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Executive Summary

This report has been conducted in cooperation with Norwegian Fashion Institute (hereinafter NFI). NFI is a non-profit organisation that represents the participants within the Norwegian fashion Industry. It seeks to make Norwegian fashion brands recognized at home and overseas. There are 90 members in the organisation that represents the wide spectrum of Norwegian fashion. Obtaining knowledge of the market will help NFI promote Norwegian fashion brands in the UK and identify the necessary requirements for the brands to succeed.

In order to answer the research question and objectives, information has been collected through secondary and primary data. The research process was used step by step in order to develop and conduct the design of the research. To get an overall understanding of the UK retail market, semi-structured interview was conducted. The interviews were used to identify the questions that should be asked in the survey. The survey-research was conducted in order to reveal attitudes and regional differences in the UK market.

The most important findings from the research performed for this report are the following. There is a lack of awareness around Norwegian design. Only five of 113 respondents in the survey had knowledge of any Norwegian designers. Neither the two participants in the semi-structured interviews had any knowledge. There is a tendency for customers to value quality and design over price and brand. London has a higher level of fashion knowledge and interest than the other two cities in our research. This indicates that London is the most appropriate place to launch a new brand. This was confirmed through the semi-structured interviews.

The UK can be considered to be a good country to conduct business in. The country has a positive outlook regarding to recovery of the recession. The UK’s membership in the EU offers political advantages. In terms of social aspects the country has a high standard of living and updated technological abilities. Porters Five Forces revealed that there is fairly strong rivalry in the industry; it is however room for smaller players in the market. McKinsey’s 7S’ pointed out that NFI has a good network in Norway and that the lack of administration is the organisations strongest weakness. The findings in of the external and internal analysis where summarised in a SWOT.
It is imperative to develop a good promotion strategy to position Norwegian Fashion brands in the UK fashion industry. A clear brand identity has to be identified before promoting the products. The promotion alternatives PR, exhibitions and e-marketing were considered to create awareness around Norwegian Fashion. Foreign Direct Investment, export and agent are three potential alternatives for NFIs members to enter the UK market.

In the beginning phase it is imperative for NFI to focus its promotion mainly towards the business-to-business, but also towards potential consumers. The promotion strategy proposed includes London Fashion week, exhibitions and other similar events. These events will help create awareness around Norwegian Fashion brands among influential people in the UK fashion industry. Internet and magazines should be used as promotion channels to the potential consumers. The recommendations for choice of entry mode depend on the size of the business. Recommendations were made for small and medium businesses, for short and long term commitments. The short-term recommendation for small businesses is to use Internet. The long-term recommendation is to consider department stores. Medium businesses should, in the short term, use department stores, in addition to Internet. The long-term recommendation is to open a Norwegian concept store. Alternatively for the brands that have generated reasonable profit, and developed a clear position in the UK market, a possibility will be to open an individual store.
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Chapter 1 - Introduction

1.1 Norwegian Fashion Institute

The Norwegian Fashion Institute is a non-commercial organisation officially founded in February 2009. The Norwegian Ministry of Culture initiated a mapping of the Norwegian fashion industry as it was planning further investments in cultural related industries. The mapping revealed that it was necessary to establish one organisation that could gather all the participants within the Norwegian fashion industry. Some key pioneers in the industry together with Innovation Norway founded the Norwegian Fashion Institute (hereinafter named NFI).

The key task of the organisation is to promote Norwegian fashion and make it a recognised brand, both on the domestic and international levels. NFI seeks to share information, be knowledgeable about the developments in the industry, create networks and help support designers and the industry in general. It is an organisation that draws together the members of the fashion industry and is an investment in the Norwegian Fashion. The organisation has two employees, the manager Gisle Mardal and Creative Director Kristina Hjelde.

1.2 Norwegian Fashion Institute Products

The Norwegian Fashion Institute is a member organisation and had in February 2009 a total of 90 members, who represent the wide spectrum of the Norwegian fashion industry (Appendix 1). The members come from larger corporations, education institutes, well known and lesser known Norwegian brands, production coordinators, magazines, model agencies, stylists, photographers and other participants who identify themselves with the Norwegian Fashion Industry. NFI represent a wide range of products in diverse areas within fashion, from exclusive luxury fashion to “everyday” trends (Appendix 2). Due to the wide spectrum of members, this report will focus specifically on high-end designer women’s clothing (NFI, 2010).
1.3 Business objectives in the UK market

One of the institute’s main objectives is to make Norwegian Fashion acknowledged abroad as few Norwegian fashion brands have expanded overseas. After conversations with NFI through manager Mr. Gisle Mardal an understanding of the organisation's expectations regarding the Export Marketing Project has been obtained. NFI wants to acquire information of the UK retail industry and to discover if there are any regional differences regarding fashion preferences in the UK. NFI wishes to perform a market scan to gain an understanding of the market, acquire knowledge about the awareness of Norwegian design/fashion in the UK and specify the challenges in penetrating the market. In summary NFI needs to acquire the following information:

*How can the Norwegian fashion brands succeed in the UK apparel retail industry?*

1.3.1 Research Objectives

Research objectives will ensure that the relevant information will be obtained to answer the aforementioned research question. The report will seek to answer the following questions.

1. What are the challenges in penetrating the UK market?
2. What is the knowledge and perception of Norwegian fashion in the UK?
3. What, if any, are regional differences regarding fashion in the UK?
4. Which shops or retail chains are important, who are their customers?
5. What specifics of consumer behaviour are significant? What are they looking for? (Design, Price, Brand or Quality.)
6. Who are the most important people in fashion in the UK? Editors, stylists, journalists, media presenters and blogs.
1.4 Market overview

1.4.1 Market definition
The UK clothing market can be divided into four different levels in terms of retailer grouping, discount/value retailers, mid-market retailers, upmarket retailers and high-end retailers (Mintel, 2010a).

High-end designer retailers include Prada, Gucci, Ralph Lauren, Burberry and others.

Upmarket high street retailers include Ted Baker, Karen Millen, Jaeger and others.

Mid-market retailers include Marks & Spencer, Next, Gap, Oasis, Warehouse and others.

Discount/Value retailers include Primark, TK max, Matalan and others.

1.4.2 Future outlook in the UK market

According to Datamonitor (2009a), the United Kingdom apparel retail industry grew by 1.8% in 2008 to reach a value of $60.6 billion. In 2013, the United Kingdom apparel industry is forecast to have a value of $65.6 billion, an increase of 8.2% since 2008 (Datamonitor, 2009a).

1.4.3 Understanding the womenswear market

The womenswear sector consists of retail sales of all women’s and girls’ garments including dresses, suits and coats, jackets, shirts, skirts, blouses, sweatshirts, sweaters and underwear (Datamonitor, 2009a). The clothing, footwear, sportswear and accessories retailing segment was the market’s most lucrative sector in 2008, generating total revenues of $29.9 billion. This accounts for 84.4% of the market’s total value (Datamonitor, 2009b).
The UK womenswear market generated total revenues of $35.4 billion in 2008. This represents a compound annual growth rate of 3.1% for the period 2004-2008 (Datamonitor, 2009b). The compound annual growth rate (CAGR) is calculated by taking the Nth root of the total percentage growth rate, where N is the number of years in the period being considered (Investopedia, 2010). This is illustrated in the following formula:

\[
CAGR = \left( \frac{\text{Ending Value}}{\text{Beginning Value}} \right)^{\frac{1}{\# \text{ of years}}} - 1
\]

The performance of the market is forecast to accelerate during the period 2008-2013, with an anticipated CAGR of 2%. This is expected to drive the market to a value of $39 billion by the end of 2013 (Datamonitor, 2009b).

1.5 Personal Interest

It will be interesting to investigate the diverse preferences in fashion in the UK and more specifically to identify any regional differences. The fact that we are four women with an interest in fashion makes the research project especially interesting for us. Due to our knowledge about the different Norwegian fashion brands and the potential they hold, it will be particularly motivating to investigate how the brands are perceived and how they can best succeed in the UK. We hope that our research will help the members of NFI in their development and growth. We will attempt to acquire information that will be of benefit to the members of NFI.
Chapter 2 - Literature Review

2.1 Theoretical Framework

2.1.1 Consumer Buyer Decision Process

The Buyer Decision Model illustrates the five stages the buyers pass through in connection with every purchase. Some parts of the stages might nevertheless be ignored by the buyer when routine purchases are made. The model is useful to identify the considerations that arise when a consumer faces new and complex purchase situations (Kotler and Armstrong, 2010).

![Diagram of the Buyer Decision Process]

Figure 2.1 The Buyers Decision Making Process and possible influences (Dibb, Simkin & Bradley, 1997, p.41).

There are many different factors that influence the way people make purchases, an understanding these influential factors enables businesses to develop more concise marketing programs. These influencing factors can be grouped in the following way:

- Personal Influences – Demographic issues, situational factors and involvement.
Psychological Influences: Consumers’ different perceptions, motives and attitudes towards what and how they purchase.

Social influences – Individual tastes are influenced by social class and culture.

Media Influences – Advertising, sales promotion, publicity, sponsorship and direct mail.


**Problem Recognition**

The buying process starts with problem recognition – the buyer recognizes a problem or need. The decision making process begins when the consumers realize that they have a problem that needs solving (Kotler and Armstrong, 2010). The need can be triggered by internal stimuli when one of the buyer’s normal needs – hunger, thirst - raises to a level high enough to become a drive. External stimuli, for example advertisements, may also trigger a need (Armstrong and Others, 2009). Where the purchase needs consideration, information needs to be collected (Kotler and Armstrong, 2010).

**Information Search**

The amount of searching depends on the consumers strength of drive, the amount of information the consumer has regarding from before, the ease of obtaining more information, the value on additional information, and the satisfaction experience from searching. Consumers can obtain information from several sources. These include:

1. Personal sources: Family, friends, neighbours etc.
2. Commercial sources: Advertising, salespersons, Web sites etc.
3. Public sources: Newspaper, radio, television etc.
4. Experiential sources: Handling, examining, uses the product etc.


The relative amount and influence of these sources vary with the product category and the buyer’s characteristics. The consumer receives the most information about the product from commercial sources. Nevertheless, personal sources are most effective (Kotler and Keller, 2006). The challenges for the marketing team are to identify what
information channels are most influential for their target markets (Schiffman & Kanuk, 2004).

**Commercial sources**

Commercial sources normally inform and learn the buyer about the product. The consumer’s awareness and knowledge of the available brands and features increase with the amount of obtained information (Kotler and Armstrong, 2010). Theories of how the commercial sources work can be divided between the Behavioural School and the Cognitive School

1. The Behavioural School – Solomon and others (2010) assume that learning takes place as the result of responses to external events. They approach the mind as a “black box” and emphasize the observable aspects of behaviour, as described in figure 2.2. The observable aspects consists of things that go into “the box”, the stimuli, or events perceived from the outside world, and things that come out of the box, the responses, or reactions to these stimuli.

![Figure 2.1: The consumer as a “black box”: a behaviourist perspective on learning](Solomon and others, 2010, p.246).

2. The Cognitive School – Solomon and others (2010) states that cognitive learning occurs as a result of mental processes. In contrast to the behavioural theories of learning, cognitive learning theory stresses the importance of internal mental processes. This perspective views people as problem solvers who actively use information from the world around them to master their environment (Salomon and others, 2010).
Evaluation of alternatives
The consumer uses the obtained information and knowledge to evaluate alternative brands in the choice set. The customers often face many available options, and they often have to choose from a set of products and brands. They first evaluate the options, and then find the products that are unacceptable and treat them with indifference (Hoyer & MacInnis, 2003).

Purchase and Post evaluation
The decision making process does not end after the consumer has made his choice of purchase. In the final stage of the process, post evaluation stage, it is normal for the customer to experience some concerns about the purchase. This arises from a concept that is known as “cognitive dissonance” (Festinger, 1957). When the customer has bought a product he may feel that an alternative would have been a better solution and feel dissonance. Through helping the consumers reduce post-decision dissonance or regret, marketers can reduce any negative feelings related to the product. This can be accomplished through helping the consumers obtain supporting information, which helps consumers develop a positive attitude toward the product/brand (Hoyer & MacInnis, 2003). To be able to manage the post-purchase stage, the marketing teams need to persuade the potential customers that the product will satisfy their needs. And after having made the purchase, the customers should be encouraged that they made the right decision.

2.1.2 Business Buying Process
Business buying process is different from consumer buying processes. It is more complex and take place within formal organisation’s budgets, cost and profit considerations (Boone and others, 2010).
Buying centre

The process of business buying decisions involves many people, called the buying centre. Members of the buying centre include:

- Users – people who will actually use the good or service.
- Gatekeepers – controls the information that all members of the buying centre will review.
- Influencers – affect the buying decision by supplying information to guide evaluation of alternatives or by setting buying specifications.
- The decider – make the decision, although another person may have the formal authority to do so.
- The buyer – has the formal authority to select a supplier.

(Boone and others, 2010, pp. 181-182).

Marketers have to figure out who are the major decision participants and what decision they influence. Whatever information obtained about personalities and interpersonal factors are useful to better understand what kind of group dynamics taking place during the decision process (Boone and others, 2010, pp. 181-182).

Stages in the buying process

Figure 2.3 describe the buying stages in a new- task buying situation. In modified-rebuy or straight-rebuy situations, some stages are compressed or bypassed.

![The eight stage buyphase model](image)

*Figure 2.3The eight stage buyphase model (Kotler and Keller, 2006, p.220).*

The eight – stage buyphase model describes the major steps in the business buying process (Kotler and Keller, 2006). It provides a simple view of business buying; the actual process is usually more complex. Furthermore, although the steps usually
occur, buyers do not always follow them in the same order and other steps may be added (Kotler and Armstrong, 2010).

**Influences on purchase decisions**

External and internal factors have influence on business buying decision. Environmental factors such as economic, political, regulatory, competitive and technological considerations influence business buying decisions. Furthermore, it is important to understand the customer’s organizational factors, such as organizational structure, policies and purchasing systems. Interpersonal influences are important to consider as it is many people who may influence the purchases. Considerable time may be spent obtaining the input and approval of various organization members (Boone and others, 2010).

**2.2 Concepts and theories**

**2.2.1 Segmentation**

Chaffey and others (2009) defines segmentation as “…understanding the groupings of customers in the target market in order to understand their needs and potential revenue source, so as to develop a strategy to satisfy these segments while maximising revenue” (Chaffey and others, 2009, p.239). Furthermore, Schiffman, Kanuk and Hansen define segmentation as “the process of dividing a potential market into distinct subsets of consumers with a common need or characteristic and selecting one or more segments to target with a specially designed marketing mix” (Schiffman, Kanuk, Hansen, 2008, p. 62).

Different consumers may have different brand knowledge structures and perceptions for the brand. Market segmentation divides the market into distinct groups of consumers who have similar needs and consumer behaviour (Keller, 2008). Appendix 3 displays some possible segmentation bases for consumer and industrial markets. After dividing the market in different segments, one can decide which segment who present the greatest opportunity – which are the target market.
2.2.2 Positioning

Kotler and Keller (2006) define positioning as “the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market” (Kotler and Keller, 2006, p.310). Positioning is where a brand is seen relative to its competitors and is the place a brand occupies in the minds of consumers. Brand positioning tells the buyer what the brand is, who it is for, and what it offers, and represent a particular benefit (Percy and Elliot, 2007). Different authors have different perspectives of positioning.

Percy and Elliot (2007) focus on the most important benefits of the product and define two basic types of positioning: central and differentiated. Central positioning deliver all the main benefits associated with the product category. Centrally positioned brand may be described as the 'best brand in the category'. Differential positioning looks for an important benefit that consumers believe the brand offers, and does a better job than other brands (Percy and Elliot, 2007).

Mahajan and Wind (2002) look at the increasing importance of emotion in positioning. More than ever brands must appeal to the heart instead of the head. They divide positioning in two categories, affective and cognitive positioning. Cognitive positioning use logical argument, focus on the problems, solutions and how the product solves the problem. On the other hand, affective positioning goes straight to the heart, focusing on emotions, and feelings. “Long as the purchase live up to the affective promises, the customer will be less likely to feel dissatisfied based on cognitive dissonance” (Mahajan and Wind, 2002, p.39). The emotions associated with the brand become a part of the consumers’ memories, making them stronger and more accessible. In a world of information overload, constant change, complexity, and the increasing need to build relationship with the costumer, affect has never been more important (Mahajan and Wind, 2002).

Leslie de Chernatoy (2006) focus on the functional benefits and how the brand performs better compared with competitors. The consumer’s perceptions of the brand are important and they may interpret the brand different than intended by the organisation. Positioning is not what is done to a brand, but what results in the
consumers mind (de Chernatoy, 2006). Positioning establishes a link between the brand and its benefits, providing motivation to consider the brand.

2.2.3 Brand

What is a Brand?

Percy and Elliot (2007) look at the brand as a name, term, sign, symbol, a design, or a combination intended to identify the goods and services and differentiate them from competitors. Furthermore, a brand is meant to give information about something that represent added value (Percy and Elliot 2007).

Leslie de Chernatoy (2006) defines a brand as a cluster of functional and emotional values that promise a unique and welcomed experience. A successful brand is stronger in a way that the consumer perceives relevant, unique and sustainable added values that match their needs. Most people think of a brand as a logo or a name of a product, but this is just the visible part of the brand. The unseen value adding process inside the organization give brands their competitive advantages. While the product has the functional and tangible benefit, the brand gives the emotional and intangible benefit that creates different meanings to the product (de Chernatoy, 2006).

Brand Identity

Brand identity is all the ways a company chooses to identify themselves to the consumers. The logo, name, and design are aspects that identify the brand (Kapferer, 2004). Lynn B. Upshaw (1995) refers brand identity to the part of brand equity that reaches outward to offer benefits that make it more attractive as the object of a possible purchase. Brand identity is played out in the product performance, and the brand’s marketing communications directed toward its customers and prospects (Upshaw, 1995).

Building brand identity is a call to build a stronger presence in the marketplace and strengthen the product to survive in the competitive market (Upshaw, 1995). Brand identity is in the sender's side with a purpose to specify the brand's meaning. On the other hand, brand image is on the receiver's side (Kapferer, 2004).
Brand Image

It is unlikely for two people to have the same image of brand, when their perception of the brand is individual. Nevertheless their images may have common features (Kapferer, 2004). Brand Image may be different from the intended brand identity (de Chernatoy, 2006). The image is created by benefit claims that are made about a brand. Benefits are attributes, subjective considerations or emotions that are associated with a brand (Percy and Elliot, 2007). In seeking to manage the image development process, a company will focus on that element which it can control, its identity (Meenaghan, 1995).

Forming the brand image is very important for the success of the brand. Consumers should be exposed to image forming advertising before they have consumption experiences with the brand. A good move for a manager is to manoeuvre the brand image in the direction of the brand identity as much as possible through the use of marketing communication (Riezebos and others, 2003).

2.2.4 Marketing Communication

Firms inform, persuade, and remind consumers about their products and brands through marketing communication. The communication represents the ‘voice’ of the brand, and can establish a dialogue and relationship with consumers (Kotler and Keller, 2006). The communication mix provides the major modes of communication a firm can use in promoting its products and brands.

Figure 2.4 How the communication mix feeds into the marketing mix (Smith and Taylor, 2004, p. 8).
Promotion

Different blends of the marketing communication mix are required for different marketing strategies. Each element of the communication mix should integrate with other tools of the communication mix so that a unified message is consistently reinforced. Type of product, specific objectives, type of buying situation, push and pull strategies, all affect the shape of the communication mix (Smith and Taylor, 2004).

Public Relation

Public relations (PR) involve a variety of programs designed to promote or protect a brand image. Marketing public relations plays an important role in assisting in the launch of new products, influencing specific target groups and in building the image in a way that it reflects favourably for the products. Creative PR can affect public awareness and the company does not pay for the place or time obtained in media. Major tools in marketing PR are: publications, events, sponsorships, news, speeches, public-service activities, and identity media (Kotler and Keller, 2006). Public relations are an important component, but should not be seen solely as an optional element of the communication mix (Baines and others, 2004). Marketing research provides knowledge that can be used to develop a best possible marketing communication plan (Smith and Taylor, 2004).

2.3 Mode of entry

2.3.1 Foreign Direct Investment (FDI)

Foreign Direct Investments (hereinafter FDI) are investments made from a home country to a host country with the intention to acquire control over the company’s activities. More specifically control in terms of production, distribution, property and assets (Moosa, 2002). There are three different methods of FDI:
Green field strategy: involves that a company start up a new business in a foreign country. Green filed strategy implies that new invest in production, distribution or other elements needed to operate a business are maid (Moosa, 2002). The advantage of this strategy is that the organisations can form the business to satisfy their specific needs, the strategy is time consuming and the need for financial resources are considered high (Griffin and Pustay, 2010).

Acquisition strategy: when entering the market through purchasing already existing business the company uses an acquisition strategy. With this strategy the company get the advantage of an already established market share and also gains quick access to the market. Acquisition strategy does not require the same financial resources compared to the green field strategy and can therefore be argued to be of lesser risk. The strategy does nevertheless imply that the organisations also have to deal with the existing problems (Griffin and Pustay, 2010).

Joint Ventures: Joint Ventures are strategic alliances where two or more companies create a new business, which promote mutual gain. The joint venture is separated from the owners businesses in terms of operation. The companies will together be able to achieve greater competitive advantages then if each company would try to enter a new market alone (Griffin and Pustay, 2010).

2.3.2 Export

Export is the selling of products made in one’s country for use or resale in other countries. Exporting are the simplest mode of internationalizing and the most common form of international business activity (Griffin and Pustay, 2010).

Advantages and Disadvantages of Export

The firm can control its financial exposure to the host country market as it deems appropriate and there is a relatively low financial exposure. Exporting permits a firm to enter a foreign market gradually and the company are allowed to asses local conditions. The Company also avoid restriction on foreign investment. Nevertheless, exporting makes the company vulnerable to tariffs (Griffin and Pustay, 2010).
**Forms of Export**

Export activities may take several forms, including indirect exporting, direct exporting and intra corporate transfers.

*Figure 2.5 Forms of export (Griffin and Pustay, 2010, p. 366).*

Companies typically start with indirect export, were they work through independent intermediaries. A firm sell its product to a domestic customer, which export the product. Indirect export has two advantages. First, it involves less investment: the firm does not have to open an export department, an overseas sales force, or a set of international contacts. Second, it involves less risk (Kotler and Keller, 2006). In most cases indirect export activities are not part of an intended internationalization strategy. Hence, it gives little experience in conducting international business (Griffin and Pustay, 2010).

Direct exporting occurs through sales to customer located outside the firm’s home country. Direct export activities let the firm gain valuable expertise about operating internationally and specific knowledge concerning the individual countries in which it operates (Griffin and Pustay, 2010).
An incorporate transfer is the sale of goods by a firm in one country to a united firm in another. This form of export has become more important as the sizes of Multi National Cooperates have increased (Griffin and Pustay, 2010).

**Barriers of export**

Tariffs, quantitative restrictions and other non-tariff barriers are types of barriers to international trade. Tariffs and non-tariffs barriers are forms of government interventions intended to protect their domestic firms from foreign competitors. Import tariff is a tax that is placed on goods coming into a country. Quantitative restrictions are trade barriers that impose a numerical limit on the quantity of a good that may be imported. Other non-tariff barriers may be government laws, regulations, policies, or procedures that impede international trade (Griffin and Pustay, 2010).

Norway is not a member of the European Union (EU), but a member of European Economic Area (EEA). The formation of European Union has led to an increase in merger activities across national boundaries (Analoui and Karami, 2003). The EU’s objective is to establish a common market and an economic union (Fosters, 2008). To achieve the objective the community has to ensure that all unnecessary barriers to trade are removed (Davies, 2007). EU law prohibits member states imposing directly or indirectly barriers on products of other member states. Furthermore, quantitative restrictions on imports and all measures having equivalent effect are prohibited (Appendix 4) (EurLex, 2010).

**Internet**

Internet can be used as a new channel of distributing products and give opportunities for expansion into new markets (Chaffey, 2006). Internet sale to foreign countries can be considered a form of direct export, as it sells to end-users in another country (Griffin and Pustay, 2010). Without the burden of physical goods inventory, Internet
sale can promote a wide assortment of products and fulfil orders only for those goods ordered by their customers (Colton, Roth and Bearden, 2010).

Internet operations can be established at a relatively low cost and the operating costs are lower than those involved in running a traditional retail outlet. There is no need to maintain an expensive high-street presence or employ a large number of staff. Nevertheless, it is difficult to develop and maintain site loyalty on the Internet, due to the impersonal relation with customers. Consumers can easily compare price and service, and switch from one provider to another (Key Note 2008a).

Success requires strong supplier relations in determining the goods most likely to appeal to consumers and ensuring sufficient access and delivery of those goods after ordered. Furthermore, creating a strong brand will be a strategic benefit and competitive advantage for online sale. Owing to lack of physical interaction branding is important as a perceptual cue (Colton, Roth and Bearden, 2010). Establishing a well-known brand can be expensive, given the need to promote a business heavily in its early years (Key Note, 2008a). Nevertheless, brand loyalty in Internet sale translates gains in market share, as stronger brands will perform better (Colton, Roth and Bearden, 2010). Word of mouth\(^1\) plays an important role in promoting sites (Chaffey, 2006).

In addition to build a strong brand, product availability and prompt delivery are also necessary conditions for online sale. It is important to work closely with suppliers on product availability, order processing and transportation. Furthermore, the more resources the firm devotes to acquiring local market knowledge, the firm can better understand how to manage their brands and work with key suppliers across national markets. Orientation towards foreign markets relative to international knowledge and experience can help build stronger brands and encourage enhanced supplier relations (Colton, Roth and Bearden, 2010).

\(^1\) “Word-of-mouth marketing people-to-people oral, written, or electronic communication that relate to the merits or experiences of purchasing and consuming market offerings”. (Kotler and others, 2009 p.870).
2.3.3 Agents

An agent is a foreign sales representative who is not employed by the home organisation that will find foreign customers for a company’s products. Agents may be either brokers or factors. Brokers simply bring together buyers and sellers without taking physical custody of the goods, while factors hold stocks for the goods until the customer are found (Bennett and Blythe, 2002).

Using foreign sales representatives is one way management can improve the company’s reactivity to market trends while maintaining a relatively low level of risk. A potential disadvantage is that a sales representative may represent more than one firm or one product line, and may therefore not focus appropriately on the development of market share for products that are harder to sell or that provide less sales margin (Mühlbacher and others, 2006).

2.4 External and Internal Analysis

2.4.1 External Analysis

The external environment includes both general environment factors and industry factors. A PEST analysis looks at the likely changes in the macro environment, while an industry analysis looks at the microenvironment. An external analysis helps determine the opportunities and threats for organisations within a specific market (Analoui and Karami, 2003).

![PEST analysis diagram](image)

*Figure 2.6 External environmental analyses (Analoui and Karami, 2003, p.74).*

**PEST Analysis**

Before developing a strategy the organisation must be aware of the nature and the impact of the general environmental factors (Analoui and Karami, 2003). A PEST includes political, economical, socio-cultural and technological aspects in the macro environment. The analysis seeks to predict the extent to which changes are likely to
occur and its possible consequences for the organisation (Worthington and Britton, 2006).

**Porters Five Forces**

Porters Five Forces framework helps identify the attractiveness of an industry or sector in terms of competitive forces (Johnson and others, 2008).

This model consists of five different forces that together examine the degree of competition. In addition it also identifies possible threats and opportunities for firms that aspire to enter a new foreign market. The five different forces are; bargaining power of suppliers, bargaining power of buyers and threat of new entrants, threat of substitute products or services and rivalry among existing competitors (Rugman & Collinsson, 2006).

### 2.4.2 Internal Analysis

The internal analysis considers the weaknesses and strengths of the organisation. McKinsey’s 7S’s is a good tool for conducting internal analysis.

**McKinsey 7S’s**

McKinsey 7S’s is a tool that helps companies analyse the internal environment. According to Kotler & Keller (2006) the tools seven elements have to be in place in order to be successful at strategy implementation. McKinsey’s 7S’s divides between hard and soft elements. The hard elements are considered to be strategy, structure and systems. The soft elements; shared values, skills, staffing and style (Kotler & Keller, 2006).

**SWOT**

The internal and external analysis can be summarized in a SWOT analysis, where the opportunities and threats of the market, and strengths and weaknesses of the organisation are identified.
Chapter 3 - Secondary Information

3.1 Fashion in the UK

3.1.1 The UKs position in the global fashion capital

New York, London, Paris and Milan are considered the world’s fashion capitals. London and Paris are regarded as the fashion centres of Europe, due to their historical reputation for being an art and fashion scene and home of a number of highly influential fashion houses. London College of Fashion is considered one of the world’s leading centres for education within fashion (London College of Fashion, 2010). According to Boris Johnson, the Mayor of London, the city is a free spirited and almost wildly dynamic. It is a city where boundless imagination and creative talent emerge from London colleges, and out leftfield, onto the catwalks and into stores around the world (London.gov.uk, 2010).

During Fashion Week in London, some of the industry’s most influential people explained why the capital still plays a major role concerning global style (Times online, 2010).

Jane Shepherdson, CEO, co-owner and creative overseer of Whistles.

“I couldn’t imagine working anywhere but London. The rawness, energy and dynamism are unique. We take more fashion risks and we’re more irreverent. British people are not afraid to be different, try new silhouettes, even look a bit silly. Women here aren’t desperate to look sexy, slick and glossy.” (Times online, 2010).

Giles Deacon, British Designer of the Year 2006 and the most sophisticated performer of the younger generation.

“I travel a lot and glean ideas from everywhere, but the London environment encourages adventure, playfulness and independence.” (Times online, 2010).
Daniel Marks, Partner in the highly successful PR agency the Communications Store

“It’s too simplistic to say London’s strength is creativity – its fashion DNA is far more diverse than that and not as one-note as other cities.” (Times Online, 2010).

London Fashion Week

London Fashion Week (hereinafter LFW) is considered to be one of the worlds most recognized fashion events and is highly influential to the international fashion scene. The event brings London and British Fashion on the global stage. The event is initiated by the British Fashion Council (BFC) and is founded by a number of sponsors (British Fashion Council, 2010). The event attracts a target audience consisting of key people within the fashion industry, retailers and press (London Fashion Week, 2010). The event generates £100 million, 20 of them is contributed through direct spend (British Fashion Council, 2010).

3.1.2 Influencing people and channels

H&M Magazine (2010) has listed the names of the most influential people in fashion. These are names that the designers hope to see in the front row at their shows. Amongst the most influential editors are Lucindia Chambers and Alexandra Shulman from Vogue UK. The most trendsetting stylists are Vanessa Coyle and Alison Edmond from Harper’s Bazaar UK. The most powerful buyers are Yasmin Sewell from Liberty and Holli Rogers from the online store Net-a-Porter. Amongst the most popular bloggers in the fashion scene are Tavi Gevinson, Bryanboy, Yvan Rodic, Tommy Ton, Scott Schulman and Garance Doré (Appendix 5) (Brauenheim, 2010)

Mintel (2010a) has listed the media that influence the consumers’ choice of clothing purchase (Appendix 6). According to Mintel (2010a) TV advertising, websites and celebrity and fashion magazines have the most influence on where people buy their clothes. These have a higher degree of influence on people buying high-end designer clothes. These consumers are generally more media-savvy than other buyers in the clothing sector. Reading magazines and blogs keeps them updated on the latest trends. The UK’s best selling magazines are Glamour, Cosmopolitan, Company, Marie
Claire, She, Grazia and Looks (Key Note, 2008b). The same customers are also the group that is more influenced by celebrity endorsement of a brand (Mintel, 2010a). According to Key Note (2008b) the use of celebrity endorsement has increased, this especially in terms of endorsing high street goods. Endorsement enables the product to differentiate in addition to help in establishing a brand personality that people more easily can relate to.

3.1.3 Important shops and their buyers

Department stores are the most used way of buying designer clothes, 40% of women purchase high-end designer clothes through this means. 39% make their purchases in independent boutiques, followed by outlet stores/villages where 36% of women buy their high-end designer clothes. In addition 28% buy abroad, 24% in airport shops, 16% in designer stores, 15% on third party websites and 9% buy on the designer’s own website. Department stores are most popular amongst the social economic groups ABC$_1$ and C$_2$ (Mintel, 2010a) in the age group 24- 54 (Mintel, 2009b). They are most popular amongst people aged 16-24 closely followed by the age groups 25-34 and 35-44 (Mintel, 2009a). Some department stores offering designer clothing in the UK are John Lewis, Debenhams, House of Fraser, Harrods, Selfridges, Fenwick and Harvey Nichols (Appendix 7) (Mintel, 2009a). The customers buy all sorts of designer clothing in department stores (Mintel, 2010a). However, independent boutiques are most popular in terms of formal wear while designer stores have the lowest popularity for purchasing casual wear. Nevertheless, people in the socio-economic group AB are the people who use the most outlets of buying designer clothes (Mintel, 2010a). 12% of the UK population purchases their clothes primarily from designers and high-end retailers. Research by Mintel (2010a) revealed that one in five buys some designer clothing and approximately two in five buy some high street clothing.

Women’s main consideration when buying clothing is the style, cut, fabric and quality of the clothing. Designer and high-end buyers are willing to pay more for quality and style compared to buyers in other clothing sectors. They are more concerned about the style of the clothing than the comfort in order to satisfy their “wants” rather than their
needs. These customers are concerned about getting value for their purchase and not about the price, although high street customers feel more need to justify their purchases compared to designer customers (Mintel, 2010a). The customers have a higher tendency over other consumers to buy clothes when they want to cheer themselves up. In addition these consumers are more likely to buy new clothes for a new job and career situations, and splurge after payment days.

Designer clothes buyers have a higher degree of devotion to fashion than in other clothing sectors. One in ten (11%) of designer clothes buyers stated that their buying has affected other areas of their spending (Mintel, 2010a). Mintel’s report showed that the designer and high-end buyers like to create their own style independent of the latest fashion. In contrast the designer and high-end customers are more concerned about being updated on the newest fashion trends and buying designer labels than other clothing sectors. They are generally more media-savvy and are therefore more up to date on new trends in fashion. The report found that designers and high street buyers get more encouragement to buy from media than other clothing sectors (Mintel, 2010a).

### 3.1.4 Fashion Online

According to Key Note (2008b) the number of women turning to online stores to purchase clothes is increasing. One in three women in UK has purchased something from a fashion website. Mintel (2010b) has forecasted that by 2014 the online market will exceed 13% of total clothing shopping. According to Key Note (2008b) 70% of women feel that they can make a better purchase decision by buying online. 46% of the respondents reported using one fourth of their fashion budget on online purchases (Key Note, 2008b). In the total clothing market fashion retailers’ websites are the most popular destination for shopping online due to increased choice and improved sites. Store-based retailers are increasingly using the combination of physical and virtual stores and seeking to integrate the two means of purchasing (Mintel, 2009a). Internet shopping accounts for 20% of all purchases from department stores, and 39% from higher priced designer stores (Mintel, 2010b).
In terms of high-end designer clothes women buy 15% from third-party sites and 9% from designer’s website. Third-party websites are commonly used in the socio-economic group ABC$_1$ and C$_2$ (Mintel 2010a). High-end customers and purchasers of designer clothes have a greater tendency to browse online and compare prices before visiting stores. Some customers try on clothes in stores and then purchase online to a lower price (Mintel, 2010a). Three of the better known online operators are ASOS, Net-a-Porter and Figleaves. Ebay is one of the top places to purchase clothes online (Mintel, 2009a).

3.2 Trends in the UK fashion industry

The “plus size” fashion market in the UK has increased with a quarter between 2003 and 2008. The market is according to Key Note (2009) expected to grow by 15, 2% between 2009 and 2013. The expected market growth is due to the continual increase of women using size 16 and over (Key Note, 2009). As a result of the growing plus-size fashion a commercial trend in the UK women’s clothing market is vanity sizing. This involves increasing the dimensions of clothing sizes so that women wearing size 16 can buy clothing in size 14. This is intended to encourage consumers to buy more clothes and to create loyalty. As a consequence inconsistency in sizing between stores is the result of vanity sizing (Key Note, 2009).

Furthermore, the awareness of the environmental issues surrounding clothing is growing and issues of human rights and labour exploitation have become more prominent issues haunting the industry. Key Note (2008c) estimated that the market for ethical consumerism in the UK was worth £ 35.4 million in 2007 (Key Note, 2008c).
Chapter 4 - Methodology

4.1 Introduction

“Research is a process for collecting, analyzing and interpreting information to answer questions. But to qualify as research, the process must have certain characteristics: it must, as far as possible, be controlled, rigorous, systematic, valid and verifiable, empirical, and critical” (Kumar, 2005). Research methodology is the methods of collecting information (Bryman & Bell, 2007).

Information about a situation, problem, person or phenomenon can be gathered in two distinctive ways. In some situations information need to be collected and in other situations the information is already available and needs to be processed. The data can be categorised as secondary data and primary data (Kumar, 2005).

4.2 Sources of data

![Diagram of data collection methods]

*Figure 4.1 Methods of data collection (Kumar, 2005, p. 118)*
4.2.1 Secondary Data

Secondary data is data published for another purpose that can be applied to a specific situation. Secondary data can be cost-effective and time saving in contrast to primary data (Duane, 2005). The norm is to gather secondary data and then go on to collect primary data to obtain information the secondary data did not include (Curwin & Slater, 2002). According to Duane (2005) secondary data are normally used in four ways. They can be used to recognize and clarify the problem, formulate feasible alternatives and find solutions for the identified research problem. In addition to the aforementioned benefits of secondary data, Saunders, Lewis and Thornhill (2009) emphasise the benefits of getting the data quickly, providing comparative data, making long-term studies and new findings possible. The limitations of secondary data are that it has been collected for a specific purpose and the data might also be presented in a way that is affected by that purpose of the data collection. In addition to the difficulty of evaluating the quality of the data, it can also be challenging or expensive to obtain the data and the aggregation and definitions might not be suitable for the research. Kumar (2005) argues that validity, reliability and personal bias can also be issues when using secondary data.

![Figure 4.2 Benefits and limitations of secondary data (Authors, 2010).](image)

*Figure 4.2 Benefits and limitations of secondary data (Authors, 2010).*
Once secondary data sources have been searched and found to be inadequate, further collection of primary data is necessary (Davis, 2005).

### 4.2.2 Primary research

Primary data does not exist in compiled form. The researcher needs to gather the acquired information from the original source to be able to investigate a specific purpose. The data has to be collected in an efficient and useful format for decision-making (Davis, 2005). Sources of primary data include observation, group discussion and use of questionnaire. The researcher has to consider the resources available, skills and the purpose of the study when determining the method of research (Kumar, 2005). The process can be time-consuming and expensive compared to use of secondary research.

![Figure 4.3 Benefits and limitations of primary data (Authors, 2010).](image)

**4.3 The research process**

Figure 4.4 shows the specific steps that we have gone through in order to develop and conduct the design of the research. The research process will be outlined in this chapter.

![Figure 4.4 The Marketing Research Process (McDaniel and Gates, 2001, p.22)](image)
4.3.1 Quantitative research

Quantitative research involves analysis of numerical data (Bryman and Bell, 2007). The numerical data can be used to describe, define and find solutions for identified problems. Nevertheless, it includes more than just doing sums. It is the context that will give meaning to those numbers and the relevant importance of numerical and non-numerical information. Factors that cannot be easily measured, such as attitudes and perceptions, are generally difficult to include in the analysis (Curwin and Salter, 2002).

Quantitative research can be used to determine the scope of a specific problem, issue or phenomenon. To be able to determine the extent all of the elements in the research process are predetermined (Kumar, 2005).

4.3.2 Qualitative Research

Qualitative research methods are used when it is necessary to explain or understand a social phenomena and the context in depth (Ritchie & Lewis, 2008). According to Grønnow, Olsson and Silkoset (2008) qualitative methods are used to understand in contrast to quantitative research in the primary goal is measurement. The research method can answer questions as “what, why and how?” “The purpose of qualitative research is to describe and understand social phenomena in terms of the meaning people bring to them. The research questions are studied through flexible methods enabling contact with the people involved to an extent that is necessary to grasp what is going on in the field. The methods produce rich, descriptive data that need to be interpreted through the identification and coding of themes and categories leading to findings that can contribute to theoretical knowledge and practical use” (Boeije, 2010, p.11). Qualitative research methods describe behaviour of individuals, groups or organisations (Curwin & Slater, 2002).

Consequently, the choice is rarely a simple one between a quantitative and qualitative approach, and research is likely to have some elements of both (Appendix 7).
4.4 Chosen research methods

Before deciding the appropriate research methods, it was necessary to consider the information that would be required to answer the research objectives. To get an overall understanding of the UK retail market, semi-structured interviews were conducted. In addition survey-research was chosen to reveal attitudes and regional differences in the UK market.

4.4.1 Interviews

Kumar (2005) defines an interview as “any person-to-person interaction between two or more individuals with a specific purpose in mind”. The key dimension of difference is in the degree to which the interview is structured, and the extent the person being interviewed is authorized to influence the subject matter of the interview (Gillham, 2000).

Interviews can be well planned and formalised, using standardised questions for each research participants, or can be informal and unstructured dialogue. The two types of interviews can be combined can create an intermediate position. Interviews can be categorised as:

- Structured interviews
- Unstructured or in-depth interviews
- Semi-structured interviews
  (Saunders, Lewis and Thornhill, 2009).

The questionnaires used in a structured interview are based on a predetermined or standardised set of questions. In order to avoid bias, the questions should be read in the same tone of voice and read precisely as written. The answer is registered on a standardised schedule, and pre-coded answers are usually applied. These structured interviews are used to gather quantifiable information, and are also referred to as “quantitative research interviews.” In contrast, semi-structured and in-depth interviews are “non-standardised”. King (2004) refers to these as “qualitative research interviews”. Unstructured interviews are informal. They are used to discover in depth a general area of interest. There is no predetermined list of questions, just a clear idea
of the aspects that needs to be addressed. The interview may talk freely about events, behaviour and beliefs in relation to the subject. In an informant interview the interviewer’s perception will direct the conduct of the interview. By contrast to participant interview where the interviewer directs the interview and the respondents reply to the questions (Saunders, Lewis and Thornhill, 2009).

### 4.4.2 Semi structured interviews

Semi-structured interviews are qualitative research method, the method answer the questions what, how and why. The interview method implies set subjects and questions that should to be covered. Nevertheless, the method has room for adjustment regarding the questions, due to the context and the flow of the conversation. In order to explore the research questions and objectives even further additional questions may be required. (Saunders, Lewis & Thornhill, 2009). Semi-structured interviews require more preparation, more time to analyse the results and creativity during the interview (Wengraf, 2001). The method is considered useful to obtain information about the interviewees’ views, understandings, opinions, experiences and interpretation of events. When conducted correctly it is possible to achieve a considerable level of depth and complexity with a semi-structured interview (Silverman, 2006).

The interviews undertaken for this project with the Head of Buyers at John Lewis and the online editor for Sheerluxe was conducted with a semi-structured interview approach. The interview method allowed the interview to be conversational as it was possible to make adjustments to topics naturally covered by the conversations in addition to being able to pose supplementary questions that acquired more information.

### 4.4.3 Survey-research

“A survey is a method for collecting data from people about who they are (education, finances etc.), how they think (motivations, beliefs etc.), and what they do (behaviour). Surveys usually takes form of a questionnaire that a person fills out
alone, or by interview schedule in person or by telephone” (Balvanes and Caputi, 2001, p. 76). According to Kotler and Armstrong (2010) survey research can be used to gather primary data, which identifies the respondent’s knowledge, attitudes, preferences and buying behaviour.

Surveys methods make possible analysis of large populations and may be exploratory, descriptive or explanatory. A survey can be based on a research question, a general statement about an area of interest, or a specific hypothesis. The questions will reflect the suitable levels of measurement necessary for further statistic analysis; these include normal, ordinal, interval and ratio (Balvanes and Caputi, 2001).

In order to get the desired results, the research questions play an important role. According to Bryman and Bell (2007) “the criteria for evaluating research questions are the following: be clear, be reasonable, connect with established theory and research, be linked to each other, have potential for making a contribution to knowledge and be neither to broad nor too narrow”.

![Survey - Research](image)

*Figure 4.6 Advantages and limitations of survey-research (Authors, 2010).*
4.5 Analysis and interpretation of qualitative research

Analysing qualitative data requires the researcher’s interpretation of the information. The data and the interpretation is what form the findings. The interpretation of the data can be ranged in five different types based on the degree of transformation of the data. Three of these qualify as qualitative research: Thematic Survey, Conceptual Description and Interpretative Explanation. Thematic surveys are exploratory focussing on finding patterns in the data and exploring these. Conceptual description provides information found by the data or from existing secondary sources. Interpretative explanations are explanatory and transform the data to produce integrated explanations of a phenomena, situation or case. The type of analysis is determined by the information needed; the interpretive explanation has the most demanding analysis process (Boeije, 2010). According to Gordon & Langmaid (1988) the interpretation is both conscious and unconscious; it begins from the first meeting between the researcher and the client. They argue that interpretation consist of two processes. First, the mechanical process that implies the way the data information is structured, with the aim of identifying patterns. The mechanical process can again be divided in two; the “large sheet of paper” where the key variables and topics are written in different boxes which gives a more structured way to approach the data. The annotating the script approach implies that the researcher annotates thoughts in the margin of the transcripts. The researcher can then sum up all annotations and other findings in the transcript. Second, the interpretative process deals with answering questions based on the research objectives. This process also involves interpretation of oral communication and body language (Gordon & Langmaid, 1988).

Saunders, Lewis & Thornhill (2009) argue that semi-structured interviews are mostly explanatory but also have elements of exploratory components. According to the authors data gathered from semi-structured interviews can be used to identify the questions that should be asked in a questionnaire. Tashakkori & Teddlie (1998) emphasise that semi-structured interviews could also be used to explain findings identified in questionnaires. In order to understand the UK market both in relation to retailers and consumers, the semi-structured interviews proved that the survey-research was based on reliable information. According to Kotler & Armstrong (2010) managers often start with exploratory research and later follow with descriptive data.
Survey-research is the method most extensively used for gathering descriptive information. This method was chosen for our research project in order to obtain data concerning attitudes, buying behaviour, knowledge and preferences in relation to designer goods (Kotler & Armstrong, 2010). The survey-research will be useful in terms of answering some of the research objectives, by obtaining information about knowledge and perception of Norwegian fashion brands, identifying regional differences in the UK and develop an understanding of consumer behaviour.

4.6 Validity and reliability

In terms of measurement procedures, validity defines an instrument's ability to measure the specific purpose it has been intended to measure (Kumar, 2005). Smith (1991) identifies validity as “the degree to which the researcher has measured what he was set out to measure” (Smith, 1991, quoted in Kumar 2005, p. 153).

In order to determine whether an instrument is measuring what it is supposed to measure is primarily based upon the link between the objectives of the study and the questions. The questions used in the chosen research methods are logically linked to the objectives in this project. This gives the project “face validity”.

Kumar (2005) states, “if a research tool is consistent and stable, and, hence, predictable and accurate, it is said to be reliable” (Kumar, 2005, p.156). The greater the degree of consistency and stability in an instrument, the better the reliability is considered to be (Kumar, 2005). Therefore, “a scale or test is reliable to the extent that repeat measurements made by it under constant conditions will give the same result” (Moser and Kalton, 1989, quoted in Kumar, 2005, p. 156)

By looking at the results from the collection of primary data, an evaluation of the consistency of the measurements can be made. If information is obtained several times and the instrument reveals similar results under the same conditions more than once, the instrument is considered to be reliable. The results from the survey in the three cities investigated London, Leeds and Edinburgh indicated relative similarities; the used instrument can therefore be argued to be reliable. Hence one of the objectives
was to identify regional differences, consequentially not all of the questions were suitable to measure reliability.

4.7 Ethics in research

It is imperative to keep in mind the ethical responsibilities when conducting research. Three general principles have been developed to guide ethical choices. The first is informed consent. This means that the participant is entitled to know the nature of the data collection, how the data will be used and to give informed consent for its use. Secondly, the respondent’s privacy also needs to be considered. Researchers have to ensure that the privacy of the respondent is not disclosed to a third party. Thirdly, confidentiality and anonymity concerning the handling of the data to ensure privacy needs to be put in place. The identity of the respondents should not be linked directly to the data. The researchers ought to be the only ones that can link the identity of the respondents and the research together (Boeije, 2010).

In this project there are responsibilities concerning the respondents and the Norwegian Fashion Institute. The interest of the respondents and client were kept in mind when conducting the research process. The acquired information from the survey-research could not be traced back to any of the respondents. In addition the information from the survey-research and interview was stored to only be available for the members of this group.

4.8 Limitations

There were some limitations to research methods used in this project. Due to financial limitations it was not possible to conduct focus group interviews in the respective cities. We chose to use a survey method to obtain the necessary information efficiently. This research method is considered to be quantitative, although the survey performed had qualitative components. It can therefore be argued that by using this specific research method the project combined the best of both methods, using elements of quantitative and qualitative data to achieve the goals of the investigation.
Chapter 5 - Findings

To identify the stores that would be most suitable to distribute NFI’s member brands, the business-to-business market had to be segmented. In order to conduct this in the best possible way, nature of goods and demographic segmentation bases was used. Nature of goods divides the fashion industry by type of product. The goods of NFI’s members are high-end designer clothing that implies that retailers offering such goods should be the target business segment. By using demographic segmentation the market can be divided by market size. The target consumers most often purchase their clothing in department stores and independent boutiques.

To investigate the opportunity for Norwegian Fashion in the UK it was essential to get in contact with people obtaining inside information within the identified segment. An interview with Mr. Peter Ruis, the head of buyer at John Lewis, was therefore conducted.

The secondary research revealed that online shopping has a growing tendency. An interview with Natalie Hughes, a fashion blogger and online editor was conducted to provide an understanding of the fashion industry from an online influenced perspective.

5.1 Semi-structured interviews

Semi-structured interviews were conducted with Mr. Peter Ruis, Buying Director for fashion at John Lewis and Nathalie Hughes, fashion blogger and content editor for the online lifestyle guide Sheerluxe (Appendix 8 and 9). The data gathered from the semi-structured interviews were used to identify the questions for the survey-research.

5.1.1 Interview with Peter Ruis

In the interview with Mr. Peter Ruis, we acquired the following information.
Knowledge about Norway

As the Head of buyer for one of the UKs leading department stores Mr. Peter Ruis has great knowledge about the international fashion scene. Although when asked about his knowledge of Norwegian designers he had to admit he did not know many. The only one he could mention was Helly Hansen; nevertheless he did not feel that they had a Norwegian profile. He described Norway as quiet regarding how they promote their designers. He stated that Norway was the least defined of the Scandinavian countries. Several Danish and Swedish designers had approached him, but never anyone from Norway. Mr. Peter Ruis said, “Norwegian brands have to put themselves more out there”. Furthermore he emphasised that the British fashion market is open to international brands. He stated that introducing Norwegian design into the UK fashion market should not be a problem due to the fact that the UK does not have any “hard feelings” towards Norway.

Regional differences

Mr. Peter Ruis describes the typical London John Lewis customer as wealthy and fashionable. Further, they value design over quality and price. He also stated that London is like a country of its own, with great variety of people. Regarding the question about regional differences in the UK, he considered them to be few. Nevertheless, he stated that prices need to be lower in cities other than London and that the fit has to be larger especially in relation to other parts of the UK. He also emphasised the importance of considering the differences in climate. Due to the cold winters in Norway, thick knitwear might be popular in Norway but he questioned its selling potential in the UK, as the climate is somewhat warmer.

What do you look for when buying a brand?

Mr. Peter Ruis emphasised that what he looks for is simply a good product. It has to be different from what is already in stock. He stated that the idea of lifestyle sells and that Norwegian brands can retain their own style. They need only to adapt the fit of their clothing.

Mr. Peter Ruis believes that Norway has something unique to offer regarding children’s wear. Further he said that Norwegian children clothing prices were too high for the UK market. He stated that children’s wear represents the idea of nurturing, and that most people do not like to put designer labels on their children.
John Lewis has a team of 25 buyers that work in groups of 6-7 divided into different departments. They all have great knowledge about the fashion world, and regularly travels to trade shows to find new brands. He mentioned Bread and Butter (Berlin) and Copenhagen Fashion Fair as the best ones. The agents also visit different show rooms around Europe to buy brands for the store.

Mr. Ruis states that he never buys a brand only because of the brand name. The company’s customers shop across price points and stocking only the most expensive brands does not fit the John Lewis Profile. He suggested that a brand should not only have items priced at over 100 pounds, but that it was also important to reach out to the general public.

He emphasised that to ensure a positive welcome for a new brand it is important to have contacts in the UK. Each brand should have an agent that knows their way around the UK fashion scene. It is important to create good PR around a new brand to increase awareness. He believes that all new brands should start out in London, as this is the biggest fashion scene in the UK. The companies that want to establish themselves in the UK market have to approach the right people and be aggressive. Furthermore he stated that the fashion industry is small and everyone knows each other.

Mr. Ruis believes that in order for Norwegian brands to be successful in the UK market the companies need to adapt the fit of their clothing. He also said that Scandinavian women have a different body type from women in the UK. He stated that the fit of the clothing is an extremely important factor to ensure the success of the brand. He mentioned Gant as an example of a brand that had succeeded in the UK (www.gant.com). Mr. Peter Ruis said that Gant is a Swedish brand that has made the adjustments necessary to fit the UK public. Further he again emphasised that the problem of fit is more noticeable outside of London. He emphasised that there were few barriers for Norwegian fashion brands to enter the UK market. He stated that Norway and the UK have similar cultures, and in addition the Norwegians speak English very well. Finally, he suggested that the impact of a Norwegian brand in London would be an indicator of the potential for the brand to succeed in other parts of Europe.
5.1.2 Interview with Natalie Hughes

Natalie is a British fashion blogger (www.cannedfashion.com) and a Content Editor for the online lifestyle guide Sheerluxe (http://www.sheerluxe.com/).

Knowledge about Norway

Natalie had to admit that she possessed very little knowledge about Norway. She knew some Scandinavian brands, but no Norwegian ones. The interview therefore had to be adjusted to general information about the UK fashion scene and what is needed to succeed as a new brand in the UK retail jungle.

How to ensure success on the UK market

In Natalie’s opinion the first thing needed when introducing a new brand that is unknown to most people, is to create awareness around the brand. According to Natalie the best way to do this is through contacting the biggest retail houses in the UK, such as Harvey Nichols, Selfridges, Debenhams and John Lewis, and see if they might be interested in stocking the brand in question. If the designer has sufficient funds, it might be a good idea to open an individual store, or perhaps a "Norwegian store" with a collection of several Norwegian designers. Natalie pointed out that a store with more than one Norwegian designer could also help to increase the awareness around Norwegian design.

According to Natalie another important aspect to consider is to adjust the design of the products to fit the UK market. She says that if her assumptions are right, the Norwegian designers have some similarities to other Scandinavian designers such as Acne, Malene Birger and Baum und Pferdgarten - very simple and minimalistic. She has also heard that the Norwegian women tend to be very tall and slim and since the average British women is “a bit rounder in the edges” the designers should do some adjustments in the sizing and fit of the products that they intend to market.

Finally she emphasised that many British women tend to mix high street brands with high-end and designer brands. Since the economy is in recession at the moment, Natalie felt that introducing a new brand with a high price might be more difficult. She suggested that Norwegian designers should therefore include some items in their collections that are more moderately priced.
5.2 Survey-research

Before conducting the survey-research the appropriate segment for NFI's members had to be identified in order to find the representative respondents. Demographic segmentation basis was used when segmenting the consumers. Due to the diversity of members in NFI the age group had to be wide. Women in the age group 20-45 were interviewed. With background in the secondary research, the socio-economic group ABC1 are the consumers that buy most high-end designer clothing and were therefore chosen for the research. Due to the nature of high-end designer clothing, the segmentation also needs to include psychographic elements as the consumers of such goods have certain attitudes, values and lifestyle. These elements are often expressed through how people are dressed and their general appearance. In addition, it had to be ensured that the respondents were residents of the respective city. The survey-research got a total of 113 respondents. The results from the survey can be found in Appendix 10.

5.2.1 Results

Question 1

“What is your relationship to designer goods?”

In order to gain an understanding of the respondent’s attitudes towards designer goods, it was important to determine their relationship to designer items. Of all the respondents, 56 claimed that they both like and buy designer pieces regularly. Furthermore, 43 respondents said that they liked them, but did not buy them and 14 had no interest in designer goods. The results indicate that a majority of the respondents have a positive attitude towards designer goods, although some participants considered them too expensive and rather used designer goods as personal inspiration.
Figure 5.1 Number of respondents’ relationship to designer goods

**Question 2**

“Have you bought any designer items recently?”

The question was included to get an understanding about whether the respondents were a representative sample to answer the questions in our survey.

The majority of the respondents had bought designer items within the last three months. This is a good indication of representative respondents participating in the survey-research. When comparing level of similarity between the cities, more than 50% of the respondents in each city had bought a designer item recently and no regional differences can therefore be drawn in this regard (Appendix 11).
**Question 3**

“What is your average spending on clothes per month?”

This question was included in the survey in order to obtain information about the average spending on clothes in the UK and to find out if there were any differences among the three regions. The respondents between age 28 and 52 had the highest average spending, while the respondents from age 17-22 had the lowest spending on clothes (Appendix 12).

![Average spending per month relative to age](image)

*Figure 5.3 Average spending per month relative to age.*

The average spending per month is £261 for the whole UK. Furthermore, the average spending was the highest in London with £257, £246 in Edinburgh and the lowest in Leeds with £243. There is no significant difference between the regions.
Figure 5.4 Average spending per month in three cities

Most of the respondents spend £0 to £199 a month in each of the three cities. Leeds had the most respondents in this price range.

Figure 5.5 Average spending on clothes per month in UK
Figure 5.6 Average spending on clothes per month – Regional differences

**Question 4**

“How would you describe your personal style?”

The question was included to indicate the preferences of the respondents regarding the kind of clothing they prefer. The intention was to find out which Norwegian fashion brands would be suitable for the UK market with regard to the respondents’ preference of style.

The answers could be categorized into six different style categories; casual, classic/elegant, trendy, eclectic/vintage, “other” and “do not know”. The casual category includes people stating that they had a relaxed attitude towards style. Classic/elegant implies clothing that is simple in shape, colours and fabric. Trendy includes the latest fashion trends and eclectic/ vintage includes a collection of several styles and vintage clothing. Respondents that could not be placed under one of the identified categories were placed under “other” and respondents that could not describe their style in an effective matter were placed in the category “Do not know”.

The research results in Leeds revealed that 37% of the respondents in Leeds had no thoughts about what kind of style they had. In addition the Leeds respondents had a highest score in the casual category with a total of 25%. The respondents in London got the highest score in the category of classic style with a total of 29%. In Edinburgh
the responses received were more evenly divided between the diverse categories, casual and classic were the categories with the highest scores with 25% each. The total results shows that casual and classic style scored the highest with percentages 22% and 21% (Appendix 13).

![Figure 5.7 The number of style description of the respondents](image)

**Figure 5.7 The number of style description of the respondents**

### Question 5

“What comes to your mind when hearing the word Norway?”

The question was included in the research survey to reveal attitudes towards Norway. NFI will on this basis know if it is an advantage or disadvantage to be associated with Norway. In addition it will reveal how the fashion brands should position themselves to take advantage of the overall impression of Norway. The results of the research were categorised into five different aspects to be able to illustrate the result.

There were several versions of answers to this question, the answers could nevertheless be summarised into a few general aspects. Norway was associated with clean, nature and natural, in addition to blond hair colour. There was a positive attitude towards the word Norway amongst the respondents in all the three cities.
Figure 5.8 Associations with Norway according to perceptions of respondents in three English cities

**Question 6**

“Do you have any knowledge of Norwegian fashion brands? If so, which ones?”

This question was included to measure the knowledge of Norwegian fashion brands amongst the inhabitants in the diverse cities.

The knowledge of Norwegian fashion brands amongst the respondents in Leeds was 2 out of 40, London 2 out of 41 and Edinburgh 1 out of 32. The respondent in Edinburgh did nevertheless mention a Danish brand. The overall conclusion is that there is little knowledge of Norwegian fashion brands in the UK. The research also revealed that the respondents had some knowledge about Scandinavian brands, and that some of the respondents would confuse Swedish and Danish brands with Norwegian. This can be an indicator that NFI has to work towards creating a clear Norwegian profile for the Norwegian designers in the UK.
Question 7

“Which of the following are of highest importance when buying clothes; design, price, brand or quality?”

This question establishes how the customer thinks when making a purchase. The results of the question show which factors influence their decision the most.

In London Design and Quality were the two factors that got the highest scores. 17 respondents rated Design as their most important factor and 17 rated Quality as their most important factor. None of the respondents chose brand as a deciding factor, and only seven chose price as their leading factor. In Leeds Design and Quality got the highest scores. 18 respondents rated design at top and 16 chose quality. Only one of the respondents chose brand and five chose price. In Edinburgh Quality got the highest score, a total of 20 respondents said that the quality of the item made the biggest impact on their decision to purchase an item or not. Nine respondents chose design as the highest prioritised factor; two chose price and one chose brand.

Considering all three cities, quality comes out as the most important factor, with a total of 53 respondents. Design gets the second highest scores with 44. Price received
a score of 14 and brand 2. These findings are supported by the Rapport British Lifestyles (Mintel, 2007) which states that quality most often is a deciding factor.

Figure 5.10 The total preferences of design, price, brand and quality in Leeds, London and Edinburgh

**Question 8**

“What’s your personal favourite brand?”

The question was asked to establish identify the respondent’s preferences. The question can be considered to be a follow up question-to-question number 4.

There was great diversity of replies to the question. The two brands that stood out the most were Topshop with 18 respondents and Vivienne Westwood with 8 respondents.

**Question 9**

“What stores do you shop in?”

The question was included to analyse if there was a correlation between the answers in question one regarding whether the respondents bought any designer items and the amount of money spent each month on clothing. This will be discussed further later in this chapter under additional observations.

The survey revealed that 20 of the Leeds respondents shopped for their clothes in designer stores, as did 12 of the London respondents and 5 of the respondents in Edinburgh.
**Question 10**

"*Do you shop online? If so, which sites?*"

We chose this question to investigate the degree of online shopping among the respondents. This would give a perception of how useful it would be for NFiS member organisations to make use of online sites when trying to penetrate the UK market.

26 of the respondents in Leeds, 23 of the respondents from London and 22 of the respondents from Edinburgh shopped online. The most common places to shop were E-bay, Asos and Net-a-Porter.

![Graph showing online shopping among respondents in Leeds, London, and Edinburgh](image)

*Figure 5.11 Online shopping among the respondents in Leeds, London and Edinburgh*

### 5.2.2 Additional Observations

The interpretative process was used to analyse the oral communication and body language of the respondents. The experience of the research in London was that the respondents were open and positive. It seemed that people in London were more interested in fashion, which made them enthusiastic about our research. Many of the respondents were flattered to be included in the survey. The fact that the participants were interested and had knowledge about the subject made the results somewhat more qualitative in London. In Leeds and Edinburgh it was more challenging to get people to participate in the research. The interest and enthusiasm around fashion was not perceived to be as high as that in London.
The mechanical process was used to identify correlations between the questions. When comparing questions one, two and nine a gap can be identified between the respondents that answered that they like and buy designer items (question one) and the respondents that answered that they actually shopped in designer stores (question nine). In addition, a gap was observed between the answers in question one and two. Respondents that answered that they buy designer items (question one) and the respondents that had bought designer items recently (question two) did not correspond. The potential reason might be due to a misinterpretation of what was considered to be included in the term “designer item” or the formulation of the question.
Chapter 6 – External and Internal analysis

6.1 PEST Analysis

6.1.1 Political

The UK has a democratic way of governance. The country has great respect for civil liberties and human rights. The system of governance is known as the Westminster system. The executive, legislative and judicial functions are entrusted to separate bodies (Datamonitor, 2010).

The UK is a major force in global politics; they are an important member of the EU, a permanent member of the UN Security Council and NATO. They have distanced themselves from complete European integration, but they are at the same time involved in the EU’s international commitments (Datamonitor, 2010).

Both Norway and the UK are members of the European Economic Area (hereinafter EEA). And since Norway is a member of The European Free Trade Association the EEA agreement enables Norway to participate in the EU’s internal market (EFTA, 2009). The UK has benefited from the creation of the single European market, the world’s largest free trade area, which covers 450 million individuals and is characterized by the free movement of capital, goods, services and people (Datamonitor, 2010).

6.1.2 Economical

The UK is the second largest economy in the EU and is one of the strongest in terms of social welfare, standards of living, unemployment, interest rates, inflation and inward and outward foreign investment. They have the seventh highest level of GDP per capita in the EU in terms of purchasing power parity (PPP). In 2009 the GDP per capita (PPP) were estimated to $35,400 (Datamonitor, 2010).
The creation of one common European market is anticipated to benefit the UK even further. One of the main advantages is the inflow of skilled labour, which can contribute to re-establish the balance of the working age/dependent population (Datamonitor, 2010).

The results from a research made by Mintel (2010), suggests that costumers of designer and upmarket high street clothes show reason for optimism after the recession. While the majority will be spending the same and/or spending less, three in ten designer buyers and one in four upmarket high street buyers claim they will be spending more on clothes in the year ahead (Mintel, 2010a).

![Figure 6.1 Attitudes toward buying clothes in the year ahead, February 2010 (Mintel, 2010a).](image)

On the other hand, the recession has had a negative impact on the UK unemployment and overall consumer confidence level. This can affect the costumers spending and buying behaviour, especially concerning products unrelated to “needs” (Mintel, 2010a).

According to BBC News (2010) UK is expected to grow faster than the other G7 countries in the second quarter of 2010. The recovery after the recession is nevertheless considered to be fragile (BBC, 2010).

The United Nations Conference of Trade and Development (UNCTAD) Investment Report suggests the UK was the number one destination for inward investment in

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2 Base: 2000 internet users aged 16+
Europe in 2007, attracting over $1 trillion. The country has established a position as a global centre for business ensures a steady steam of foreign investment in the economy (Datamonitor, 2010).

According to the “Doing Business” indicators published by the World Bank in 2010, the UK is ranked as the fifth best country out of 183 economies surveyed on the basis of parameters related to ease of doing business (Doing business indicator, 2010).

Norway is the 7th largest exporter into the UK market, which counts for 4.7% of the country’s total import (Nation Master, 2010).

6.1.3 Social

The UK is one of the developed countries with the largest population density in the world. Despite this fact the residents of the UK enjoy a high standard of living. This is primarily due to decades of solid economic growth that has resulted in the development of a solid social infrastructure. According to the Human Development Index (2007-2008) the UK ranks as number 21 in terms of human development (HDR, 2009a). Human development is defined as “a process of enlarging people’s choices” (Human Development Reports, 2010) Norway is in comparison ranked as number one on the same list (HDR, 2009b).

The UK divides its population into socio-economic groups. These groups are based on the head of household or chief income earner and are defined as follows (Mintel, 2010c):

A: Higher managerial, administrative or professional

B: Intermediate managerial, administrative or professional

C₁: Supervisory or clerical, and junior managerial, administrative or professional

C₂: Skilled manual workers

D: Semi and unskilled manual workers

E: All those entirely dependent on the state long term, through sickness, unemployment, old age or other reasons.
<table>
<thead>
<tr>
<th>Socio-economic group</th>
<th>Percentage of the population</th>
</tr>
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<tbody>
<tr>
<td>AB</td>
<td>27</td>
</tr>
<tr>
<td>C₁</td>
<td>29</td>
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<tr>
<td>C₂</td>
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<td>15</td>
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(Mintel, 2010c)

The UK has a population of 61.4 million, with an average age of 39. Figure 6.2 illustrates the number of male and female is fairly equal up to the age of 70. This is shown on the figure by longer bars on the female side. The people of working age (aged 16 to 64 for males and 16 to 59 for females) represent 62% of the total population (Office of National Statistics, 2008).

One of the most important demographic characteristics of the UK population is the growing concern of the age structure. The population is rapidly ageing, and this poses a number of social, economic and political challenges (Office of National Statistics, 2008).

![Figure 6.2 Population by gender and age, mid 2008, Office of National Statistics 2008](image-url)
61% of the population in England are considered to be overweight and obese, which is the highest within Europe. Norway has in contrast the lowest amount of obese and overweight people with 31.5% (Key Note, 2009).

In the UK schooling is compulsory for all children between the ages of five and sixteen. The majority of children attend schools that are paid for by the government through tax revenues. The UK benefits from a well-developed system of higher education that attracts students from all over the world.

In terms of healthcare the UK’s system has been re-structured over the last years and is now able to provide higher quality healthcare to everyone. This is very important as the majority of the population relies on public healthcare services.

6.1.4 Technological

The UK government has been successful in navigating the progress of Research and Development (R&D) in the right direction. In order to be competitive serious effort has been made, as technological development will help the country mark its position among rivalry from emerging economies. The UK is increasingly open to movement of goods, services, capital and people; nevertheless, their competitive advantage may be weakened as technology in which it specializes begins to be disseminated (Datamonitor, 2010).

70% of households in the UK had Internet access in 2009; this counts for 18.3 million households across the country. This is an increase of nearly 2 million over the last year. The region with the highest level of access was London, with 80% and the region with the lowest access level was Scotland, with 62% (Office for National Statistics, 2009).
According to Mintel (2010c) 90% of those with Internet access have bought something in the last year. The financial crisis has had an impact on customer’s willingness to buy higher value goods. Nevertheless, the overall popularity of buying online has increased in spite of the economic downturn. 42% of online customers claim they have bought more than last year, and 16% claim they have bought less. The most enthusiastic online shoppers are people in the age of 25-45. As a result of this group's time pressure and their extent of commitment (Mintel, 2010c).

The most frequent bought products online are books, CDs and DVDs. In terms of popularity, fashion is the second common category to be purchased. Approximately 9% of fashion is sold online (Mintel, 2010c).

The latest available data concerning transportation infrastructure illustrates that UK is very well developed in this regard. The country has nine ports and terminals, 11 heliports and 471 airports. The UK is also well connected through its network of roads, railways and waterways (Datamonitor, 2010).

6.2 Porters Five Forces

Porters Five Forces framework helps NFI evaluate the fashion industry in the UK. The framework can help the organisation develop an understanding of the fashion industry and make them aware of the industries current situation. The organisation
can benefit from the framework as it can identify possible threats and opportunities within the market. By being aware of the information the framework acquires, the organisation can take advantage of opportunities and avoid threats and thereby have a higher chance to be successful.

![Figure 6.4: Porter’s Five Forces (Porter, 2004, p. 4).](image-url)

The most essential factors for NFIs member brands that wish to enter the UK market to monitor will be the bargaining powers of buyers, threats of substitutes and the existing competition in the UK. The bargaining power of suppliers will most likely not change if the members decide to enter the UK market and when it comes to the threat of potential new entrants this is not yet a factor since the brands are not established on the UK market.

### 6.2.1 Bargaining power of Suppliers

According to Michael Porter (2008) a supplier is powerful if it does not depend heavily on the industry for its revenues and offer products that are differentiated. Furthermore, a supplier is powerful when there is no substitute for what it sells and there is a high switching cost in switching supplier for its customer (Porter 2008).

In the fashion industry suppliers are mainly textile producers and workforce providers. Possibility for differentiation exists as a result of that textiles are made from several of materials from animal, plants, mineral and synthetic sources. This enhances supplier power because the differentiation makes it easier to retain buyers even if competitors offer cheaper products. Furthermore, the supplier power is strengthen by the fact that textile suppliers are not entirely dependent on the fashion
industry for its revenue; other markets they provide are including furnishing and carpeting (Datamonitor, 2009c).

Because of the continually changing fashion market fashion articles has a short product life cycle, and forecasting errors do happen. This weakens supplier power to some extent. Overall the supplier power is assessed as moderate (Datamonitor, 2009c). For the brands that chose to enter the UK market the supply-chain will probably not change, this is because they will export an already manufactured product.

6.2.2 Bargaining power of Buyers

Buyers in the industry force down prices bargain for higher quality or more services, and they play the actors in the market up against each other. For retailers it is important to pay close attention to the changes in the market in order to maintain its customers (Porter, 2004). The buyer power is strengthen by the fact that the market is unpredictable and rapid changes are obligated by retailers in order to offer buyers what they require (Datamonitor, 2009b).

The consumers are fragmented in personality and individualism, which gives retailers the opportunity to differentiate strongly in what kind of clothes they offer. This weakens the buyer power in sense of fewer stores being evaluated as alternatives (Datamonitor, 2009b). Furthermore, the more sophisticated customers tend to dislike buying a complete outfit from only one brand, as they want to appear having an individual style (Mintel, 2008). For many clothes represent social status and lifestyle, which give retailers opportunity to influence buyers through brand advertising and brand development. Nevertheless, high brand awareness, moderate consumer loyalty to specific brands and a high level of choices enhance buyer power. Furthermore, buyer independence and low-cost switching are strong drivers for high buyer power (Datamonitor, 2009b).

The buyer is most powerful in situations where there are few buyers within a certain market segment (Porter, 2004). The market for high-end designer clothing is narrow; nevertheless it represents a wide range of products to choose from. This implies that it is crucial for a fashion designer to make their brand stand out in order to secure that
the customer chooses their product. Overall the buyer power in the high-end designer market is relatively high (Datamonitor, 2009b).

6.2.3 Availability of Substitutes

Rugman and Collinson (2006) say that the most important factors to examine when conducting a competitive analysis is the rivalry that already exists in a specific market. These observations are important because the company will need to try to predict when these contributions will reach their market, and how the company could possibly protect themselves from such substitute product purchases. When the demand of a product is affected the threat of substitutes will get higher. The more substitutes become available; the demand becomes more elastic since the customers have more to choose from (Porter, 2008).

There are no substitutes for clothing; nevertheless there are niche alternatives for retail. Homemade clothing is alternatives for “ready-made” clothes, but this does not represent a high threat. Overall the threat of substitutes is relatively low (Datamonitor, 2009b).

6.2.4 Threat of new entrants

How great the threats of new entrants are depend highly on the barriers to enter and what the entrant can expect of reaction from competitors. New entrants bring new capacity, the desire to gain market share and often substantial resources to an industry. Furthermore they add a level of competition in the market (Porter 2008).

Barriers to enter the UK fashion industry are not high and the capital requirements are low. Nevertheless, entrants face barriers is form of retaliation by existing player. Few larger corporations account for a major share of the total market revenue, and they acquire the ability to build strong brands (Datamonitor, 2009b).

There is a strong probability of new entrants to the UK fashion market; however there are many resources required to be successful in the competitive environment (Datamonitor, 2009b). It is imperative to consider that designer clothing can be easily imitated; innovations are therefore a crucial factor for entering and surviving in the market (Malem, 2008). This suggests that the entry barriers to the UK designer retail
market are relatively high and on basis of this make the assumption of moderate threat of new entrants.

6.2.5 Rivalry among competitors

According to Michael Porter (2008) many similar businesses and limited growth in the market encourage rivalry between the competitors (Porter 2008). In the UK fashion industry there is a large number of similar and well-established retailers, which intensifies the rivalry. In addition, buyer’s low switching costs and high power increase the competition level. Fast pace of changes in the market also have a small effect on the rivalry. Nevertheless, there are room for smaller players in the market. Overall there is a fairly strong rivalry in the industry (Datamonitor 2009b).

6.3 Internal analysis - McKinsey's 7S's

- **Strategy**: NFIs goal is to gather a network of actors within the industry. They believe that interaction and competition creates a competitive advantage.

- **Structure**: NFI is an organisation with two different departments, a member organisation and the foundation. They operate with separate accounting. The foundation NFI rapports to a board selected by the member organisation.

- **System**: NFI operates with both long and short work processes in terms of long-term planning and project completions. They have a small administration and often turn to outside expertise for help.

- **Shared Values**: Their super ordinate goal is to collect a network of Norwegian fashion actors and take part in converging activities. In addition to turn Norwegian fashion in to a recognized brand.

- **Style**: No decisions are made in solitude; the board and experts are important supporters. They use their network wisely.

- **Staff**: Manager: Mr. Gisle Mardal. Education: BA Fashion Design marketing CSM LDN. MA Innovation and entrepreneurship, BI Norwegian School of
Management. Creative Director: Kristina Hjelde. Education: BA Fashion
design ESMOD Oslo and Paris, BA Fashion promoting/ journalism LCF,
LDN.

- **Skills**: All the participants in the organisation have experience from different
sectors of the industry, including design, economy, strategy and PR.

### 6.4 SWOT

The analysis helps address the core competencies that NFI possess. The analysis
reveals the strength and opportunities that the organisation holds. By identifying the
weaknesses and threats the organisation can minimize the effect on an early stage.
The analysis will help prepare the members for penetrating the UK market (Appendix
14).

**Strengths**

The NFI has good knowledge about the fashion industry, as a wide range of expertise
is found among their 90 members. The expertise of the member’s leads to that
decisions made within the organisation is made on solid grounds. NFI has a clear
vision for what they want to achieve through the creation of the foundation. The
support of Innovation Norway and the cooperation with the Norwegian government
illustrate that NFIs members have the belief from important Norwegian instances that
they have the potential to succeed.

NFI is always updated with what is happening in the fashion industry and the “bigger
picture” due to their large network. The wide expertise surrounding the foundation
gives them the opportunity to understand the micro and macro environment.

**Weaknesses**

As NFI is a newly established organisation, their weakness is the lack the experience.
Although all the members together have experience, NFI alone does not. At the
moment NFI only employs two people, Gisle Mardal and Kristina Hjelde. The
foundations economy is currently not in a position where they can employ more
people. This results in a busy schedule, and makes the organisation not able to fulfil
its potential. In addition, NFI has a weakness in terms of the lack of awareness about the organisation domestically and abroad.

**Opportunities**

The UK is considered to be a global centre for business and being a gateway to global trade, the country has a steady stream of foreign direct investments in the economy. The infrastructure is well developed and the distribution network to Europe is well integrated. Through the UK market organisations can access a great transportation and distribution network. The UK’s membership in the EU gives even a more rapid and easy access to the EU internal market. The country is the second largest economy within the EU and offers a high standard of living. The country also offers a profitable market scale which is optimistic regarding to further growth, as the consumers spending is expected to increase. 70% of the UK residents have Internet access and 90% of these shops online.

The UK is on the top of the ranking related to ease of conducting business. In addition, the country is one of Norway’s most important trade partner, the two countries have a long and steady business relationship.

**Threats**

The recession in 2008 affected consumers spending habits, but the economy shows reason for optimism. Nevertheless, the side effect of the recession will have an impact on the economy and it may therefore be considered to be fragile. The consumers within the fashion industry has a low degree of loyalty towards designer clothes and the consumers in the socio-economic group AB are the most likely to switch between brands. In addition the market has extensive competition, the number of rivals is considered to be high.
Chapter 7 - Strategy

7.1 Promotion strategy

7.1.1 Positioning

The survey research revealed that the knowledge and awareness around Norwegian brands is practically non-existent. There is therefore a need to build a Norwegian fashion profile in the UK. The NFI needs to communicate what Norwegian Fashion is, and what it offers. Norwegian fashion brands needs to conduct a differential positioning strategy in order to create an individual and unique image, independent from other Scandinavian brands. The nature of the high-end designer fashion products makes it more useful to apply affective positioning, since there are often feelings behind the consumer’s decisions. This contrasts to cognitive positioning which is a more logical and functional approach. Positioning is vital in order to establish a good brand image.

7.1.2 Brand image and identity

In our survey research respondents were asked what they associated with Norway. The most repeated associations were blond girls, cold climate, fjords and cleanliness. The common features turned out to be associations in relation to nature and natural things. Mr. Ruis emphasised that the idea of lifestyle sells, Norwegian fashion brands could build their brand image around a “natural lifestyle”. To understand how the perception of Norway is at the moment, can help the NFI to identify what is needed to create a profile for Norwegian fashion brands. If the NFI chooses to continue to build on the association already present in the UK market, it will be easier to obtain consistency between brand image and brand identity. Creating a brand image is done through the use of different marketing channels.

7.1.3 Promotion

An important part of the consumer buying decisions process is to identify the ways by which the identified target market gather information and are most influenced by. NFI
has to ensure that the Norwegian brands are available and seen through appropriate communication channels. This will ensure they are noticed when the consumer’s actively searches for information. In addition, NFI should make a proactive approach to secure the attention of the consumers that do not actively seek information. This can be linked to cognitive learning and occurs as the result of a mental process. When the consumer does not actively search for information about a brand, and is exposed to external stimuli they might establish a need that may lead to a response.

The NFI has to be present in marketing channels where the consumers will search for information, such as the Internet. In addition NFI needs to actively reach out to the potential costumers, in order to build awareness and establish a “want” for Norwegian fashion brands in the UK market. It is imperative for NFI to put together the right communication mix. Due to the fact that Norwegian Fashion does not have a profile in the UK fashion market they need to be represented where their potential consumers are.

Public Relations

As aforementioned the people in NFIs members target audience are most influenced by TV advertising, Internet and celebrity and fashion magazines when deciding where to purchase their clothes. NFI has limited resources and it could therefore be argued that the emphasis should be on PR and other cost-effective marketing mix channels. TV is generally considered to be the most influential channel of communication.

Since Norwegian Fashion brands have not yet acquired a position in the UK fashion market and the brands have limited financial resources, this channel of communication is not included in the promotion.

NFI could benefit from being present at fashion events. London Fashion week offers an opportunity to showcase Norwegian fashion brands. The Fashion week has an exhibition called “Made by Scandinavians” that focuses on promoting Scandinavian brands to the international market. NFI could attend these exhibitions to emphasise how Norwegian brands differentiate from other Scandinavian brands, and benefit from free media cover.

Sponsorship could be another way to create awareness, by sponsoring celebrities and influential people with Norwegian designers clothing. This method could help position Norwegian Fashion brands by creating attention to the products. Reporters,
magazines and bloggers are often present at important events and could contribute further attention to Norwegian Fashion brands. It should however be mentioned that personal influences, such as advice from family and friends weights the most in terms of influence. Word of mouth is nevertheless difficult to measure as influence is related to the consumers experience and perception of the brand. This emphasises the importance of satisfied customers, as unsatisfied customers will create negative word of mouth.

**Exhibitions**

Through attending exhibitions NFI could build network with influential people in the industry. These offer an excellent opportunity to build business relationships, which include getting directly in touch with the buyers of diverse stores. The people present in such events often play a role in the businesses buying centre. The method is cost-efficient as it creates awareness of Norwegian Fashion brands. By participating in exhibitions NFI has the opportunity to build an extensive network and create word of mouth among the people in the fashion industry.

**E-marketing**

Internet can be an effective marketing channel. It is often used as a part of the information research in the consumer buying process. It is therefore essential that NFI has a well developed website which grabs the consumers’ attention. It should contain contact details and relevant information about each member of the organisation. In addition NFI should be present in relevant websites to acquire potential consumers and again create awareness of Norwegian Fashion brands.

### 7.2 Mode of entry

#### 7.2.1 Foreign Direct Investment

Through FDI the members of NFI will achieve more control over their assets in the UK. Green field strategy involves great risk for a single company. The company starts from scratch and has to find its position in the market. A green field strategy for NFIs members involves opening a new individual store, establishing a distribution network,
finding employees and/or controlling all the aspects of the business from the headquarter in Norway. This might be difficult for NFIs members to achieve as it is time consuming and there is a need for strong financial resources.

Acquisition strategy is not appropriate as a mode of entry for the members of NFI as it involves taking control over already existing businesses.

A joint venture between two or more Norwegian Fashion brands will divide the risks and responsibilities between several parties. The need for financial resources will also be divided between the members. NFIs members will through collaborating be able to take advantage of the different strengths and knowledge in the joint venture. This can contribute to create a stronger Norwegian profile within the UK fashion market.

7.2.2 Export

Due to the fact that NFIs members target audience most commonly buy their products from department stores and independent boutiques, exporting should therefore be considered as an entry mode to the UK market. Export is the most common mode of entry. It can be argued that this can be a wise method of gradually entering the market. This would allow NFIs members to assess local condition and avoid the extensive financial costs that follow setting up a new establishment. NFIs members can through direct export get their products launched in the UK market; this mode of strategy can be used to get the designer and high-end clothing products into stores. Entering the UK market through department stores might benefit NFIs members; as such stores have established a strong position in the consumer’s mindset. Exporting to independent boutiques would involve extensive contact with several stores. It would be more suitable to use an agent when exporting to independent boutiques.

Internet as direct export

Selling products via the Internet is a form of direct export. Internet can be used as a competitive opportunity for new and small businesses. NFIs members can use the Internet to expand to the UK market in a cost-efficient way. The entry mode requires small amounts of investments and resources compared to other methods of export. Nevertheless, the NFIs members have to ensure product availability and prompt
delivery to ensure satisfied consumers. Since there is no face-to-face interaction with the consumers it is essential to establish a strong brand and reputation through the website in order to achieve website loyalty.

7.2.3 Agent

Norwegian Fashion brands can make use of agents to enter the UK market. The advantages of using an agent to enter the UK market are the knowledge and network the agent has within the industry. The disadvantages might be in terms of personal benefits, the agents might act inappropriately and moral hazard might arise³.

³ “Moral hazards represent incentives for individuals to breach agreements out of self-interest where there is an absence of sufficient penalties for such behaviour and where it is unrealistic for all parties involved to established conditions which would prevent fully any possibility of such behaviour” (Dacko, 2008, p.350).
Chapter 8 – Conclusion and Recommendations

8.1 Introduction

This chapter will emphasise key findings and trends that have been identified through this report.

8.2 Conclusion

The primary research revealed that the level of knowledge of Norwegian fashion in the UK was almost non-existent. This was evident from the survey research and the semi-structured interviews. However the people questioned during the research had positive associations with Norway. According to Mr. Peter Ruis, Norwegian fashion brands are very little known and the least defined of the Scandinavian countries. There were no significant regional differences in terms of fashion in the cities investigated. However there might be a small difference between London and the rest of the UK in terms of size and pricing of the products. Due to the divide between body types in Norway and the UK, adaptations in sizing need to be made in order to adjust to the UK market.

It was discovered that the identified target group, socio-economic group ABC1, are more concerned about their wants rather than needs. The consumers are generally more media savvy, which keeps them updated on the latest trends in the fashion industry. There is also an increasing trend in consumers using the Internet to search for information. Since this is a step in the buyer decision making process it is important for the actors in the fashion industry to use the Internet to reach out to potential customers. The survey research revealed that our target audience preferred quality and design over price and brand. The secondary research showed that department stores and independent boutiques are the most common channels for buying high-end designer clothing.
In the internal environment analysis conducted the following strengths and weaknesses were identified. The NFI has good knowledge about the fashion industry due to the wide range of expertise among the members. This gives them the opportunity to understand the micro and macro environment. Due to the background of the participants in the organisation NFI has already established a good network of contacts domestically. The organisation has a clear vision and is supported by other instances, both private and governmental. NFI is a newly established organisation this puts them at a disadvantage when it comes to experience.

Examining the external environment and performing a competitive analysis identified the threats and opportunities for NFI and its members. UK offers a profitable market scale, which is optimistic regarding further growth. It is highly ranked relating to ease of conducting business, and is in addition one of Norway’s most important trade partners. The country has a high standard of living, a well-developed infrastructure and offers opportunities to access the EU internal market. The recession has affected consumer-spending habits but the economy shows reason for optimism. The high-end designer market has extensive competition and a low level of loyalty among the consumers.

8.3 Recommendations

In the report vital aspects regarding the UK fashion industry were identified. Through the research and analysis areas for recommendation were found. Short-term and long-term recommendations were made, which consisted of the process prior to entering the UK market and suitable modes of entry were suggested. Because of NFIs high number of members and the diversity they represent, the recommendations will focus on small and medium businesses separately as they do not have similar opportunities for expansion. The recommendations are made for the members of NFI that are interested in expanding abroad. The recommendations from this research project will be presented to NFI members in Oslo, June 2010.
8.3.1 Promotion for NFIs members

In the beginning phase it is imperative for NFI to focus its promotion mainly towards the business-to-business market to create awareness among key fashion leaders, retailers and press. Promotion should also be directed towards potential consumers to make them aware of Norwegian fashion brands. These activities will be affected by the limitation of financial resources available for NFI.

Fashion week, exhibitions and other events

In order to promote Norwegian Fashion brands NFI members are recommended to attend London Fashion Week, as it is one of the highest profile fashion events in the world. Participation will allow the designers to become visible among influential professionals. The Swedish initiative “Made by Scandinavians” offers the members an excellent opportunity to showcase their design. The initiative will allow ease of access to the fashion week and help Norwegian fashion brands demonstrate how they distinguish themselves from other Scandinavian brands. Mr. Peter Ruis emphasised Copenhagen Fashion Fair and Bread and Butter in Germany as essential events. It is therefore recommended that NFI members should also be present in other fashion weeks and events, as UK fashion professionals are an important part of the audience.

It is recommended that NFI members participate in exhibitions in order to build business-to-business relationship and get in direct contact with buyers.

E-marketing

Due to the rising use of Internet and the role it plays in terms of consumers’ information search, it is recommended that the NFI members develop well-designed websites. The identified target audience are active Internet users and their choice of purchase place is highly influenced by the Internet. NFI members should therefore communicate online.

Magazines

The target audience of NFI members’ choice of purchasing are highly influenced by fashion and celebrity magazines. It is therefore recommended to use magazines as an
effective way to reach out to potential customers and create a visible position for Norwegian fashion brands in the customers mind.

8.3.2 Penetrating strategies

The recommendations suggest London as the most appropriate city to start the penetration in the UK fashion market. London plays an important part in the world of fashion. It influences overall media coverage and consumer preferences.

Small-sized businesses
The short-term recommendation for NFI small business members is to make use of the Internet. The smaller fashion brands should make their product available on online websites, either by offering purchase possibilities or being present in third party sites. Net-a-porter and Figleaves are the two sites that are considered to be the most well known in the UK market. Consumers will then have the opportunity to buy the products if they find them appealing. Companies using online sales will be able to evaluate their product appeal to the UK consumers and whether further expansion can be profitable.

In order for small businesses with limited financial resources to create a position in the UK market, direct export to department stores is considered a strategic long-term approach.

Medium-sized businesses
The recommended short-term strategy for NFI medium businesses includes representation in department stores and online presence through online sales.

By using department stores as a channel for distribution, the Norwegian fashion brands will benefit from an already established consumer group. The report revealed that the target audience most frequently uses department stores. In addition the businesses can use this strategy to avoid any costly financial investments. This will help the brands evaluate their possibilities in the UK market in an efficient way. Virtual distribution enables the consumers to obtain information about the brand prior
to purchase and in addition offers the opportunity to buy the product online. The combination of the actual and virtual representations benefits both the businesses and the consumers as it makes products more accessible.

After penetrating the UK market through representation in department stores, the long-term strategy for the successful medium-sized businesses is to create a joint venture with other Norwegian Fashion brands by establishing a concept store. Alternatively for the brands that have generated reasonable profit and developed a clear position in the UK market, a strategic approach will be to open an individual store.
Chapter 9 - Limitations

Being students has limited this assignment in a number of ways. This is the first time we have conducted real life marketing research, and even though we were prepared for the survey research and the semi-structured interviews we now see that our inexperience in this might have affected the result of the research. Also in contacting people working in the UK fashion industry, such as retailers, buyers and editors, our position as students put them off helping us. Since this assignment is about the fashion industry, an industry that involves prestige and a high level of competition, giving out information is highly restricted as a result of company policies. This became evident after requesting help from different levels in major department stores.

Originally the primary research in this assignment was going to be based on focus groups, but as the financial funding was not sufficient this was not possible. After contacting several market research companies to get a price comparison for the selection of respondents, it was decided that this approach was too expensive.

It was difficult to find respondents that fulfilled the criteria set for the survey research.

When stopping people on the street it was challenging to know if they fit the target audience of our research in advance.

As the NFI only has two employees and a busy schedule, it was limited how much information and support they could help us with. The information we received did not give us the insight we needed to perform an in-depth internal analysis.
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Key Note (2008c) **Green and Ethical Consumer 2008** [Internet], Key Note Limited. Available from: <http://www.keynote.co.uk.ezproxy.leedsmet.ac.uk> [Accessed 4 May 2010].


Mintel (2008) **Designer Clothing August 2008.** [Internet] Available from:


Mintel (2010c) **E-Commerce- UK- February 2010** [Internet] Available from:


Nation Master (2010) **Economy Statistics** [Internet] Available from:


Appendix

Appendix 1 – List of NFI members

Lorange Design
Thoresen & Co Ltd. (Oslo) AS
Peter Løchstøer Herreklær Dameklær
Siw Andersen
rosén+torske
Aloha Hemp AS
Fabel
Norwegian Rain AS
MOOlight AS
Linda Sande
Fam Irvoll
Margrethe Gilboe
Eller Marlen Hamre
Hild Rief AS
Wallenborg Design AS
Ida Gullhav Underwear
Voice Norge AS
Epilogue AS
Ingunn Birkeland Oslo Design
Kristofer Kongs Haug
Norsk Industri
Judith Bech
Moteskolen AS Esmod Oslo
Oslo Fashion Week AS
Norwegian Twist AS
Gilland-design
Johnnylove AS
IIS of Norway AS
Norsk Moteforum AS
HSH, Mote og Fritid
Rinde & Heyerdal AS – Vera & William
Undhorn AS
M O G A - Mona Gangnæs
Troll Company AS
Fin Fashion AS
Hanne Martinsen Sko og Vesker
Mona Strand Hatter og Hodebekledning
Høgskolen I Oslo, avd. for estetiske fag
Elton & Jacobsen AS
Tho ans
Varner Gruppen v/Bik Bok AS
Edel Design
Tekstilforum AS
Modellgruppen AS (Heartbreak/Pholk)
Twins – Norge AS
Pudder AS
Kunsthøgskolen I Olso
Katarina Grønmyr
Stieng Enterprises Ltd
By-Torinn AS
Marit Eken Design
Rye Holmboe Johan
Janne Johannessen Design
Oslo Fashion Fair
VIPS Organized Chaos AS
Siv So Hee Steinaa
Ballade Norway AS
DHL Supply Chain – Fashion
Duodu
Batlak og Selvik DA
ANouk AS
Utdanningshuset i Oslo
Natalia Leikis Design
SVA Magazine/Fotograf Svein Bringsdal
Runni AS
Frost Clothing AS
Fleischer Couture AS
Pikene AS
Christina Haagensen/Tina H
Morami
Miller Allover
Promostyl Scandinavia
Pierre Robert Group AS
Sum of Itself
Moods of Norway
Norske Kunsthåndtverkere
Arts & Crafts AS
MCM Europe

Leslie Downey AS

Aller Media att: Henne

Vikonsept as (MeMini / Kristine Vikse)

Daniel Sørensen

Nina Skarra Design

Christina Ledang

Lilleba AS

Sadoni Couture

Cecilie Melli

Janne Skarpeid Hermansen

Trendforecaster Michelle Orme
Appendix 2 – Pictures to show examples of Norwegian fashion brands
Appendix 3 – Segmentation basis

Appendix 4 – EU Laws

Art.90: “No member state shall impose, directly or indirectly, on the products of other Member states any internal taxation of any kind in excess of that imposed directly or indirectly on similar domestic products. Furthermore, no Member States shall impose in the products of other Member States any internal taxation of such a nature as to afford indirect protection to other products.” (EurLex, 2010).

Art 28 (ex 30): Quantitative restriction on imports and all measures having equivalent effect shall be prohibited between Member States (EurLex, 2010).

Art 29 (ex34): Quantitative restriction on exports and all measures having equivalent effect shall be prohibited between Member States (EurLex, 2010).
Appendix 5 – List of influential fashion blogs

- 00oo00
- ashadedviewonfashion.com
- Brains and Beauty
- Bryanboy
- Cheap Champagne
- Coco's Tea Party
- Colette
- Deelightful
- Démode
- Disney Roller Girl
- Dossier Journal
- Face Hunter
- Fake Karl
- Fashion
- Fashion 156
- Fashion Editor At Large
- Fashion Flicker
- Fashion Gone Rouge
- Fashion Pirates
- Fashion Toast
- Fashionista
- Fashionologie
- Fashiontribes
- Fred Butler
- Garance Doré
- Hanneli
- Hedi Silmane
- Hint Magazine
- I am Fashion
- Iconique
- Inside-Out
- Jak & Jil
- Jasper Conran Journal
- JC Report
- July Stars
- Kingdom of Style
- Le Fashion
- LFW Daily
- Love Magazine
- Lulu Kennedy
- Matches Fashion
- Mens Rag
- Miss at la Playa
- Miss B
- Mykro Mag
- Park and Cube
- People in London
- Rubbish Ink
- Runway
- Sea of Shoes
- Show Me Your Wardrobe
- SHOWstudio
- SRC783
- Starbucks and Jane Austen
- Street Peeper
- Street Style London
- Style Bubble
- Style High Club
- Style Rookie
- Style Salvage
- Style Scout
- Style Sightings
- Tank
- Tavi on Pop
- The Business of Fashion
- The Cherry Blossom Girl
- The Digitalistas
- The Fashionisto
- The Moment
- The Sartorialist
- Tokyo Dandy
- Vanessa Jackman
- Vogue
- Wayne Tippetts
- What I Saw Today
- What Katie Wore
- Wunderbuzz

For links see: http://www.britishfashioncouncil.com/links.aspx
Appendix 6 – Factors influencing where designer/high-end fashion buyers purchase clothes.

Factors influencing choice of outlets for purchasing clothing and footwear, December 2009

Base: 2,000 internet users aged 16+

<table>
<thead>
<tr>
<th>Factor</th>
<th>All</th>
<th>Mostly high-end or designer fashion buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seeing advertisement by retailers on TV</td>
<td>15</td>
<td>26</td>
</tr>
<tr>
<td>Websites (eg. Handbag.com)</td>
<td>13</td>
<td>20</td>
</tr>
<tr>
<td>Celebrity magazines (eg. OK!, Now)</td>
<td>9</td>
<td>19</td>
</tr>
<tr>
<td>Fashion led magazines (eg. Grazia, Vogue)</td>
<td>8</td>
<td>19</td>
</tr>
<tr>
<td>Makeover shows (eg How to Look Good Naked)</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Sunday supplements in newspapers</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Lifestyle magazines (eg Woman &amp; Home)</td>
<td>6</td>
<td>18</td>
</tr>
<tr>
<td>Newspapers fashion features</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>Documentaries on TV (eg featuring stories about child labour)</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>Celebrity endorsement (eg Kate Moss at Topshop, Kimberley Walsh at New Look)</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Fashion designer “guest” lines (eg Jimmy Choo at H&amp;M)</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Blogs</td>
<td>2</td>
<td>5</td>
</tr>
</tbody>
</table>

(Mintel, 2010a).
Appendix 7 – Department stores in the UK

Debenhams Plc

Debenhams is a department store operating in UK and Ireland, the company has a total of 153 stores (Debenhams, 2010). The department store offers clothing, cosmetics and household goods (Marketline, 2010a). The focus is however primarily on clothing. Debenhams targets the middle mass market and seeks to differentiate from its competitors by having a wide portfolio of private labels (Mintel, 2009a). From the financial year 2008 to 2009 the company had an increase of revenue by 4.2%. The company had revenue of GBP 1,915.6 million and the operating profit was GBP182.2 million in the financial year 2009. The net profit was GBP95.1 million, which is an increase of 23.3% over the financial year 2008 (Marketline, 2010a).

John Lewis

John Lewis is the second largest departments store retailer in the UK. The department store has 26 department stores across the UK and offer middle to upper mass market products. The company offers the widest ranges of products from fashion to toys and TVs. The department stores are a part of John Lewis Partnership, which also owns supermarkets (Mintel, 2009a). The company had in the financial year 2009 revenues of GBP 6,267.2 million, operating profit of GBP 323.5 million and a total net profit GBP 233.5 million (Marketline, 2010d).

Fenwick

Fenwick is an upper mass-market department store headquartered in Newcastle. Its positioning varies depending on location; the store in London is considered to be more upmarket than the rest of the Fenwick chain. The company has 11 stores throughout the UK. According to Mintel (2009a) Fenwick’s operating profit though 2007 was estimated to £32 million (Mintel, 2010).

House of Fraser

House of Fraser has 62 stores across the UK and Ireland (House of Fraser, 2010). The department store offers a range of designer brands and exclusive collections. During the financial year 2008 the company had revenue of GDP 596 million and an
operating profit of GBP 17.9 million. The net profit for the financial year 2008 was GDP 8.2 million (Marketline, 2010b).

**Harvey Nichols Group Ltd**

Harvey Nichols offers top-end fashion brands and other luxury lifestyle goods. The department stores are located in the seven biggest cities in the UK and are gradually creating an international profile. According to Mintel (2009a) Harvey Nichols Group Ltd gained £16 million in operating profit during the year of 2008 (Mintel, 2009a).

**Selfridges**

Selfridges is a department store which offers luxury products within clothing, cosmetics, jewellery, house ware and food. The company has stores in London, Manchester and Birmingham (Marketline, 2010c). The company seeks to be the most upmarket of UK department stores. The company had in 2007 an operating profit of GBP 53 million (Mintel, 2009a).

**Harrods Ltd**

Harrods is considered the premier department store in the UK, offering luxury fashion, beauty and home goods. The store attracts top-end luxury consumers and has established an attractive profile on the international scene. The department store is located in London and is the largest within the UK market. The company’s operating profit was estimated to £45 million in 2008 (Mintel, 2009a).
Appendix 8 – Semi-Structured Interview with Mr. Peter Ruis

INTERVIEW WITH PETER RUIS

Buying Director Fashion – John Lewis

London – 10.03.2010

1. What do you associate with Norway?
   - Norway; the least defined of the Scandinavian countries. Quieter.
   - “We have never been approached by a Norwegian brand”. All Swedish and Danish have.
   - Norway has to strengthen Norway/Oslo profile.
   - The British market is very open to international brands. There are no limitations.
   - Nothing against Norway

2. Do you have any knowledge of Norwegian fashion brands? If so, which?
   - Helly Hansen, he did however not consider them as being specially Norwegian.
   - (export expensive because of currency)

3. From what source did you obtain this information?
   - FIT! Outside London there is a big problem with fit. Brands do not adapt.
   - Scandinavian people tend to wear the same.

4. Do you have any knowledge about Scandinavian fashion brands? If so, which?
   - Peter Ruis had knowledge of many/all Swedish/Danish brands.
   - Gant. Swedish. No 1 menswear. They have adapted.

5. From what source did you obtain this information?
   - Copenhagen fashion fair

6. How would you describe the typical John Lewis customer? Age, gender, social class?
   - All ages
   - 35-50 fashion
   - ABC1
   - Norway does not have any blockage
   - Odd Molly → popular
7. Any specifics to what the London customer is looking for when visiting your department store? Price, quality, design, brand name.
   - Wealthy
   - Fashionable
   - Single city centric
   - Always design → quality, PR, price
   - 60-100 (some pieces) not all can be over 100.
   - International brands also have to be aware of that there is a different climate in England. Tick knitwear etc.

8. Are there any regional differences to what the customers are looking for in the UK? Price, quality, design, brand name.
   - Sell the same things.
   - OBS → fit. Bigger fit in the rest of the country.
   - Other parts of the country needs a lower price

9. What do you look for when buying a brand?
   - Good product!
   - Different from something we already have.
   - The feeling of a lifestyle sells. Norwegian brands can keep their own taste they do not need to adapt; the only thing that needs to be adapted is fit.
   - I believe Norway has something unique when it comes to children’s wear. The price is however too high. It represent something else (nurturing) People do not like to use labels on their children.

10. What criteria must a brand fulfil for you to include it in your stock?
    - You have to do simple things right

11. How do you find/choose the different brands you stock?
    - Team of 25 buyers works in teams of 6-7 divided on different departments.
    - Trade shows → bread and butter and Copenhagen fashion fair.
    - ACI
    - Shop around Europe
    - Magazines
    - Knowledge

12. Which brands do you currently have and why were they chosen?
    - Go online, there you see the brands we stock
    - Buy across price points. Not snobby.
    - Not something just because of the name.
    - Core and mainstream
13. How would you launch a new brand?
   - Good brand
   - Where and when
   - London
   - Local PR the key
   - Agent
   - All of the aforementioned. Open point of view. Local info Talk to the right people. Have to be aggressive.
   - It is a small industry, everyone knows each other.

14. Difficulties when entering the UK market?
   - No barriers
   - Norwegians speak the language. UK and Norway have a similar culture. The business culture is somewhat different why?
   - No stigma against Norway
   - Fit
   - London is the place to start. If it does not work in the UK it will not work in Spain or France etc.
Appendix 9 – Semi-structured interview with Natalie Hughes

1. Do you have any knowledge concerning Norwegian fashion?
   - Very little knowledge about the Norwegian fashion
   - Norwegian designers have some similarities to other Scandinavian designers

2. Do you know any Scandinavian fashion brands?
   - Acne
   - Malene Birger
   - Baum und Pferdgarten

3. What is your advice for Norwegian fashion designers introducing a new brand to the UK market?
   - Create awareness around the brand
   - Address the biggest retail houses in the UK, such as Harvey Nichols, Selfridges, Debenhams and John Lewis
   - Interested in stocking the designer

4. Any other approaches that you would like to address?
   - Good enough economy on its own; open an individual store
   - "Norwegian store"
   - More than one Norwegian designer; increase the awareness around Norwegian design

5. What is your advice to NFIs member brands to ensure success in the UK market?
   - Adjust the design of the products to fit the UK market
   - Norwegian girls: very high and skinny
   - British women is “a bit rounder in the edges”
   - Adjustments in the sizing and fit of the products
   - Acne dress at Harrods, had to go up two sizes
   -
6. What preferences do the British consumer have?

- Tendency to mix high-street with high-end
- Recession; introducing a brand that is very high priced is tricky
- Some pieces that are more affordable

Appendix 10 – Survey Results

Results from the London questionnaires

**Age**

1. 20
2. 20
3. 20
4. 22
5. 23
6. 21
7. 20
8. 37
9. 22
10. 25
11. 32
12. 19
13. 31
14. 30
15. 19
16. 20
17. 40
18. 19
19. 20
20. 43
21. 23
22. 24
23. 31
24. 29
25. 34
26. 22
27. 27
28. 47
29. 36
30. 28
31. 37
32. 22
33. 19
34. 38
35. 24
Profession

1. Fashion student
2. Student
3. Student
4. Graphic designer
5. Fashion stylist assistance
6. Student
7. Buying assistance
8. TV production
9. Investment
10. Work for a clothing company
11. TV producer
12. Student
13. Designer of handbags
14. Manager for a clothing company
15. Student
16. Student
17. Housewife
18. Student
19. Shop assistant
20. Researcher
21. Student
22. Waitress
23. Account Director
24. Designer for high street stores
25. Decorator
26. Online Editor
27. Sales assistance
28. Developer
29. Digital Marketing
30. Stylist
31. Finance
32. Student
33. Student
34. Fashion Designer
35. Media
36. Marketing Manager (fashion)
37. Student
38. Shop Assistant
39. Shoe Designer
40. Architect
41. Student

**Question 1: What is your relationship to designer goods?**

1. Like them, but can’t afford them.
2. Important.
3. Good, I buy them
4. Not unless they are presents, only high end makeup
5. I have a few peaces
6. I love them
7. Sometimes
8. Handbags
9. No
10. No
11. Love them
12. Can’t afford them
13. Design them
14. I’m in production of ethical fashion
15. I buy them
16. Like them and occasionally buy them
17. I buy it. Love to spend my husband’s money.
18. Find inspiration in them, but don’t have the money to buy them.
19. I work with them, but don’t buy them very often.
20. Buy them and love them.
21. Love all designer brands
22. They are out of reach
23. They are built in to what I do.
24. Design them
25. Buy them
26. Designers offer me endless inspiration, and although I might Not always invest in the items at full price, it informs my work, blog and personal style.
27. Love it
28. Yes
29. Big fan, cost too much though
30. Work with them, do Not afford them.
31. Like them
32. Like vintage
33. Like to look
34. Yes
35. Hardly buy
37. Not much
38. Non.
39. Important. Design them and buy them.
40. Keep it simple.
41. Like them, but can't afford them.

Question 2: Have you bought any designer items recently?

1. Yes, a purse from Vivienne Westwood
2. Not in three months
3. Last week
4. Yes, with my mother
5. No
6. No
7. No
8. Yes, a Marc Jacobs handbag
9. No
10. No
11. Yes, Maria Francesca Pepe
12. No
13. I’m on a trip to do that Now
14. No
15. Yes, a jacket from Gant
16. A purse, can’t remember the brand.
17. Yes, Chanel makeup, Vivienne Westwood dress, Hermes scarf
18. No
19. Yes, a dress from Luella
20. Hermes scarf
21. No
22. No
23. Only high street brands
24. Yes
25. Burberry Trench coat
26. I bought a vintage Louis Vuitton bag three months ago.
27. Yes
28. Yes
29. Yes, Louis Vuitton.
30. I am saving for a new pair of designer shoes.
31. Yes
32. No, do Not have the money to buy them
33. Yes
34. No
35. Yes
36. Yes, French Soul ballet shoes
37. No
38. No
40. No.
41. No

**Question 3: What’s your average spending on clothes per month?**

1. 100 pounds
2. 300-400 pounds
3. 700 pounds
4. 200-300 pounds
5. 150 pounds
6. 100 pounds
7. 200-250 pounds
8. 300 pounds
9. 100 pounds
10. Depends
11. ?
12. 50 pounds
13. 300 pounds
14. 50 pounds
15. 600 pounds
16. 150 pounds
17. 1000 pounds
18. 70 pounds
19. 40 pounds
20. 100-200 pounds
21. 1000 pounds
22. 150 pounds
23. 250-500 pounds
24. 150 pounds
25. 600 pounds
26. 300 pounds
27. 600
28. No idea
29. 500-600
30. 150-200
31. 100
32. 50-200
33. 20
34. Depends, about 200.
35. 100
36. £200, work with fashion so get much clothes for free.
37. £80
38. £100
39. £400
40. £250
41. 300

Question 4: How would you describe your personal style?

1. Great variety
2. Classic, Not to trendy. Simple
3. Trashy!
4. Black, structures
5. Laidback
6. High street
7. Depending on the mood
8. Sporty, mixed
9. Casual, semi-fashionable
10. Changes, depending on my mood
11. Classic, but trendy
12. Collectic
13. Original
14. Functional
15. Classic with a twist
16. Nice
17. Classic
18. Comfy yet stylish
19. Eclectic
20. Classic
21. Varies, power dressing
22. Classic, like to look exclusive
23. 70% off, classic, feminine
24. Vintage
25. Practical yet classic
27. Plain things, baggy things and black things.
28. Classic
29. Changing evolving, urban chic, urban bohemian, also like to build on classics
30. Feminine, dynamic and comfy style for bust London life.
31. Classic
32. Gothic slud
33. Artistic
34. Collective, individual, directional and forward thinking.
35. Lazy
36. Classic, and a bit quirky
37. Mix. Cue and rock
38. Boyish
39. Trendy edge and a bit quirky
40. Comfortable
41. Mix of Vintage and High stream

Question 5: What things come to your mind when hearing the word Norway?

1. Black metal
2. Cold
3. Nice, pretty, blond girls
4. Blond! Exciting fashion
5. Blond, cold
6. Blond
7. Blond
8. Northern light
9. A country, cold, fjords
10. Nature, oil
11. Stylish, simple
12. Blond
13. Cold, mystical
14. Fjords
15. Blondes
16. Sweden, wood
17. Cold
18. Blond people
19. Cold
20. Fjords
21. ?
22. Blond girls
23. Finland
24. Cold, blondes, friendly people
25. Oslo
26. I think of Norway as very safe and clean! In terms of design, minimalism, clean lines.
27. Light, natural things
28. Cold
29. Architecture, fjords, quality of life and well kept body and mind.
30. Cold, blond, outgoing and fun people.
32. Blond hair, a guy I dated, females and beer
33. I do Not know anything...It is in Europe.
34. Pain trees
35. Fjords and the Northern light
36. Fjords, Beautiful landscape, healthy people

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37. Fur and classic
38. Nice people
39. Hot women, clean.
40. Good architecture, fresh and clean
41. Cold, Lots of blondes, quirky fashion

Question 6: Do you have any knowledge of Norwegian fashion brands? If so, which?

1. No
2. No, Cheap Monday?
3. No
4. No
5. No
6. No
7. No
8. No
9. No
10. No
11. No
12. No
13. No
15. No
16. No
17. No
18. No
19. No
20. No
21. No
22. No
23. Line of Oslo?
24. No
25. No
26. I’m afraid to say No. I’m aware of many Scandinavian brands such as Acne, Monki, Cheap Monday, H&M etc. But None that are specifically Norwegian.
27. Yes. Do Not know their names. I have seen some new Norwegian designers in magazines.
28. No
29. No
30. No, I know some Danish ones though
31. No
32. No
33. No
34. No
35. No
36. No
37. No
38. No
39. No
40. No
Question 7: Which of the following are of the highest importance when buying clothes? Design, price, brand, quality?

1. Quality
2. Design and quality
3. Quality
4. Design and quality
5. Quality
6. Design
7. Price
8. Quality
9. Price
10. Design and quality
11. Design
12. Design
13. Design
14. Quality, don’t like to throw away
15. Design, price, quality
16. Design, quality
17. Quality
18. Price, design
19. Design, price
20. Design, quality
21. Quality, price
22. Design, quality
23. Quality, design
24. Design
25. Quality, like things that last.
26. I’d say price and design – as an impoverished journalist fast fashion is my best friend, although my wardrobe is also peppered with a few investment pieces – when it comes to them, I’d say quality is all-important.
27. Design and quality
29. Quality
30. Quality (1), price (2), design (3)
31. Quality
32. Quality (1), price (2), design (3)
33. Price
34. All mainly design.
35. Quality (1), design (2), price (3), brand (4)
36. Design
37. Price
38. Price
39. Design (1) Brand (2)
40. Quality
41. Quality

Question 8: What is your personal favourite brand?
1. Alexander McQueen
2. Zara
3. Ralph Lauren
4. All Saints
5. Stella McCartney
6. Calvin Klein
7. Balmain
8. Alexander McQueen, Marc Jacobs, Vivienne Westwood
9. Top shop
10. No
11. Nomdi?
12. Top shop
13. Alexander McQueen
14. Small ethical brands
15. Mulberry
16. Karen Millen
17. Different ones, depends on what I’m buying
18. Topshop
19. Luella
20. Don’t have a favourite
21. Kirsten Do Valt?
22. Topshop
23. Malene Birger, Topshop, Gosh?
24. Vivienne Westwood, All Saints
25. Burberry
26. On the high street, Zara. Otherwise, Chanel. Always! And Acne. And Isabel Marant. I can’t pick one!
27. Vivienne Westwood, Yamamoto, Comme Des Garcom
28. Max Mara
29. Chanel, Couture continue (french), Reiss, Paul Smith
30. Vivienne Westwood, Karen Miller, All Saints, Primark.
31. Reiss
32. Do Not have one. I like mulberry bags though. Oh, I like Redarde Proenze.
33. Topshop
34. Disel, Chloe, Vivienne Westwood
35. Christian Dior
36. Mui Mui
37. Can't think of anyone. Like fashion but do Not have a favourite brand.
38. Primark
39. Vivienne Westwood
40. Topshop, forever21
Topshop

Question 9: What stores do you shop in?

1. Vivienne Westwood, vintage
2. High street
3. Harrods, Selfridges
4. All Saints and Zara
5. Top shop, high street
6. Top shop
7. High street
8. Liberty, Vivienne Westwood and independent stores
9. Top shop
10. HM, Top shop
11. Liberty
12. Top shop
13. Zara, vintage
14. Mainly internet
15. Luella
16. Karen Millen, Topshop, small boutiques
17. Selfridges
18. Zara, Topshop, Montel
19. Luella, Oasis, Topshop, second hand, markets
20. Zara, Selfridges, M&S
21. Browns, Topshop, Zara
22. Topshop
23. Boutiques, Topshop
24. Urban Outfitters, Topshop
25. Selfridges
26. Zara, Topshop, H&M, Urban Outfitters, Cos, Matches
27. Liberty, American Appeal
28. Department stores
30. Topshop (smaller label department), French connection, there they sell smart clothes that is Not so expensive.
31. Reiss, Zara, House of Fraser, Ralph Lauren
32. Vintage
33. Topshop
34. Selfridges, urban outfitters, diesel
35. Topshop, HM, French Connection
36. Everything. From Selfridge to H&M. High Range.
37. H&M, Primark
38. Primark, Topshop, Urban Outfitters
39. Every shop!
41. Topshop

Question 10: Do you shop online? If so, which sites?

1. No
2. No
3. No
4. Yes, asos and net-a-porter
5. Yes, asos
6. Yes, asos
7. No
8. No, rather go see them myself
9. Yes, asos and boohoo
10. No
11. No
12. Yes, asos
13. No
14. Yes, I have an own web site. Asos (they have a green room)
15. No
16. Asos
17. No
18. Asos
19. Ebay
20. Lisella?
21. Net-a-porter, Asos
22. No
23. Victorias secret, asos
24. Asos
25. No
26. Yes, often. Topshop, ASOS, Matches, Net-a-Porter, My-Wardrobe, Marks & Spencer, Boots
27. Not really, I prefer to see the clothes.
28. No
29. Yes, 60% of my clothes. Netporte, asos, calvin klein, wolford.
30. No, I am afraid of card fraud.
31. Yes, asos.com
32. Etsy.com, shopnastygal.com
33. No
35. No
36. Yes. My Wardrobe, Urban Outfitters, Asos etc.
37. Yes. Asos.
38. No.
39. Asos, Netaporter
40. Yes. Topshop, forever21, and some new ones that I find.
41. Yes Topshop and Asos

Results from the Leeds questionnaires

Age

1. 25
2. 52
3. 20
4. 23
5. 26
6. 22
7. 28
8. 20
9. 25
10. 18
11. 18
12. Manger for a bar
13. Student
14. Student
15. Civil server
16. Hair technician
17. Student. Work at Harvey Nichols
18. Sales manager
19. Student
20. Student
21. Student
22. Student
23. Nurse
24. Student
25. Sales Assistant
26. Model
27. Student

Profession
17. Masterprogram
18. PR
19. Student
20. Sales ass. Whistles
21. Student
22. Bartender
23. Dance teacher
24. Receptionist
25. Teacher
26. Housewife
27. Personal shopper
28. Program manager
29. Youth worker
30. Housewife
31. Teacher
32. Student
33. Housewife
34. Printing
35. in Sale
36. Student
37. Teacher
38. Service agent
39. Reporter
40. Student

**Question 1: What is your relationship to designer goods?**

1. Buy some pieces. Great as inspiration.
2. I don’t have to many pieces.
3. I like them, but they are too expensive
4. Got a few items
5. Like them, but it depends on money
6. Love them! I have some pieces
7. Not very strong, but I buy accessories, handbags and shoes from high end brands
8. I buy them sometimes
9. Get inspired by them
10. I don’t really have any relationship to designer goods
11. Don’t have one
12. Buy them, like to mix and match expensive and cheap.
13. Inspiration
14. Very big, love them.
15. Sometimes work with them
16. Buy them
17. Buy them
18. Minimal, too expensive
19. None
20. Like to buy them
21. I like them
22. Love them
23. Like them
24. Yes, I like them
25. Depends
26. Fabulous
27. Used to be around them
28. Like them
29. Like them, but do Not afford them
30. Like it
31. Like it
32. More into vintage
33. Like them
34. Like them and buy them
35. Normally buy
36. Like, don't afford
37. Buy them
38. Like them
39. Treat myself Now and then
40. Like but can't afford

**Question 2: Have you bought any designer items recently?**

1. No
2. Yes, a Karen Millen dress
3. No
4. Yes, a Mulberry bag
5. Yes, today. A pair of Vivienne Westwood shoes
6. Only second hand designer pieces
7. Yes, a Mulberry bag
8. No
9. Yes, a bag from House of Fraser
10. No
11. No
12. No
13. No
14. Gucci bag, Alexander McQueen Scarf
15. No
16. Yes, last Christmas
17. Yes, Mango jeans?
18. No
19. No
20. No
21. Yes
22. No
23. No
24. Yes
25. No
26. Yes
27. Yes
28. Yes
29. Yes
30. Yes
31. Yes
32. No
33. Yes, Mui Boots
34. Yes, several items
35. Yes
36. No
37. Yes
38. Yes
39. Yes
40. No

Question 3: What's your average spending on clothes per month?

1. 150 pounds
2. 300 pounds
3. 200-250 pounds
4. 600 pounds
5. 200-300 pounds
6. 150 pounds
7. 400 pounds
8. 150 pounds
9. 400-500 pounds
10. 40 pounds
11. 15-20 pounds
12. 200 pounds
13. 100 pounds
14. 300 pounds
15. 300 pounds
16. 400 pounds
17. 100-200 pounds
18. 100 pounds
19. 25-30 pounds
20. 100-200 pounds
21. 200 pounds
22. 100 pounds
23. 100 pounds
24. 200 pounds
25. It varies; I often save up and go for a splurge!
26. It depends so I guess I do Not have an average
27. 200 +
28. I do Not have an average. I have sessions where I can by for 2000 pounds.
29. 100 pounds
30. 400 pounds
31. 200 pounds
32. 100-200 pounds
33. 150 pounds
34. Vary, from 200 pounds to whatever
35. Depends. When I travel I buy more. Around 200-300 Pounds
36. 80 pounds
37. 100 pounds
38. 200 pounds
39. 150 pounds
40. 70 pounds

**Question 4: How would you describe your personal style?**

1. A bit of everything
2. Modern
3. Leggings, big jumpers
4. Tailored
5. Just me! Different, but Not extreme
6. Day to day. Mixed. 60s
7. Blend
8. Classic, trendy
9. Unique, a bit of me!
10. Not very fashionable
11. Limited!
12. Relaxed casual
13. Eclectic
14. Boho Rock
15. Edgy
16. Classic
17. Casual
18. Don’t kNow
19. Casual
20. Casual, tailored
21. Do Not kNow
22. Eclectic
23. Classic
24. Rock and at the same time chicke
25. Individual style. Wear what suits me.
26. Corqie
27. Eclectic
28. Mix of designers and high street
29. Do Not have one
30. Terrible
31. Smartly casual
32. Different
33. Whatever suits me
34. Smart casual
35. Casual or classy, depends
36. Boho
37. Casual
38. Not good
Question 5: What things come to your mind when hearing the word Norway?

1. Nice people and pretty girls
2. IKEA
4. Nothing
5. Blond hair
6. Classic, cold and winter
7. Blond
8. A country
9. I have friends from Norway
10. Models, pretty
11. Cold. Northern light
12. Snow
13. Blondes
14. Hats?
15. Polar bears
16. Blondes
17. I know it's a country
18. Cold
19. Not much
20. Ships
21. Blond girls
22. Skiing, beautiful place.
23. Nothing... cold.
24. It is a country
25. Clear lakes, blue ice
26. Love it, used to live there.
27. In terms of fashion I think it is unstructured, interesting pattern, simplified pattern.
28. Cold, blond
29. Norwegian song contest
30. John Arne Rise
31. Healthy living
32. Small town feeling
33. Big brother
34. Fjords
35. Fish, similar to Sweden
36. Nice and pretty
37. Fjords
38. Big furry jackets
39. Eurovision song contest
40. Science
Question 6: Do you have any knowledge of Norwegian fashion brands? If so, which?

1. Yes, a bit
2. No
3. No
4. No
5. No
6. No
7. No
8. No
9. No
10. No
11. No
12. No
13. No
14. No
15. Acne? No
16. No
17. No
18. No
19. No
20. No
21. No
22. No
23. No
24. No
25. No
26. Yes, I do not know the name. I used to buy a lot of Norwegian Design when I lived in Norway.
27. No. Marlene Berger?
28. No. Or I think there was a Norwegian designer store in Leeds before. I am not sure if it was Norwegian, cannot remember the name anyway.
29. No
30. No
31. No
32. No
33. No
34. No
35. No
36. No
37. No
38. No
39. No
40. No
Question 7: Which of the following are of the highest importance when buying clothes? Design, price, brand, quality?

1. Quality
2. Design
3. Quality
4. Design
5. Quality
6. Price and quality
7. Quality
8. Quality
9. Quality
10. Price and than design
11. Design
12. Design
13. Design
14. Quality and price
15. Design
16. Design, brand, price, quality
17. Design, price, brand, quality
18. Price, Brand, Quality, Design.
19. Quality, price, brand, design
20. Design and quality
21. Design, brand, quality, price
22. Design, price, brand, quality
23. Quality, price, design, brand
24. Quality, design, price, brand
25. Quality, price, design, brand
26. Design
27. Design, quality, price, brand
28. Design, quality, brand, price
29. Quality, price
30. Quality, price
31. Design, price, brand, quality
32. Brand, Quality, Price, Design
33. Price, quality, design, brand
34. Design, quality, price, brand
35. Quality, price, design, brand
36. Quality, design, price, brand
37. Design, Price, Brand, Quality
38. Price, design, brand, quality
39. Quality, price, design, brand
40. Design, price, quality, brand
Question 8: What is your personal favourite brand?

1. ?
2. Monsoon
3. Whistles and French Connection
4. Chloe and Balmain
5. Vivienne Westwood
6. Marc Jacobs and Philip Lim
7. Top shop, Mulberry, Louis Vuitton and Gucci
8. No
9. DKNY and DG
10. Top shop and HM
11. Top shop and New Look
12. Don’t have one
13. Topshop
14. Topshop and Zara
15. Topshop, Karen Millen
16. Chanel
17. Zara
18. Topshop
19. Topshop
20. FCUK, All Saints, Ted Bakers
21. Diesel
22. French connection
23. French Connection
24. Do not have one, I usually browse.
25. Do not have one.
26. I am eclectic. Chanel and Zara
27. Vivienne Westwood, Lanvin
28. Prada
29. Christian Louboutin shoes
30. Louis Vuitton, designers generally
31. Do Not know
32. Vintage
33. No one special
34. Karen Miller
35. Diane von F
36. Topshop
37. Prada
38. Diesel
39. French connection
40. Do not have one
41. Converse

Question 9: What stores do you shop in?

1. Gap, River Island
2. House of Fraser
3. Zara and Top Shop
4. Top shop and Urban Outfitters
5. Victoria Quarter and Karen Millen
6. Harvey Nichols
7. High street stores, Zara
8. Top shop, River Island
9. Selfridges and Zara
10. Top shop and HM
42. Top shop and New Look
11. Topshop, H&M, Primark, Coast
12. Urban Outfitters, Zara, Topshop
13. Topshop, Zara, Urban Outfitters
14. Topshop, Zara, H&M, Karen Millen
15. Topshop, Zara, Harvey Nichols
16. New Look, Miss Selfridges, Jane Norman
17. Topshop, H&M, Primark
18. Topshop, Zara, New Look, H&M
19. Whistles, Topshop, H&M, New Look
20. River Island, H&M, Topshop
21. French Connection, Gap, Topshop, Primark
22. French Connection, Ted Baker, Wearhouse
23. River Island, Bank
24. New Look, French Connection
25. All
26. Harvey Nichols, Vivienne Westwood, Vintage
27. Small Boutiques, Harvey Nichols, Selfridges
28. Selfridges, H&M, generally high street
29. House of Fraser, Louis Vuitton, everywhere..
30. Independent Boutiques
31. Vintage
32. River Island
33. Karen Miller, Harvey Nic., House of Fraser, all saints
34. High street, Harvey Nic.
35. Topshop, H&M, Urban outfitters
36. All of them
37. Topshop, high street, River Island
38. French connection, Zara, mango
39. All of them

**Question 10: Do you shop online? If so, which sites?**

1. No
2. No
3. No
4. Yes, Top shop and Urban Outfitters
5. No
6. Yes, E-bay
7. Yes, Asos
8. No
9. Yes, Asos
10. Yes, Asos
11. No
12. Yes, Topshop, Asos
13. Topshop, Urban Outfitters
14. Asos, Net-a-Porter
15. Yes, E-bay, Asos
16. No
17. No
18. Yes, Asos
19. Asos, Topshop
20. Asos, Topshop, Dorothy Perkins
21. Yes, Asos
22. Yes, Asos and E-bay
23. No
24. No
25. Yes
26. No
27. Yes, E-bay
28. Yes, Net-a-porter and matches patches
29. Yes, Next
30. No
31. Yes, Jack Wills and Abercrombie and Fitch
32. Yes, Urban Outfitters
33. No
34. Yes, All saints, Topshop, Karen Miller
35. Not much
36. Yes, Topshop
37. Yes, anything
38. Yes, Asos
39. Yes, Fashion union
40. Sometimes, Asos

**Questionnaire for Edinburgh**

**Age**

1. 23
2. 44
3. 26
4. 36
5. 22
6. 26
7. 37
8. 22
9. 30
10. 27
11. 41
12. 20
13. 36
14. 31
15. 22
Profession

1. Fashion PR
2. Doctor
3. Teacher
4. Waitress
5. Student
6. Researcher
7. Veterinary
8. Student
9. I work in investment
10. ?
11. Optical assistant
12. Student
13. Psychologist
14. Bank manager
15. Student
16. Architect
17. Art costumes student
18. Restaurant assistance manager
19. Marketing
20. Architect
21. Student
22. Teacher
23. Retailer assistant manager
24. Archivist
25. Student
26. Sales inspector
27. Fashion Student
28. Student
29. Telephonist
30. At Harvey Nic. Sale
31. student
32. lawyer

**Question 1: What is your relationship to designer goods?**

1. I represent Prada among others
2. I have a relationship to some extent
3. Like them!
4. I buy them
5. I can't afford them
6. Best friends!
7. I like them
8. I don't really mind
9. Addiction!
10. Mostly inspired
11. Like them and I have some items
12. Don't wear them
13. I design accessories
14. Admirer!
15. Inspiration
16. Cynical, but I buy into it sometimes
17. I would love a relationship! I'm an admirer!
18. Costumer
19. Not a lot
20. Charity shops
21. Don't have one
22. Buy, like, wear
23. Don't have
24. No
25. Like them, don't afford
26. Like them
27. Like them, but can't afford them
28. Not a lot
29. Can't afford
30. Try Not to love them, but can't help it
31. Don't have
32. Buy them

**Question 2: Have you bought any designer items recently?**

1. Yes, a pair of boots from Reese. I get a great deal of designer items at work.
2. Yes, a cote
3. Yes, a pair of Michael Kors shoes
4. Yes, a handbag from Chloe
5. No
6. Yes, a Chanel dress
7. Yes, a pair of shoes
8. No
9. Yes, today. A dress from Paul Smith and one from DKNY
10. No, I only shop high street
11. Yes, a dress
12. No
13. Well, I have bought some vintage designer piece recently
14. Yes, at Harvey Nichols. I bought an item from Joseph and a dress from Acne
15. No
16. Yes, a Balmain handbag
17. Yes, a piece from D&G
18. No
19. No
20. No
21. No
22. Yes
23. No
24. No
25. No
26. No
27. No
28. No
29. Calvin klein jumper
30. Yes
31. Yes
32. Yes, Mulberry

Question 3: What’s your average spending on clothes per month?

1. 500 + pounds
2. It depends, but 600-700 pounds
3. ?
4. ?
5. 100-200 pounds
6. ?
7. It depends. I tend to save up for some really good pieces.
8. 100-200 pounds
9. 600-1000 pounds
10. 200 pounds
11. 400 + pounds
12. 200 pounds
13. From 100 pounds to whatever. It depends
14. Really depends. From 100 pounds to a lot.
15. 200-300 pounds
16. 200 + pounds
17. 400 pounds
18. 70 pounds
19. 200 pounds
20. 60 pounds
21. 50 pounds
22. 700 pounds
23. 100 pounds
24. 50 pounds
25. 200 pounds
26. 100 pounds
27. 50 pounds
28. 200 pounds
29. 50 pounds
30. 200-300 pounds
31. 700 pounds
32. 200-300 pounds

**Question 4: How would you describe your personal style?**

1. Professional
2. My own
3. Audrey Hepburn
4. Classic, Not very innovative!
5. Casual
6. Modern, own twist
7. Collective
8. Casual. Tomboy
9. Elegant, business related
10. Casual
11. Casual
12. Ethic
13. Arty
14. Quick and easy.
15. Simple
16. Safe
17. Messy, a lot of colour
18. Classic
19. A result of vintage and high street shopping. Abroad!
20. Alternative
21. Mix of high street and vintage
22. Classy
23. Mix of trends and my own style
24. Country
25. Different styles, mostly sporty
26. Classic
27. Messy
28. Cool, chic, fashionable
29. Classy
30. Mix of high street and 1-2 designer items
31. Keep up with trends
32. Classic
Question 5: What things come to your mind when hearing the word Norway?

1. Clean
2. Fjords
3. Tall and blond
4. Handsome boys
5. Cold
6. Blondes, tall and in terms of fashion: a nice red dress
7. Blond and blue eyes
8. No
10. Cold weather, Eurovision song contest
11. Winter
12. Blond
13. Fjords and Aha
14. Snow
15. Good looking people, rain and nice landscape
16. Healthy, good looking people, active
17. Beautiful, Green!
18. Cold
19. Blond. Nice culture. And the food is good
20. Nature
21. The flag, hand cream, blondes
22. Cold
23. Don't know
24. Cliffs
25. Warm wool
26. Cold
27. Beautiful, landscape, culture, tall people
28. Nothing
29. Fishing boats
30. Beautiful people
31. Cold
32. Blond, tall, beautiful people

Question 6: Do you have any knowledge of Norwegian fashion brands? If so, which?

1. No
2. No
3. No
4. No
5. No
6. No
7. No
8. No
9. Yes, Scandinavian brands such as Malene Birger
10. No
11. No
12. No
13. Acne, but I guess that’s Swedish
14. No
15. The Scandinavian brand Funky
16. IKEA, but that is Swedish
17. No
18. No
19. No
20. No
21. No
22. No
23. No
24. No
25. No
26. No
27. No
28. No
29. No
30. No
31. No
32. No

Question 7: Which of the following are of the highest importance when buying clothes? Design, price, brand, quality?

1. Quality
2. Quality
3. Quality
4. Design
5. Price and design
6. Quality
7. Quality
8. Design
9. Design
10. Quality
11. Quality
12. Quality
13. Design
14. Quality
15. Quality
16. Quality
17. Quality and price
18. Quality
19. Design
20. Design, quality, price, brand
21. Design, Quality, price, Brand
22. Quality, Price, Design, Brand
23. Quality, Design, price, brand
24. Design
25. Brand, price, quality, design
26. Quality
27. Quality, Design, Price, Brand
28. Quality, price, brand, design
29. Quality, price, design, brand
30. Design, quality, price, brand
31. Price, quality, design, brand
32. Quality

Question 8: What is your favourite brand?

1. Reese
2. Max Mara
3. Kenneth Cole
4. ?
5. Chanel
6. Miu Miu
7. No, I just pick pieces that catch my eyes
8. No
9. Hugo Boss
10. It depends, No particular
11. I don't have one
12. Toast
13. Vivienne Westwood and Alexander McQueen
14. Acne and Joseph
15. I don't have one
16. Gap
17. Vivienne Westwood
18. Gap
19. No
20. Don't have one
21. Channel
22. Louis Vuitton
23. All saints
24. New look
25. Don't have
26. LV
27. Galliano, McQueen, Gultaire
28. Topshop
29. don't have one
30. Pinkel (?)
31. Topshop
32. Mulberry

Question 9: What stores do you shop in?

1. Ted Baker
2. Harvey Nichols
3. Abercrombie and Fitch
4. High street
5. Top shop and HM
6. Boutiques and I love to travel to NYC to shop at Barneys
7. House of Fraser
8. Charity shops and high street shops
9. I work a lot in Germany, so I prefer Peek and Cluppenburg
10. Top shop and Urban outfitters
11. Debenhams
12. Vintage shops
13. Vintage and charity shops, high street
14. Boutiques
15. Anywhere
16. Gap and high street brands
17. Selfridges
18. Price Mall
19. HM and Top shop
20. Vintage shops, topshop, H&M
21. Urban outfitters, topshop
22. Banana Republic
23. All saints, topshop
24. New Look
25. H&M, Zara
26. H&M, River Island, Topshop
27. Charity shops
28. Topshop, H&M,
29. M&S
30. Harvey N., Riese, topshop, Zara, Kirk Geiger
31. Topshop, H&M
32. Jenners, Jane N, Zara

**Question 10: Do you shop online? If so, which sites?**

1. Yes, asos
2. Yes
3. Yes, I buy from the original homepage of the brand
4. Rarely
5. Yes, asos and high street brands
6. Yes, sometimes vintage, but I prefer department stores.
7. Yes, but I prefer to touch them pieces that I buy
8. Yes, asos
9. No
10. Yes, asos and Urban Outfitters
11. No
12. Yes
13. Yes, ebay
14. No
15. Yes, ebay and Funkys
16. Only books at amazone
17. Sometimes
18. Yes, asos
19. Sometimes, asos!
20. No
21. Yes, Asos
22. Yes, Amazon
23. Yes, Asos, wearhouse,
24. No
25. No
26. No
27. Yes
28. Yes. All saints
29. No
30. Yes, Topshop, french connection
31. Yes, Topshop
32. Yes, Fliglirs
Appendix 11 – Question 2

Respondent purchase of designer items during the last three months.

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>London</td>
<td>Leeds</td>
<td>Edinburgh</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>20</td>
<td>23</td>
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<td></td>
<td>51.22</td>
<td>48.78</td>
<td>57.50</td>
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Appendix 12 – Question 3

Calculations - Average Spending per Month

Average spending per month - Age range

<table>
<thead>
<tr>
<th>Age range</th>
<th>Group 1</th>
<th>Group 2</th>
<th>Group 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 17-22</td>
<td>Total respondents</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Age 22-28</td>
<td>Total spending</td>
<td>7135</td>
<td>8730</td>
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<tr>
<td>Age 28-52</td>
<td>Average spending per month</td>
<td>188</td>
<td>230</td>
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</table>

Average spending per month - Region

<table>
<thead>
<tr>
<th></th>
<th>London</th>
<th>Leeds</th>
<th>Edinburgh</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total respondents</td>
<td>41</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Total spending per month</td>
<td>10560</td>
<td>9715</td>
</tr>
<tr>
<td></td>
<td>Average spending per month</td>
<td>258</td>
<td>243</td>
</tr>
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### Appendix 13 – Question 4

<table>
<thead>
<tr>
<th></th>
<th>Leeds</th>
<th>London</th>
<th>Edinburgh</th>
<th>Total</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>7</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>Casual</td>
<td>10</td>
<td>7</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>37.50 %</td>
<td>17.07 %</td>
<td>25 %</td>
<td>22.12 %</td>
</tr>
<tr>
<td></td>
<td>25 %</td>
<td>29.27 %</td>
<td>25 %</td>
<td>21.24 %</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual</td>
<td>25</td>
<td>24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Classic</td>
<td>24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>22.12 %</td>
<td>21.24 %</td>
<td></td>
<td></td>
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</table>
Appendix 14 – SWOT analysis

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>− Good knowledge and experience</td>
<td>− New</td>
</tr>
<tr>
<td>− Solid basis for decisions</td>
<td>− Small administration and little time</td>
</tr>
<tr>
<td>− Different fields of expertise</td>
<td>− Not enough money to employ</td>
</tr>
<tr>
<td>− Clear vision/goal</td>
<td>− Not enough awareness abroad</td>
</tr>
<tr>
<td>− Government support</td>
<td>− Limited economic funds</td>
</tr>
<tr>
<td>− Innovation Norway</td>
<td></td>
</tr>
<tr>
<td>− Wide spectre of members</td>
<td></td>
</tr>
<tr>
<td>− Member organisation</td>
<td></td>
</tr>
<tr>
<td>− Foundation</td>
<td></td>
</tr>
<tr>
<td>− Always updated</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>− UK as a gateway to global trade</td>
<td>− Recession fragile recovery</td>
</tr>
<tr>
<td>− Transportation and distribution network</td>
<td>− Customer spending</td>
</tr>
<tr>
<td>− Internet, 70% access</td>
<td>− Low degree of loyalty</td>
</tr>
<tr>
<td>− 90% buy online</td>
<td>− High number of rivals</td>
</tr>
<tr>
<td>− Previous business cooperation – good relation</td>
<td></td>
</tr>
<tr>
<td>− UK ease of conducting business</td>
<td></td>
</tr>
<tr>
<td>− FDI in the UK market</td>
<td></td>
</tr>
<tr>
<td>− EU/EEA</td>
<td></td>
</tr>
<tr>
<td>− Second largest economy in the EU- optimism</td>
<td></td>
</tr>
<tr>
<td>− High standard of living</td>
<td></td>
</tr>
<tr>
<td>− Profitable market scale</td>
<td></td>
</tr>
<tr>
<td>− Growth in spending</td>
<td></td>
</tr>
<tr>
<td>− Global centre for business</td>
<td></td>
</tr>
</tbody>
</table>