



KIU FUNG HONG LTD

# Innovative Strategy Makes Creative Brand Skyrocket

Co-branding proves magic bullet as novel concept brakes through to snack market dominance. Dr. WONG WAI HUNG, ELLIS reveals his company unique path to progress.



Dr. Wong Wai Hung Ellis: “Leaders must create sustainable competitive advantage, innovation and nurture perseverance.”

**T**he company was established in 1965. Originally, as a small food shop, it began introducing Japanese snacks while collaborating with Japanese companies. Since then, it began to branch out and build trade connections with South Korea and other countries collecting the right product for its markets.

“But because agent force development can be affected by various restrictions such as manufacturers in the area, contract time, power of attorney that can cause instability and business challenges, and the fact that development of nature is limited, in the 80s, we decided to develop our own first brand Edo ‘edo pack’, then later created ‘waves big cut’, ‘dessert duet’ and ‘friemily,” explains C.E.O Dr. Wong Wai Hung Ellis.

## Market Strategy

“Primarily we are using the agent system to promote branding to China’s different provinces, and to make sure imported products are adjusted to fit the market taste,” says Dr. Wong.

“In order to overcome the problem of large volume production to lower pricing and also to ensure that food production is timely, as well as to control imported quantity and quality of snacks, we began to ship directly from factory to each province. This prevented a large number of goods stranded as well as reduce shipping costs.”

## Unique Approach

Dr. Wong says, that in recent years, Hong Kong’s concerns about health is increasing. “In this climate, the brand



actively seeks snacks offering a balance of taste and health. Not only that, we also try to collect different products from around the world but not forget pioneering brands of the candy, chocolate, cookies, crisps, cakes, drink, ready-to-eat surface and cookies, to create a diverse product line and style.”

“We try to improve the established sales network and channels, and to use mother, son brand and corporate brand approach to expand into a more diversified market for using operation, advertising and human resources. Using other brands we on development opportunities, to improve the brand’s image and awareness, for example Japan’s most popular Hello Kitty co-branded with our products, so that the brands constantly add new elements and better value.”

### Path Finder

“Twenty-five years ago, we were the first mover to introduce the Japanese seaweed into local markets, by using our own brand to launch it. Since it was made in Japan, the cost was not low, and so the selling price cannot be too low. Back then, the market had no competitors, so even if pricing was relatively high compared with other snacks, it was still a hit. But later, competitors in Hong Kong launched

lower price seaweed products, which created a serious impact on our seaweed sales. After this, we try to develop branding as a strategy to compete with similar products in the competition, and to keep pricing at a 35% margin. Through this experience, not only did we learn how to cost control, but also to increase



purchase channels in logistics, and use different countries or manufacturer of local resources and technological advantage.”

### Market Leadership

“Our strategy is to maintain and develop brands authorized with different manufacturers or agents using their resources and channels with a view to developing suitable products and brands according to suit consumer’s tastes.

Doing business with ‘3s’ idea: seek, solutions, and self-assessment, meaning

to know how to find the problem’s core and location, to develop more solutions and finally to constantly reflect performance.”

“Running a business is like car racing, you need courage to drive in the racing field, but only courage is not enough, but one also needs good driving techniques, and the racer needs to understand the own strengths to surpass beyond their rivals. And if we put this analogy into business, it is such that business leaders must understand the business opportunities, and to have a clear market positioning and market strategy for product development. Leaders must create sustainable competitive advantage, innovation and nurture perseverance. This way consumers’ expectations of the brand are exceeded and hence product and brand cycle can be extended which eventually results in success of the whole business.” ■

