products	
Pasta	100
Biscuits	100
Chocolate	95
Puddings	90
Delicatessen	80
Coffees	70
Ice creams	65
Baby foods	60
Cans	60
Yogurts	50
Rusks	45
Frozen foods	45
Butters	45
Drinks	
Cognacs	200
Liquors	170
Champagnes	170
Mineral waters	140
Wine-based aperitifs	100
Soft natural wines	100
Anise aperitifs	100
Rums	80
Beers	80
Syrups	50
Whiskies	45
Fruit juice	45

Source: Adopted and translated from Prodimarques, www.prodimarques.com

many of the global brands in Europe were constructed without mass media; thereby drawing the interest of this study to examine the chocolate industry. Although pasta has strong associations with ethnic identity, chocolate and biscuits have no connection to any particular ethnic (Laroche et al. 1998). However, there is a study on Swiss identity smell of chocolate that more intense than non-Swiss participants, which demonstrates the Swiss social identity but does not claim to own the product (chocolate) (Coppin et al. 2016). This gap motivates this study to be conducted. The existing studies identified that chocolate does not have any association with identity like pasta; therefore there could possibly have other reasons that made the European chocolate brands globally positioned. Hence, the objective of this study is to examine and compare the marketing strategies among the European chocolate brands. In doing so, the specific aim for this study is to provide a better understanding of this phenomenon and explain the differences between chocolate and other food industry, which this industry relies heavily on branding and marketing knowledge.

Brand can refer to the use of all elements of the marketing mix, such as product, price, promotion and place, resulting from a coherent organisational and marketing approach (De Chernatony and McDonald 1992). Consequently, managers play an important role as the ultimate masking device in creating a brand (Askegaard and Bengtsson 2005). As a brand associate with the marketing mix, a good-quality product is essential. However, price is not an issue as target consumers are willing to pay for the products they want. Promotion evolved over time based on changes in society and technology advancement, and place of product distribution is related to, either country-of-origin of the product or geographical markets strategy (internationalisation). This study follows Thakor and Lavack (2003), for a proposed concept of brand origin that the place, region, or country to which the brands are perceived to belong by its customers. Hence, the brands that follow this classification have a strong association with the place, in particular, the country in which it was created. Lampert and Jaffe (1998) highlight that the country image can be viewed as an asset when it has a positive association and, conversely, as a liability when associated with negative elements. For example, French and Italian brands such as Gucci, Louis Vuitton, Chanel, Dior, Hermes, Armani, Versace Prada, dominated the fashion industry for a long period because of their luxury status, sophisticated design, and quality images. On the other hand, they have less positive association with automobile and high technology products; unlike those produced in Germany and Japan. However, this contradiction has not decreased the perceived product attractiveness (Morgan et al. 2002) because consumers associate certain geographies with the best products. Moreover, competing products from outside these countries are perceived as less authentic (Deshpandé 2010). Consequently, country-of-origin plays important role for a brand; specifically, in positioning its product in different geographical markets. Therefore, this paper examines the marketing strategies of the European chocolate industry in positioning their brands outside Europe.

The marketing strategies study of the European chocolate industry in positioning their brands outside Europe covers a long period. However, this paper examines the overview of marketing strategies of European chocolate industry in the present that may differ from other brands outside Europe. This industry is significant because, in Europe, it is larger than other regions worldwide and its heritage can be traced back as far as the 17th century (Fold 2001). Therefore, this industry considers a mature food category in the present, with significant differences in national preferences, such as national income, which clearly affects the market; for example, a producer found that chocolate consumption varies dramatically across major markets in developed countries (Yip and Coundouriotis 1991). In contrast, El Rey, an old company that processes some of the best cacao beans worldwide, has struggled to thrive outside its home market. This is because it is based in Venezuela, and consumers have been conditioned to believe that great chocolate comes from Europe, not Latin America (Deshpandé 2010). Figure 1 illustrates the share of global chocolate market in 2011 by region, as evidenced in the literature.

The share of the global chocolate market relies on its production and high manufacturing economies of scale, which encourages global market expansion, standardised products, and centralised production (Yip and Coundouriotis 1991). Figure 1 evidenced that Europe comprises the largest market share in the chocolate industry: 44% for both Western and Eastern Europe; whilst the other market share includes North America

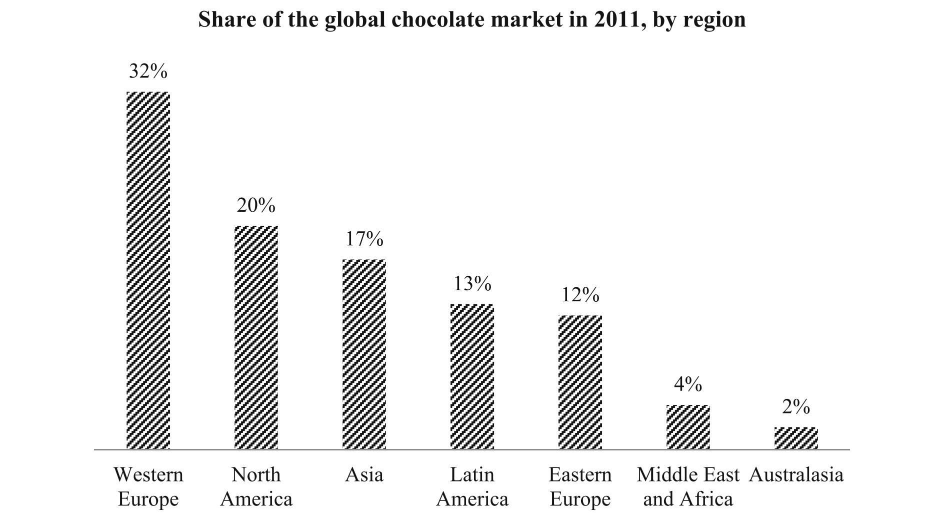

Fig. 1 Share of the global chocolate market in 2011 by region. *Source:* Statista

with 20%, followed by Asia with 17%, Latin America for 13%, Middle East and Africa with 4%, and the smallest market share is Australasia with 2%. Figure 1 summarises that the chocolate industry is dominated by Europe, despite the largest and finest cacao productions being located in Latin America and Africa. Therefore, this is an interesting evidence to retrospect the marketing strategies of the European chocolate industry in positioning its global brands. The study of marketing strategies of the chocolate industry is significant because it explains how Europe, as a non-cacao producer, can hold the largest chocolate market share in the industry. In order to scrutinise the investigation for this industry, Table 2 presents the details of the European chocolate brands featured in this study.

Many chocolate firms are growing through merger and acquisitions, or by expansion into new markets outside Europe, such as Japan and Latin America (Yip and Coundouriotis 1991). According to Dand (1997), more than 200 takeovers occurred in the chocolate industry between 1970 and 1990, and about 50% of global market is presently supplied by 17 companies; whereby a global scale is the rapid centralisation among chocolate producers. As a result of the shift towards centralisation, the trend in marketing strategies of the chocolate industry is in product differentiation, such as taste, serving sizes, packaging, advertising, and the development of 'health' products (Fold 2001). Moreover, in the recent study, the rise and impact of fair trade as the unique business model among chocolate companies offering an alternative to conventional international trade (Doherty and Tranchell 2005). This trend for sustainability as part of business strategy not only invades the chocolate

Table 2 European chocolate brands for case studies

Brand	Country of Origin	Year Creation	Founder
Ferrero Rocher	Italy	1946	Pietro Ferrero
Cadbury	Great Britain	1824	John Cadbury
Lindt & Sprüngli	Switzerland	1845	David Sprüngli-Schwarz
Godiva	Belgium	1926	Joseph Draps

Sources: Multiple companies' sources such as companies' official website, Annual Report industry, but others, such as the beverage industry; in particular, coffee (Linton 2005) like Cafédirect (Davies et al. 2010), in cosmetics industry the trend of global brands concerning on sustainability emerged (Ramli 2015), tourism and hotel industry (Bader 2005), and few other industries (Samy et al. 2010) in various countries (Schoenherr 2012).

Similarly, many brands rely on advertising for worldwide promotion, either through printed ads, electronic ads, or traditional word-of-mouth (Trusov et al. 2008). This prompted the firms to make huge financial investments in order to promote their brands; for instance, to meet the management's selling target. However, Bogart and Lehman (1973) argue that advertising can never be the sole explanation of why a brand is at the forefront of a customer's mind. Therefore, the marketing strategies of a firm on advertising can vary to convince as a successful global brand. This is supported by Joachimsthaler and Aaker (1997) through example such as The Body Shop and Hugo Boss, which remain well-known global brands without mass media. This paper reviews whether the European chocolate brands position themselves globally either with or without mass media.

Theoretical framework

This study uses semiotics theory to examine the European chocolate brands in the global market. This theory is appropriate for this study because it offers to the study of signs and their meaning (Alden et al. 1999; Mick, 1986). According to McCraken (1993), a process of positioning framework on the use of verbal, thematic and visual signs in advertising to associate the brand with global, foreign, or local consumers' culture refer to meaning transfer. Theoretically, using advertisements can relate to this theory where it serves as a sign to communicate meanings associated with the brand (Alden et al. 1999). For example, using advertisements will communicate brand positioning where (Schmitt, Simonson and Marcus 1995) linked professionalism with property investment industry and high-tech attribute to the electronics industry. Coupling this theory with the basic marketing mix and the resource-based view, it will give the vibrancy of the review for the European chocolate industry (McCarthy 1964; Wernerfelt 1984).

First, this study uses the basic marketing mix consists of product, price, distribution and promotion. It compares the four European chocolate brands strategy in term of their product, price, distribution, and promotion. Second, this study uses the resource based view to examine each four chocolate brands resources such as human resources, tangible, and intangible resources. It investigates each resource exploited by the brands in case study. Third, the semiotics theory enriches each case study to provide a better understanding on brand position in the global market. In doing so, it is hoped that the review of European chocolate industry will be compared, and differences between the case studies will be predicted.

In addition, the evaluation of the European chocolate brands to position their brands is not solely relies on their marketing strategies but also other significant factors such as the use of quality ingredients, supply chains, marketplace, product attribute information, and many others (McCarthy and Norris 1999). However, the motivation of this paper is to draw an overview from the company's marketing perspective, which is hope to contribute links with other perspectives such as from consumer's lens, and other factors in the industry. Indeed, marketing is a broad area in management, and this paper points out the significant area in marketing that relevant to further research in the future, particularly in product, price, distribution and promotion.

Methods

This study analyses four chocolate brands from four different countries in Europe. The selection of these brands is based on country-of-origin that represents the brand in Europe. According to Yin (2013), there are four basic research designs and positions for case study. First, a case study will be selected either a single or multiple case. This is important due to the nature of study and research questions (Yin 2013). As a reminder, the research questions for this study are as follows;

1) *Why did the marketing strategies differ among the European chocolate brands than other chocolate brands in positioning their brand globally?*
2) *How did the marketing strategies differ among the European chocolate brands than other chocolate brands in positioning their brand globally?*

Following this stance, this study uses a multiple case study method because it aims to compare the European chocolate brands and understand their strategy outside Europe. Second, the dimension concern in case study design is to decide on a single-holistic unit of analysis or the use of multiple embedded unit of analysis (Yin 2013). This study uses only a single unit of analysis that is marketing strategy, and therefore made it a holistic study. The comparison between four European chocolate brands in this paper is mainly focuses on their marketing strategies, which the combinations of marketing mix, resource based view, and semiotic theory, are appropriate to use for the investigation. The significance of following this case study research design is it may offer a robust framework for data collection and increase the explanatory power, and generalisability of the data collection process (Yin 2013). As this paper is a broad overview study, a holistic multiple-case study is the most suitable, and having more than two cases will produce an even stronger effect (Yin 2013). This paper adopts a comparative-qualitative approach, and uses a holistic design because only one unit of analysis involve (Yin 2013) that is marketing strategies.

The data collection for this study relies heavily on digital archive and secondary sources. This study uses a triangulation of multiple sources because qualitative research is often affected by the qualitative researcher's perspectives, and it is desirable to reduce bias and increase truthfulness (Denzin 1978). This means that with data collected through different methods and sources, the researcher can corroborate findings across data-sets and thus reduce the impact of potential biases (Bowen 2009). First, all chocolate brands in Europe are gathered from various sources, such as marketing websites, business magazines, related books and journals. Then, these brands are cross-checked with Ranker ranking, a social consumer web platform, to identify the most familiar and favourable chocolate brands worldwide. The measurement of marketing strategies in this paper are product diversification and branding, geographical markets, and also the marketing mix, including product, price, promotion and place (distribution). The data collection is derived from various sources, such as the company annual reports between 2005 and 2011, analysis of the global chocolate market shares from Statista and Euromonitor International, the company official corporate websites, and newspapers historical archive.

Result and discussion

The analysis of the European chocolate brands in positioning their themselves outside Europe started with the familiarity and favourable votes by customers; in particular, a specific group of chocolate lover. Table 3 illustrates the top ten chocolate brands voted by consumers online, based on familiarity and their favourable brands.

Using the number of votes gathered from a social consumer web platform, Lindt and Sprüngli was voted the most familiar and favourable chocolate brand among the consumers, with 75.5%, followed by Cadbury with 73.6%, and Ferrero Rocher with 70.6%. Godiva comes after Ghirardelli Chocolate Company, Dove Chocolate, and Nestle, with 68.7%. In this study, Nestle is not listed in case studies, as there are other top brands that represent Switzerland; namely, Lindt and Sprüngli. Ghirardelli Chocolate Company and Dove Chocolate are also not listed in this study because the country-of-origin is not in Europe; Ghirardelli Chocolate Company was founded by an Italian-born Domingo Ghirardelli and created in San Francisco in 1852 (Ghirardelli Corporate Website 2016), while Dove Chocolate was created in Chicago by a Greek immigrant Leo Stefanos (Leib 1985). Consequently, Ferrero Rocher, Cadbury, Lindt and Sprüngli and Godiva qualify to progress to the analysis stage.

In response to the familiarity and favourable brands by consumers, the marketing strategy of chocolate company is significant to examine. According to Yip and Coundouriotis (1991), the global transferable marketing is mixed by the chocolate producers, which evolved across marketing areas such as products, brand names and packaging, extend channel of distribution, and communication and advertising through multi-country media. Figure 2 illustrates the relationship between resources, capabilities and competitive advantage used to analyse the marketing strategies in this study.

Figure 2 reveals the relationship between resources, capabilities and competitive advantages that adopted from Grant (1991) to analyse the European chocolate brands selected. From a resource-based view (RBV), all four chocolate brands have strong resource elements; namely, tangible, intangible, and human resources. Subsequently,

Table 3 Top ten chocolate brands voted by online consumer

Brand	Number of votes/Overall	In percent
Ferrero Rocher	65/92	70.6%
Cadbury	201/273	73.6%
Lindt & Sprüngli	241/319	75.5%
Godiva	145/211	68.7%
Ghirardelli Chocolate Company	160/225	71.1%
Dove Chocolate	148/210	70.5%
Nestle	161/234	68.8%
The Hershey Company	203/307	66.1%
Mars	138/211	65.4%
Kinder	80/133	60.1%

Source: Number of votes derived from Ranker ranking

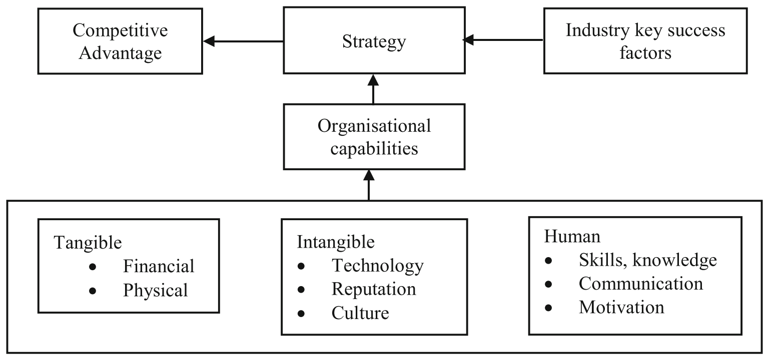

Fig. 2 The relationship between resources, capabilities and competitive advantage. *Source*: The resource-based theory of competitive advantage: implications for strategy formulation (Grant 1991)

the organisational capabilities play an important role in exploiting these strong resources through marketing strategies. For example, spanning history, Pietro Ferrero, John Cadbury, David Sprüngli-Schwarz and Joseph Draps created the original business operation, including what product to sell, where to sell and how to sell their products, which later became the business philosophy and branding heritage of their brands. Considering the available resources and time, these entrepreneurs were strategic in identifying business opportunity, which in the present explains the existence of competitive advantage in the European chocolate industry. Due to business history and legacy left by the founders who created competition over time from date of their brand creation to the present, the domination of European chocolate brands become phenomenal. This can be seen in Table 3, where there is more than one brand created in a European country; for example, Kinder and Ferrero Rocher, created originally in Italy, and Lindt and Sprüngli and Nestle, founded in Switzerland at date of creation. Furthermore, from the RBV, although cacao beans are not planted in Europe, the role of entrepreneur or founders and organisational capabilities of the chocolate firms are innovative in exploiting and maximising other resources available such as tangible and intangible resources. For example, offering financial, manufacturing, technology or even the reputation of developed countries, to Latin America or Africa for them to find business opportunity outside developing countries boundary. Upon this win-win negotiation, the European chocolate firms scrutinise their marketing strategies and distinguish them from their global rivals.

Similarly, the differences in marketing strategies launched by the European chocolate firms are the drivers for a chocolate brand to reach consumers outside Europe. Table 4 summarises the geographical expansion with product diversification of the European chocolate companies in the present, using the four case studies.

Presently, the European chocolate firms have expanded their businesses on product diversification and branding. As can be seen in Table 4, all chocolate firms have created more than two other brands under the same ownership, with the exception of Godiva. Godiva was acquired in 2008 by Yildiz Holding for USD 850 million (Ulker Biskuvi 2014). Although Cadbury was taken over by Kraft (later the confectionery business became Mondelez International) in 2010 with £11.5 billion value, Cadbury had already created more brands. Conversely, Lindt and Sprüngli adopted an opposing strategy by acquiring Ghirardelli, an Italian-chocolatier-made-in-America, to expand the international market,

Table 4 A Comparison of Product Diversification and Geographical Markets of Chocolate Brands

Marketing Strategy	Ferrero Rocher	Cadbury	Lindt & Sprüngli	Godiva
Diversification and branding	4 main brands (Nutella, Kinder, Tic Tac, Ferrero Pralines)	Americas (9 main brands); BIMA (12 main brands); Europe (11 main brands); Asia Pacific (9 main brands)	3 main brands (Lindt, Ghirardelli, and Russell Stover)	Godiva
Geographical markets	The Ferrero group is present in 53 countries; product sold in more the 160 countries.	Americas (27% shares,); BIMA (31% shares); Europe (17% shares); Asia Pacific (25% shares)	North America (156 shops), Brazil (18 shops), Europe (114 shops), Japan (15 shops), South Africa (4 shops), Australia (18 shops)	32 thousand points of sale across the world including new markets Australia, China, Indonesia, Korea, Macau, Saudi Arabia and Turkey

BIMA stands for Britain, Ireland, Middle East and Africa
Sources: Table developed by the authors and data gathered from multiple sources published between 2005 and 2011 as listed below;
1) Ferrero Rocher, see Ferrero Rocher Corporate Website. Retrieved from https://www.ferrero.com/the-ferrero-group/our-values/attention-towards-consumers
2) Cadbury, see Cadbury report brochure. Retrieved from http://files.investis.com/cadbury_ir/reports/brochure.pdf
3) Lindt & Sprüngli, see Annual Report 201, (pp.44-45)
4) Godiva, Ulker Biskuvi Annual Report 2014, (p.25)

and later bought Russell Stover (Maclucas 2014) to strengthen its business as a weaker demand occurred in the late 2000s due to recession (Wiggins 2009). Whilst Ferrero Rocher remains under family ownership, led by the son of the company's founder (Allen 2010), it also has four main brands, such as Nutella, Kinder, Tic Tac, and Ferrero Pralines. In summary, product diversification and branding is important to these global brands in positioning their product and brands; especially at date of creation when they were under the original ownership or their successor, and before any takeover or acquisition happened.

Upon strengthening the chocolate brands through product diversifications, these global brands positioned themselves through internationalisation strategy; whereby chocolate firms evaluate specific-advantages, such as ownership, location and internalisation (Dunning 1988), and also exploit resources available as summarised in Fig. 2. Consequently, the international involvement of firms has become commonplace through merger and acquisition, takeover, licensing, franchising, joint ventures and strategic alliances, and international production. Table 4 illustrates that Ferrero Rocher expands to more than 160 countries through various distribution channels; Cadbury as one of the largest global brands in chocolate industry has 4 main share markets led by Britain, Ireland, Middle East and Africa (BIMA) with 31% share worldwide; Lindt and Sprüngli has expanded with over than 300 shops and cafes globally; and so to Godiva with 32 thousand points of sales. From the data provided in Table 4, it is apparent that global brands in the European chocolate industry are organising their production and research activities according to a European and global basis; thereby explaining the global expansion also founded on other branded food products (Traill and da Silva 1996). As the international expansion is evidenced globally, the European chocolate brands adopt international strategies (McGee and Segal-Horn 1992), which should not abandon the local culture, norms and belief while maintaining its originality; for example, McDonalds and Kentucy Fried Chicken (KFC), known as American fast food brands that adapt to local cultures and tastes to expand their American association abroad. In summary, Godiva and Cadbury have strengthened their position in the chocolate industry outside Europe through takeovers by the largest food manufacturers. Meanwhile, Lindt and Sprüngli acquired other brands that were already established and held strong positions in other countries, and Ferrero Rocher through other brands creation, similarly like Estee Lauder strategy in the cosmetic industry (Singer 2011).

Through further analysis of marketing strategies, this paper compares the marketing mix of the European chocolate brands. Table 5 presents the marketing mix from four case studies.

The marketing strategies of chocolate firms in the case studies demonstrate some vibrancy in this industry. In relation to the product diversification and branding discussed earlier, Table 5 illustrates that European chocolate brands have various segments of product lines with high demand and strong positions globally. For example, Ferrero Rocher is famous for its Ferrero Pralines (Rocher, Raffaello and Golden Gallery) and Nutella spread, Cadbury segments its brands through other product lines, like Cadbury chocolate drink in sachet, ice cream flavours, desserts and the well-known Oreo chocolate biscuit, whilst Lindt and Sprüngli expands its product lines to cakes and macaroons through the opening of Lindt Cafe, and Godiva offer beverages and pastries in its café as well. In terms of product strategy, these European chocolate brands are no different than those listed in the top ten chocolate brands worldwide presented in Table 3; especially with the US competitors like Hershey and Dove Chocolate. Conversely, in terms of dairy product production, there is a similarity in the first stage of the chain between the US and European. However, the differences occur in later stages; whereby America often sells products to other processing industries while the European firms process them themselves (Ollila and Nilsson 1997). Therefore, this influences the consumers' purchasing decision for chocolate as the European brands are mostly made and produced wholly in country-of-origin, which in the early discussion associates with quality and image.

Price strategy is an essential role in marketing mix as it relies on demand and competitor performance; therefore, product prices change due to these main factors. From Table 5, all the European chocolate brands are above average price, except for Cadbury,

Table 5 A summary of marketing mix from case studies

Marketing Mix	Ferrero Rocher	Cadbury	Lindt & Sprüngli	Godiva
Product	Chocolates, Spread on bread	Chocolates, Beverages, Cooking, Ice Cream, Biscuits, Rolls, Desserts, Miscellaneous (Marshmallow)	Chocolates, macaroons, cakes, ice cream	Chocolates, beverages, pastries
Price	Highly priced	Price varies based on product segment	Highly priced	Highly priced
Promotion	TV Advertisement Internet, Magazine	TV advertisement, Internet, Magazine, sales promotion, Billboard	Tennis Champion as ambassador, discount activities, advertising, sales promotion	Online campaigns, billboard, advertising
Place (Distribution)	Shops, supermarkets, malls, Airports	Company, Agent, Distributors, malls, Retailers (Shops, Supermarket, Airports, etc.)	Lindt Chocolate Cafes, mall, Lindt Shop, Airports	Café Godiva, mall, Godiva Shop, Airports

Table developed by the authors
Sources: Multiple sources from Annual Reports between 2005 and 2011, and the Corporate Websites (Cadbury Corporate Website)

whose prices vary according to product segment. Interestingly, although these brands are categorised as high price in its product category, there are high demand and preferences from consumers worldwide, as evidenced in Table 3. Therefore, as discussed previously, country-of-origin is important for a particular product and brands, as demonstrated in this case study of the chocolate industry in Europe. A generalised relationship between country-of-origin and a particular brand may be fragile to some extent, but evidenced from the European chocolate industry discovers that consumers associate a certain country in influencing their perception of product from a specific country (Bilkey and Nes 1982); for example, the stereotype of fine chocolates from Switzerland, Italy, Belgium, UK or Europe. Consequently, consumers continually purchase high-priced chocolate brands that originated from Europe because country-of-origin image has a significant impact on brand equity dimensions and brand equity (Mohd Yasin et al. 2007). Hence, pricing strategy is not significant for the European chocolate industry in terms of positioning brands.

Furthermore, the chocolate industry follows the current trend in various industries, which is experiencing the trend towards globalisation (Yip and Coundouriotis 1991). This global cultural convergence is caused largely by the rapid technology advancement in the information technology and communication industry; whereby the usage of internet, mobile, e-business, satellite television and other multi-country media are emerging and growing. As a consequence, current promotion strategy becomes easier than before, when word-of-mouth was the main instrument in traditional promotion. As can be seen in Table 5, all European chocolate brands access their potential consumers worldwide through various promotional channels; namely, TV advertisement, internet, online campaign, advertisement through global magazines, and others. Most of the European chocolate brands fully utilised this promotion channel to reach their current consumers, similar to other industries. Hence, mass media is crucial in the chocolate industry to promote the brands as competition is always high. However, this is contrasts with global brands in the marketing based-industries like alcoholic beverages and cosmetics, which relies on innovation from branding and marketing knowledge rather than technology (Lopes 2007). This difference is due to some of global brands in the present have a long historical trait, which derived from their longevity of the brands since date of brand creation (Ramli 2017). Also, the industry characteristics distinguish the appropriate marketing tools to be used in development of a brand as well as to position the brand in various marketplaces. Moreover, apart from mass media influence other factors such as founder principles, brand heritage, company's vision and mission, industry characteristics, changes in society and environment are significant for brand development (Ramli 2017). For example, The Body Shop (cosmetics industry), and Hugo Boss (fashion industry) rely on advertising and mass media in the present, but spanning back history, these brands relied on innovation in branding and marketing knowledge. Historically, Hugo Boss tied with cultural events like the World War II and the Great Depression that became associated with their brands (Joachimsthaler and Aaker 1997), and prior to 1938 their production was evidently not limited to clothes (Köster 2014). This shows that Hugo Boss involved with product diversification during the wartime as part of its marketing strategy before invested into the mass marketing. On the other hand, The Body Shop started its business with its philosophy to educate rather than sell, and therefore no advertising involved in development on its brand (Halal 1998). This is also contrast with manufacturing, and other large industries because they are capital-based industries and rely on financial intensive (Chandler 1990).

According to Table 5, all the European chocolate brands maintain their branding heritage by selling in the brand's shop as the original distribution strategy. Although only Lindt and Sprüngli and Godiva have retained and strongly distributed their products at their own boutique in few other locations, such as London and Sydney, Cadbury and Ferrero Rocher at least still run their businesses and distribute products at their well-known boutique in their home country (Ferrero Rocher Corporate Website 2016; Cadbury Corporate Website 2016). This similarity among the European chocolate brands has distinguished them from other chocolate brands worldwide. In relation to the product's prices, all the European chocolate brands are distributed largely in premium malls globally, and also at the most reliable access points, like airports; thus competing with other chocolate brands, especially those from the US like Hershey. In contrast, Lindt and Sprüngli and Godiva have moved to distance themselves from this competitive market by introducing their own cafés (Lindt Corporate Website 2016; Godiva Corporate Website 2016).

In addition, the findings from each marketing mix in case studies contribute to a debate of the content and meaning of brand equity that has link and important in marketing strategies for a number of different purposes (Hossien 2011). From the resource based view of these case studies, marketing strategy is an important intangible asset that has psychological and financial value to the firm (Kotler et al. 2007), alongside other significant factors such as organisation, financial, supply chain, and others. Also, it can be discussed from different perspectives such as the lens of manufacturer, retailer, consumer or the company. In this industry, manufacturers and retailers are interested in strategic implications of marketing strategies for positioning their brand; investors are more into financial concerned; customers are interested into socio-status and behaviours (Atilgan et al. 2005); and the companies are fascinated with resources that help to develop and position their chocolate brands. This paper discusses an overview of the European chocolate brands in positioning their brands through different marketing strategies with evidence from historical records. However, these findings provide a broad review on how they positioned their brands competing with the non-European chocolate brands and their success did not rely solely on the marketing strategies factors but also other factors that could possibly be discovered in the future such as from different perspectives discussed earlier.

In summary, the European chocolate industry is important and this paper had opened the door to future research on how brands currently position their products worldwide; namely, through product diversification, branding, marketing mix, ownership control, with management responsibilities making decisions by exploiting resources available, and identified specific-advantages (internationalisation). However, the historical retrospect of these measurements is interesting as it offers an evolution of marketing strategies that change over time.

Conclusion

In conclusion, this paper discusses the marketing strategies in the European chocolate industry. It identifies some similarities, such as product diversification, geographical market, and the marketing mix in general. However, to some extent, there are also few differences, such as in marketing mix, particularly in place (distribution) strategy; whereby the European chocolate brands, such as Lindt and Sprüngli and Godiva, are in favour of venturing their own brands' cafés in other geographical markets. Conversely, the marketing strategies among European chocolate brands differs from other chocolate brands worldwide, particularly from the US, like Hershey and Dove Chocolate, the close competitors in top ten familiar and favourable chocolate brands, for example in pricing strategy which the prices of European chocolate brands in case studies are priced higher than the US chocolate brands. There is a difference in product strategy, particularly in production, between the European and US chocolate brands; whereby the US sells products to other processing industries, while the European processing themselves at their home countries. The similarities and differences in marketing strategies are associated with ownership control and management of the company; whereby branding heritage exists among the European chocolate brands that identify their brand image and explain the association with country-of-origin.

This paper has a contribution to the literature, theory, methodology and practical implication. First, this paper provides a comparative case study overview with evidence from four different European chocolate brands, which contribute to the literature in the chocolate industry. Second, this paper had a contribution to a theory by providing case studies with evidence using the semiotics theory coupling with the basic marketing mix and resource based view to provide better understanding of the overview in marketing strategies among the European chocolate brands. In doing so, this hybrid coupling theories used show that this method had a potential way to examine the phenomena that have never been done by other similar study. Third, this paper has a contribution in methodology by providing a qualitative method using a holistic multiple case study with triangulation sources to analyse the cases, which contrast than other chocolate brand studies that used a single case study. Fourth, this paper has a practical implication by highlighting the strategy of differentiation among the European chocolate brands, which competitive marketing strategies are useful in the industry, particularly in promotion and distribution. This study is helpful as a guide for practitioners involved in marketing strategies in marketing-based industry particularly in chocolate industry, which they would consider the characteristics of resources in a firm may have capabilities to provide differentiation in products strategy, or it also has weaknesses that may hinder and prevent a sustained shift, ultimately leading to business demise. The examples of brands in this study is hoped to provide as a guideline.

In summary, this paper has provided an overview of the area of marketing strategies in the European chocolate industry. This is an interesting area for further investigation because although Europe is not the largest or even the finest producers for cacao beans, it produces and processes global brand chocolates in the present. As for the future recommendation, it is interesting to look back at the trajectory and business history of chocolate industry in Europe, as the overview of marketing strategies in this paper reveals the result of marketing strategies evolution over time; for example, the traditional word-of-mouth has evolved to social media through technological advancement. This research suggests that the business history perspective could establish a robust foundation of marketing strategies in the European chocolate industry and explain the industry system over time.

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