

## Brief Integrative Case 2.2

# Danone's Wrangle with Wahaha

In 1996, Danone Group and Wahaha Group combined forces in a joint venture (JV) to form the largest beverage company in China. A longstanding trademark dispute between the JV members, embedded within a broader clash of national and organizational cultures, came to a head. Valuable lessons can be learned from this dispute for investors considering joint ventures in China.

The Wahaha Joint Venture was established in 1996 by Hangzhou Wahaha Food Group Co. Ltd., Danone Group, and Bai Fu Qin Ltd. In 1997, Danone bought the interests of Bai Fu Qin and gained legal control of the JV with 51 percent of the shares. While members of the JV are entitled to use the JV's Wahaha trademark, in 2000, the Wahaha Group developed companies outside of the JV that sold products similar to those of the JV and used the JV's trademark. The Danone Group objected and sought to purchase those non-JV companies.<sup>1</sup>

In April 2007, Danone offered RMB4 billion to acquire 51 percent of the shares of Wahaha's five non-JV companies. Wahaha Group rejected the offer. Subsequently, Danone filed more than 30 lawsuits against Wahaha for violating the contract and illegally using the JV's Wahaha trademark in countries such as France, Italy, the U.S., and China.<sup>2</sup>

### Danone's Background

Danone traces its routes to Europe in the early 20th century. In 1919, Isaac Carasso opened a small yogurt stand in Spain. He named it "Danone," meaning "Little Daniel," after his son. Carasso was aware of new methods of milk fermentation conducted at the Pasteur Institute in Paris. He decided to merge these new techniques with traditional practices for making yogurt. The first industrial manufacturer of yogurt was started.<sup>3</sup>

Following his success in Europe, Carasso immigrated to the U.S. to expand his market. He changed the Danone name to Dannon Milk products, Inc., and founded the first American yogurt company in 1942 in New York. Distribution began on a small scale. When Dannon introduced the "fruit on the bottom" line in 1947, sales soared. The following year, he sold his company's interest and returned to Spain to manage his family's original business.<sup>4</sup>

By 1950, Dannon had expanded to other U.S. states in the Northeast. It also broadened the line by introducing low-fat yogurt that targeted the health-conscious consumer. Sales continued to rise. Dannon expanded across the country throughout the 1960s and 1970s. In 1979,

Dannon became the first company to sell perishable dairy products coast to coast in the U.S.<sup>5</sup>

In 1967, Danone merged with leading French fresh cheese producer Gervais to become Gervais Danone. In 1973, Gervais Danone merged with Boussois-Souchon-Neuvesel (BSN), a company that had also acquired the Alsatian brewer Kronenbourg and Evian mineral water.<sup>6</sup> In 1987, Gervais Danone acquired European biscuit manufacturer Général Biscuit, owners of the LU brand, and in 1989, it bought out the European biscuit operations of Nabisco.

In 1994, BSN changed its name to Groupe Danone, adopting the name of the Group's best-known international brand. Under its current CEO, Franck Riboud, the company has pursued its focus on the three product groups: dairy, beverages, and cereals.<sup>7</sup> Today, Danone's mission is to produce healthy, nutritious, and affordable food and beverage products for as many people as possible.

### Danone's Global Growth

Danone, with 160 plants and nearly 100,000 employees, has a presence in all five continents and over 120 countries. In 2015, Danone recorded €21.1 billion in sales, a nearly 30 percent increase from its €15.2 billion in sales in 2008. Danone enjoys leading positions in healthy food:<sup>8</sup>

- No. 1 worldwide in fresh dairy products
- No. 2 worldwide in bottled water
- No. 2 worldwide in baby nutrition
- No. 1 in Europe in medical nutrition

Its portfolio of brands and products includes Activia, a probiotic dairy product line; Danette, a brand of cream desserts; Nutricia, an infant product line; Danonino, a brand of yogurts; and Evian, a brand of bottled water.<sup>9</sup>

Listed on Euronext Paris, Danone is also ranked among the main indexes of social responsibility: Dow Jones Sustainability Index Stoxx and World, ASPI Eurozone (Advanced Sustainable Performance Indices), and Ethibel Sustainability index. Danone has ranked number 51 in top 100 international brands according to Interbrand 2015 Best Global Brand valuation, with the brand value of \$8.6 billion.<sup>10</sup>

In 2014, Danone recorded an organic growth rate of 4.7 percent despite a weak European economy, further strengthening its global standing. The group's performance is the result of a balanced strategy that builds on

international expansion, a growing commitment to innovation, and strengthening health-oriented brands. Danone invests heavily in research and development—€276 million in 2015. One hundred percent of projects currently in the pipeline focus on health and nutrition.<sup>11</sup>

As of 2014, Danone is the world's second largest producer of bottled water. Danone owns the world's top-selling brand of packaged water, Aqua, which recorded sales of 11 billion liters in 2014. With Evian and Volvic, Danone also owns two of the five worldwide brands of bottled water.<sup>12</sup> Its revenue from water products amounted to €4.2 billion in 2014: China, France, Indonesia, and Mexico accounted for the most sales. Growth is strongest in China, Indonesia, and Argentina, with emerging markets accounting for 70 percent of all of Danone's bottled water sales.<sup>13</sup>

In the mid-1990s, Danone did 80 percent of its business in Western Europe. Until 1996, the company was present in about a dozen markets including pasta, confectionery, biscuits, ready-to-serve meals, and beer. The company realized that it is difficult to achieve simultaneous growth in all these markets. Therefore, they decided to concentrate on the few markets that showed the most growth potential and were consistent with Danone's focus on health. Starting in 1997, the Group decided to focus on three business lines worldwide (Fresh Dairy Products, Beverages, as well as Biscuits and Cereal Products), and the rest of the business lines were divested. This freed the company's financial and human resources and allowed for quick expansion into new markets in Asia, Africa, Eastern Europe, and Latin America. In less than 10 years, the contribution of emerging markets to sales rose from zero to 40 percent while that of Western Europe went below 50 percent.<sup>14</sup> By 2014, emerging markets accounted for 60 percent of all growth, with over 60 percent of all employees working outside of Europe.<sup>15</sup>

In 2007, the same year that it attempted to acquire 51 percent of the shares of Wahaha's five non-JV companies, Danone marked the end of a 10-year refocusing strategy period during which the Group's activities were refocused in the area of health. That year, the Group sold nearly all of its Biscuits and Cereal Products business to the Kraft Foods group, while adding Baby Nutrition and Medical Nutrition to its portfolio by acquiring Numico.

Danone is now centered on 4 business lines:

1. Fresh Dairy Products, representing approximately 53 percent of consolidated sales for 2014.
2. Waters, representing approximately 20 percent of consolidated sales for 2014.
3. Baby Nutrition, representing approximately 21 percent of consolidated sales for 2014.
4. Medical Nutrition, representing approximately 7 percent of consolidated sales for 2014.

## **Danone Strategy in China**

Danone entered the Chinese market in the late 1980s. Since then, it has invested heavily in China, building factories and expanding production. Today, Danone has 70 factories in China, including Danone Biscuits, Robust, Wahaha, and Health. Ten percent of Danone's workforce is located in China. Danone sells primarily yogurt, biscuits, and beverages in the Chinese market.<sup>16</sup> By 2014, Danone's Asia-Pacific division employed 28,000 people in the Asia-Pacific area, which was almost 30 percent of Danone's total employees.

In the early 2000s, Danone's Wahaha was China's largest beverage company. In 2008, 57 percent of Danone's Asian sales were in China. Two billion liters of Wahaha were sold in 2004, making it the market leader in China with a 30 percent market share.<sup>17</sup> In Asia, in 2007, Danone Group was the market leader with a 20 percent share of a 34-billion-liter market. In comparison, rivals Coca-Cola and Nestlé had a 7 percent and 2 percent share, respectively. Evian, its global brand, was sold alongside of local brands such as China's Wahaha.

In the past 20 years, Danone has purchased shares of many of the top beverage companies in China: 51 percent of the shares of the companies owned by Wahaha Group, 98 percent of Robust Group, 50 percent of Shanghai Maling Aquarius Co., Ltd., 54.2 percent of Shenzhen Yili Mineral Water Company, 22.18 percent of China Huiyuan Group, 50 percent of Mengniu, and 20.01 percent of Bright dairy. These companies, leaders in their industry, all own trademarks that are well-known in China.<sup>18</sup>

However, while expanding into the Chinese market, Danone faced challenges due to lack of market knowledge. In 2000, Danone purchased Robust, the then-second-largest company in the Chinese beverage industry. Sales of Robust had reached RMB2 billion in 1999. After the purchase, Danone dismissed the original management and managed Robust directly. Because its new management was not familiar with the Chinese beverage market, Robust struggled. Its tea and milk products almost disappeared from the market. During 2005–2006, the company lost RMB 150 million.<sup>19</sup>

## **Wahaha Company**

The Wahaha company was established in 1987 by a retired teacher, Mr. Zong Qinghou. In 1989, the enterprise opened its first plant, Wahaha Nutritional Food Factory, to produce "Wahaha Oral Liquid for Children," a nutritional drink for kids. The name Wahaha was meant to evoke a laughing child, combining the character for baby (wa) with the sound of laughter.<sup>20</sup> After its launch, Wahaha won a rapid public acceptance. By 1991, the company's sales revenue grew beyond 100 million renminbi (¥).<sup>21</sup>

In 1991, with the support of the Hangzhou local district government, Wahaha Nutritional Food Factory merged

with Hangzhou Canning Food Factory, a state-owned enterprise, to form the Hangzhou Wahaha Group Corporation. After mergers with three more companies, Wahaha became the biggest corporation of its district.<sup>22</sup>

Since 1997, Wahaha has set up many new subsidiaries. It was aided by state and local government because its continuous expansion helped create new jobs and its increased profits led to more tax revenues.

In 1996, the Hangzhou Wahaha Group Corporation began a joint venture with Danone Group and formed five new subsidiaries, which attracted a \$45 million foreign investment and then added another \$26.2 million investment. With the investment funds, Wahaha brought world-class advanced production lines from Germany, America, Italy, Japan, and Canada into its sites. The terms of the Danone-Wahaha joint venture allowed Wahaha to retain all managerial and operating rights as well as the brand name Wahaha. In the next eight years, the company established 40 subsidiaries in China, and in 1998 launched its own brand, "Future Cola," to compete against Coke and Pepsi.<sup>23</sup>

In 2000, the company produced 2.24 million tons of beverages with sales revenue of \$5.4 billion. The production accounted for 15 percent of the Chinese output of beverages. The group became the biggest company in the beverage industry of China with total assets of \$4.4 billion.<sup>24</sup>

Back in 2007, it produced 6.89 million tons of beverage with a sales revenue of \$25.8 billion. Today, Hangzhou Wahaha Group Co., Ltd., is still a leading beverage producer in China with over 60,000 employees and 150 subsidiaries, though sales have dropped since 2013 due to the shrinking carbonated beverage market. The company product category contains more than 100 varieties, such as milk drinks, drinking water, carbonated drinks, tea drinks, canned food, and health care products.<sup>25</sup>

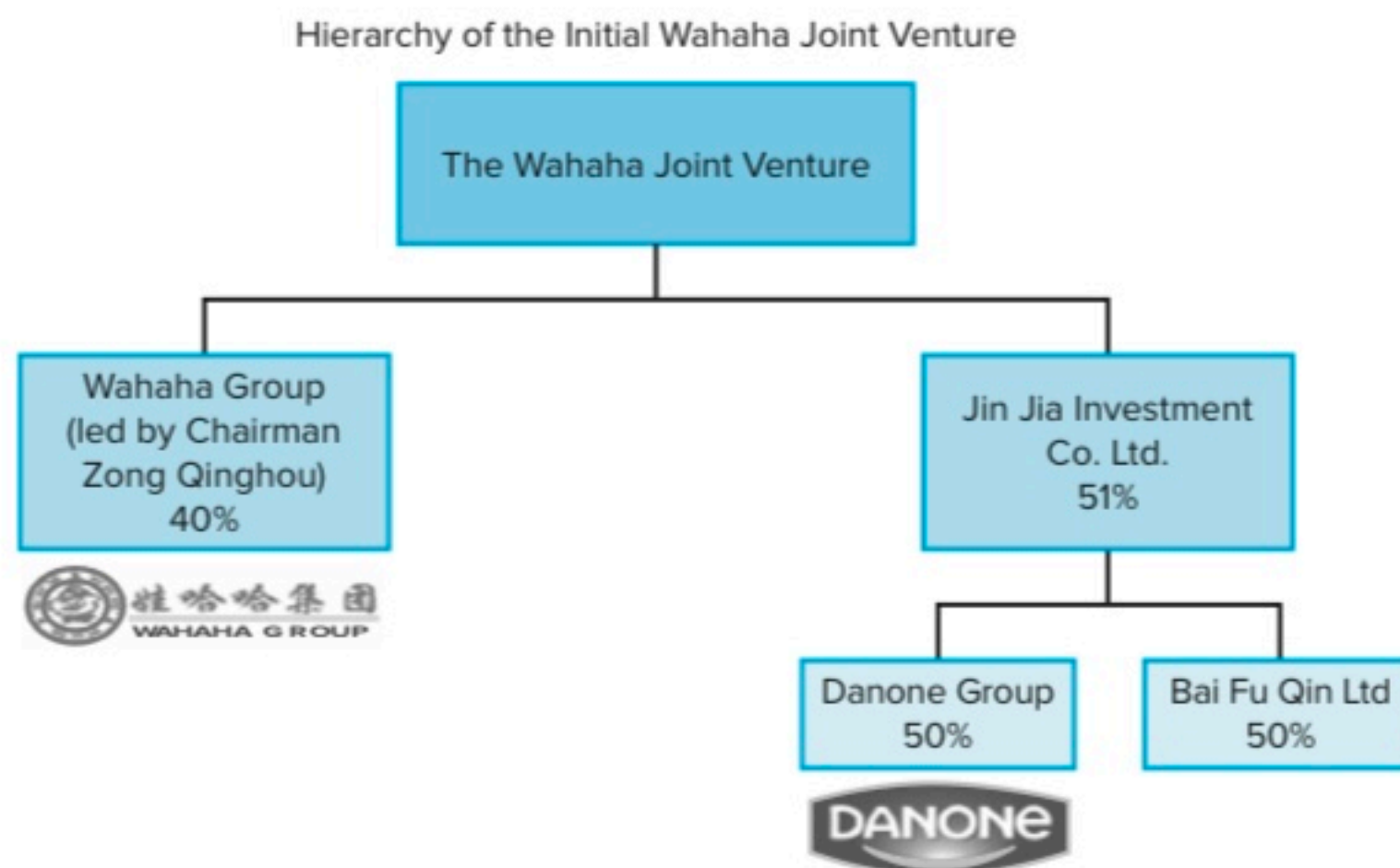
According to a report on the "Top 10 Beverage Companies" released by the China Beverage Industry

Association, Wahaha contributed 55.57 percent to the Association Top 10's overall production, 65.84 percent to its revenue, and 73.16 percent to its profit tax. According to Zong Qinghou, the president of Wahaha: "As China becomes the world's largest food and beverage market, we'll be a major player in the global market." Wahaha implements a strategy of "local production and local distribution" and has built an excellent production-distribution network. Its Wahaha R&D center and Analysis Center provide guarantees for high product quality.<sup>26</sup>

### Danone-Wahaha Joint Venture Conflict

The Wahaha joint venture (JV) was formed in 1996 with three participants: Hangzhou Wahaha Food Group (Wahaha Group); Danone Group, a French corporation (Danone); and Bai Fu Qin, a Hong Kong corporation (Baifu). Danone and Baifu did not invest directly in the JV. Instead, Danone and Baifu formed Jin Jia Investment, a Singapore corporation (Jinjia). Upon the formation of the JV, Wahaha Group owned 49 percent of the shares of the JV and Jinjia owned 51 percent of the shares of the JV. This structure led to immediate misunderstandings between the participants. From Wahaha Group's point of view—with the division of ownership at 49 percent Wahaha Group, 25.5 percent Danone, and 25.5 percent Baifu—it was the majority shareholder in the JV. Figure 1 shows the initial structure of the JV. Since Wahaha Group felt it controlled the JV, it was relatively unconcerned when it transferred its trademark to the JV.<sup>27</sup>

In 1998, Danone bought out the interest of Baifu in Jinjia, becoming 100 percent owner of Jinjia and effectively the 51 percent owner of the JV. This gave it legal control over the JV because of its right to elect the board of directors. For the first time, the Wahaha Group and Zong realized two things: (1) They had given complete



**Figure 1**  
Structure of Initial Wahaha Joint Venture

Source: Steven M. Dickinson, "Danone v. Wahaha," *China Economic Review*, September 1, 2007, <http://www.chinaeconomicreview.com/node/24126>.

control over their trademark to the JV and (2) a foreign company was now in control of the JV. From a legal standpoint, this result was implied by the structure of the JV from the very beginning. However, it is clear from public statements that the Wahaha Group did not understand the implications when they entered into the venture. The Danone "takeover" in 1998 therefore produced significant resentment on the part of Wahaha Group. Rightly or not, Wahaha felt that Danone misled them from the very beginning.<sup>28</sup>

When the JV was formed, Wahaha Group was a state-owned enterprise owned by the Hangzhou city government. After formation of the JV, it was converted into a private corporation, effectively controlled by Zong. This set the stage for Wahaha Group's decision to take back control of the trademark it felt had been unfairly transferred to Danone. Zong and his employees now viewed the transferred trademark as their personal property.<sup>29</sup>

When the JV was formed, Wahaha Group obtained an appraisal of its trademark valuing it at RMB100 million (US\$13.2 million). The trademark was its sole contribution to the JV, while Jinjia contributed RMB500 million (US\$66.1 million) in cash. Wahaha Group also agreed not to use the trademark for any independent business activity or allow it to be used by any other entity. However, the trademark transfer was rejected by China's Trademark Office. It took the position that, as the well-known mark of a state-owned enterprise, the trademark belonged to the state and Wahaha Group did not have the right to transfer it to a private company.<sup>30</sup>

Rather than terminate the JV, the shareholders (now Danone and Wahaha Group) decided to work around the approval issue by entering into an exclusive license agreement for the trademark in 1999. Because the license agreement was intended to be the functional equivalent of a sale of the trademark, they were concerned the Trademark Office would refuse to register the license. Therefore, they only registered an abbreviated license. This was accepted by the Trademark Office, which never saw the full license. As a result, Wahaha Group never transferred ownership of the Wahaha trademark to the JV, just the exclusive license. Thus, Wahaha Group never complied with its basic obligation for capitalization of the JV. It does not appear that any of the JV documents were revised to deal with this changed situation.<sup>31</sup>

Although Danone was the majority shareholder and maintained a majority interest on the board of directors, day-to-day management of the JV was delegated entirely to Zong. He filled management positions with his family members and employees of the Wahaha Group. Under Zong's management, the JV became the largest Chinese bottled water and beverage company.<sup>32</sup>

Beginning in 2000, the Wahaha Group created a series of companies that sold the same products as the JV and used the Wahaha trademark. The non-JV companies

appear to have been owned in part by Wahaha Group and in part by an offshore British Virgin Islands company controlled by Zong's daughter and wife. Neither Danone nor Wahaha Group receives any benefits from the profits of these non-JV companies. According to press reports in China, products from the non-JV companies and the JV were sold by the same sales staff working for the same sales company, all ultimately managed by Zong.<sup>33</sup>

In 2005, Danone realized the situation and insisted it be given a 51 percent ownership interest in the non-JV companies. Wahaha Group and Zong, who by this time was one of the richest men in China, refused.<sup>34</sup>

### Details of the Dispute

In April 2006, Wahaha was informed by its 10-year JV partner Danone that it had breached the contract by establishing nonjoint ventures that had infringed upon the interests of Danone. Danone proposed to purchase 51 percent of the shares of Wahaha's nonjoint ventures.<sup>35</sup> The move was opposed by Wahaha. In May 2007, Danone formally initiated a proceeding, claiming that Wahaha's establishment of nonjoint ventures as well as the illegal use of the "Wahaha" trademark had seriously violated the noncompete clause. The two parties carried on 10 lawsuits in and out of China, and all the ruled cases between Wahaha and Danone have ended in Wahaha's favor.<sup>36</sup>

On February 3, 2009, a California court in the United States dismissed Danone's accusation against the wife and daughter of Zong Qinghou and ruled that the dispute between Danone and Wahaha should be settled in China. In addition, Danone's lawsuits against Wahaha were rejected by courts in Italy and France; and a series of lawsuits brought by Danone in China against Zong Qinghou and Wahaha's nonjoint ventures all ended in failure.<sup>37</sup>

The rationality of the existence of the nonjoint ventures, the ownership of the "Wahaha" trademark, and the noncompete clause issue were the key points of the Danone-Wahaha dispute.<sup>38</sup> In 1996, Wahaha offered a list of 10 subsidiaries to Danone, which, after evaluation, selected four. Jinja Investments Pte Ltd. (a Singapore-based joint venture between Danone Asia Pte Ltd. and Hong Kong Peregrine Investment, of which Danone is the controlling shareholder); Hangzhou Wahaha Group Co., Ltd.; and Zhejiang Wahaha Industrial Holdings Ltd. jointly invested to form five joint venture enterprises, with shareholdings of 51 percent, 39 percent, and 10 percent, respectively. In 1998, Hong Kong Peregrine sold its stake in Jinja Investments to Danone, which makes Danone the sole shareholder of Jinja Investments, giving it the control of over 51 percent of the joint ventures. Wahaha and Danone cooperated on the basis of joint venture enterprises, rather than the complete acquisition of Wahaha by Danone. As a result, Wahaha was always independent, and its nonjoint ventures have existed and developed since

1996. Relevant transactions of Wahaha's nonjoint ventures and joint ventures were disclosed fully and frankly by the auditing reports of PricewaterhouseCoopers, an accounting firm appointed by Danone. Meanwhile, during the 11-year cooperation, Danone assigned a finance director to locate in the headquarters of Wahaha Group to audit the latter's financial information.<sup>39</sup>

Danone and Wahaha had signed in succession three relevant agreements concerning the ownership of the "Wahaha" brand name. In 1997, the two parties signed a trademark transfer agreement, with an intention to transfer the "Wahaha" trademark to the joint ventures. The move, however, was not approved by the State Trademark Office.<sup>40</sup> For this reason, the two parties signed in 1999 the trademark licensing contract. According to law, the same subject cannot be synchronously transferred and licensed for use to others by the same host. Therefore, the signing and fulfillment of the trademark licensing contract showed that the two parties had agreed to the invalidation of the transfer agreement. The "Wahaha" brand should belong to the Wahaha Group, while the joint ventures only have the right of use.<sup>41</sup>

In October 2005, the two parties signed the No. 1 amendment agreement to the trademark licensing contract, in which it confirmed Party A (Hangzhou Wahaha Group Co., Ltd.) as owner of the trademark. In addition, the second provision of the amendment agreement clearly stated that the several Wahaha subsidiaries listed in the fifth annex of the licensing contract as well as other Wahaha subsidiaries (referred to as "licensed Wahaha enterprises") established by Party A or its affiliates following the signing of the licensing contract also have the right granted by one party to use the trademark. The "licensed Wahaha enterprises" involved in the amendment agreement refer to the nonjoint ventures.<sup>42</sup> According to related files, Wahaha maintains the ownership of the "Wahaha" trademark, while its nonjoint ventures have the right to use the trademark.<sup>43</sup> The Wahaha brand is among the most famous in China. It ranked No. 16 among domestic brands and is worth US\$2.2 billion, according to a recent report by Shanghai research firm Hurun Report. Wahaha doesn't publicly disclose financial figures.<sup>44</sup>

### **Ventures and Acquisitions**

Several years ago, as Wahaha sought to expand its market, Wahaha suggested adding online new production lines by increasing investment, while Danone requested Wahaha outsource to product processing suppliers for its joint ventures. Wahaha saw the shortcomings in using product processing suppliers, so it set up nonjoint ventures to meet production needs. Wahaha believed that the existence and operation of the nonjoint ventures did not adversely affect the interest of Danone.<sup>45</sup>

During the 11 years that followed 1996, Danone invested less than RMB1.4 billion in Wahaha's joint ventures but

received a profit of RMB3.554 billion as of 2007. On the other hand, Danone acquired several strong competitors of Wahaha including Robust, Huiyuan, and Shanghai Maling Aquariust. Wahaha saw Robust as its biggest rival. Wahaha was disappointed that Danone failed to hold up its end of the bargain of "jointly exploring markets in and out of China" listed in the JV contract.<sup>46</sup>

Through the influence of the Chinese and French governments, Danone and Wahaha reached a peaceful settlement in late 2007. However, Danone's proposal to sell its shares in the joint ventures to Wahaha for RMB50 billion (finally reduced to approximately RMB20 billion) was rejected by Wahaha.<sup>47</sup>

After the negotiations were suspended, the two parties again turned to legal action. All the ruled cases, both in China and abroad, have ruled against Danone.<sup>48</sup>

### **Conflict Resolution**

In late September 2009, France's Groupe Danone SA agreed to accept a cash settlement to relinquish claims to the name Wahaha. In a joint statement issued September 30, 2009, Danone announced a settlement with China's Hangzhou Wahaha Group Co. by saying its 51 percent share in joint ventures that make soft drinks and related products will be sold to the businesses' Chinese partners. "The completion of this settlement will put an end to all legal proceedings related to the disputes between the two parties," the statement said.<sup>49</sup>

The feud over control of the Wahaha empire offered a glimpse into the breakup of a major Asian-foreign joint venture. Danone's strategy to publicly confront its partner and Wahaha's strategy to respond with its own accusations marked a break with prevailing business practice in China, where problems have usually been settled with face-saving, private negotiations.<sup>50</sup>

Analysts said the case served to reinforce how difficult it is to operate a partnership in China. "That's a key lesson: To build a [brand] business in China you need to build from the ground up," said Jonathan Chajet, China managing director for consultancy Interbrand.<sup>51</sup> Foreign firms such as Procter & Gamble, Starbucks, and General Motors have operated wholly or in part through joint ventures in China. But executives involved say the expectations of foreign and local parties can conflict in a JV; for instance, when an international company is striving for efficiencies and profits that match its global goals while the local partner—sometimes an arm of the Chinese government—strives to maximize employment or improve technology. At other times, partners have stolen corporate secrets or cheated and otherwise sabotaged a venture, while legal avenues have had little effect on disputes over operations.<sup>52</sup>

Danone, which reported the Wahaha business generated about 10 percent of its global revenue in 2006 but has since adjusted how it accounted for Wahaha, said it

expects no impact on its income statement from the settlement. In China, it will be left with a much smaller footprint and is essentially starting over.<sup>53</sup> Danone's CEO Franck Riboud stated: "Danone has a long-standing commitment to China, where it has been present since 1987, and we are keen to accelerate the success of our Chinese activities." China is Danone's fourth-largest market after France, Spain, and the U.S., contributing about €1bn, or 8 percent, of Danone's revenues.<sup>54</sup>

### Lessons Learned<sup>55</sup>

What can potential foreign investors learn from this dispute? Although JVs in China can be quite difficult, with proper planning and management, they can be successful. In the case of the Wahaha–Danone JV, many basic rules of JV operations in China were violated, virtually guaranteeing the JV's destruction. According to Steve Dickinson, lawyer at Harris Moure PLC, the primary rules violated are as follows:<sup>56</sup>

1. Don't use technical legal techniques to assert or gain control in a JV.
2. Do not expect that a 51 percent ownership interest in a JV will necessarily provide effective control.
3. Do not proceed with a JV formed on a weak or uncertain legal basis.
4. The foreign party must actively supervise or participate in the day-to-day management of the JV.

### Questions for Review

1. When and how did Danone expand into the Chinese market? What problems did Danone Group encounter while operating in China?
2. How was the Danone and Wahaha JV formed? What was its structure? Why did Danone decide to form a joint venture rather than establish a 100 percent-owned subsidiary?
3. What was the problem of the Danone-Wahaha joint venture that triggered the conflict between the companies? What were the differences in Danone's and Wahaha's understanding of their own respective roles and responsibilities in this venture? What aspects of national and organizational culture affected this perspective?
4. Was Danone successful in proving its claims in court? How was the conflict between the two companies resolved? What were the key lessons for Danone about doing business in China?
5. Did Danone follow the advice regarding JVs in China mentioned in the list just above? Which aspects did it follow and which did it not?

Source: This case was prepared by Tetyana Azarova of Villanova University under the supervision of Professor Jonathan Doh as the basis for class discussion. Additional research assistance was provided by Kelley Bergsma and Ben Littell. It is not intended to illustrate either effective or ineffective managerial capability or administrative responsibility.

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