- Market channels for SWIMS products in

Singapore and Hong Kong –

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EXECUTIVE SUMMARY

SWIMS is a Norwegian designer brand which produces a rejuvenated galosh, that is targeted to the high end costumer, and appeals to the fashion conscious. They have in a fast pace expanded during the last years, to the USA, Canada, Europe, Russia, Japan and Korea. Our project has been applied as a research regarding the Singaporean and Hong Kong market. Our problem definition clarifies the core essence of our work.

“What channels, both distribution and retailers, are most suitable and can be used by SWIMS to sell their products in the Singaporean and Hong Kong markets.”

Through exploratory research we conduct a qualitative study of semi-structured interviews, by dividing it into three levels. First we reviewed the competition in the market and then we did research of the end consumers. Through many levels of sampling of the various questionnaires we found new information that guided us towards the key persons. We focused on the issue of locating the utmost perfect locations, which suits the brand image and targeted market for the SWIMS galoshes.

The next level was to explore the retailers in the market that we narrowed down to a couple of locations, which we feel could be suited for the SWIMS “idea”. The connection further on to the distributors gave us many difficult challenges. As the cultural differences are definitely shown, we came to the
point where we would choose to give the new acquaintances to the company, with our following recommendations.

The Singapore market is not ready for the product as it is today. The Hong Kong market has the environment that SWIMS will need to succeed, if they wish to proceed with exporting to Hong Kong. Through direct export to Éxtravaganza and Lane Crawford, the SWIMS will sustain their brand equity and expand the brand to a new vibrant market.
We wish to highlight the people who gave us guidance and knowledge, and which reflect through our project.

First of all we appreciate that the company SWIMS gave us the opportunity to work with their product and assisted us with the financial expenses for our research trip to Hong Kong. We thank Mr. Alexander Eskeland, the CEO of SWIMS for all the trust, help and information we received when we were working in Hong Kong and Singapore.

To everyone who were so kind and returned our questions with answers that gave us information we would not have been able to find.

Dr. Ho-Ying gave us an insight in the Hong Kong environment and showed us where to start of our research when we were traveling to Hong Kong. The help from her was overwhelmingly helpful, and we were able to understand more about the city, location and culture.

Finally, we would like to thank our supervisor Professor Josephine Lang for the guidance of our project, and that we were given the chance to contact her at any time. The flow and corrections given to us have been highly appreciated! When we, at times found no way, she showed us the right path and clarified many of our difficulties. Instead of facing problems, we were given the motivation to overcome the challenges.
Chapter 1
Introduction
1.0 INTRODUCTION

In this chapter we will provide an overview regarding what our project will be covering. With an explanation of how we will estimate the limitations that will create a framework of our project. We will introduce you to our initial meeting with the company SWIMS, and give a feel of how we started off with our research.

1.1 Scope of study

In this assignment we will identify the distribution channel most suitable for SWIMS to distribute the galosh into the Singapore and Hong Kong market. We will come up with recommendations of distribution channels and retailers in both markets. We are to explore the existence of a ready market for galosh in Singapore and Hong Kong.

1.2 Problem definition

What channels, both distribution and retailers, are most suitable and can be used by SWIMS to sell their products in the Singapore and Hong Kong markets. The choice of distribution channels to be used in this area will depend on the existing network of distribution and differences in cultural practice. This study also explores external factors that may affect the sale of the galosh in these markets.
1.3 Limitation

SWIMS is a Norwegian company that produces galoshes to protect the shoes from getting muddy or wet. The company has entered the markets in 17 countries in US, Asia and Europe, selling its products through over 200 retailers in these countries (See Appendix 4.4, 4.5). Even though the company has entered the Asian market, SWIMS is still interested in expanding in Asia, especially China, Hong Kong, and Singapore. Because of our short time frame and limited resources available to conduct this study, we were unable to explore the Chinese market. We only have an agreement with SWIMS to do our research in Singapore and Hong Kong market. This research will focus more on available distribution channels, both retailers and distributors, in these two countries. We hope that this will produce valuable information for SWIMS Company- and establish the framework to guide future market research.

1.4 Research question

We will focus on the problem defined and research questions raised. We have developed research questions for end customers, retailers, and distributors. We will be focusing on the analytical part of the project. In addition we will come out with strategic implications to SWIMS which is based on our findings.
1.5 Initial contact with SWIMS

When the group came together we did some research on Norwegian companies in Singapore. After sending some requests for the ones we found most interesting, brainstormed to identify companies we knew before we came to Singapore to see if any of them could become the target for our final year project. SWIMS came up as one alternative. We did some research on the company and due to the high growth rate in interest of these products in the already existing markets we found it highly interesting to work with it. We decided to send a request to them. Since SWIMS already has a retailer in Japan, we were interested in knowing if they wanted to expand further in Asia. We saw the opportunity to help SWIMS gain better knowledge of the Asian market. SWIMS met with us and responded positively to our proposal of writing our final year project about SWIMS. From there, we started to collaborate with the SWIMS company - and had a meeting with their contact person in Oslo. The company’s wishes and our objectives were discussed during this meeting. The discussion went smoothly. We agreed to state the goal for this project as helping SWIMS to find suitable distribution channels in Singapore and Hong Kong.
Chapter 2

SWIMS background
2.0 SWIMS BACKGROUND

We will provide an overview of the SWIMS Company by describing how the company is organized, its culture, and its products. Since SWIMS is already in 17 countries, we begin by giving an overview of the existing market and the internal information of the company.

2.1 Who is SWIMS

SWIMS is a Norwegian company, formed in 1999 by Johan Ringdal (See Appendix 4.2). SWIMS started with The Modern Galosh. To get a better perspective of what this company is, we have chosen to describe its vision and mission.

2.1.1 Vision

SWIMS’s vision is to build an international recognized brand based on innovative rain accessories. It aims to create products that will make everyday living comfortable for big city dwellers lifestyle and protects things people cared about a lot.

2.1.2 Mission

SWIMS’s mission is to help end customers protect their shoes, especially expensive shoes. SWIMS want to penetrate the market of the high end products, with the focus on the design targeting consumers who look for the functionality with a younger look.
2.2 Company structure

Swims is divided into two ownerships, whereas the employees Alexander Eskeland, Johan Ringdal and Anders Dahl, own 78% of the company and the remaining 22% is owned by Mr. Arne Blystad and his associates. Through this divide the company has the opportunity to rely on the investment from others who believe in their products and who also gives the brand the reliability for future buyers. The economy also becomes more flexible and there is not a risk on the sole company.

![Ownership in SWIMS](image)

**Figure 2.2:** Ownership in SWIMS

2.3 Company products

SWIMS started its business with the production of galoshes, innovative rain accessories, developed by Johan Ringdal. Today this product category has been extended to include SWIMS Mobster, galoshes for both men and women, and accessories like an umbrella. The SWIMS Company defines a galosh this way:
"A galosh is an overshoe that slips over the wearer’s indoor footwear but is made of waterproof material to protect the more delicate materials of the shoe as well as the wearer’s foot from cold and damp."

Indoor footwear is the shoe the wearer wants to protect against water or dirt; it can be any type of shoe. SWIM has galoshes for both men and women, and has developed a broader product line then when they started. Galoshes are also known as gumshoes, dickersons or overshoes. It can also be defined as a type of rubber boot which is used to slip over the shoes to keep it from getting muddy or wet. SWIMS is not the only company producing galosh, but the galoshes produced by SWIMS is unique both in design and use. SWIMS managed to bring back to life a dying product and made it appealing and cool again. SWIMS have developed a product-line of these products (See Appendix 1):

**SWIMS Classic**

The galosh is made from rubber, and has great elasticity and tear resistance. The rubber is not affected by aging or temperature variation. SWIMS Classic is available in six colors and four sizes. The inside is covered with a lining, which gives low friction when slipping on and off as well as it is moisture preventing and give the covered shoe a unique polishing action.

On the back of the galosh is a loop, customized to the width of a finger, which makes it easy to slip on and off.

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1. [http://swims.no/](http://swims.no/), about
SWIMS Ballerina

This is a galosh made for females. The design is slightly like the SWIMS Classic, but with a feminine design. It is available in five colors and three sizes. The inside is covered with a lining which gives low friction when slipping on and off as well as it is moisture preventing and give the covered shoe a unique polishing action, just like the SWIMS Classic. On the back of the galosh is the loop which makes the on and off process easier.

SWIMS Mobster

SWIMS Mobster was designed to meet the needs of customers who wanted a model that was better suited for rough weather. This product is much like the SWIMS Classic, but has a higher neck. This product is available in two colors and three sizes. This product is a suitable product when heading for the Alps or living in areas with extreme weather conditions. The SWIMS Mobster is also used for scooter driving to keep the shoes shiny and clean going from A to B.

SWIMS Automatic Classic

SWIMS Automatic Classic is an umbrella with an auto-up and auto-down function. Customers need only one arm to manage this umbrella and they can carry other things with the other. The product is offered in three colors: Orange/black, Gray/black and Yellow/black.
SWIMS upcoming products

SWIMS are launching two new products in September 2008, which is a raincoat for male and SWIMS Galosh for heels. We have used the SWIMS Galosh for heels (low neck) in our research, to see whether there is a potential female market for it.

A common thing for all the Galoshes is that they come in a firm box and inside are two bags that are attached together that you can bring along to slip your pair of SWIMS into after use, so your bag doesn’t get dirty. It is also delivered with a sponge for cleaning purposes. The galoshes are made in flexible and elastic materials which make them adapt to almost any shoe shape.

2.4 SWIMS existing market

Customers can find SWIMS products in Norway, Italy, Sweden, Germany, Spain, Russia, Denmark, Benelux, Korea, Austria, UK, Japan, Switzerland, Finland, Island, US and in Canada. The products are also available on www.swimsstore.com for online shopping. SWIMS have had a high and steady growth during the last six months, with an increase of 285 % (See Appendix4.6). SWIMS are targeting the high end customers. The meaning by high end customers can be variety for every single person. What we mean by SWIMS focusing on high end customers are the customers who love to spend a lot of money for luxury products include expensive shoes, where in addition they would like to protect their shoes in cool, and fashionable ways. This type of customers
could be young people and mature ages. Generally this type of customers differentiate them selves from their needs to provide outstanding image.

2.4.1 Competitors in existing markets

Since SWIMS is targeting the high-end consumers and their products are positioned as a designer piece, it does not face many direct competitors. Still the market is offering different types of galoshes. There are many different producers of shoe covers made of plastic, which are made for one time use. These products are mainly used inside to keep the floor clean. We will not go into describing the products of these producers because they are different from SWIMS products. The reason for mentioning them is because they can be found under the category “galosh”.

Even if SWIMS is re-creating an old product category which was to die out, they only face one competitor who is to mention. The competitor is called Tingley\(^3\), and their products are sold online through shoebuy.com. Tingley sell galoshes from US $ 27\(^4\). The company is stated in the US, and only works online. Shoebuy distribute products from over 500 manufactures, but only galoshes from Tingley\(^5\). The shape is simple and the galoshes are shiny black and made of High stretch natural rubber which is made to cover your dress shoes\(^6\). By price we can say that Tingley are targeting a bigger segment than SWIMS, still they are only targeting

\(^4\) http://www.shoebuy.com/galoshes.htm?cm_mmc=cj-baner-_-none-_-none-_-none
\(^5\) http://www.shoebuy.com/contact/company.jsp
\(^6\) http://www.shoebuy.com/tingley-5100-sandal/144773/335854
the US market. Tingley is a distributor buying galoshes from alibaba.com, who distributes galoshes from different manufactures from among China and Taiwan. We have only listed the manufactures that is producing galoshes for same use as SWIMS products, but there are none of them who are targeting the same market.

- Manufactures in China:
  - Alline International Limited: The company produces rubber shoes, but does not target the same market.
  - Wuhu Fengxue Rubber Co. LTD: produces rubber shoes to protect other shoes. They do not focus on design, and they are not targeting the same market.

- Manufactures in Taiwan:
  - Devon Footwear CO. LTD: This company is producing cover shoes, but is not targeting the same market.

The second competitor is a US company called Totes. Their head quarter is in Cincinnati, Ohio. They are stated to be the world’s largest marketer of rubber shoes, rainwear, umbrellas and other weather-related accessories. Their products are well developed in technology; sun-, kids-, outdoor-, rain-, golf-, and automatic open umbrellas. Totes have high brand equity, and have been rates among top 10

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10 [http://www.alibaba.com/catalog/12289387/Over_Shoes.html](http://www.alibaba.com/catalog/12289387/Over_Shoes.html)
11 [http://www.totes-isotoner.com/category/customer+service/about+us.do](http://www.totes-isotoner.com/category/customer+service/about+us.do)
Totes are focusing on the environment by selling earth friendly umbrellas, which shows their interest in corporate social responsibility. Their rubber shoes have a simple design and are sold for among US $ 22. These rubber shoes have the same user area as SWIMS galoshes, but are targeting a larger segment. They are giving 3 years of limited warranty on their rubber shoes. This means that they replace the rubber shoe if the shoe fail in function or it proves to be defective in materials. From a warranty the company is able to give a promise to the customers, and build trust. Totes sell their products all over the world.

Even if these two competitors are targeting different segments from those of SWIMS, it is important that SWIMS is aware of their development.

2.4.2 Distribution channels in existing markets

The company has good control over its products since they are exported, directly to foreign wholesale agents and merchants. This could incur extra costs, which is needed because of the importance of tapping into the market intelligence of the right distributors and agents. SWIMS has foreign sales agents in all their export markets, who promote and sell the products for remuneration of around 10-25 %, depending on the amount of work they do. With this method SWIMS sends the

\[\text{http://www.totes-isotoner.com/category/customer+service/about+us.do}\]
\[\text{http://www.totes-isotoner.com/category/rain+products.do}\]
\[\text{http://www.totes-isotoner.com/product/id/101951.do}\]
\[\text{http://www.totes-isotoner.com/product/id/101951.do}\]
Diploma project: International Marketing

products directly to the retailers, and then sends the invoice, and handle the payment (See Figure 5).

The second method is the use of foreign merchant distributors, which SWIMS used to access larger markets such as North America, Japan and Russia. These distributors buy directly from SWIMS. They manage the shipping, promotion, and payment for the products, and they have their own warehouse for storage. This method reduces the risk of late payment and also gives more certainty as to the amount sold, since it is all up to the distributor to order the amount from the company.
3.0 INTERNAL ENVIRONMENT

In this chapter we will discuss SWIMS internal environment. We use the ACE model (Attitude, competency and embodiment) to give a better understanding of the internal environment, then we go on to discuss the internationalization process of SWIMS. Finally, we explore the marketing mix of SWIMS.

3.1 ACE- Model

To create the right view of the company it is important to be aware of its corporate vision and mission, the competence of its people, and its reputation in the external environment.

Attitude

SWIMS has from the beginning, a vision to become a widely international company. As stated before, the mission is to penetrate the high end market of the product by focusing product design that will attract consumers who look for functionality with a younger look. SWIMS manager do not believe that they should be seeking for the right stores, but rather for the right stores to come seeking for them. They believe that high end stores would come looking for them once they found the products innovative and trendy. The company believes that it is much more efficient if it is sought by the stores themselves, instead of it reaching out to them. This can be achieved by displaying the products in various high end magazines, which are known for their quality, design and sophistication.
Competence

Swims is a coalition of three employees, the CEO Alexander Eskeland which has a Bachelor of Arts in finance and marketing from the University of Colorado. The creative director, Johan Ringdal has a Bachelor of Arts in Design Management from Parsons School of Design in Paris New York. This is where he developed the idea to revive galosh, while strolling around in the rain (See Appendix 4.2). The third member of the company is the CFO/logistics Anders Dahl, who has an education from Kingston University where he became a social economist. He is responsible for finance and logistics. They are competent in their own area, and together they ensure an effective management of the business.

Embodiment

The SWIMS company, a coalition of three good friends, has created an environment that fosters entrepreneurial spirit by focusing on ways to create the best product image. The partners worked in a fast pace and they often multitasked. This can make the workplace stressful but they function together effectively to create and produce design and functional products.

3.2 SWIMS internationalization process

The Bakka-model (1973) is used to describe the factors that influence organizational decisions as SWIMS was going through the different stages of an internationalization process16.
3.2.1 Export Motives:
SWIMS is an export-oriented company, which means that the company produces their products to sell in several countries outside their home country. Export is the only way for SWIMS to go if they wish to fulfill their goals.

3.2.2 Market Selection:
In selection its markets SWIMS has been targeting the US and the European countries as these countries have four seasons such as winter, spring, summer, and autumn. In Europe SWIMS has exported its products to 15 countries using fewer than 200 retailers. The major markets in Europe are considered as SWIMS strategic growth areas.
In recent years the company has moved into new markets in Asia, including Japan and Korea, and currently the company is considering expanding their into China, Hong Kong, and Singapore.

3.2.3 Competition/market Share:
Due to the fact that SWIMS does not face any direct competition within its market segment, it is difficult to calculate the market share. We can say that SWIMS market size in foreign countries is relatively small, but is growing when we compare SWIMS with other companies that are selling substitute products of

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galoshes. SWIMS is the only company that produces fashionable galoshes in
Norway, and the company is really re-creating the market, since the product was
nearly dead or mostly forgotten for many years. SWIMS’ main competitors are
Tingley and Totes, which only sell their products online. SWIMS is selling its
products online, and through 200 retailers in the 17 exiting markets.

3.2.4 Organization and entry strategy:
The head office in Norway controls all the operations in the foreign countries.
SWIMS has no overseas offices, and sales are mainly made either directly to a
processor or through wholesaler agents and merchants that operate in the export
market.

3.2.5 Marketing mix:
SWIMS is doing relatively standardized promotion for its products in different
markets. The company works with PR agencies in London, Frankfurt and New
York. These agencies are responsible for advertising the company story, including
its promotion, price, and products. In addition, they help in managing celebrity
endorsements. The SWIMS Company is always open for surprising stunts that
creates buzz without costing too much. SWIMS has no price diversification, but if
there is any, this is mainly due to changes in currency exchange rates and different
tax rates in different countries.

3.2.6 SWIMS’s Internationalization process:
SWIMS is a company that clearly has come a long way in its internationalization
process. Both the domestic market and the export market are of high importance,
but the export market is has greater opportunity for future growth. SWIMS is mainly dependent on the foreign markets, as the external factors such as rates have a major influence on its revenues.

It is essential for SWIMS to market its products in different foreign markets. Thorough market analyses and in-depth knowledge about new markets are of great importance for a company highly involved in international trade. To maintain its market position, SWIMS continue to design new products and made frequent product modifications to sustain a sense of newness.

After discussing the different aspects of SWIMS’s internationalization we are clearly looking at an organization that is in its last stages of the internationalization process, since the company still uses whole seller agents to export their products. The total sale revenue for 2007 was approximately NOK 4 million.

### 3.3 Marketing mix – 4 P's of SWIMS

In this section, we will discuss the marketing mix of SWIMS.

#### 3.3.1 Product

Currently SWIMS produce three main products, which are umbrellas, rain coats, and galoshes. In this project we focus on SWIMS galoshes, SWIMS Classic and SWIMS Ballerina. The company is especially proud of its high quality, fashionable and colorful galoshes. The galoshes are made from rubber, where they
are very elastic and easy to put on and take off. There are two types of SWIMS galoshes; SWIMS Classic and SWIMS Ballerina. SWIMS has two upcoming products, which will be launched in September 2008. The first product is the new model raincoat for male, and the second product is galoshes for female which will be customized for high heeled shoes.

The SWIMS galoshes in general are mainly produced for the classic English suit shoes, but if the consumers have more pointy shoes, they would rather order one size bigger. SWIMS products are not manufactured in Norway. The galoshes are produced in Taiwan, while the coats and umbrellas are produced in China.

3.3.2 Price

The price for a pair of galoshes is 75 euro or S$ 160 to the Singaporean market on the web shop. Since SWIMS is the first company that produces fashionable galoshes which are cooler and more attractive, it can be said that innovativeness SWIMS’ competitive advantage, As such, the products are prices based on quality, design, mode of distribution and promotion.

3.3.3 Place

Place is also known as channel, distribution or intermediary. This is the main topic in this research. SWIMS products are sold by retailers who target the high end consumers. SWIMS sells its products in 17 countries today, and is planning to

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17 www.SWIMS.com, about
expand further. On SWIMS web page it is possible to order its products from any part of the world\textsuperscript{19}.

3.3.4 Promotion

When promoting a product there are many ways to deliver a unique campaign: Personal selling, trade fair or exhibitions, direct mail, public relation, sales promotion, advertising or sponsorship\textsuperscript{20}.

Regarding promotion, SWIMS Company works together with Public Relation agencies, which are located in London, Frankfurt, and New York. These agencies are responsible for getting out the SWIMS Company story to the public, including information such as the products, prices, promotion, and retail stores. The agency will also help the company with celebrity endorsements.

SWIMS promote its products mainly through the Internet using online fashion trend magazines, fashion news week website, as well as hunting website. These sites provide daily updates of products related to art, design, culture, and technology, and weekly videos, featuring the creators of these products\textsuperscript{21}.

By doing these activities the company hopes raise the brand awareness, and brand recognition of its products. In addition the company also takes the opportunity to make known its new products that will be launched soon.

\textsuperscript{19} http://www.swimsstore.com/
\textsuperscript{20} http://marketingteacher.com/Lessons/lesson_promotion.htm
Chapter 4

External environment
4.0 EXTERNAL ENVIRONMENT

To discuss the external environment we of the Singapore and Hong Kong market, we focus on factors that affect the expansion into these two markets. We have chosen not to use Porter’s five forces even if this is an important model. This model will not give us significant information within the distribution channels which regards this project. Instead we have chosen to look into some of the factors in PESTEL, which we find relevant for this product and company. We have chosen to focus on the smaller model (PEST) because we do not find the use of the whole model in this project. The PEST factors will give an indication of how well the product will do in the market.

4.1 An analysis of the Singapore market

4.1.1 Political Factors

The Singapore government has been high ranked for the way it is governed. They have managed to be successful in their rule of law, regulatory quality, government effectiveness as well as control of corruption\(^{22}\). Because of political stability and relatively corruption free market, Singapore is one of the most attractive countries to start businesses in Asia\(^{23}\). Since 2002 the National Environment Agency (NEA) has been working in a partnership with organizers and owners of land to keep the


country litter free$^{24}$. Singapore has a strict law system that imposes high fines for violation of law, e.g. for littering the fine starts at S$ 1000^{25}$.

### 4.1.2 Economical Factors

Singapore has a free market which is well developed and successful. Singapore has an open business environment and the prices are stable. The purchasing power is high, which is a factor from the high GDP pr. Capita (See Figure 1). In 2007 the GDP per capita was $48,900^{26}$. Due to good economic growth, the unemployment rate has been low, and in 2007 it was down to 1.5%$^{27}$. The major industries in Singapore includes shipping, banking, tourism, electrical and electronics as well as chemicals and oil refining$^{28}$. The major trading partners for Singapore is the US, Malaysia, Hong Kong and Japan, which means that Singapore is highly regarded in these markets$^{29}$. Singapore has been rated as one of the most business friendly economies in the world by the World Bank$^{30}$. Other Asian countries on this list are Hong Kong as number 5 and Japan ranked as the 11th.

### 4.1.3 Socio-cultural factors

Singapore is a small country in geographic size, but still the island has a population over 4 million$^{31}$, and the growth rate is 1.15%$^{32}$. The country is known

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$^{25}$ http://www.singaporeexpats.com/about-singapore/facts-at-a-glance.htm
$^{26}$ http://en.wikipedia.org/wiki/Economy_of_singapore
$^{28}$ http://www.singaporeexpats.com/about-singapore/facts-at-a-glance.htm
$^{29}$ http://www.singaporeexpats.com/about-singapore/facts-at-a-glance.htm
$^{30}$ http://www.iht.com/articles/2006/09/06/business/compete.php
$^{31}$ http://www.focussingapore.com/information-singapore/singapore-population.html
for shopping, and you can find shopping centers for everyone, and for everything. Small retailers are not so common, because Singapore have lack of land. This leads to higher buildings and more shopping centers instead of small retailers.

The main language is Singlish, which is English with a Singaporean touch. Due to the fact that Singapore has been a colony of England, the business language is English. This reduces the language barriers for western countries to do business here. With a well run economy, Singaporeans have high purchasing power. According to some studies done by Elle Magazine research Singaporean women are ranked as the world’s second most independent after Swedish women. Singaporeans, males and females, love to shop and shopping is considered a national activity in Singapore.

The weather in Singapore is very humid and hot. They have an average humidity of 76 %, and a temperature around 28-34 C, all year round (See Figure 2). The weather can be unpredictable, a reason to have some security with a pair of swims in the briefcase.

4.1.4 Technological Factors

The fact that Singapore is a well developed country, with up-to-date technology, it is an attractive market for business. Due to the fact that Singapore is one of the world biggest container wharf and has a developed international air port the transportation of goods into the country is worthy. The public transport system is

33 http://inic.utexas.edu/asnic/countries/singapore/Singapore-History.html
34 http://www.euromonitor.com/Clothing_And_Footwear_in_Singapore
well developed in this country, with an effective MRT system as well as a good network of buses.

4.1.5 Summary of PEST, Singapore

Singapore is known for its strict laws and regulations. It received international accolades because of its efficiency and integrity. As mentioned before, Singapore emphasizes high fines for breach of the law. The relevant factor for SWIMS in this case is the “litter free” campaigns in Singapore, and the fact that the city is so clean as a result of this. Furthermore, the strict laws and regulation leads to a corruption free business market, which encourage many Western companies to establish their companies in Singapore. Since Singapore is a former colony of England, the business language is English. This will make it easier for SWIMS to get into the market, due to the fact that they do not meet any language barriers in this market. The weather condition is humid and due to the high amount of rain during a year in Singapore it leads to the issue of protecting shoes from getting wet (See Figure 6). Since Singapore has a “litter free” policy the streets are clean, so even if it is raining heavily the streets will not be as dirty as many other countries would be. Therefore SWIMS will mainly protect the shoes from getting wet in Singapore.

35 http://www.singaporelaw.sg/
4.2 An analysis of the Hong Kong market

4.2.1 Political Factors

Hong Kong is a special administrative region of China but it has its own government responsibility for the police force, monetary system, legal system, customs policy and immigration policy. Due to this we can say that Hong Kong has a limited democracy. Hong Kong is fighting against corruption in organizations by training, examining the internal operations and management and educating the administrative system.

4.2.2 Economical Factors

Since SWIMS is targeting the high-end customers we needed to look into the country’s economy. Hong Kong economy has had a strong growth in the recent years, Its retail sales grew 12% in 2007, and 16.4% within the two first months of 2008 based on a year to year comparison. The population in Hong Kong was reaching 7 million in mid 2007. Hong Kong has tourists numbering over four times its own population visiting the city each year. The number of visitors to Hong Kong increased a rapidly, reaching a growth rate of 9.4% in the first two months in 2008 compared to earlier. After the East Asia crisis in 1997, unemployment rates have been high. In 2007, it was 4.9 percent (See Figure 3).

Hong Kong exports commodities such as electrical machinery and appliances, textiles, apparel, footwear, watches and clocks, toys, plastics, precious stones,

37 http://www.hktdc.com/main/economic.htm
38 http://www.hktdc.com/main/economic.htm
39 http://www.indexmundi.com/hong_kong/unemployment_rate.html
printed material⁴⁰. As mentioned before, Hong Kong is ranked number 5 among the world most business friendly economies.⁴¹ It imports mainly raw materials and semi-manufactures, consumer goods, capital goods, foodstuffs, fuel (most is re-exported). These products come mainly from China, Japan, Taiwan, Singapore, the USA and South Korea⁴².

4.2.3 Socio-cultural Factors

Hong Kong was under British regime and later under China. This historical development has an influence on its official languages; Chinese (Cantonese) and English. Many Western companies see Hong Kong as an attractive area to establish their headquarters, similar to Singapore⁴³. Hong Kong is one of the markets, which are supervised by other markets for new fashion trends and products⁴⁴. This means that other markets are turning to Hong Kong to look for upcoming trend products. Hong Kong consumers, particularly young consumers, are interested in casual shoes. On the other hand, there is a trend towards formal dressing which gives rise to an increase in demand for leather shoes⁴⁵. People are also looking into the functions of footwear, which can be seen as a positive view for SWIMS because of the high functionality of the galosh.

⁴³ Prof. Ng Beoy Kui (2008). Foil set: "The rise of China: Its threats and opportunities from the perspective of Southeast Asia".
Hong Kong has four distinct seasons. The summers are very hot, and the rainy season is from June to August. Typhoons and tropical storms can occur from April to October, but direct hits are rare\(^46\). The winter can be cold, but never under ten degrees (See Figure 4). During the rainy season Hong Kong uses a rainstorm warning system. This system has three levels of warning: amber, red and black. Amber signalizes that it might be heavy rain that might develop into red or black situations. Red and black signals are used to warn the public for heavy rain which can bring serious inundation of water\(^47\). When the black signal is given out, companies will close for business and people are advised to stay home.

4.2.4 Technological Factors

Hong Kong has a well developed transportation system and get goods delivered from both train and boat. The public transport is well developed in Hong Kong and many people have their own cars. Taxies are relatively cheap compared to the western world, but compared to the taxi fares in Asia it is expensive. Hong Kong is a country with high growth in technology.

4.2.5 Summary of PEST, Hong Kong

Since Hong Kong is a special administrative region of China, it can be said that there is a democracy. Hong Kong was a British colony before, thus English is its business language together with Chinese. This makes it easier for Western companies to establish themselves in Hong Kong, because they do not meet so many language barriers. The economy is developing and the tourist flow is

\(^{46}\) [http://www.iexplore.com/dmap/Hong+Kong/Weather+and+Climate]

\(^{47}\) [http://www.weather.gov.hk/wservice/warning/rainstor.htm]
important for the country. The stores are located in locations not connected to large malls as well as inside shopping malls. Hong Kong consumers are interested in fashion and design. Since the demand for formal classic dress shoes is increasing, there is thus a potential market for SWIMS. Due to this and the fact of the heavy rain during the rainy season the demand for SWIMS might exist.
Chapter 5
Methodology
5.0 METHODOLOGY

In this chapter we will discuss our research objectives and methodology. We will also elaborate on the benefits and limitations with this type of research methodology. Finally, we present the findings from our research.

5.1 Research process

We will describe our research design by following six stages shown below.

1. Defining the research objectives
2. Planning a research design
3. Planning a sample
4. Collecting the data
5. Formulating the conclusions and preparing the report

Figure 1.1: Research stages
We will now go into each of the stages to explain how we have worked during our research.

5.1.1 Research objectives

As stated before, our research objectives are to give a better understanding of the Singaporean and Hong Kong market as well as find information on distribution channels which can be used in both markets. These are our research goals we need to achieve by conducting research.

5.1.2 Research design

To gather the relevant data for our project, we needed to make a plan of action, which is the research design. We decided to customize the methods and procedures we needed for each of the stages, researching on end customers, retailers and distribution channels. Since we did not have any knowledge of the Hong Kong market we needed to get some basic knowledge of the market before doing further research. We conducted an exploratory research to gather some information on the Hong Kong market. We will discuss some of the limitations of methods we used, as well as counteracting factors like time, money and knowledge.

5.1.2.1 Exploratory research

SWIMS company has explored the European market, as well as the US and the Canada markets. As mentioned before it sell its products in Japan as well. To
expand further in the Asian market SWIMS needs more knowledge about the market. This leads us to do an exploratory research, due to a lack of knowledge in the particular markets. Because of SWIMS’ targeting of high-end customers segment we chose to do a qualitative study. Exploratory research was done to find out more about the markets and discover new ideas. This is in accordance to our research objectives.

5.1.2.2 Design the interview guide

We designed four interview guides: for end consumers, for retailers, for distribution channels and for getting fundamental knowledge on the Hong Kong market (See Appendix 2).

End consumers questions

Our purpose for getting information from end customers was to get a feel about the market. To get the information we require we did a semi-structured interview by using questions designed for end consumers (See Appendix 2.2). We wanted to get to know their perceptions of SWIMS products, and to see if anyone had experience using these types of products. The questions were formatted so the respondents could elaborate as much as they needed for each question. By using open ended questions, we could gather as information as possible with each interview in a more cost effective manner than use of focus groups or depth interviews.
Retailers

The information we needed from the retailers was if they saw a market for these products and information about their distribution channels. We used ethnography theory to design our research method. To get in touch with the retailers, we used phone, e-mails and personal visits to the stores. To get the information we needed, we designed some questions addressing these issues (See Appendix 2.3). These questions were used to conduct semi-structured interviews with those retailers who did not have the opportunity to meet us. The questions were also used as a guide during our depth interviews with retailers.

Distribution channels

When we designed the interview guide for distribution channels we used some of the questions from the retailer questionnaire (See Appendix 2.4). The questions were open ended, and were used as moderator guides during interviews with the distributors. We got in contact with the distributors mainly through retailers. We used semi-structured interviews to conduct our research on distributors. By using a semi-structured interview we were able to get information we might not get with the use of depth-interviews or focus groups.

Fundamental knowledge on the Hong Kong market

To get the fundamental knowledge on the Hong Kong market, we got in contact with a professor from Hong Kong who works at Nanyang Technological University. We decided to use conversation as our research design, and developed a moderator guide (See Appendix 2.1). This guide was only used as a reminder of our main questions during the meeting.
5.1.3 Sampling

To test our questionnaires we sent them out to a small group of end customers, to see how they responded. This was to check if we got the answers we were looking for from the questions we asked. From the sampling we developed better questions, which we used on a larger number of respondents to gather more relevant information for our research.

The same was done for the retailers. After testing out our moderator guide we found out that the questions were not giving us the answers we were looking for regarding distribution channels, and from this we developed more precise questions which we used to gather the information needed for this research.

5.1.4 Collecting the data

We contacted consumers, retailers and distribution channels in both Singapore and Hong Kong. The numbers of respondents we managed to contact is less than 30. We did a qualitative research for this project with the main objective to understand the market and get relevant information from people who know the market.

To conduct the data from end costumers we sent the questions through e-mail as well as doing face-to-face interviews.

Doing research in Asia is time consuming and often requires relationship building to receive information. Therefore the data gathering process was very time
consuming. We gathered information from retailers by conducting depth interviews. For retailers who were not free to meet us, we sent the questions by email.

Since it is a relationship based culture in both markets, it was very challenging to get in contact with distributors in both markets. Due to the fact that Hong Kong is still strongly influenced by England, it was easier to get in contact with the distributors there than in Singapore. We got some meetings with distributors, but their time was very constraint. The data was collected by depth interviews.

To be better informed about the Hong Kong market, we met with a professor from Hong Kong who works at NTU in Singapore. As stated before, we decided to use conversation as research design. Still we developed a moderator guide to help us gather the information we need. We did not follow this strictly. The conversation went smoothly, and she was willing to give us a lot of information. We were able to get a lot of relevant information.

5.1.5 Limitations of research

Research done in Asia often require more time than research done in the Western part of the World. When doing a qualitative research where you need to get information from people who know the area, time is needed to build relationships. Since, Due to the fact that this project had to be done within s had a strict limited time frame line, there were it constraints on the can be seen as a limitation of this breadth of this research. Another factor which can be seen as a limitation of this
research is money. Because this is a school project we had to focus on keeping the cost low.

5.2 Analysis of the primary data collection

We have gone through three stages of data gathering: end-consumer, retailers and distribution channels. We will now present them separately in the Singapore and Hong Kong market, starting with the former.

5.2.1 Singapore market

With our questioners to the end costumers we created a mapping of the values and Lifestyle in Singapore. With our questionnaire, then we developed an overview of how Swims galoshes would be relevant to the lifestyle of Singaporeans

When asking about the product, many had never seen the product or anything similar. Some had heard about the Swims, possibly from Norwegians talking about it here in Singapore. Of the consumers we asked who had seen it, some recognized that there had been a similar product in Canada that was not as stylish as this revamped version. Some had seen it online.

We showed several pictures of the products and the responses we received varied. Some thought that the Swims looked fresh, comfortable, light, funky, with refreshing, new colors. One respondent thought the product lacked the impact of sophistication.
In Singapore there are some lifestyle habits that have been recognized. We recognized that many Singaporeans own several pair of shoes. In public areas with many people, they opt for sophisticated shoes such as high heels, and when they return to home or go to the office they opt for more comfortable footwear. Women often carry a small purse when traveling around the city, while men use larger briefcases.

Thinking about the Swims customer, we expect that he or she would own a car here in Singapore, and thus not walk so much as to need galoshes. The taxi prices in Singapore are also very low, so taking a taxi if it starts to rain is an affordable option. Other public transportation, including the MRT (Mass Rapid Transit) is extremely effective. Also, many places are sheltered with covered walkways. Streets are well-designed and structured and are maintained frequently. Therefore there are no problems when it rains because the road designs facilitate drainage of water into proper channels. One possible problem would be providing good ventilation to the feet in this climate because of the high humidity level.

Many different thoughts were revealed when asking people about the Swims design compared to the lifestyles of Singaporeans. Many related it to the Crocs, and some thought that there was no difference between them. Some said that crocs are too ugly to be worn, while they would absolutely consider buying Swims. As in the West, men here are not too fond of using too much time shopping and they responded positively to the idea of prolonging the lifespan of their shoes. In
addition, men are becoming more attentive to their looks, seen in the increase in the number of spa’s for men.

Singaporeans thought this product would be valued higher in Japan, because the Japanese are more aware of their appearances, compared to Singaporeans. People also thought that people in Hong Kong were more fashionable and that the seasons in Hong Kong would suit the need for galoshes better.

From the Chinese cultural standpoint there is a belief that if you give someone shoes as a gift, it would be observed as “sending a loved one away from you”. This could restrict the potential of swims as a gift that Chinese would give to friends or relatives. Even though the respondent actually also insinuated that this was a bit old-fashioned, traditions and beliefs are still a part of the values the Chinese hold.

**Results of Interviews with the retailers in Singapore**

As this is a new product to enter the market in Singapore, we found it necessary to conduct data collection to support our distributions channels analysis based on the retailers. The retailers that we have visited are The executive, On Pedder, and Club 21. These retailers sell several products of different brands and from different places in the world. Their products are more focused on being fashionable and innovative, and are designed by well-known as well as up-and-coming designers.

The reason why we visited these retailers is because these retailers are not only selling fashionable clothes, or accessories, but they also sell several types of
fashionable shoes, and sandals. Even though their products are not as popular compared to other international brands, their prices are actually very high, because they are designed by new designers. In addition, more attention is paid to fashionable designs, which are directed to high-end customers. Based on the information above, we thought that these types of retailers are the perfect place or retails for SWIMS to sell their product in the new market.

During the interviews that we conducted it was obvious that Singapore retailers have never seen the products before and they have not seen any similar products sold in Singapore. During the interviews we talked to people from different positions, such as the Assistance Manager, Senior Sale Staff, Sales Executive, Management Trainee, and staff from marketing division. These persons started with giving us feedback about our product and most of them mentioned that the SWIMS galoshes looked fashionable, comfortable, useful and practical, implying that they could be worn casually and for work. They considered SWIMS useful because of Singapore weather which is known to be very rainy. The retailers were almost unanimous when asked if their retails or stores would sell this type of product. Almost everyone believed that their customers would not buy this type of product. They believe that there is no market for SWIMS galoshes in Singapore, because even though it often rains in Singapore, the customers do not expect to get dirty. Another reasons is because in Singapore the weather is hot and humid, this could become uncomfortable for the consumers to wear galoshes. Respondents mentioned the price and the consumers’ habits in term of using shoes as other factors working against galoshes. They believe that the Singaporean consumers like to buy shoes and those who can
afford to buy expensive shoes would buy more than one pair, instead of wearing galoshes.

Some of the respondents, however, believed that there could be a market for SWIMS galoshes in Singapore, since they are new, innovative, and creative. There is also little competition, as there are no others retailers or stores selling rubber shoes or galoshes, except crocs, which would not be direct competitors for SWIMS Company, because crocs do not target the same segment of the market.

When we asked about product distribution in Singapore, most of the respondents mentioned that their retailers are using direct sale. Since their stores sell different designs and brands from different places, salespersons of each brand come and introduce their products directly to the retailers.

One of the examples is The Executive store in Suntec City, which is the only one of The executive retailers who sell shoes in their stores. The shoes that they are selling in their stores are hand made from Italy.

Customers can choose the type of leather and the model of the shoes that they would like to buy. The designs are sent to Italy to be custom made. The shoes are named “Renzo Plaazon” and have a very classic look, being made of genuine, exquisite leather. The price of the shoes are around S$2000.

The retailers believed that the best way for the SWIMS Company to enter new markets would be to sell their products directly to the correct retailers in Singapore through an agent with the right knowledge.
5.2.2 Hong Kong market

We tried to do some research in the Hong Kong market by contacting retailers and distributors through e-mail. This did not give many results, so we decided to travel to Hong Kong to conduct the research by visiting retailers, interviewing end-customers and meeting with distributors. We booked 4 days for Hong Kong to conduct the research. We used the same questions and moderator guides as in Singapore. Before traveling we had a meeting with a Hong Kong professor at NTU, who gave us a lot valuable information about the Hong Kong market. She also suggested some relevant stores which we contacted during our stay in Hong Kong.

Some people we talked to misunderstood the target market of SWIMS galoshes, which were compared to other rubber shoes, which do not share the same market. It was not always easy to explain this due to the language barrier. Some were apprehensive that the product was too expensive - mainly retailers targeting the middle class consumers. Retailers and distributors who targeted the upper class had a better understanding of the target market, and stated that SWIMS can be sold as a product to protect expensive shoes from rain during the summer (See Appendix 3.8). During our research in Hong Kong we tried to see if there was a market for SWIMS product. We got some negative feedback, where both consumers and retailers did not have faith in the product. Some of the responses we got were that people would buy another pair of shoes instead of investing in SWIMS (See Appendix 3.7). There was some feedback that the design was too simple. However, most of the responds we got were in positive direction for the products. Both retailers gave us feedback that they viewed the products as
interesting, and that they had an interesting user area. In total we can say that from our research in Hong Kong people are interested in this product.

We asked to get an idea of how many pairs of shoes are sold in one month or a year but it turned out to be quite difficult to get a figure, because it was seen as a company secret within some companies. We got some answers, but not enough to forecast the sale in Hong Kong at the stores SWIMS would sell their products through. We also asked about the most-sold size of shoes for both males and females. The average was size 36-39 for female and 41-43 for male. One shoe habit in Hong Kong seems to be that people has several pair of shoes, 3-6 pairs which were used most. We also got feedback that people tend to walk or use the MTR instead of taking a taxi when it is heavy rain. This shows the need of SWIMS galoshes in the market, where people can benefit from protecting their shoes when going from one place to another.

Retailers in Hong Kong generally have their own head office where the management buys from manufactures and distributes the products out to a larger number of their retailers. The Pedder group has their own purchase management which buys products mainly from manufactures and then sends them out to their stores. The Extravaganza are has the same system. We contacted both management teams. The Pedder group was more skeptical of SWIMS galoshes, and gave us feedback that there might not be a market in Hong Kong for this product. From the research at the Landmark centre (Harvey Nichols) we got to talk to the store manager, who had seen this product in North America. He did not think there would be a market for this product in Hong Kong, arguing that neither males nor females would buy this product. (See Appendix 3.7). While
Extravaganza was a lot more positive, and wanted a sample to decide if this was a product they would take in to their product line. We got a meeting with the sales & marketing assistant. She liked the idea of selling it as an extra service to protect the investment of expensive shoes, and wanted us to get her in contact with the company to get into negotiation. This is a company with 20 retailers in Hong Kong, and they have future plans to expand to China (See Appendix 3.11).

5.3 Limitations:

Doing research in Hong Kong had some limitations for us. Even though Hong Kong is strongly influenced by England, the main language is Cantonese. We also faced lack of time and money. Due to the lack of time we did not accomplish to do many end consumer interviews during our stay in Hong Kong. It could also have been easier if we could have offered lunch or other extras when doing our interviews. Hong Kong has a relationship-based culture, where you need a network to get in contact with the people you want to talk to. Therefore it was important to get to the retailers before contacting the head offices, so we had references and could tell them about the research we had done in the stores. Still, not every retailer was willing to answer our questions, and sent us directly to the head office by giving us a phone number, an email address or a web address. We also had lack of knowledge about the market. Even if we had prepared for the trip by trying to get some fundamental knowledge, we had to adapt more to their system.
5.4 Secondary data analysis

For our secondary data analysis we did a lot of research online, visiting web pages related to the Singaporean and Hong Kong markets. Through fashion and design sites we were able to form an idea of how the market was. We sought information such as weather reports, economic annual reports as well as general research on consumer behavior and user habits in the markets.

5.4.1 Limitations

Secondary data gathered by other researchers often comes with a fee. Since we have a lack of money, we could only use summaries from these articles.
Chapter 6
Marketing strategy analysis
6.0 MARKETING STRATEGY ANALYSIS

We will now go into the definition of strategic problems and key success factors we came up with from the internal and external analysis and the findings from our research. In this chapter we will discuss SWIMS segmentation, positioning and business strategies. We have also gone into the market strategy mix in both the markets, where we have done a critical review of the 4 P’s.

6.1 Strategic problem definition

What strategies can SWIMS use to get their products into the markets? What are the main issues they might meet during the business in the markets?

6.2 SWOT-Analysis

We will now go into the strategic problem definitions and key success factors we came up with from the internal and external analysis and the findings from our research. In this chapter we will discuss SWIMS segmentation, positioning and business strategies. We have also gone into the market strategy mix in both the markets, where we have done a critical review of the 4 P’s. First we will sum up our analysis in a SWOT.
The **Strengths, Weaknesses, Opportunities, Threats** Analysis

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We have decided to elaborate on our SWOT since this is the part where we will summarize the research that we have conducted throughout the past months. It is also where we will elaborate on the internal factors that we have seen as important. The SWOT analysis gives a short summary of what we have found from the analytical part of this paper. In addition, it is to provide an analysis of the internal strengths and weaknesses, and not only external factors.
**Strengths:**

1) **A new and innovative product:**

The company brought a dying product back to life and made it more appealing and sexy. The product was known by the older generation, and some might have seen it in their grandparent’s closet. It would not appeal to a young and trendy person. SWIMS gave it new life, with design and colors to suit the fashion conscious.

The SWIMS galosh is very unique. The company produces galoshes for both men and woman, with a feminine touch added for women who want to protect flat shoes. To show innovation is still present, the new high heeled version of SWIMS will be out in September 2008.

2) **Value and quality**

Customers in the targeted segment are very conscious that the products they buy are high quality. It is very important that the quality coincides with the expected value from the retailers. If they receive good feedback from the customers, they will proceed with retailing the product. For example, Harrods received good feedback, and even reached new levels of sales they achieved a very good reputation for quality.

3) **Awards:**

In 2006 SWIMS won the Norwegian Design excellence award. SWIMS reintroduces the rubber overshoes in style by adding the “element of timeless
design, playfulness, and improved functionality” while keeping shoes clean, dry, and on the feet. 48

**Weaknesses:**

1) **Lack of marketing expertise:**

In the Asian environment, it is very important to have an insight into where the retailers search for their new fashion. In this part of the world, SWIMS has not had any contacts with which it could promote products. Most Western stores have retailers contacting them for enquiries, a practice which not always recognized in Hong Kong and Singapore. Since the products have not been promoted there have not been many enquiries. It also takes a long time to achieve the right relations to the Hong Kong and Singaporean retailers.

There are some places where SWIMS products have been showcased, such as the Styleria, Vitamine.ca magazine and online Fashion Newsweek. We found information from external resources to know how SWIMS advertise their products, especially galoshes.

SWIMS has advertised the products online and through other media. Online, they provided only general information, such as where the products came from and prices.

48 http://www.joshspear.com/item/swimming-in-the-rain/
2) The company does not have their own retailers:

SWIMS sells their products in 17 countries through 200 retailers, and the company still does not have its own retailers. The company acknowledges that the market share of the company is small, and the variation of the products is still limited, so the smart way to sell their products is through other stores or retailers. Since SWIMS does not have their own stores might have some influence on the brand equity might be affected.

Opportunities:

1) A new international market:

Since SWIMS has entered 17 different countries in Asia, the USA, and Europe, there is the opportunity for SWIMS to expand more

2) Expatriates

The Singaporean market is fast growing (See Appendix 4.6), and it is an international hub for shipping and the economical coalition of the West and East. Therefore there is an increase in expatriates, who are quite wealthy when they live abroad. This would give Singapore a larger amount of the targeted segment then in many other countries in the South East Asian area.

Threats:

1) Competition:

SWIMS competitors are Tingley and Totes, who are in the same market even if they are targeting another segment. Currently Tingley sells their products online,
this shows that most likely the company can compete on price since they do not have any expenses regarding sales agents or distribution. But this is not the area where SWIMS is gaining their brand image, therefore we do not qualify this as competition.

2) Different life style:

SWIMS galoshes has more focus on protecting shoes from getting muddy and wet because of weather. It is shown that the products actually suit the countries that have four different seasons: summer, spring, autumn and winter. Singapore and Hong Kong are Asian countries, which only have two seasons: dry and wet. It is shown that these countries have different styles in various ways, such as in how customers behave regarding on shoe protection during the rainy seasons. As we have seen through our end-customer questionnaires the more they need to move from place to place, the more shoes they own, and the more likely they are to change the shoes they have.
6.3 The nine strategic windows

Based on the Bakka model that we have been using to analyze the SWIMS company’s internationalization process we would like to recommend the company strategy for the future, which is based on the nine strategic windows. As we mentioned before that the company exports to 17 foreign countries, shows that the company has a position in the international market, where they have also learned and developed their international organization culture. This could be an opportunity for the company to expand their market further. Due to this background we believed that the company has to chose the strategic windows number five, where they have to “consider expansion in international market”(See Appendix 6). The strategy guides that the company should prepare to see the changes in global direction; this means that the company should concentrate to develop their network and their market position to catch their main segments or their important customers.

Since SWIMS considers to expand their market in Asia such as Singapore and Hong Kong, this could be a challenge for the company, the first reason are because the SWIMS products especially the galoshes are new products in these markets, so it is required for SWIMS to introduce their products to the local customers and this could lead to high cost. The second reason is the issue of
cultural difference in terms of shoes wearing habits. Since SWIMS has entered several foreign markets, we believed that they can maintain their international business or even expand to new markets.

6.4 Key success factors

Key Success Factors are factors in terms of business that are very important for the company or organizations for success in achieving in their mission in a given market.49

In general, Key Success Factors are elements of competitive strength assessment in examining the relative strength of the company business. Below is list of SWIMS Company Key Success Factors:

- Creative and Innovative products: This factor is very important for SWIMS to sustain business and for the company to provide the best product to their customers. Providing innovative and creative products will satisfy the SWIMS customers and ensure their loyalty to the company.

- Distribution channels: The Company has strong networks of distributors in their markets, and this could lead to fast delivery of their products to the retailers in both international and national markets.

- Manufacture: The company products are manufactured in two different countries, such as in China and Taiwan. This ensures low cost of production, because of cheap labor.

6.5 Segmentation

Segmentation is the process of identifying groups of buyers with similar characteristics that marketers may effectively serve with the same set of marketing mix\(^50\). Since SWIMS would like enter new markets in Asia, both in Singapore and Hong Kong, it is very important to identify suitable segment in these new markets to develop an effective marketing strategy. There are several ways to segment the market, such as based on gender, age, race, usage occasions, etc\(^51\). We believe that SWIMS company can use selective specialization in its segmentation; this means that the Company could choose more than one market segment to enter these two new markets.

The first segment is premium segment called business, and the second one is the young segment. For the business segment the focus is on expatriates who works in Singapore, and who come from different countries. Most probably they would come from the western countries, such as Europe and the USA. The business segment is individuals’ age from 25 to 50. This segment is not only targeted expatriates who are working and living in Singapore, but it can also target the Singaporean business people, both males and females, with middle to high income jobs.

The other segment is young segment, where the target would be toward slightly younger customers with middle income jobs, for example students with wealthy parents, or the new graduates who have just started their careers. Individuals in

\(^{50}\) Strategic Asian Marketing, Hean Tat Keh & Jeongwen Chiang 2004: page 70.

\(^{51}\) Strategic Asian Marketing, Hean Tat Keh & Jeongwen Chiang 2004: page 73.
this segment are both males and females who have a cool personality, where they are not afraid to try new products. These would be referred to as the first mover segment.

### 6.6 Positioning

Positioning is *“the process by which marketers try to create an image or identity in the minds of their target market for its product, brand or organization. It is the relative competitive comparison their product occupies in a given market as perceived by the target market”.*  

There are several ways to position the products, such as by product attribute, by benefit offered, by price and quality, by product user, etc.  

From the different segments that we described before, SWIMS need to position its products differently. In general the whole marketing mix is the tool where SWIMS can use to position themselves in the mind of customers. From the segment that we described before, SWIMS could position themselves based on product benefits. Products benefits are related to the possibilities of enjoying the functions of the products, for example having expensive shoes protected from rain, mud, or anything else with style. By emphasizing the protection function and the stylish function of galoshes, SWIMS will be able to differentiate its galoshes from other galoshes, other rubbers shoes. Thus, creating a positioning strategy, where SWIMS can establish itself with the new products in both Singapore and Hong Kong, positioning itself as an alternative from other rain-related products.

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52 [http://en.wikipedia.org/wiki/Positioning_(marketing)]  
53 Strategic Asian Marketing, Hean Tat Keh & Jeongwen Chiang, 2004: page 84
Quality is also a factor for SWIMS to use to position itself differently in the various segments. The SWIMS should emphasize the various elements of its quality, including use of excellent material and unique rubber which has great elasticity, tear resistance, flexible, and sleekly fit, and adapt to almost any shoes shape.

6.7 Branding

A brand is “a name, term, sign, symbol, or design, or combination of them, intended to identify the goods or service of one seller or group of sellers and to differentiate them from those of competitors”. 54

Brand recognition is to build a brand name of company’s products and this can be done through advertising, design, or media commentary. For SWIMS galoshes it is very important to engage in branding to build its brand name for both the Singapore and Hong Kong markets. By building a strong brand name for SWIMS galoshes, it will create the impression that products associated with the brand name would have the quality and characteristic that make the products special. The competitive advantage of SWIMS galoshes is creative and innovative design. SWIMS galoshes are colorful, functional and unique as they, where are the only products that offered protection of expensive shoes in stylish and fashionable ways. These advantages can help the company build consumer brand loyalty. With loyal customers, it could then be easier for SWIMS Company to promote its products or its brand through positive word of mouth. Word of mouth is “a reference to the passing of information by verbal means, especially
“recommendations, but also general information, in an informal, person-to-person manner”\(^\text{55}\). This type of marketing is known to be effective in building brand awareness.

Regarding the building of brand awareness, SWIMS Company may consider the use of press release to get attention to their brand; a press release can be designed to be sent to journalists in order to encourage them to develop articles on the subject. Another possibility for SWIMS to build its brand awareness is by engaging the celebrity. By using celebrity to promote its products, people get a perception of the image SWIMS are giving. This can help SWIMS to better target their segment.

**6.8 Marketing mix strategy**

In this chapter we will go into the marketing mix strategy. The marketing mix is giving a picture of the whole marketing process, and from this SWIMS can meet and create the value the customers see in the products\(^\text{56}\). To achieve the marketing objectives we have developed a strategy which includes the 4 P’s of marketing mix\(^\text{57}\).

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\(^{56}\) [http://www.howstuffworks.com/marketing-plan22.htm](http://www.howstuffworks.com/marketing-plan22.htm)

\(^{57}\) [http://dis.shef.ac.uk/sheila/marketing/mix.htm](http://dis.shef.ac.uk/sheila/marketing/mix.htm)
6.8.1 Singapore

We will now go into our suggestion of the marketing mix strategy for SWIMS in the Singaporean market.

6.8.1.1 Product

SWIMS products are as stated before made to protect consumers shoes from getting wet or muddy. The galoshes are currently not for sale in Singapore, and this product is new for the customers in Singapore if introduced. As we can see from the competitor analysis in external environment, SWIMS is not meeting any direct competitors to their products. Due to this consumer in Singapore has little or no knowledge in this product category. SWIMS products are not characterized as high technological products, which mean that the consumers will get the knowledge of use of this product quickly. Secondly, we need to highlight the fact that even if SWIMS are almost alone in this market they need to be aware of competition in the future. When a product grows manufactures want to ride the wave, and might start to produce the same type of products. SWIMS will have to look for improvements for their products to maintain the high quality. It might be even more important to highlight the attributes if SWIMS products in the future.

Due to the fact that SWIMS are selling their galoshes with extra service products like sponge, storage bag and the loop on the back of the galosh they are able to provide excessive service to the end customers. This gives SWIMS a good point of differences from other shoe products. Consumers in Singapore tend to appreciate complementary products which are given along with the main product.
Furthermore, the weather in Singapore may make SWIMS to be a desirable product. As stated before Singapore has a lot of rain throughout the year, which shows that people might need protection for their shoes. Due to the humid weather in Singapore, SWIMS might face some problems as the rubber shoe might be hot for the customers. One strategy can be to develop a thinner model for this market.

6.8.1.2 Price

SWIMS are selling the SWIMS Classic for 93.75 Euro on their online store for the Singaporean market.\(^{58}\) Due to the fact that SWIMS are targeting the high end, the price is reasonable. Singapore has a high purchasing power and the economy is well developed. This makes it possible for SWIMS to forecast a positional market in Singapore. SWIMS should not consider decreasing the price, because this might damage their reputation among the consumers. Since SWIMS is positioned as a product of high quality, a decrease in price will lead to changes in people’s perception of the product. Consumers in Singapore tend be discerning and emphasizing quality.\(^{59}\) It is therefore important to meet the expectation of high quality when selling a product at a high price.

6.8.1.3 Place

SWIMS are today sold along with famous high class brands like John Lobb and Church among others. Because SWIMS are positioning themselves among these high class products it helps them to get a name in this league. Getting into stores

\(^{58}\) http://swimsstore.com/products.aspx?cId=66

who distribute these brands is one of the key factors for SWIMS. We will now look into possible retailers and distributors for SWIMS in Singapore:

**Retailers:**

Singapore has many big shopping centers, and it is difficult to look for small retailers outside. SWIMS galoshes may be sold through the retailers located in popular shopping centers in central business district, or the central parts of the city, such as Takashimaya, Robinson, etc. The retailers that SWIMS could use are the retailers who are selling different brands from different parts of the world, these retailers generally selling their products to high end customers. Other retailers that could be suitable for SWIMS are retailers located in hotels. By using retailers located in hotels SWIMS could reach out to the segment, which is high end consumers.

**Distributors:**

This could pose a challenge for SWIMS to enter the market in Singapore. Since SWIMS has become international both in Asia and Europe, would mean that the company has experiences and knowledge to entering new markets. Based on this information, we could say that SWIMS Company can enter Singapore market with direct export, that is, to export directly to their customers or retailers who are interested in buying their products. Since this is new market, SWIMS could consider employing direct sales representative to help out. This could be a person with knowledge and experience in the market, and who already has a network. From our interviews with the retailers, we found out that the most brands tend to sell their products to high end retailers by using direct sale representative. By
looking at this, we believed that by engaging in direct exporting with direct sales representative, SWIMS could enter the Singapore market more easily, efficiently and effectively since the company will deal directly with retailers responsible for selling their products, get to know more about their customers, and at the same time, have more control of all the transactions.

Since Singapore is part of Asia, which is dominated by the Chinese population, it is still engaged in the traditional way of doing business in term of networking through “Guangxi”. In Chinese business culture, Guanxi is related to networking or relationship. SWIMS Company have to learn and establish Guanxi if it wishes to establish its business in Singapore. By engaging Guanxi, and doing right Guanxi, this can decrease the company risks and frustrations when doing business in Singapore.

6.8.1.4 Promotion
Promotion is one of important part in company strategy to enter new market. SWIMS can do many activities to promote their products. In order to reach the galoshes industry in Singapore and retailers in Singapore or even Asia SWIMS should attend different fares and exhibition in Singapore. Furthermore the Company should create awareness using magazines and catalogs such as fashion magazines. In addition the company can also promote their products in exhibitions, such as fashion exhibitions. Having an active promotion could raise brand awareness. And once again this could create loyal customers for the company’s products and brand.
6.8.2 Hong Kong

We will now discuss our suggestion of the marketing mix strategy for SWIMS in Hong Kong market.

6.8.2.1 Product

As stated before SWIMS is a new product in this market that has very little knowledge in of its utility. Consumers in Hong Kong seem to be interest in new products on the market, and other countries tend to look to Hong Kong to seek for trendy products. This may indicate that consumers in Hong Kong might be ready to be introduced for SWIMS products. Due to the fact that Hong Kong has four seasons during the year, SWIMS may be needed. Hong Kong has the rainy season during the summer time, when there could be a need for SWIMS to protect consumers’ shoes. Furthermore, from the research in this paper we can see that consumers in Hong Kong like fashion and are interested in design. SWIMS products have a simple design, but have various colors. It seems that SWIMS can go into the market without any further development.

6.8.2.2 Price

SWIMS online stores are not selling to the Hong Kong market. Due to this we have decided to use 75 euro as basis, and have used SWIMS Classic to state the price (See Appendix 4). This is a respectable price for a pair of galoshes in Hong Kong. Hong Kong is a country which is developing with growing purchasing power. To maintain a similar market positioning in customers perception, SWIMS needs to keep the price of the products at the same level as in other markets.
6.8.2.3 Place

Hong Kong, as stated before, is one of the cities where others are looking for trendy products. This will be a good market to get into to get brand equity among consumers and other high end distributors. Doing research in Hong Kong was more convenient because there were more stores appropriate for the targeted market. We will discuss retailers and distributors that are relevant for SWIMS to look further into; we have been in contact with many retailers both by emails and phone, but have not got reply from all (See Appendix 5).

Retailers

SWIMS is new in the market and need to find suitable retailers to sell their products in the market. During our research we have been in contact with some high end retailers.

The Éxtravaganza

This is a store who sells brands like Gucci, Prada, TODS among others. They have 20 retailers in Hong Kong, and their future plan is to expand to China (See Appendix 3.7). The store manager, at one of their retail stores, pointed out his interest in this product and gladly gave us the address to the head office. From the interview he stated that his perception of the product that it was cool and this could be a product for their product line (See Appendix 3.6).
On Pedder

The stores are selling high class brands, and are located both in Hong Kong and Singapore. The On Pedder retailer we visited was only selling female products. We got in contact with the store manager who thought this was an interesting brand, and stated that it “can be sold as a product to protect the expensive shoes from rain during the summer.” (See Appendix 3.5). On Pedder is a potential retailer for SWIMS because they have a well known name in the markets. Due to this On Pedder can help SWIMS gain brand equity in the markets quickly.

The Swank

The Swanks mission was to bring in top European brands to Hong Kong. The Swank is storing brands like Christian Lacroix, Calvin Klein and Vera Wang among others. The Swank has 3 shops and three free-standing boutiques. We visited the Hong Kong store and tried to get in contact with the head office but failed to get an interview with them. We believe that SWIMS could be of interest to Swank.

Lane Crawford

Lane Crawford has the largest range of designer brands in Greater China. The company has stores in Hong Kong and Beijing. We did not manage to get any interviews with the store, but were asked to approach the head office. Due to the fact that Lane Crawford is offering the largest range of designer brands in Greater China it will be an important place for SWIMS to sell their products.

Church

Church, which is traditional English exclusive brand that produces leather shoes. It already has one store located in Hong Kong. They are hoping to open two more stores in 2008 (See Appendix 5.3).

Distributors:

To get in contact with distributors in Hong Kong we needed to refer to other contacts, like store managers or former contact with the company. This shows the relationship focused culture in this market.

The Éxtravaganza

Through contact with one of their stores, we managed to get a meeting with the sales & marketing assistant. She was very interested in the products, and asked us to put her in contact with SWIMS. She liked the idea of the product, and especially the target segment (See Appendix 3.7). It will be important for SWIMS to follow up the lead closely, to build trust and relationship. This might be a key into the market. The extravaganza will be able to act as distributors in Hong Kong. They have 20 retailers in the market, which will give SWIMS access to many locations.

Lane Crawford

SWIMS have been in contact with the divisional merchandise manager of menswear, but had not got any further response from him. We got the contact information from SWIMS, and went to their head office in Hong Kong. The
person had left the company a year ago, but we managed to get in touch with Mrs. Polly Hue, who holds this position today. She did not have the time for our questions, but asked us to send them through e-mail. We did not get any response.

Still Lane Crawford is a highly interesting company for SWIMS because of their high brand equity among high end consumers.

Doing business in Asia requires time and money to build a good business relationship. It can be easy to find the place for the products, but it might require hard work to get into the store.

6.8.2.4 Promotion
Many distributors are handling the promotion of the products as a part of the distribution deal. Still SWIMS need to attend design and fashion fairs to both keep themselves and others updated on the products in the market. Every two years there is a big design trade in Hong Kong, which can be of interesting to SWIMS. New design products are exhibited at the show, where both manufactures and distribution channels can meet and start a relationship. It is important to get brand awareness among consumers to get into the market. Therefore it will be important for SWIMS to find the right distribution channel in the market to promote SWIMS products.

6.9 Performance evaluating and control
After the entry it is important to have a control strategy to check your performance in the market. To develop a plan to take care of unexpected
happenings, which can arise during implementation to save money and time for the company\textsuperscript{63}.

Chapter 7
Recomandation and Conclusion
7.0 RECOMMENDATION AND CONCLUSION

In the process of further expansion to the markets we have researched, there are some important factors that should be in place and that should be given some extra thought. Our guide for the SWIMS would be the following.

Factors for consideration, with regard to Singapore and Hong Kong markets

When doing business and negotiation with the people located in this area there is a different perception to the value of effectiveness and how time is used. To establish good business relationships with the people in the Asian market it is crucial that you show your appreciation of their time and that you never give any insinuation of rushing with the business. When it comes to the point where there could be a transaction it is good that this is done effectively, and that it is done in a properly manner.

Formality is seen as the way to give respect to the other person when handling emails, and to reflect the importance of the business. Therefore it will be important to try to refer to each other very formally in the beginning of the negotiation and when the “deal” is done, it would be more appropriate to refer to the more informal name. By including some “chit chat” at the end of the emails, you give the impression that you also are interested in the entire person you are talking to.

Competition is always something to be aware of, even though it is not an important issue at this time. Competitors emerge quickly, when a new product
enters the market and achieves success. Therefore it is important for SWIMS to include regularly surveillance of competitions in their strategy.

SWIMS is using a differentiation strategy, where they differentiate themselves with a fashionable design and fresh colours for the galoshes. This differentiation is highly important to succeed in a market where cheap substitutes can be found. Because this is a new product in the market, distributors and retailers might not be familiar with the special features of these products. Therefore SWIMS need to consider training the sales persons to sell this product.

We will now go into each of the markets and give recommendation for each of them, building on the research and analyses we have presented earlier in this paper.

**Singapore**

After doing the research we ended up with the feeling of a market that yet has not reached the room for a niche market of SWIMS, as the product is today. Because of the weather conditions it is not suitable for Singaporeans to invest in a product that may only cause discomfort, due to the humidity level. Furthermore, it is also important for Singaporeans to show off their shoes when they are wearing expensive ones. As such, they would not wish to cover these up.

As we have been updated on the situation of the design within the SWIMS company we see that there may be a product that would be more suitable for the Singaporean market. This is a product, which does have a lower neck, and therefore it will not be too tight around the shoes and then not cover the shoes.
But as its main intention it will protect against the water beneath the sole, because of the water-proof sole.

**Hong Kong**

The contact we have established with this market has been far greater than expected, as we could get hold of the key persons in the various channels. The responses we received were both positive and negative, but anyhow the right stores which also share the same enthusiasm and vision gave us the feedback that was needed for further discussion. Since the Hong Kong economy is growing, with Church planning to expand further, we see a potential market there for galoshes during the rainy season. We are recommending the following two distributors for SWIMS to consider. It would be of a high character to sustain these two alliances, to assure the objectives of SWIMS, to retain the high brand equity, and to place the products in the right targeted segment.

**Extravaganza**

From our research in Honk Kong and the interview with the sales & management assistant and the manager of one of their stores, we will recommend SWIMS to follow up on this contact. Due to the fact that Extravaganza has 20 retailers in Hong Kong and are to expand further into China, SWIMS will get an opportunity to position its products in many areas in Hong Kong. This might lead to rapid growth in brand equity in the market. Secondly, Extravaganza can be appointed as a distributor into the Hong Kong market, and take care of marketing and financial issues.
Lane Crawford

As there already has been a good connection between SWIMS and Lane Crawford, we highly recommend that SWIMS collaborate with this company further by developing a future plan of action. They have definitely one of the highest valued department-stores in Hong Kong, located in the appropriate environment with high class stores and spacious rooms. The impression we received was that there could be a possibility for a direct export to the Land Crawford corporation which would then place the product at their stores. SWIMS will benefit greatly in terms of brand recognition because the stores are strategically located and the distributor has market knowledge and good reputation.

7.2 Conclusion

We recommend SWIMS to proceed with its expansion into Hong Kong, and concentrate in the areas they are familiar with. First of all it is important to ensure that the channels are fully aware of how the features and functions of the products and are able to pass on this knowledge to the end customer. The vision of SWIMS has to be passed through the channels, and also to the end sales persons to keep the high brand value. It is important for SWIMS to maintain a consistent perception of its brand value across different markets by choosing suitable distribution channels.

7.2 Key leanings

This project gave us several experiences in term of key learning’s, some important lessons. The project has required us to do some research on end consumers, retailers, and the distribution channels to gather the information that we needed to
complete our project. We now know that gathering data from retailers and distributions was the most challenging part for us. The reason is that to get in touch and to get data information from the local people can be very difficult; this might be due to our lack of relationship or networking with the local key persons. We believe that if we had known someone, it would be much easier for us to collect our data. One of the examples is before we traveled to Hong Kong we did an interview with a professor from NTU who was from Hong Kong and she gave us a lot of information regarding the Hong Kong market. Since she came from Hong Kong she had one friend who worked in one of the retailers in Hong Kong, and she gave us her contact number. As a result, the research in Hong Kong went well as we were able to contact retailers and the distributor using this personal network.

From our experience, we realized that Asians are very reluctant to share information, especially with other people that they do not know. We also felt that to get in touch directly with the key people was very difficult compared to westerners. Our experience was that we tried many times to contact the main retailers and distributions channels through email, and direct phone calls, but the responses were always quite disappointing. When we called one of the distribution channels in Belgium, the key person, Mr. Robin Hall, replied directly that he would meet us. He was found to be very open in sharing his information with us. Based on these experiences, we realized that having networking or engaging Guangxi is the most important for us to know, and learn, when doing business in Asia.
With regard to SWIMS Company’s desire to enter new markets in Asia, we learned that the company’s success dependent on it having good brand awareness.

The result from our research shows that local people in Singapore and Hong Kong do not know about our products. Most of them said that it was actually the first time for them to see SWIMS galoshes have good quality, are stylish and fashionable without a strong brand awareness it could be difficult for the market to obtain a good market share.
Chapter 8

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SWIMS

FOREIGN SALES AGENT

FOREIGN MERCHANT DISTRIBUTORS

RETAILER

INTERNETT-SHOP

END CONSUMERS
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Appendix 1: Product portfolio

SWIMS Produkter Høst 2008

Classic: 6 farger, totalt = 21 SKU
Kamelina: 5 farger, totalt = 15 SKU
CitySliper Low: 6 farger, totalt = 18 SKU
CitySliper Med: 4 farger, totalt = 12 SKU
CitySliper High: 1 farge, totalt = 3 SKU
Automatic Long: 3 farger, totalt = 3 SKU
Automatic Short: 1 farge, totalt = 1 SKU

Sammenlæg总SKU = 80
Appendix 2: Questions

Appendix 2.1: Moderator guide for interview with Hong Kong professor

Moderator guide: HK prof

- Her perception of the product as a Hong Kong consumer

- Small stores/shopping mall?

- High class retailers

- Distribution channels structure

- Method to get interviews
  - Retailers
  - Distribution channels
    - Agent

- Transport system

- Dress codes

- Consumer habits/behavior
  - High end consumers
Appendix 2.2: Questions for end consumers:

1. Have you seen galoshes in Singapore before? If yes, where can you buy them and what color and design are they?

2. Do you know of any specific shoe habits in Singapore or Hong Kong?

3. What type of shoes do they buy (special purpose versus multi-purpose) and on average, how many pairs do they own?

4. What concerns do you have about this kind of product?

5. Would you like to buy this product? Would you buy it for yourself or maybe as a gift?

6. After looking at this product, what is your first impression? What is your impression of the design and the colors?
Appendix 2.3: Questions Retailers

Our Final Year Project (FYP) is to do a research regarding to assess the prospect of SWIMS entering the Singapore and the Hong Kong market. We work for a Norwegian company SWIMS who produces and sells galoshes all over the world.

**Galoshes:**

*Also known as gumshoes, or overshoes, are a type of rubber boots that you *slip* over your shoes to keep them from getting muddy or wet. In other words, a galosh is an overshoe made of a weatherproof material to protect a more “fragile” shoe within and keep the foot shielded and dry.*

(Images are attached at the end of this document).

SWIMS Company is not the only company producing galoshes. However their galoshes are unique both in design and use.

SWIMS Galoshes are already sold in Japan at BARNEYS NEW YORK, as well as at SAKS FIFTH AVENUE NEW YORK and HARRODS in London. These are just examples of the larger number of stores SWIMS is available at all over the world.

The price for the products is around 75 EURO or 200 Singapore dollars.

SWIMS is not a product which will compete with any of the other products in your store, instead it will help you to give better service to your customers. You can offer a pair of SWIMS to costumers who just are to invest in a new pair of shoes, so the costumer can take better care of the new pair he/she just invested in. Another benefit is that this product will never go on sale.

Please look into the following questions.
Questions:
1. Have you heard of SWIMS before? If yes, where?

2. Do your suppliers supply these types of products? If yes, who?
   a. Do you think any of your suppliers would be interested in these products? If yes, which suppliers?

3. Do you know who else sells similar products? If yes, who?

4. Will you stock these products to sell in your store?

5. How many pair of shoes do you sell within one month/one year?

6. What size are you selling the most of?

7. Do you sell umbrellas?
   a. How many umbrellas are you selling within one year?

8. Who are your suppliers? From whom are you ordering?
9. We wish to come in contact with your distributors, do you have any contact information we could use?

10. Are you interested in more information about SWIMS? If no, why not?

11. Would you consider doing business with SWIMS? If not, do you have any suggestions of who would sell these products?
"SWIMS, the modern galosh, is the stylish footwear solution in rough weather. Slip on a SWIMS over your favorite shoes to shield them from rain, mud and snow.

Made out of waterproof material, these fashionable overshoes are guaranteed to protect the delicate materials of your shoes as well as protect your feet from the cold and damp.

SWIMS galosh is available for both male and female."

Appendix 2.4: Questions distributors

Our Final Year Project (FYP) is to do a research regarding to assess the prospect of SWIMS entering the Singapore and the Hong Kong market. We work for a Norwegian company SWIMS who produces and sells galoshes all over the world.

Galoshes:

*Also known as gumshoes, or overshoes, are a type of rubber boots that you **slip** over your shoes to keep them from getting muddy or wet. In other words, a galosh is an overshoe made of a weatherproof material to protect a more “fragile” shoe within and keep the foot shielded and dry.*

(Images are attached at the end of this document).

SWIMS Company is not the only company producing galoshes. However their galoshes are unique both in design and use.

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The price for the products is around 75 EURO or 200 Singapore dollars in retailer stores.

SWIMS is not a product which will compete with any of the other products in your store, instead it will help you to give better service to your customers. You can offer a pair of SWIMS to customers who just are to invest in a new pair of shoes, so the costumer can take better care of the new pair he/she just invested in. Another benefit is that this product will never go on sale.

Please look into the following questions.
Questions distribution:
   1. Have you seen this product before?
   2. Do you think your customers (retailers) would be interested in these products?
   3. Do you know anyone else who sell similar product? If yes, who?
   4. How many shoes are you selling a month/year?
   5. What shoe size are you selling the most of?
   6. What calculation do you have for your products? (2.4-2.5-2.8?)
      a. Is the tax included?
   7. Do you sell umbrellas in your product line?
      a. How many umbrellas are you selling a year?
   8. Would you like to hear more about SWIMS? Why/why not?
      (Same pictures as in questions for retailers)
Appendix 3: Primary data analysis of Hong Kong:

Appendix 3.1: Analysis of meeting with Professor Fu Ho-Ying

Her perceptions:

- never seen in HK.
- New product
- High functional product
- The price will allow her to buy another pair of shoes instead of fusing money on the galoch, “this is as a professors perspective”.
- Hong Kong is well developed in the economy, and the consumers here can afford another pair of expensive shoes instead of buying SWIMS.
- Target high end customer, small market, with this product. To target bigger segments is not so convenient with this price range.
- It never snows in HK, but in the summer there is heavy rain. There is three rain signals; green, red and black. When it is red rain signal people can still go to work, but when it is black rain signal people have to stay home. The black rain signals can happen 3-4 times a summer. During this time companies close down.
- When it is raining in HK, the shoes are expected to get wet but not dirty. This is due to the clean streets in HK. It is cleaner in Singapore, but it’s not dirty in HK.

Small stores/shopping Malls
- There are more small stores in HK than in Singapore. More convenient and exiting for shopping.

- Central: selling high international brands, they are targeting high end customers

- HK island- Cause Way Bay: This area is mainland Chinese shopping where they sell products to middle class and high class customers. She thought this could be a good segment to target for SWIMS. Chinese people prefer American and European products and believe through stereotypes that products are of high quality and special. For example they view German products as precise and therefore are safe, and for the Scandinavian products they are stereotyped as sleek. Another reason is that this area is visited by Chinese tourists, and then large quantum of wealthy people who in purpose travels to HK to this area to find products which screams design and prosperity.

- HK Kowloon

- Festival walk, Kowloon: selling for middle- and high end.

- I.T. store: Divided in I.T. and i.t. In the I.T. they are targeting high end customers by selling high class clothes form among Japan and Europe. The brands are design brands and do not have their own stores. The I.T. store change the store outline every two month to target the attentions from the high end customers. The i.t. store target the middle class and low class customers.

High class retailers

- Look above.

Distribution channels structure
- She did not know, but she can set us in contact with a friend of her who is working as a windows designer in a fashion store. May be she know who to contact during this issue.

Method to get interviews

Get the SWIMS company to confirm that we are doing a project for them.

- retailers
  - Go to the store to get contact.
  - It is easier to get contacts in the morning and afternoon because of fewer customers during this time of the day.
  - Monday and Tuesday are good days to go into the stores to get contacts, because it is not so busy these days.
  - When contacting the manager, send letters/mail.

- Distribution channels
  - Agent

Transport system

- MRT is convenient
- Taxi is very expensive, use bus instead

Dress code

- When we are going to meet the manager we have to dress up. It might help to dress present when going to the stores to get contact as well.
Customer Habits/behavior

- o High end customers

General manages

- Many people in HK have cars.
- Language: May not be so suitable in English, the grammar may not be perfect but she believe that we will understand each other anyway. On the management level the English is better.
Appendix 3.2: Answers from End consumers (Singapore)

We sent out this mail to all our contacts in Asia, to see what response we got back:

Hi,

During our bachelor project we are going to do some research on galoshes in the Singaporean and Hong Kong market. Therefore I have a question for you, and I hope you will take the time to answer me.

Just click on the link below and have a look at the picture. This is a rubber shoe you can wear outside your very expensive dress shoes. Have you ever seen this product, or something like this product in Singapore or in Hong Kong? Can you remember where you saw it?

www.SWIMS.com

Do you know of any specific shoe habits in Singapore or Hong Kong? Like having two pair of shoes, like one at the office?

Thank you for your time :)

Regards

Inger Lise Mathisen/Diana Holberg/Cecilie Grendahl.

Answers Inger Lise got back:

Hi Lisa,

I have not seen that rubber shoe before in Singapore but I think I have seen something like that online.

Regarding shoe habits in Singapore, I cannot think of any except maybe Singaporeans have to
have a pair of slippers. I wear a pair of slippers when I'm in the washroom at home...but I don't know how common it is though.

Hope this helps :)  

Regards,
Vanessa
----------

Hi Inger,

Do take a look at my responses in blue below. :) Hope they're useful.

All the best for your project!

- Zhi'en

"It's who you are and the way you live that count before God. Your worship must engage your spirit in the pursuit of truth. That's the kind of people that the Father is out looking for: those who are simply and honestly themselves before Him in their worship. God is sheer being itself - Spirit. Those who worship Him must do it out of their very being, their spirits, their true selves, in adoration."

- John 4:23-24 (The Message)

----------

hello=
sorry for the late reply
i think i've heard of this product but i have never seen this before or similar products.
as for shoe habits, i have heard that some office people do prepare a pair of casual shoes in the office, and they'll change shoes if they are having informal activities after working hours

haha, that's all i know and hope it will help you a bit=)

regards,
Meiyu
----------

Hi gal

the closest rubber shoe i have seen as compared to the "swim" product is crocs...ha..never see
this brand in Spore.

Some Singaporean do have the habit of having 1 pair of slipper in office, so that we are are in office, we change from heels to more comforty wear. This is the same as home. we change to slipper at home..not bare-footed.

hope it helps.

shupei =)

-----------

hi,never see this before...singaporeans like to wear slippers out. is this a habit?
LiLu

-----------

Hei Inger Lise :)

Dette er sikkelig interesant produkt! As you know that Singapore is rather humid and hot, sometimes unpredictably wet & moody. This product I find more suitable for men at work, than women. It doesn't seem enticing if you are wearing heels, unless you dress up and wear that rubber shoes and change to dress shoes later, which most women would not do, because when they are out in classy function, they won't carry more than a small purse or hangbag. That's how I feel, for those who drives like me, I always have a few pairs of shoes in my car, so I can change around, besides wet weather has no effect on me.

I see it more like a product that Japanese men would use, because appearance is very important to them, compared to the local Singaporean guys. Those who dress fancy will often either have their own transport or even take a cab. However, as there's increasing Spa salon open for men, am sure the Vanity meter is on the rise! Thus, it's marketable to the guys! Besides they are not always buying new shoes, so the idea to prolong their shoes life will sounds persuasive to them. They will always have more room to stuff an extra pair of shoes in their brief case than women.

I did think that this shoes could be a normal casual fun shoes to wear on the weekend too, but I am not sure if the material might be too soft and thin? Also the cost of this product is very important. If it's too expensive, it would be hard. As people who can afford probably could drive their own car too. I have been to Hong Kong many times, and I know they love fashion more than Singaporean. They have different seasons and they dressed up a lot more. Well, ya know Crocs are very popular...and I would never wear it coz it's too ugly in my opinion, then again it appeals to certain mass.

Some ideas are some prints on the shoe itself might increase it's dullness. :)

I hope all the above helps. Let me know if ya need more info.
Hey girl, I haven't seen such shoes before (:)

And yeap, office ladies in Singapore tend to put an extra pair of shoes (flats, slippers, etc) in the office.

Hope that helps!

Cheers,
Magdalene

-----------

**Answers from Cecilie:**

Hi Cecilie,

Nope, I haven't seen Swims shoes in Singapore.

However, there is this rather popular rubber shoes being wore by many people around here in the recent months. It's the Crocs shoes and you can see a picture of it at http://www.comfortableshoes.com/images/shoes/cr/beach_gold_lg.jpg

Having 2 pairs of shoes in the office is dependent on the person, I feel. I've worked in office where people wear slippers inside the office but I've also worked in office where people do not change their shoes in the office.

Hope that helps =)

Cheers,

Iris

---------------------------------

I’ve seen such shoes in Canada but they were not as stylish.

I cannot speak for other Singaporeans but from my own observations of family members/relatives/friends shoe habits, I find that people out here tend to own several pairs of shoes for different purposes – for sports, casual wear, formal wear, etc.

Hope the above helps for your project purposes.

Best regards,

Soke Yin
My responses below are on my behalf

1. Have you ever seen this product, or something like this product in Singapore or in Hong Kong?
   NO

2. Can you remember where you saw it?
   NOT APPLICABLE
   www.SWIMS.com

3. Do you know of any specific shoe habits in Singapore or Hong Kong? Like having two pair of shoes, like one at the office?
   YES, I DO.

Thanks
Allampalli

Answers form Diana:

Depth Interview for end customers:
Our Final Year Project is to do a research regarding to assess the prospect of SWIMS entering the Singapore market and the Hong Kong market.

The company that we work in our FYP is SWIMS company, a Norwegian company which is produces and sells galoshes or rubber shoes with new style and with five different colors.

Galoshes: Also known as gumshoes, or overshoes, are a type of rubber boot that wearers slip over their shoes to keep their own shoes from getting muddy or wet. In other words, a galosh is an overshoe made of a weatherproof material to protect a more “fragile” shoe within and keep the foot warm and dry.

SWIMS Company is not the only company producing galoshes. However its galoshes are unique as they are available in five different colors, instead of just black in color. The company has managed to bring a live a dying product by making it cool, appealing and sexy again.
The price for the products is around 75 EURO or 200 Singapore dollars.

**The questions are:**

1) Can you tell me some shoes wearing habits in Singapore? What type of shoes do they buy (special purpose versus multi-purpose) and on average, how many pairs do they own?

Ans: Singaporeans usually like wearing light shoes. More into smart casuals. For most men, on a casual day, sneakers or sandals are often worn. It's not unusual to see both Men And Women across most age wearing flip-flops as they are affordable and deemed Trendy. Per consumer, I would confidently say most would own a good mix of 5 or Or more pairs of both casuals and formal shoes for the different occasions.

2) Have you seen galoshes in Singapore before? If yes, where can you buy them and what color and design are they?

Ans: Not at the present moment. The closest one can get too is a pair of rubberized “Crocs” Quite similar in terms of material but not totally wrapping your feet as you would have In your case of a pair of galoshes. The closest pair was one which I saw under the Brand name of PUMA @ the PUMA Tampines Mall branch under the ladies section. You might want to go get a feel of the product for yourself.

3) What concerns do you have about this kind of product?

Ans: Nothing in particular it seems light from the looks of it in your pictures provided. Ultimately its about having good support should it be worn over a long period of time. Bearing in mind the support it needs for the arch of our feet. Ventilation of the feet is also critical to the point from a consumer standpoint.

4) Would you like to buy this product? Would you buy it for yourself or maybe as a gift?

Ans: Sure why not in the context of a typical Singaporean, the pricing has to sensible the Value it portrays at the point of purchase. For myself yes why not. Gift wise, from a Chinese cultural standpoint, its not a practice because its seen as sending a love one away from you Call it cheesy or ridiculous if you may.
5) After looking at this product, what is your first impression? What is your impression of the design and the colors?

Ans: It looks fresh and comfortable but it lacks the impact of sophistication but again it depends pretty much on what your pair of shoes is providing its value for. The colours look refreshing and funky. I guess your shoes cannot provide much varied looks due to the fact of the material used for this product.

6) Do you think Singaporean would like to buy this type of shoes? Why?

Ans: Depending on your demographics, most people in mid-lifers wouldn’t mind due to comfort and practical reason. If it’s a choice for fashion, it would only probably only be a fad but I can’t see the interest being sustained on a prolong basis. The design limits the consumer in matching his or her own outfit and apparels. G’d luck with your potential launch!!

PS: Below is Picture of SWIMS galoshes!

www.swims.com

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ANSWERS FROM NEHA:

The questions are:

1) Can you tell me some shoes wearing habits in Singapore? What type of shoes do they buy (special purpose versus multi-purpose) and on average, how many pairs do they own?

In Singapore, most women prefer to wear slippers or flip-flops as compared to closed shoes on a daily basis. Generally, I buy a variety of shoes— for special purpose like for parties and other occasions, I get my shoes from Nine West or Guess. However, I get multi-purpose shoes from Nike, addidas or Charles and Keith. On an average, I own about 25-30 pairs of shoes.

2) Have you seen galoshes in Singapore before? If yes, where can you buy them and what color and design are they?

No
3) What concerns do you have about this kind of product? 
It looks very comfortable but it is not fashionable. In Singapore, people are very style and design conscious. Hence, there is a possibility people do not buy these shoes.

4) Would you like to buy this product? Would you buy it for your self or maybe as a gift? 
No

5) After looking at this product, what is your first impression? What is your impression of the design and the colors?
Again, I think the shoes look comfortable but not fashionable enough for ladies shoes. However, the men’s range looks good.

6) Do you think Singaporean would like to buy this type of shoes? Why?
The men’s range looks good and stylish and would probably be popular among the men. But not the women’s shoes.

--------------------------

Natasha Bam

The questions are:

1) Can you tell me some shoes wearing habits in Singapore? What type of shoes do they buy (special purpose versus multi-purpose) and on average, how many pairs do they own? 
Habits: Because of the unpredictable weather here in Singapore, many people hardly venture out in their best shoes. The mud and the rain puddles are a reason why. Also, Singaporeans are a practical bunch of people and the type of shoes they wear reflect it. Males often don on sports shoes or flip-flops for everyday use for convenience sake and girls, sandals or comfortable shoes. Birkenstocks are also very popular these days across all demographics. 
Type of shoes: Comfortable and practical shoes. Most of the time, the shoes are multipurpose. 
Pairs of shoes: I have no idea but if estimation is needed, about 4 pairs for a guy and for girls, from 7 to 10???

2) Have you seen galoshes in Singapore before? If yes, where can you buy them and what color and design are they?

NO.
3) What concerns do you have about this kind of product?

If people buy shoes for their designs and pattern, the galoshes will cover them up and this may deter people from buying them.

4) Would you like to buy this product? Would you buy it for your self or maybe as a gift?

No. It is far too expensive.

5) After looking at this product, what is your first impression? What is your impression of the design and the colors?

It looks like a nicer version of the ugly Crocs.

6) Do you think Singaporean would like to buy this type of shoes? Why?

I don’t think so. Main factor: Price. the galoshes are really expensive. The average Singaporean wears a pair of shoes that is not expensive(S$10-S$50) and buying $200 galoshes to protect a pair of cheap shoes is not cost-effective. S$200 can get you a branded pair of shoes here in Singapore and if people were to go for branded shoes, they will not want to cover it up with galoshes.

7) How you maintain your shoes?

Not much. Once they are damaged, I buy a new pair.

PS: Bellow is Picture of SWIMS galoshes!

www.swims.com

(same pictures as in questions for retailers, see below)
Appendix 3.3: Answers from end consumers (Hong Kong)

Middle-age male:

1. No never seen it before.
2. No, people tend to walk even it’s raining.
3. I buy middle to high priced shoes. I have 3 pair of dress shoes.
4. This is maybe a product for Hong Kong.
5. I can’t make any decision of that now, but I like the user area.
6. It looks fresh and colorful.

Young female:

1. No.
2. People tend to use dress shoes for work and sneakers on the spear time.
3. Young people have around 6-8 pair of shoes, middle aged people have a little less.
4. No.
5. I don’t think so, I don’t feel the need.
6. Fancy.
Appendix 3.4: Answers from retailer: Pedder Red (Singapore)

Contact information:
Pedder Red
Contact person: Alicia Wong, Assistant manager.
Shop 03-16, Takashimaya shopping Center
Ngee Ann city
Singapore
Tel: (65) 67355735
Fax: (65) 67356566
Mail: aliciawong@peddergroup.com

We went directly to the store and we met directly with the sales persons in the store. We spoken to the sales personnel and got the information that their products were from Hong Kong. Since we found out that their products is a Hong Kong brand, so we though that this could be an opportunity to find out how they distribute the products in Singapore. The sales personnel refer us to the assistant manager who answered our questions.

Answer:
1. No
2. No
   a. –
3. Yes, its similar with the products from HUNTER
4. Not sure, maybe yes, if your products have a brand awareness in our customers mind.
5. –
6. –
7. No, we don’t
   a. –
8. We don’t have supplier
9. No,
10. No, not sure if our customer will look at for this type of product
11. No
Appendix 3.5: Answer from retailers: The executive (Singapore)

Contact information:
The executive
Contact person: Joanne Teng and Melvin Gong
5 Temasek boulevard,
Suntec City Mall,
The New Galleria #01-021,
Singapore 038985
Tel: 63339945
Web: www.theexecutive.com.sg

The executive is one of exclusive store in Singapore. They have several retailers in Singapore, but we decided visited one of their retailers which is located on Suntec City mall. Their stores selling exclusive products with different of brands which iare from different places in the world. The reason why decided to visited one of their store which is located in Suntec City mall is because this store is the only store which is not only selling clothes, dress, or accessories, but they are the only The executive store in Singapore which are selling shoes.

Answer
1. No
2. No
   a. –
3. No, never see this type of products before
4. Don’t think so. We are selling exclusive products. The price for our shoes is around S$ 2000. Your product is not look exclusive enough.
5. Not much, but we still can selling those shoes
6. Variant.
7. –
   a. –
8. Ordering from many different contact person.
9. No
10. No
11. -
Appendix 3.6: Answers from retailers: Le Saunda (Hong Kong)

Contact information:
Le Saunda
Shop G24, G/F,
Park Land Shoppers Boulevard,
Thim Sha Tsui,
Hong Kong
Tel: 23174390
Web: www.lesaunda.com.hk

Le Saunda is located in many areas of Hong Kong. We were visiting the one located in Tsim Sha Tsui. We were met by service minded people who had no doubt to answer some questions from us. We got to interview the store manager, since she was available at the time we were visiting. The shop was a small fashionable store located at ground floor, out to the street. The prices were targeting the middle class consumers.

Answers:
1. No, but it looks quite interesting.
2. No
   a. Yes, but we only have a factory in China who produces our shoes.
3. No
4. No, because it is to simple design, and the price is very high.
5. About 2000 a week, men dress shoes about 500 a week.
6. For female: size 36-37, for male: size 41
7. We don’t sell umbrellas
8. We have our own factory in China.

9. No.

10. No, because it is not our style.

11. Similar shops as ours.
Appendix 3.7: Answers from retailers: Harvey Nichols (Hong Kong)

Contact information:
Harvey Nichols
The Landmark,
15 Queen’s Road Central,
Hong Kong
Tel: 36953388
Fax: 36953333

Harvey Nichols has several locations in Hong Kong. We have been visiting the one located in Queens Road, Central. This is a big shopping area for tourists and high end customers. We got into the department store at 4th level, where they sold male shoes. We were met by service minded people in the store, and got to talk to the manager (a middle age male)

Answers:
1. Yes, in North America at several department stores.
2. We are ordering directly from manufactures.
   a. –
3. Do not remember the name of the stores in North America.
4. No, men would not buy this product. Not for female either, because they would rather buy a new pair of shoes than buying SWIMS.
5. Cannot tell you.
6. Cannot tell you.
7. No.
   a. –
8. We order directly from manufactures.
9. –
10. No, because it will not sell in Hong Kong. People take taxi if it is bad weather.
11. Not in Hong Kong.
Appendix 3.8: Answers from Onpedder: Harbour city (Hong Kong)

Contact information:
OnPedder
Shop G317
Gateway Arcade Harbour City Tsimshatsui
Tel: 85221183470
Web: www.onpedder.com

Onpedder stores many different high class brands. We met the store manager at Harbour city, who met us with a friendly attitude. The English was quite good so the research was easy to conduct. Because we already had information to their head quarter, we did not go into the last questions. This retailer did only sell products for females, like shoes, purses, accessories.

Answers:
1. No, never heard about them.
2. No, I don’t think so.
3. No, never seen them.
4. It looks interesting, can be sold as a product to protect the expensive shoes from rain during the summer.
5. –
6. –
7. No.
8. Talk to Onpedder group.
9. N.A
10. N.A
11. N.A
Appendix 3.9: Answers from éxtravaqanza (HongKong)

Contact information:
éxtravaqanza
Shop 1011 & 1027
Mirmar Shopping Centere,
1-23 Kimberley Road, Tsimshatsui
Tel: 2730-0500/2735-3330/2377-1952

We found a store at Kimberley road, Tsimshatsui. The store manager (Lung) answered our questions with no doubt. The store sells different high class brands, like Prada, Gucci, Dior, Burberry ect. They have 20 stores all over Hong Kong.

Answers:
1. No.
2. Don’t know.
   a. Yes, Hyde Ng.
3. Yes, but don’t know the name of them.
4. Yes, it looks cool.
5. One month about 40 maybe.
7. No
   a. –
8. I don’t know, but you can call Hyde.
9. Yes, I can give you her contact information.
10. Yes.
11. Yes.
Appendix 3.10: Answer from distribution Wilkhahn Company (Singapore)

Contact person:

Robin Hall
Wilkhahn Company: Regional Manager South East Asia
Asia Pasific
Robin.hall@wilkhanhn.com.sg
Phone: +65 622 111 86
Mobile: +65 966 627 09

Since we thought it was very difficult to get contact information with the distribution channels in Singapore, we started to do online search information. The result was we found one contact person who working for as distribution in MGX design products. This company is exporting designs products to foreign countries.¹

As we though that their products is in the same level as ours, which is focus on design and fashion, in addition the are also exporting in Singapore, so we decided to contact him. After we spoke to the phone, he was very welcome to have an interview. The interview took around 30 minutes.

Answer:

1. - Yes, seen only the simple one, with black color, In Belgium.
   - People in Belgium wearing galoshes both inside and outside of house
   - I never saw galoshes with many styles and different colors before.

2. I am not sure.
3. Never see a similar product in Singapore.
4. Not selling shoes
5. N.A
6. N.A

a. N.A

7. No
   a. N.A

8. No, but probably other distribution channels or directs sales person would love to.
Appendix 3.11: Answers from distribution: extravaqanza

Contact info:
Hyde Ng
Sales & Marketing assistant
5/F, Man Shung Industrial building,
No. 7 Lai Yip Street, Kwun Tong,
Kowloon, Hong Kong
Tel: (852) 27358000 (ext. 254)
Fax: (852) 23112887
Web: www.extravaganza.ws

We have been visiting their store at Miramar shopping center. There we got their contact information and after a quick call we got a meeting with Hyde, who are the sales & marketing assistant at their head office. She was a young kind girl. She also told us that they ordered mainly directly from Italy and mainly from manufactures. They also have some own brands. She also told me that their future plans are to expand to China.

Answers:
1. No.
2. Maybe, the design is simple and the user area is good.
3. Don’t know.
4. Cannot answer, it’s a company secret.
5. Cannot answer.
6. N.A.
   a. N.A.
7. No.
   a. –
8. Yes I would like to have a sample so I can show them to the management group to consider it for the product line.
Appendix 3.12: Answers from distributors: Bluebell group

Contact information:
Bluebellgroup.
21/F, Dorste House, Taikoo Place
979 King’s Road, Quarry Bay, Hong Kong
tlf: +852 29681188
e-mail: info@bluebellgroup.com
kvychan@bluebellgroup.com

Through mail we sent a request for some contact information and if it would be possible to meet with someone at the office in Hong Kong. We did not receive any answer from this mail, but when we were in HK I called them and they informed that it possibly could be that they were not interested in replying for the mail. I talked with the secretary and she gave me the email to the Marketing superior named Mrs. Cheng. The following evening I sent a mail, with a new request for a meeting. Hopefully we would at least receive some reply and hopefully also followed by some answers from the questions which were attached.
Appendix 4: Data of SWIMS

Appendix 4.1: Internal information, div.

  - In scale: 0,5 is average, above 1 is good, while SWIMS scored 13.
- SWIMS are selling approximately 25 pair of SWIMS the weeks before Christmas.
- Ferner Jacobsen (The biggest customer in Norway): sold 1200 pair of SWIMS from oct. 06 – April 07.

- SWIMS Classic: retailer price $75 Euro
- SWIMS Mobster (high neck) $110 Euro

- SWIMS is not affecting the sale of any other products in the store, it helps to give better service to the customer who just are to invest in expensive shoes.
- SWIMS are never on sale.
- SWIMS protect leather sole from water.
Appendix 4.2: The SWIMS story

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**The SWIMS Story**

Growing up with four distinct seasons in Norway, I never let go of the black rubber galoshes that my late grandfather passed on to me. In 1999 they accompanied me to a milder, but still rainy Paris. Wearing Chuck Taylor's Converse and galoshes, I got around the severe rainfall that autumn. Not surprisingly, my footwear became the subject of many jokes around the art school I attended.

Later, while living in New York, I blended in with an image-conscious culture that defied slushy streets, freezing winds and pouring rain. Naturally, this resulted in a lot of discomfort and many ruined pairs of shoes.

A few more Manhattan winters went by while I searched for the right product before I finally took matters in my own hands and decided to develop SWIMS - The Modern Galosh! A stylish solution, embodying the essence of practicality. Wear your favorite shoes, slip on SWIMS when the weather is rough, slip 'em off when you arrive at your destination. Enhanced comfort is assured and your shoes are guaranteed to stay shiny.

The SWIMS galosh is the product of my own experience, my appreciation of functional design, and my odd fascination with big city rain.

Enjoy the weather!

Johan R.,
Founder
Appendix 4.3: The SWIMS story part 2

Galoshes [ˈɡæləʃəz]

A galosh is an overshoe that slips over the wearer's indoor footwear but is made of waterproof material to protect the more delicate materials of the shoe as well as the wearer's foot from cold and damp.

The SWIMS Story Part 2

Since our modest launch of the SWIMS Classic in 2006 for the men's market, we have on numerous occasions been confronted with our «lack of judgement» for not introducing a similar overshoe for the ladies' market. Well, now we have - and we are very excited! The Ms. SWIMS Ballerina Overshoe is just the way we envisioned it; cute, fun and classy.

Ms. SWIMS allow you to wear your favourite flat shoes – regardless of the weather conditions – and maintain a stylish look. Slip’em on before walking wet or muddy streets, and slip’em off when you arrive at your destination. Enhanced comfort is assured and your shoes are guaranteed to stay neat and clean.

Forget about stuffing your bag with indoor shoes when leaving for work on a rainy day. No need to dress down with trainers or rubber boots. Ms. SWIMS let you arrive in style in your desired shoes and without the overstuffed bag!

Johan R.,
Founder
Appendix 4.4: Number of stores, August-February.

Antall Butikker

Appendix 4.5: Stores pr. Country.

Butikker per land
Appendix 4.6: Numbers of sold products, August-February.

Antall Solgte Produkter

<table>
<thead>
<tr>
<th>Month</th>
<th>Sales</th>
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</thead>
<tbody>
<tr>
<td>Aug</td>
<td>4638</td>
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<tr>
<td>Sep</td>
<td>7590</td>
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<td>Oct</td>
<td>8550</td>
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<td>14835</td>
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<tr>
<td>Jan</td>
<td>17495</td>
</tr>
<tr>
<td>Feb</td>
<td>18082</td>
</tr>
</tbody>
</table>

SWIMS AS 2008

SWIMS
Appendix 5: Primary data research online

Appendix 5.1: Contacted companies

**LANE CRAWFORD**

pollyhue@lanecrawford.com

Thursday April 17, 2008.

We have sent a mail with a request to Mrs Hue that SWIMS would like to retain the lost contact, which was lost, when the former Merchandise Manager Mr Tsang left his position last year. Due this date (22nd April) we have not yet received any answer.

**CARSAC**

judyhong@carsac.com

Saturday, April 12, 2008

We contacted Mrs Hong after receiving her email from the SWIMS CEO, and we did receive a mail from her before we travelled to Hong Kong. She wanted to meet with us, but when we sent her a mail and requested after her preferences for time and meeting place, we never heard anything from her. Therefore this is a possible contact to keep in touch with, but she was not too good in following up.

**BLUBELL GROUP**

kyychan@bluebellgroup.com

Wednesday, April 16, 2008

First we sent an email to the info mail they had displayed at their site (Friday April 11th), but we received no reply form them. When we were in Hong Kong we called them and were able
to retrieve an email to the person in charge of marketing. We sent another mail, but did not receive any response.

**LIFESTYLE HONG KONG**

*info@lifestyle.hk*

Saturday, April 5th, 2008

Before we travelled to Hong Kong we tried to contact an internet networking site, which have a good knowledge about the trendy hotspots within food, fashion, art, design and generally have updated news on their site. We wrote a mail with some questions regarding tips on which shops to contact and also wanted their view of the product. We did not receive any answer from them. This is definitely a site worth keeping an eye on when dealing with promotion in Hong Kong and Singapore.

**ACNE JEANS**

*contact@acnejeans.com*

Tuesday April 15th, 2008

We sent an email to the head office of Acne jeans in a request of some knowledge of how they distributed their products in Hong Kong and Singapore. We have not received any answer from the office.

**Hong Kong:**
All these addresses were contacted before we went to Hong Kong. We did not get any repays.

- http://shanghaitang.com/shanghaitang/storelocations.jsp?id=1: hkorder@shanghaitang.com Sent e-mail: 2
- http://www.mirabell.com.hk/: mirabell@mirabell.com.hk
- http://www.oliviacouture.com/us.htm: olivia@oliviacouture.com
jojocy.chan@chineseestates.com
nlchan@chineseestates.com
astrid@chineseestates.com
http://www.totes-isotoner.com/home.do: customerservice@totes.com
http://www.ndcmadebyhand.com/ : ndc@forward-design.com
http://www.trickers.com/index_MAIN.html: stockists@trickers.com
http://www.wellie-boots.co.uk/ContactUs.html: uksales@hunter-boots.com

Singapore:
All these addresses were contacted in Singapore without any respond.
sytang@milan.com.sg

The Executive: jaime@goldlink.com.sg
calvin@goldlink.com.sg

Barbour: info@barbour.com
Question:

Dear Mrs. Lorraine Huang!

Here is the attachment for the images of Swims products and a few questions, which would take less then 5 minutes to answer.

Thank you for your time, and I hope to hear from you.

Regards

Cecilie Grendahl

Answer:

Hi Cecilie,

Thanks for your email.

After reading the attached document, am afraid it is a very small market for such products in Singapore. Especially when it is hot all year round. If you are looking at distribution, the best bet would be departmental stores.

Apologies but that is all I know about this product/segment.

Thanks!

Regards,

Lorraine HUANG
Marketing Executive - Harper's BAZAAR Singapore
ACP Magazines Pte. Ltd.
#03-01A/B Concorde Shopping Centre
317 Outram Road, Singapore 169075
TEL ext 818   FAX (65) 6737 6839
EMAIL LHuang@acpmagazines.com.sg
Appendix 5.3: Answers from online primary research:

**Question:**

To: sales@church-footwear.com  
cc:  
bcc:  
Subject: Church shoes in Singapore.

Hello!  
I am currently studying at Nanyang Technological University in Singapore. I am doing a market research for the classical footwear for the Singaporean market. As I see Church’s has not a store here, but I was wondering if you have a sole distributor to the Asian environment? Is there anywhere I could find an overview of where I could find Church’s?  
I would be grateful for your reply!  
Regards  
Cecilie Grendahl

**Answer:**

Dear Cecilie  

Unfortunately we do not have a stockist in Singapore but we have a store in Hogn Kong and we anticipating opening the further 2 stores later this year - we also have stockists in Korea and Beijing  
I hope this information is of assistance  
regards  

Church & Co Ltd  
St James, Northampton  
NN5 5JB
Rapporten-språk: Engelsk.
Oppstart: Januar 2008
Avslutning: April 2008
Milepæler:

<p>| | |</p>
<table>
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<td>b) Utarbeid spørreskjema:</td>
<td>15. Februar</td>
</tr>
<tr>
<td>c) Interne analyser</td>
<td>08. Mars</td>
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<td>e) Dybdeintervju og analyser Hong Kong</td>
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<td>f) Utvikling av oppgaven</td>
<td>24.03- 20. April</td>
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<td>g) Sette sammen oppgaven:</td>
<td>20. April</td>
</tr>
<tr>
<td>e) Bachelor oppgave leveres:</td>
<td>24. April</td>
</tr>
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<td>f) Presentasjon:</td>
<td>06. Mai</td>
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Tid, Sted OSLO, 25.01.08

Alexander Eskeland (CEO Swims)

Tid, Sted

Diana Holberg (NTU)

Inger Lise Mathisen (NTU)

Cecilie M. Grendahl (NTU)
Avtale

Mellom: Alexander Eskeland  Swims
Og: Inger Lise Mathiesen  BI/NMH Diplomeksportmarkedsfører
Diana Holberg
Cecilie Grendahl

Sak: Diplomoppgave

Innledning

Swims ønsker å finne de beste distribusjons kanalene i Hong Kong og Singapore, som vil passe posisjoneringen til produktet.


Hva skal markedsrapporten inneholde
Rapporten skal:
- Beskrive markedet for Singapore og Hong Kong
- Markedsanalyse i begge markedene
- Dybdeintervju av aktuelle distribusjonskanaler
- Strategi for valg av distribusjonskanaler
- Anbefalning

Noen ønsker fra studentene
Swims skal behandle studentene som "vanlige" ansatte, det vil si, ha en åpen og ærlig kommunikasjonsflyt, og gi studentene den informasjon, støtte og veiledningen de måtte ha behov for.

Swims skal dekke alle relevante utgifter innenfor rimelighetens grenser relatert til utformingen av denne rapporten. Slike utgifter klareres på forhånd.