Exploring New Waters in Singapore
Bachelor Thesis International Marketing
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“"This paper is done as a part of the undergraduate program at BI Norwegian Business School. This does not entail that BI Norwegian Business School has cleared the methods applied, the results presented, or the conclusions drawn.""
Snorre Food Pte Ltd (SF) is an importer of cold-water seafood to Singapore and was founded in 1987 by Mr. Frank Næsheim. At present time SF has a FiSK outlet located at their office premises in Jurong East, Singapore. However, because the outlet is at their production premises, Singaporean regulations prohibit SF from marketing the outlet as a regular store. In addition, they find the location inconvenient for their customers. Due to the location and strict regulations, SF wishes to open a new FiSK store in downtown Singapore.

This diploma project will discuss what strategy SF should adopt in order for the new FiSK store to be successful. Appropriate analyse tools have been applied to provide an internal analysis of the company as well as an external analysis of the microenvironment FiSK will operate in. These analyses, along with information gathered through research by the writers, will form the basis of our recommended strategy for FiSK.

The external analyses revealed that Singapore holds a favourable environment for doing business. Increased focus on a healthy lifestyle provides an opportunity for FiSK as seafood is generally perceived as a healthy, nutritious meal. Norwegian seafood in particular is perceived as clean, fresh and healthy.

Singapore’s food retail industry is mature and highly competitive, resulting in sophisticated customers. These three factors put great pressure on profit margins for new companies wishing to enter this industry. Our recommendation is that FiSK will have the greatest chance to succeed if SF is able to establish a niche and differentiate itself from competitors.

A centrally located shopping mall will provide the best location for FiSK. Due to a busy lifestyle, Singaporeans value convenience and one-stop-shopping. Great Word City and Tanglin Mall is proposed as good alternatives. People living in Singapore are active users of social media, which present SF with a creative, low cost and possibly effective way to promote FiSK. How to exploit on this opportunity will be discussed for the top sites Facebook, Twitter and Foursquare.
Acknowledgements

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1. Introduction

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1.0 Introduction

1.1 Company Profile: Snorre Food

Snorre Food, hereafter SF, is an importer and distributor of premium cold-water seafood. Their main focus is premium quality seafood from Norway, Europe’s largest fish export nation. SF also imports seafood from other cold-water areas such as other parts of northern Europe, North America, New Zealand and Australia.

Their office is located in Fishery Port Road, the industrial area of Jurong East in Singapore, operating like a hub for further transportation in South East Asia. They are mainly involved in HoReCa business: catering to restaurants, hotels and the airline industry. However, for many years their customers and friends enquired to buy small portions of seafood for private consumption. SF saw an opportunity to create the distribution outlet FiSK to meet this need.

The owner and CEO of SF, Frank Næsheim, has vast experience and is the driving force behind SF:

"Frank, a former chef with Michelin-starred experience is the inspirational driving force behind Snorre Food. As the author of a cookbook titled Norwegian Salmon in Asia and having produced salmon recipes and organised the Salmon Buffet of the Century in Singapore, he is aptly regarded as the Salmon King in Asia. Frank sits on the Singapore BocuseD’or committee, and is the director of Continental World Association of Chefs Societies”


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1Snorre Food. 2011. Homepage
Mr. Næsheim has lived in Singapore for over 20 years. His original plan was to stay in Singapore for only a couple of years to get the Asian experience. Together with Svein Moldskred he started the gourmet restaurant Vikings in Orchard Road. Even though the restaurant was popular, they struggled to gain profit. During its last year of operation, the restaurant mainly functioned as a marketing tool for the holding company Snorre Food, owned by Mr. Moldskred’s family. After three years Mr. Næsheim and Mr. Moldskred decided to close down the restaurant and focusing on SF as a trading company.

According to Mr. Næsheim his background as a chef has contributed to the well-established network and personal relationships in the industry. It has also lead to the opportunity of working closely with other chefs in order to come up with new ideas that are optimal for SF’s customers. SF is also working with the Norwegian embassy in Singapore and they are cooperating with the Chefs organization, where they supply expertise and seafood at different events.

SF has taken measures to be certified as ISO 22000 and Hazard Analyzes Critical Control Point (HACCP) compliant. ISO 22000 is an international standard relating to food security that seeks to cover the whole process from manufacturer to consumer. HACCP is a control system that consists of seven steps and ensures food safety and quality to the consumers. Quality of products is extremely important to SF, as it is used in the positioning of the company.

1.2 Background to research

The distribution outlet is built as a premium quality store with main focus on fresh and frozen seafood. However, the outlet is at their production premises and Singaporean law will therefore not allow it to be marketed as a regular store. Thus, the current FiSK store can only be referred to as a distribution outlet or as a show room. Consequently, SF is not able to market their current FiSK concept properly. In addition, the location is inconvenient for their target market customers. Due to the limitations and regulations of the current outlet, SF is now eager to open a new store.
The writers contacted SF in November 2010 and the management found our expertise beneficial for their research. The writers agreed to gather relevant data and contribute with information and suggestions, which can lead to a successful opening of a new FiSK store in Singapore.

1.3 Problem definition

In cooperation with Morten Borge, SF’s Sales Manager, the writers decided to focus on how to successfully open a new FiSK store in Singapore. The following problem definition was developed:

“What marketing strategy shall Snorre Food apply in order to successfully open a new FiSK store in Singapore?”

1.4 Research questions

We have identified the following research questions that should be answered in order to solve our problem statement.

1. What characterizes the seafood industry in Singapore?
2. What preferences do consumers in Singapore have related to seafood?
3. Which factors will help FISK to differentiate from its competitors?
2. Internal Analysis

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2.0 Internal analysis

In the internal analysis the writers have mapped out SF’s resources and capabilities. The value chain analysis and VRIN analysis are the tools that have been used in order to get a better understanding of the strengths and weaknesses.

2.1. Resources

Resources are collected to create organizational capabilities, which in turn are the source of the company’s core competencies. Most of the times resources alone does not automatically bring competitive advantage. A competitive advantage is usually based on a combination of several resources\(^3\).

We separate between tangible and intangible resources. Tangible resources are assets that can be observed and quantified such as financial, organizational, physical and technological resources. Intangible resources are more difficult for competitors to observe and can be divided into human resources, innovation and reputational resources. Due to the fact that intangible resources are more difficult to imitate, companies prefer to rely on them compared to tangible resources as the foundation for their capabilities and core competencies.

2.2 Capabilities

Capabilities exist when resources have been integrated to achieve specific tasks. A company’s human capital has proven to be important in developing and using capabilities and further on core competencies. This is due to the foundation of many capabilities lies in the knowledge and skills of the employees.

Core competencies are capabilities that provide the company of a competitive advantage over the competitors\(^4\).

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\(^3\) Ireland, Hoskisson and Hitt. *The Management of Strategy Concepts*: 9th ed. P. 70

2.3 Value Chain

Figure 1

A value chain analysis is about examining the cost and performances in each value-creating activities and look for ways to improve it. An improvement might as well be better coordination among activities as improving the activities itself. There are essential elements of cost and performance that is not public and SF considers as trade secrets. It is therefore not possible to examine the cost and performance in detail. On the other hand, an analysis based on the information we had access to is also useful, since it provide a better understanding SF’s competitive advantages and brings out opportunities for improvement.

The information used in the value chain analysis has been conducted in cooperation with Mr. Morten Borge at SF.

2.3.1 Primary activities

2.3.1.1 Inbound logistics

SF receives a total of six air-flown deliveries per week, which is directly transported from the airport to their warehouse in Singapore. Two to three of these deliveries come from Norway, while the rest is from other destinations. SF is able
to deliver fresh and premium quality products as a result of the frequent arrival of their seafood. SF believes they will increase to 10-12 deliveries per week in the near future.

The products are stored in chilled rooms at the warehouse, which have the correct temperature for fresh seafood. The products should optimally be sold within two days in order to maintain the premium quality. If the products are not sold within a few days the seafood is not considered fresh and will be processed and frozen.

2.3.1.2 Operations

Some of the seafood products are packed and labelled at the warehouse with SF’s brand, FiSK. At their factory SF prepare fillets and portion cuts, and also marinate fish and seafood to adapt the Norwegian raw materials to fit Asian preferences. There are also packed and labelled products that carry a different brand and these are imported with labels and packaging.

2.3.1.3 Outbound Logistics

SF has its own warehouse and fleet of trucks that carries out all deliveries to restaurants and hotels in Singapore. Hence, they are responsible for the collecting and storing as well as the distribution of the products. By doing so, they have better control of the process and can more easily monitor efficiency and the quality of the delivered product. In addition, they are able to be in direct contact with their customers through the whole process. Thus, SF increases access to adequate information that is necessary for adapting to customers’ preferences and deliver solutions of greater value.

2.3.1.4 Marketing and Sales

SF cooperates with both the Norwegian embassy and Norwegian Seafood Export Council (NSEC) on events in Singapore, such as The Annual Norwegian Seafood Dinner. They are also cooperating with the Chefs organizations by hosting events and functions where they supply the seafood and expertise. These events allow them to market the FiSK shop and their brand. However, their marketing efforts
have yet to reach the mass market. SF emphasizes little on traditional advertisement activities and relies heavily on word of mouth among their customers. Previously SF had some advertising in Scand Asia magazine. They have also been handing out flyers at various shopping centres and sent out a few flyers to expatriates around Singapore.

2.3.1.5 Service

A service SF provides is to increase customer’s knowledge about seafood products in order to ease preparation and expand the usage area for seafood. The main focus is about preparation of the fish, cooking and even suggestions for new dishes.

Customer enquiries have led SF to consider expanding their service by providing optional home delivery services and cooking classes. These future services are beyond the scope and limitations of this particular project.

2.3.2 Support Activities

2.3.2.1 Infrastructure

The main source for SF’s information about the market is their close interaction with restaurants, hotels and airline industry. They provide SF with feedback of the market in general and their products in particular. In addition, several of SF’s managers and employees are former chefs, and some have other experience in the food and beverage industry. They are therefore, according to SF, able to keep tuned in on the trends in the market.

2.3.2.2 Human Resource Management

SF has 44 employees and two of them are employed at the FiSK outlet. However, three more employees can be deployed if needed to the FiSK outlet. Such deployment occurs during high seasons, holidays such as Chinese New Year and Christmas, as well as some Saturdays.
Regarding corporate culture, SF values creativity and empowering their employees. They emphasize teamwork because they believe it gets the best out of people and creates a positive work environment. Valuing the employees and mutual respect also extends externally, to the relationship with the customers.

2.3.2.3 Technology Development

SF’s research and development is narrowed down to the utilization of their products. Thus it appears to be a potential for SF to benefit from conducting other types of R&D.

Mr. Næsheim and General Manager Hugo Ernst Schwarz have a vast experience and expertise in the food business, and are the main contributors when conducting R&D. Mr. Næsheim sits in the Singapore BocuseD’or Committee, is the director of Continental World Association of Chefs Societies and have experience as a chef in a Michelin-starred restaurant.

Mr. Schwarz has more than ten years of experience as the executive chef for airline catering in Asia. Nils Graae, the product manager, is an important resource when it comes to innovativeness and product development. He has more than 20 years of experience in managing different seafood productions.

On a regular basis SF hire chefs for short-term engagement, whose task is mainly to create new and interesting recipes and different ways of presenting SF’s products. Recently employed Jonas Lundgren is one such example. He finished second in BocuseD’or in 2009 and displays the high level of experience SF requires for these engagements.

2.3.2.4 Procurement

Although SF has a few reliable suppliers from whom they acquire raw materials, they are not dependent on any individual partners. SF is attending different exhibitions and trade shows where they are building network with other seafood suppliers. The supply exceeds the demand, thus there is a pressure on the suppliers to optimize quality, efficiency and costs for SF.
2.4 Organizational Structure

The organizational structure can be characterized as flat hierarchical. When the CEO is not present, the general manager is in charge. However, his main responsibility is the airline catering. SF operates with seven managers with their own sets of responsibilities and span of control. Employees report to their respective manager and the manager report to the CEO.

2.5 VRIN Analysis

2.5.1 Core competencies

According to Ireland et al (2009), “core competencies are capabilities that serve as a source of competitive advantage for a firm over its rivals”\(^5\). A capability has to satisfy four criteria of sustainable competitive advantage to be defined as a core competence: Valuable, Rare, Inimitable and Nonsubstitutable. We have used this tool to identify SF’s sustainable core competence: the usage of human resources.

SF’s usage of human resource appears to be their valuable core competence. SF is able to use the human resources in a way that take advantage of the knowledge and expertise the employees possess. The company has a mixture of local and foreigners, where several have experience from the food and beverage industry. As Mr. Borgestates: “we are a company run by chefs” and it is this possession is rare within the industry. Besides from being passionate about food, the chefs are used to work with raw materials and possess a high degree of product creativity. The company has a mixture of local and foreigners, where several have experience from the food and beverage industry. The managers’ interpersonal relationships, trust, and friendship among suppliers and customers are capabilities that other firms cannot easily develop, at least within a short period of time. According to Mr. Næsheim, some of the employees background as chef’s is contributing to this. He says that building rapport with suppliers and customers is easier when they trust you because of your expertise, and among chefs there is a common “language” and platform. It seems reasonable to believe that the social complexity is difficult to imitate. The capability does not have strategic equivalents and is therefore nonsubstitutable. The capability helps SF to exploit opportunities and neutralize threats and is therefore also valuable. All four criteria are satisfied and it is therefore a core competency.

2.5.2 Temporary Competitive Advantages

The writers have also identified capabilities that can be considered as temporary competitive advantages. This means that these capabilities do satisfy some of the four criteria’s, but not all. The writers believe that SF’s good reputation and ability to be innovative can be considered as SF’s temporary competitive advantages.

2.5.2.1 Reputation

SF’s reputation is valuable, rare, and difficult to imitate. However, it is not nonsubstitutable and reputation is therefore considered as a temporary competitive advantage.

SF has a good reputation among their customer in the HoReCa business as a result of being a reliable and stable supplier. In addition, their customers are satisfied as a result of quality and freshness of products in addition to competitive prices. This
has resulted in an overall good reputation in Singapore. Reputation is also closely linked to the branding and public image SF has obtained. SF is especially known within the Norwegian expatriates’ community due to Mr. Næsheim’s vast network and ability to communicate with people. In addition, high profile events such as The Annual Norwegian Seafood Dinner, contributes to further establishing a good reputation. Related to this it is fair to state that SF’s reputation can be considered as valuable.

A good reputation cannot be considered as valuable by itself as rare due to the fact that there are possible that several companies within a particular industry can achieve a good reputation. However, for SF, they have managed to create a good reputation involving Mr. Næsheim as the company’s front figure. His network and connections in Singapore has contributed to create a unique reputation for SF.

This kind of reputation will be difficult to imitate for the competitors, in particular with regards to a short-term perspective. Mr. Næsheim’s public profile as the seafood “ambassador” in Singapore is a unique position and his well known profile will continue to boost the good reputation SF has. In addition, SF has arrangements with professional chefs, such as Geir Scheie and Jonas Lundgren, winner and runner-up of Bocuse d’Or 2009, who contributes to strengthen SF’s reputation. However, with time and money, a reputation of similar characteristics will most likely not be difficult to imitate for competitors. Additionally, the reputation cannot be considered as nonsubstitutable and reputation is therefore considered as a temporary competitive advantage.

2.5.2.2 Innovation

The fact that SF has an in-house production and ensures that they are able to introduce new products to the market at a higher paces than competitors. This also enables SF to introduce new products adapted to local preferences. The arrangements with other professional chefs, lead to among others to new and

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creative recipes to maintain continuous innovation. This is considered as both valuable and rare.

In addition, the size of the company can also be linked to SF's innovativeness. A medium sized organization, like SF, might face less difficulties coping with trends and hold the ability to turn around and make continuous innovations if necessary, compared to a larger organization. This contributes to ensure that SF's innovation is valuable.

As for employees, SF empowers them and make sure that they are able to be creative and freethinking, which leads to new and innovative ideas.

Even though the innovation is to be considered as both valuable and rare, it is not difficult to imitate. Other companies can hire reputable chefs, adapt products to local preferences and empower their employees. Innovation is therefore not to be considered either as difficult to imitate or nonsubstitutable, and is regarded as a temporary competitive advantage.

Table 1

<table>
<thead>
<tr>
<th>VRIO Analysis</th>
<th>Valuable?</th>
<th>Rare?</th>
<th>Inimitable?</th>
<th>Non substitutable</th>
<th>Competitive implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Capital</td>
<td>X</td>
<td>X</td>
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<td>X</td>
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<td>Reputation</td>
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<td>X</td>
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<td></td>
<td>Temporary Competitive Advantage</td>
</tr>
<tr>
<td>Innovation</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>Temporary Competitive Advantage</td>
</tr>
</tbody>
</table>
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3.0 External analysis

The external analysis describes the macro environment in which FiSK will operate.

3.1 PESTEL Analysis

*Figure 3*

The PESTEL-analysis is used to analyse macro-environmental factors that will influence the strategic planning of FiSK. It identifies FiSK’s business environment and help them prepare and effectively adapt to the actualities of the environment. Even if SF cannot directly affect the factors, they will be able to take advantage from the analysis outcome to minimize their threats and maximize their opportunities. The six categorized factors are Political, Economic, Sociological, Technological, Environmental and Legal.\(^7\)

3.1.1 Political Factors

Singapore is considered as a world leader in high-quality governance. The country is known for its consistent policy-making and political stability. The political risk on investments in Singapore is therefore seen as very low. Singapore is also

known to hold one of Asia’s most efficient governments, as well as being ranked as the third least corrupt nations in Asia. The legislative power lies jointly with the parliament (the legislature) and the government.\(^8\)

### 3.1.1.1 The Political Influence on Snorre Food

The political situation indicates stability with regards to any company who wants to conduct business in Singapore.

### 3.1.2 Economic Factors

#### 3.1.2.1 Key Economic Indicators

Singapore is one of the world’s leading economies, with a GDP per capita of USD 42,652\(^9\) and a GNI per capita of USD 37,220.\(^{10}\) The GDP shows that the estimated value of Singapore’s economic outputs is high and the local income is strong. The GNI shows that the average income and standard of living for the average citizen of Singapore is high compared to the rest of the world. In 2010 Singapore had an overall economic growth of 14.5% (overall GDP growth). The growth was jointly for all sectors of the economy. Wholesale and retail experienced a growth of 15.1%, second after manufacturing with a growth of 29.7%.\(^{11}\) The economic outlook for 2011 remains positive.

The global economic crisis had a significant impact on Singapore. The GDP decreased from 7.8% to 1.1% from 2007 to 2008. In 2009 the economy contracted by 1.3%. Singapore has one of the highest trade to GDP ratios in the world, hence they have a highly trade dependent economy. In 2010 export counted for USD 268.9 billion, while GDP generated by Singapore counted for USD 163.1 billion\(^{12}\). Even if Singapore is showing strong recovery from the global economic crisis, the largest economies in Asia are not following at the same pace.

\(^8\)Datamonitor: Country Analysis Report Singapore
\(^9\)Economy Watch. 2010. *Singapore GDP Per Capita (Current Prices, US Dollars)* *Statistics*
\(^10\)Doingbusiness.org: Report, SGD Doing Business 2010
\(^11\)Ministry of Trade and Industry Singapore: Economic Survey of Singapore 2010 *Economy Performance*
\(^12\)Economy Watch. *Singapore Economy*
Singapore’s steady rate of export growth is expected to slow down as a result of the slow recovery progress with their main export partners, resulting in a low level of demand. Currently Malaysia is Singapore’s number one export partner with a share of 11.9% of the total export market\(^\text{13}\)

\subsection*{3.1.2.2 Economic Outlook}

As the world economy is slowly recovering from the global economy crisis, Singapore is showing a mutual steady improvement. According to the Monetary Authority of Singapore the growth in the advanced foreign economies are expected to provide support to Singapore’s manufacturing industry. However the growth is supposed to slow down, and the GDP is expected to grow 4-6% in 2011. This is a setback from the 15% GDP growth in 2010. This expected decrease is caused by the debt concerns in Europe as well as the inflationary concerns in Asia that may lead to monetary tightening. The ICP inflation is expected to reach 2-3% in 2011.\(^\text{14}\)

\subsection*{3.1.2.3 Labour Market}

According to the Ministry of Manpower Singapore had a labour force of 3 105 900 individuals\(^\text{15}\) and the unemployment rate was 2.2\(^%\)\(^\text{16}\) in 2010. The strong economic recovery led to more people securing jobs. The Singaporean government have made heavy investments within the educational sector, securing the country with a highly skilled labour force. Singapore has the fifth most skilled labour force in Asia. Furthermore, they are ranked as the seventh most motivated workforce in the world.\(^\text{17}\) Lastly, most Singaporeans speak English, which is the official business language.

Singapore operates with a flexible and open immigration policy. This has made it possible for domestic firms to search for the best personnel from all over the

\textsuperscript{13}Ministry of Trade and Industry Singapore: Economic Survey of Singapore 2010. Main Indicators of the Singaporean Economy (Cont’d)
\textsuperscript{14}The Monetary Authority of Singapore.
\textsuperscript{15}The Ministry of Manpower. 2011. Employment
\textsuperscript{16}The Ministry of Manpower. 2011. Unemployment
\textsuperscript{17}EDB Singapore. 2011. Singapore is the world’s easiest place to do business
world. A lot of foreign expertise has contributed to the improvement of the local business environment. However, the open immigration policy has also contributed negatively. The government has allowed workers willing to work for low wages settle in the country. This has resulted in a growing income disparity. Singapore is the only developed country without a minimum wage, consequently individuals working at the bottom of the economic pyramid earns about SGD 3 an hour.\(^1\)

Despite a growing GDP and low unemployment rates, the median wage is just barely keeping pace with inflation.\(^2\)

### 3.1.2.4 The Economic Influence on Snorre Food

Singapore is one of the worlds leading economies with stability and growth. This makes Singapore a country with a low risk of doing business, which is a positive factor regarding opening a new FiSK store.

### 3.1.3 Social Factors

#### 3.1.3.1 Demographics

According to the Department of Statistic Singapore, Singapore has a population of 5 067 700, as of 2010.\(^3\) However, one of Singapore’s major concerns is the declining population growth. The birth rate has declined drastically since the 1990s. Today the average fertility rate per resident female is 1.1, while the required rate to maintain growth is 2.1. Additionally, the population is ageing and the decline in population growth is expected to put pressure on the labour market. The median age in Singapore is 37, based on numbers from 2010, but is expected to be as high as 41 in 2030. To encourage Singaporean couples to have more children, the government have introduced baby bonuses and improved the maternity-leave conditions, but still the fertility growth is absent.\(^4\)

#### 3.1.3.2 Income Distribution

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\(^1\) Singapore Democrats. 2010. *Hong Kong to introduce minimum wage. Singapore?*

\(^2\) Channel News Asia. 2010. *Median Income of South Koreans*

\(^3\) Department of Statistic Singapore. 2010. *Key Annual Indicators*

91.7% of Singapore’s residents (non students aged 25-39) have a higher or secondary education.\textsuperscript{22} As of February 2011 the average income in Singapore is SGD 52 588 were the males are earning about SGD 15 800 more than the females. The individuals that are employed through private companies are the highest earners with an above average income of SGD 53 781. In comparison the ones working for the government – state and local, have a median earning of SGD 45 709.\textsuperscript{23}

\textbf{3.1.3.3 Expatriates in Singapore}

Singapore has the highest number of expatriate top earners in the world. 45 \% have annual salaries exceeding SGD 265 000 compared to the global average of 21\%. In comparison less than 10 \% of the locals in Singapore earn annual incomes of SGD 265 000 or more.\textsuperscript{24}

Expatriates living in Singapore are on a general basis enjoying attractive compensation packages. In terms of financial aspects of an expatriate’s life Singapore is ranked 4\textsuperscript{th}. When taking the number of luxury items into account, like property, domestic help, vehicles and holidays expatriates have, Singapore is ranked 13\textsuperscript{th}.\textsuperscript{25}

Based on numbers from August 2010 given by the Norwegian Embassy, the registered amount of Norwegians living in Singapore was 1665. Among these 1535 are Norwegian expatriates, while the remaining 130 are Norwegian students in Singapore.\textsuperscript{26}

\textbf{3.1.3.4 Changes in Food Consumption}

Singapore has a universal health care system, where the government ensures affordability.\textsuperscript{27} According to the World Health Organizations Report from 2010, 

\textsuperscript{22}Department of Statistic Singapore. 2010. \textit{Key Annual Indicators}
\textsuperscript{23}PayScale. 2011.\textit{Salary Survey for Country: Singapore}
\textsuperscript{24}Sandbox Advisors. 2010. \textit{45\% of expats in Singapore earn more than SGD 265,000}
\textsuperscript{25}Sandbox Advisors. 2010. \textit{45\% of expats in Singapore earn more than SGD 265,000}
\textsuperscript{26}Norwegian Embassy. 2010. \textit{Nyhetsbrevfraambassadentra august 2010}
\textsuperscript{27}Ministry of Health.\textit{Healthcare Financing}
Singapore’s health system is ranked 6th in the world. The improvements in standard of living, safe water supply, good housing, high quality medical services and access to medicines are all factors contributing to the good health of Singaporeans. Additionally, the government has made significant increases of the funding to the Ministry of Health over the past years. In 2001 they introduced a health-improving program called the Health Promotion Board. They work to further increase the good health of Singaporeans and among their efforts is a program working to educate the citizens in healthy eating. The program is increasing the awareness of eating nutritious food as well encourage a positive attitude towards a healthy lifestyle.

3.1.3.5 Usage of Social Media in Singapore

Market research conducted by Firefly Millard Brown has found that Singapore is the world’s most evolved social media market. Singaporeans tend to converge their lives online and offline where social life, work and hobbies exist both in the real world as well as in the digital world. One of the reasons for this development in the social landscape is that Singaporeans want to be associated with fashion brands and trends in the digital world. There are also synergies between Singapore’s preference for smartphones such as iPhone and the usage of social media. With smartphones and wireless Internet present almost everywhere, it is easy for the users to access the different platforms.

Companies have also started to follow this trend, focusing more on a proactive approach online, by creating brand awareness and customer engagement through social media platforms such as Facebook and Twitter.

Michael Netzley, professor at Singapore Management University (SMU), has conducted several studies on the social media scene in Singapore. In 2010 he mapped out the online preferences of Internet usage when it comes to social media. Watching videos appeared to be the most popular activity regarding social media, and watching own Social Networking Service (SNS) and visiting friends

28 WHO. *The World Health Report*
29 Asia Correspondent. 2011. *Singapore recognized as worlds most evolved social media market*
SNS placed second and third. Another interesting fact is that Twitter grew by 308.5% from 2009 to 2010.  

3.1.3.6 The Social Influence on Snorre Food
The major influence on SF from social factors would be the change in attitude towards a healthier lifestyle. As seafood is being promoted as nutritious and healthy food, SF gains an advantage by providing high quality seafood. The increased usage of social media opens up opportunities with regards to new, creative ways to promote businesses and stores. Word of mouth can be stimulated through engagement in various platforms and stimulate brand awareness.

3.1.4 Technological Factors

3.1.4.1 Information Society
Singapore holds a great number of highly trained scientific personnel, which is operating the many reputed scientific institutions in the country. The government has a significant focus on R&D and has increased the investments. In particular, they have a great interest in the IT sector. The government has a goal of being an information society by 2015, and has implemented a strategy to reach their goal named i2015. Today 77.8% of the population is Internet users and the growth has been steady for the past years. The Singaporeans broadly use the Internet to obtain information.

3.1.4.2 The Technological Influence on Snorre Food
Singapore is a highly developed technological society and this may offer opportunities for SF in terms of marketing possibilities if they are to open a store.

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30 Communicate Asia. 2010. 2010 SG Survey of Internet Behaviors: Twitter Grows...Just As Expected (Part 1)

31 Internet World Stats. 2010. Singapore; Internet Statistics and Telecommunications
3.1.5 Environmental Factors

3.1.5.1 Seafood Diseases

Seafood continues to be a key part of the Singaporean diet. Despite this there are concerns regarding seafood diseases and food poisoning among Singaporeans. “Singapore waters contain dinoflagellate species linked to three types of seafood poisoning: paralytic shellfish poisoning, diarrhetic shellfish poisoning (DSP) and ciguatera.”\(^{32}\) In Singapore the paralytic shellfish poisoning and the DSP are the biggest concerns for the locally produced seafood.

3.1.5.2 Other Types of Food Diseases

Diseases in other food groups such as meat and poultry also influence demand for seafood. In recent years large outbreaks of e.g. mad cow disease and bird flu lead consumers to temporary avoiding these food groups. Seafood has in these periods been perceived as a safe alternative. This has enhanced the benefits of seafood, emphasising that it is a clean and safe choice.

The following example illustrates the severity such diseases can lead to in terms of decrease in demand. Together with Australia, both Japan and the US are important suppliers of beef to Singapore. Unfortunately both the US (2003)\(^{33}\) and Japan (2001\(^{34}\) and 2010\(^{35}\)) experienced outbreaks of mad-cow and other cow diseases, and Singapore stopped importing beef for a period of time from the respective countries. Even if the beef exported from Australia was declared disease free, the fear of eating meat spread quickly in Singapore, resulting in a consumption plunge.

Singapore has always been free of bird flu, but there is still a big concern within Singapore for a new global flu pandemic that may spread to the country\(^{36}\).

\(^{32}\)National Center for Biotechnology Information, U.S. Toxic marine dinoflagellates in Singapore waters that cause seafood poisonings

\(^{33}\)High Beam. 2003. Japan, South Korea, Singapore ban U.S. beef imports on mad cow fears

\(^{34}\)Agri-Food & Veterinary. Japan: Mad Cow Disease

\(^{35}\)Marshall Cavendish, Business Information. 2010. Ban on beef, pork from Japan lifted

\(^{36}\)Enter Singapore. Infectious Diseases in Singapore
Because of this the government has implemented very strict rules for both the domestic poultry producers and for the poultry importers. However, due to previous experience a global outbreak will affect the consumption of poultry negatively within Singapore.

3.1.5.3 Impact from Natural Disasters

Recently the tsunami that hit Japan on the 11th of March 2011 is predicted to have an impact on the seafood imported from Japan. According to YasuoKunimitsu, the co-founder and president of Fish Info and Services (FIS) Japan, the damage caused by the earthquake and tsunami will not be entirely clear until mid-April at the earliest.37

People tend to be very sensitive about negative news regarding any food products, as a result it is feared that consumers will steer away from Japanese seafood. In addition, the broken infrastructure in the northeast of Japan will make it difficult for producers in the Pacific Northwest to get fish exported out of the region. Furthermore, it will have an impact on the trans-Pacific seafood trade due to the earthquake, tsunami and radiation leaks in Japan. Singapore and South Korea, among other Asian countries, are testing Japanese food imports for radiation. Even though the Japanese authorities have stated that the level of radiation that has been released from the crippled nuclear reactors does not pose a risk on public health, it is likely that many consumers might decide not to buy to Japanese seafood.38

The above prediction is based on what happened during the Gulf oil spill last year, when the sales of seafood from that particular region plummeted. This happened even though federal inspectors certified that the products were not contaminated. Results from surveys conducted in the time after the oil spill showed that as many as 20-30% of all consumers stayed away from seafood after the accident because they did not trust what the federal inspectors certified. The exact implications of the 2011 tsunami on seafood trade should become clearer in the near future, as the

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37 Fish Info and Services: World News. 2011. Tsunamis disastrous impact on seafood industry

38 Fish Info and Services: World News. 2011. Tsunamis disastrous impact on seafood industry revealed
Japanese gradually measure what damage is done.39

3.1.5.4 The Environmental Influence on Snorre Food

Meat, seafood and poultry are all vulnerable food for diseases. They can also be indirect substitutes for each other; naturally an outbreak within one of the food categories will have a positive effect on the two remaining categories. The scares of food poisoning will always have a significant effect on the consumption. SF’s high quality image will be important with such matters, because customers will search for safe alternatives. Consequently, the 2011 tsunami in Japan may have a positive impact on SF. This is because SF’s products are imported from cold-water areas, mostly from Northern Europe, a geographical area unaffected by the radiation leaks.

3.1.6 Legal Factors

3.1.6.1 Taxes

Singapore has one of the lowest corporation tax rates in Asia. In 2009 the rate was lowered from 18% to 17%.40 The personal tax rates are also low, ranging from zero to 20% depending on the income level.41

The Goods and Services Tax (GST) applies to all goods and services in Singapore as well as goods and services imported to Singapore. Even though the tax was increased from five to seven percent in 2007 it still remains as one of the lowest in the world42.

40 Datamonitor. Singapore Country Analysis Report. P. 4
3.1.6.2 Free Trade Agreements

Singapore’s free trade agreements (FTAs) with several countries all over the world have lowered investment barriers. One of the most important free trade agreements to Singapore is Association of Southeast Asian Nations (ASEAN). ASEAN consist of 10 countries in Southeast Asia with the emphasis on cooperation regarding security, socio-cultural and economic integration. So far ASEAN has succeeded the most with its economic integration by developing ASEAN Free Trade Agreement (AFTA) supporting free flow of goods within the member countries.43 ASEAN have received criticisms from other nations, especially within the EU, on not suspending Myanmar from the agreement due to lack of human rights and democracy. This has caused concerns for the EU, which is a great potential trade partner, in terms of refusing to conduct free trade negotiations because of this.44

3.1.6.3 Doing Business

The World Bank has two years in a row ranked Singapore as the number one country to do business in.45 The report display several factors, including how easy it is to set up and close a business, paying taxes, investors protection and the process of dealing with construction permits. In Singapore it only takes 3 days to fully set up a business, through registering, making a company seal, and signing up for Work Injury Compensation Insurance. To close a business it takes two days. Ranking the measures from the report Singapore is ranked as number four in the world regarding start up of a business, right behind New Zealand, Australia and Canada.

Singapore also has a great number of regulations to protect investors, and ranks number two in the world. The tax level is the fourth lowest in the world. Corporate tax rate is 8.5% for income up to SGD 300 000, and 17% for above SGD 300 000. While personal tax rate start at zero percent and are capped at 20% for those who earn above SGD 320 000. For non-residents there is a flat rate of

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43 Association of South East Asian Nations
44 BBC. 2010. Profile: Association of South East Asian Nations
15%.[46] As a result of all the pro-business measurements Singapore is attracting a lot of foreign business and investors. The flexible labour market and regulations are also influencing the attractiveness.

3.1.6.4 The Legal Influence on Snorre Food

The tax system in Singapore is favourable to SF, both when it comes to running a business and the ease of starting up a new business. Although Singapore is known for having strict laws and regulations, SF has many years of experience and there is no reason to believe that the legal factors will harm the opening of a FiSK store. The current issues regarding marketing of the existing FiSK outlet will not be an issue for the new FiSK store due to a new location in a non-industrial area.

3.2 Porters Five Forces

Figure 4

Porters’ five forces is a tool used in order to analyse the attractiveness of an industry depending on five driving forces. It is useful to help determine where the power lays in the industry a company is considering moving into and additionally mapping out what potential lies in the industry for a company. The analysis can

give a clearer view of how a company can exploit on strengths as well as improve on weaknesses to avoid pitfalls and be profitable.\textsuperscript{47}

\subsection*{3.2.1 Power of Buyers}
Rating: medium - high.

Singapore holds an outstanding number of choices when it comes to availability of purchasing food. Hypermarkets, supermarkets and convenience stores alone totalled 816 outlets in 2008. That is a large number considering the geographical constraints existing in Singapore, reports business monitor.\textsuperscript{48} With the great variety of options for buying food available to consumers, their power increases because companies will constantly be competing for their attention. Due to its small population Singapore lack economies of scale in terms of number of buyers, which again contributes to increase competition among companies to gain consumers. In 2009 the total amount of food wasted amounted to 529,400 tons\textsuperscript{49} indicating that supply indeed exceeds demand. The reason behind the large amount of food wasted derives from increased demand from consumers regarding a broad variety and high quality of products. This forces food providers to constantly keep in store products fresh and thus increase food waste. This indicates that the power of buyers is high. On the other hand, considering the fact that buyers are individuals helps to lower their power because FiSK will not have to be dependent on few powerful buyers in order to generate income.

\subsection*{3.2.2 Power of Suppliers}
Rating: Low

There are several suppliers willing and able to deliver seafood into Singapore. Information obtained from SF states that they are not reliant on a particular supplier for FiSK. Although they have a good relationship with their current suppliers, they are able to obtain products of excellent quality standard from several suppliers if necessary.

\textsuperscript{49} National Environment Agency, 2011. Waste Statistics and Overall Recycling
3.2.3 Threat of New Entrants

Rating: medium/low

Singapore has a highly pro business environment and most companies find starting up a new business very easy.\(^{50}\) However, new entrants to the food and beverage industry in Singapore tend to have limited access to high quality sales and marketing personnel and distribution channels.\(^{51}\) In terms of technological advantages in the process of producing seafood, it is difficult to differentiate the end product on behalf of how it is produced. Lack of economies of scale contributes to raise entry barriers, but not enough to give companies in this industry a sustainable competitive advantage when it comes to threat of new entrants.

Singapore’s mass grocery retail industry is rated as mature by business monitor.\(^{52}\) Approximately 90% of all food distribution profit in Singapore goes through modern retail and 40% of all arctic salmon is sold through this outlet format.\(^{53}\) Modern shops and intense rivalry, leading new entrants unlikely prospects, characterize the sector. The rivalry enhances the sophistication of Singapore’s retail market, benefitting the consumers with a world-class offer in food retail, but affects new entrants negatively due to high expectations in offerings from retailers. On the other hand, higher expectations for quality products may increase the popularity of high value premium concepts, especially among upper income groups.\(^{54}\)

Low growth forecasts in the industry contribute further to lower threats of new entrants interested in starting up business in the retail industry. At the same time, spending per capita on food consumption is expected to be USD 1,448 in 2015, which is considered remarkable for the region.\(^{55}\)

\(\text{\(^{50}\)Enterprise One, 2011. \textit{Foreign Business}}\)

\(\text{\(^{51}\)Australian Government. 2010. \textit{Food and Beverage to Singapore}}\)

\(\text{\(^{52}\)Business Monitor, 2011. \textit{BMI Singapore Retail Report Q2 2011}. P.30.}\)

\(\text{\(^{53}\)Eksportutvalget for fisk, 2009. \textit{Landprofil: Singapore}. P 3.}\)


\(\text{\(^{55}\)Datamonitor, 2011. \textit{BMI Singapore Retail Report Q2 2011}. P.6.}\)
Asia-Pacific Economic Cooperation (APEC) is striving to achieve full free trade among its members within 2020, starting in 2010. This may lead to a favourable advantage of entry as well as an opportunity to receive lower export taxes on products for those nations affected.

3.2.4 Threat of Substitutes
Rating: medium to high

On seafood products alone the threat of substitutes are high, even Norwegian salmon is offered by competing firms in Singapore. Several stores in Singapore such as NTUC FairPrice, Cold Storage, Greenwood Fish Bistro and newly opened Fremantle Fish Market offer arctic seafood. On the other hand the Norwegian speciality products FiSK will offer has very few substitutes. Only the Norwegian Seaman’s Mission and Henriksen are able to provide similar products today.

Wet markets are another popular place where people in Singapore buy seafood. The reason why this is classified as a substitute is because many locals are still not accustomed to prepare and handle arctic seafood, leading them to chose wet markets and the traditional seafood offered here. This traditional way of selling fresh products is popular in Singapore due to competitive prices as well as good relationships with stall owners. This retail format is mostly popular with the older generation but is frequently visited by generation X as well.

One challenge for this retail format is the increasing rental prices for stall space, which have forces several players to close down. Another challenge is the fact that modern retail is taking over the scene in Singapore, leaving wet markets with fewer customers. These two factors combined leads business monitor to expect a decline in contribution from independents from twelve to six percent in 2018. Consequently, it will strengthen the modern retailers position further.

3.2.5 Competitive Rivalry

Based on these four factors it can be stated that the competitive rivalry within the food retail industry in Singapore is high. Several large players, world-class offerings, a small population with little forecasted growth and pressure on profit margins all contribute to this verdict.

3.2.6 Attractiveness of the Industry

Overall attractiveness of the seafood retail market is medium to low. The competitors within this industry are large players on the retail market and the seafood supply in Singapore offers a great variety of products. FiSK will have to offer something unique, in addition to meeting the standards of competing companies, if it shall succeed. What can work for FiSK is to engage in a premium concept meeting the expectations of sophisticated upper income consumers.

3.2.3 Competitor Analysis

A competitor analysis is an important part of the external analysis and strategic planning. This is because a competitor analysis can help a company to get a picture of what threats and opportunities the competitors pose and to be aware of their advantages or disadvantages compared to their competitors. It also helps by giving an overlook of the competitors past, present and future strategies in order for companies to plan their strategy accordingly and develop future strategies on how to compete against their competitors.60

As discovered through Porters Five Forces analysis FiSK will face direct competition from several large retailers, speciality stores and wet markets in the food retail industry. Indirect competition, e.g. restaurants, fast food chains and hawker centres will also pose as a threat to FiSK as consumers might choose to dine out rather than preparing a home cooked seafood meal. Even if indirect competition will influence FiSK, direct competition will be the focus of this analysis. Direct competitors are companies FiSK needs to differentiate from in order to gain a position in the seafood retail industry.

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The following companies are what appear to be FiSK’s main competitors in Singapore:

- Cold Storage
- NTUC FairPrice
- Greenwood Fish Market
- Fremantle Seafood Market
- Traditional Wet Markets

Cold Storage and NTUC FairPrice are supermarket chains in the retail industry. Greenwood Fish Market and Fremantle Seafood Market are specialty stores, like FiSK. Traditional wet markets are traditional markets where fresh food is sold. These markets appeal to many Singaporeans, and are included due to the high percentage of Singaporeans that purchase seafood at wet markets.

3.3.1 Cold Storage

The vision and mission of Cold Storage, as stated by the CEO, is as follows:

“At Cold Storage and Market Place, we take great pride in bringing to you the best supermarket shopping experience at all times”

“Not only do we strive to provide the freshest food produce, the most extensive range of products and wines from all over the world, we also take great effort in making shopping at Cold Storage and Market Place stores exciting, fun and easy!”

- Cold Storage. Corporate: CEO Message.\textsuperscript{61}

Cold Storage is owned by Dairy Farm International Holdings and is the second largest supermarket chain in Singapore behind NTUC Fair Price.\textsuperscript{62} It operates with three different supermarket brands (Cold Storage, Market Place and Shop N Save). Cold Storage has 40 outlets at strategic locations, mainly concentrated in

\textsuperscript{61}Cold Storage. Corporate
\textsuperscript{62}Food Export. 2010. Singapore Country Profile
the city area and wealthy suburbs. They offer both fresh and frozen food including meat, poultry and seafood. Dairy Farm also has six retailers named Market Place who offers a range of quality products and international merchandise. Cold Storage is like SF, awarded with HACCP certification.63

Cold Storage was the first supermarket to offer a variety of their products with a home delivery solution. They have been online since 1997 and have approximately 15,000 customers including housewives, working parents, professionals and secretaries.

Cold Storage carries about 1,600 products under two house brands, First Choice and No Frills. These brands include products such as juice, wine, frozen food, dairy etc.64 Cold Storage also offers Norwegian salmon and smoked salmon from Denmark.65

In June 2009, Cold Storage was ranked as Singapore’s 8th most valued brand with an increase of 26% to SGD 960 million. This shows that Cold Storage is a well-recognized brand among consumers and is a key player in the retail market.66

3.3.2 NTUC FairPrice

The vision and mission of NTUC FairPrice is as follows:

“To be Singapore’s Leading World-Class Retailer with a Heart.”

“To provide customers with the best value, quality products and excellent service, be a preferred employer, to moderate the cost of living in Singapore, and serve the needs of our members, the labour movement and the community.”

- FairPrice. Annual Report 2009-2010.67

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63 Cold Storage. Corporate
64 Cold Storage. Corporate – About Us
65 Cold Storage. Online Store
66 Cold Storage. Corporate – Our Milestones
NTUC FairPrice is Singapore’s leading supermarket retailer and was founded in 1973. Their mission was to moderate costs of living in Singapore. It started with one supermarket and today it has grown to more than 200 outlets. The company is divided into FairPrice supermarkets, FairPriceXtra, FairPrice Xpress, FairPrice Finest and Cheers convenience stores. In addition NTUC owns a fresh food distribution centre and a centralized warehousing and distribution company.\textsuperscript{68}

From their annual report of 2009/2010 they reported that the FairPrice Group achieved a strong performance with SGD 2.2 billion in sales. This was an increase of 8.8% compared to the previous year. The profit more than doubled to SGD 130.3 million.\textsuperscript{69}

NTUC FairPrice is focusing on strengthening their existing products and services. In order to follow their customers changing needs, they are constantly working to introduce new products and services. There has been a growing demand for late night shopping and to meet this demand NTUC FairPrice changed the opening hours for 19 supermarkets and hypermarkets in 2010 that now offer 24-hour grocery shopping. In addition customers have also showed tendencies of a growing demand for online shopping. Therefore NTUC FairPrice introduced home delivery services for their customers.\textsuperscript{70}

FairPrice offers products such as dairy, wine, juice, milk and both fresh and frozen food like meat and seafood. They also have a small selection of Norwegian Salmon.\textsuperscript{71}

\textit{3.3.3 Greenwood Fish Market and Bistro}

Greenwood Fish Market and Bistro is a specialty store located in Greenwood Avenue in the Bukit Timah area. They specialize in cold-water fish and seasonal seafood from Australia, Canada, United States, New Zealand, Norway and local

\textsuperscript{68}Linkedin. \textit{NTUC FairPrice}
\textsuperscript{69}FairPrice. \textit{Annual Report 2009-2010}
\textsuperscript{70}FairPrice. \textit{Annual Report 2009-2010}
\textsuperscript{71}FairPrice. \textit{Annual Report 2009-2010}
waters. They are located in a suburban area (Greenwood), targeting consumers in the upper income brackets as well as expatriates. They have a small store with a restaurant in the back. In addition to seafood they also carry some fresh vegetables and different oils and sauces for cooking. The price of fresh salmon filet is SGD 49.5 per kg. The fresh salmon is imported from Norway while the frozen salmon comes from Alaska, US.

They state that ready-to-eat, pre-packed, condiments have proven to be extremely popular. Freshly baked forcassia, mesculin mix, asparagus, Portobello mushrooms, potatoes, other fresh vegetables and a selection of wine are available in the store. The wide variety of seafood complimentary products offered at Greenwood Fish Bistro is an attempt to make it a one-stop shopping experience.

Home delivery is available within a restricted area at a minimum purchase of SGD 75. For orders less than that amount an additional SGD 15 is added to the order and SGD 25 is added to orders outside the restricted area. The home delivery service is available Monday to Friday from 1pm to 5pm. Their home delivery product list contains 113 seafood products, where 10 of the items originate from Norway.

3.3.4 Fremantle Seafood Market

Fremantle Seafood Market opened in 2010 and is located at Clarke Quay. They are similar to Greenwood Fish Market in terms of offering both a restaurant and a seafood market where one can buy fresh seafood. Fremantle is a city in Australia known for excellent seafood and Fremantle SM use this to differentiate their store and restaurant. Fremantle SM import seafood from the Atlantic to the Pacific Ocean, covering countries from Australia to Alaska. The prime location at commercial Clarke Quay, makes it reasonable to assume that they target the upper income brackets.

There is not a lot of information available on Fremantle Seafood Market. The

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72 Greenwood Fish Bistro. Homepage
73 Greenwood Fish Bistro. Market
74 Greenwood Fish Bistro. Home Delivery and wholesale
75 Fremantle Seafood Market. About Us
reason for this could be that they are still a relatively new business. This can also mean that they are not emphasizing on online marketing, which can be an opportunity the new FiSK store can take advantage of. Another interesting finding is that Fremantle has received bad reviews from various customers on different blogs and forums online.

3.3.5 Traditional Wet Markets

Supermarkets including hypermarkets are gaining market share among all retail products. Nevertheless, wet markets still stands for the majority of sales of a variety of fresh products including seafood. A local mindset, especially among older housewives who represent the majority of daily shoppers, is that neighbourhood wet markets are still considered to be the best place to buy fresh fish and seafood. According to a survey from NSCE a total of 23% of the respondents buy salmon from traditional wet markets. Wet markets are therefore considered as a competitor to SF. Even though the target markets are different consumers from SF's segment might buy their seafood from local markets due to convenience and price.

The products sold on wet markets are mainly stored for a short period of time and the fish is always expected to be fresh. The freshness of the products is one of the main reasons of why wet markets are popular among Singaporeans.

One can find wet markets all over Singapore and the products are mainly imported from Malaysia. An important difference between supermarkets/specialty stores and wet markets is that the customers are able to bargain on the prices of the products. This implies that the prices are lower than in most supermarkets and specialty stores. The target market can therefore be said to be the working class and middle class. Wet markets are also a part of the

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76 Australian Government. 2010. Food and Beverage to Singapore
77 Australian Government. 2010. Food and Beverage to Singapore
78 Agri-food and Trade Service. 2008. Singapore Market for Imported Specialty Fish and Seafood
80 Singapore Vacation Attractions. Singapore Wet Markets
81 Singapore Dice. Wet Markets
Singaporean culture since these markets have existed for generations. However, there has been a small decline in wet markets as many Singaporeans, especially the young, spend more and more time on careers and less time on preparing meals at home. Supermarkets are increasing in popularity among younger consumers who choose this retail format at the expense of wet markets as supermarkets operate longer hours, allowing consumers to shop after work.

Actions have been made by the government to improve the hygiene of wet markets, especially during the H1N1 virus and SARS virus. Still, there is room for improvement. This is a factor that SF can use to their advantage. Quality is an important component of SF's strategy and by striving to communicate this attribute, FiSK can be able to acquire market share. Wet markets can easily spread diseases and viruses if they are not careful. Several consumers who live in urban areas where the population density is high, like in Singapore, there is reason to believe that the consumers want their seafood to be handled and stored with high quality hygiene in order to avoid spreading of diseases.

3.3.6 Competitors Impact on FiSK

The seafood market in Singapore can be recognised as mature and highly competitive. The existence of several competitors within all target markets offers a great variety of seafood products originating from all over the world. Even though wet markets are not considered a head-on competitor to FiSK, the high purchase percentage they hold in Singapore is worth taking notice of. Even though consumers behaviour are difficult and take time to change, the new generation in Singapore seem to change the trend away from wet markets and more towards modern stores and supermarkets. On the other hand, new entrants like Fremantle Seafood Market indicates that there is still room for new seafood dealers.

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82 Singapore Vacation Attractions. Singapore Wet Markets
83 Australian Government. 2010. Food and Beverage to Singapore
84 Channel News Asia. 2009. Singapore's OK Campaign Relaunched to Raise Hygiene Standards
85 ABC. 2004. Deadly Markets
4. Research Methodology

- Introduction
- Internal Analysis
- External Analysis
- Research Methodology
- Findings
- Strategy Development
- Strategic Implementation
- Conclusion and Recommendation
4.0 Research Methodology

This chapter of the thesis will explain the methods we have used collecting primary and secondary data for answering the research questions. We present our findings in Chapter 6.

In order to answer our problem statement, both secondary and primary data were gathered. The writers were granted access to a secondary source through a survey conducted by The Norwegian Seafood Export Council (NSEC) on consumer habits and preferences in Singapore towards fish and seafood with an emphasis on salmon. The primary data collection was conducted through qualitative methods using in-depth interviews. After careful consideration the writers decided that a quantitative survey would not provide additional valuable information beyond trustworthy secondary research we had access to. Emphasis was therefore put on conducting qualitative research through interviews with key informants.

4.1 Research design

There are three different research designs; exploratory, descriptive and causal design. This project focuses on exploratory design, which is chosen when the decision maker has little or no knowledge about the subject. As stated, the main objective behind our research is to explore the best possible way SF can introduce a new FiSK store in Singapore. To achieve this, the writers believe that an exploratory design with emphasis on in-depth interviews and observations was the proper choice. By using an exploratory approach, secondary data is also necessary to achieve insight and understanding.

4.2 Secondary Data

Secondary data is data that is already collected for a different purpose. The main reasons for using secondary data are that it is less costly and time consuming compared to primary data. Secondary data can be collected from internal and external sources.

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**Internal sources**

Data from internal sources can be information from the company such as key financial numbers, human resources, product information, distribution, future plans the company may have etc. The writers have conducted secondary data from internal sources in SF, both in dialogues with Mr. Næsheim and Mr. Borge. We also conducted an in-depth interview with the store manager of the FiSK outlet, Mr. Ken Yam Yak Seng.

**External sources**

External sources, information gathered outside of the company, can be divided in public sources and standardized analysis.\(^{88}\)

**Public sources**

Public sources include all external sources that are available for the public. The Internet is the most common platform for collecting public sources.

**Standardized analysis**

Standardized analyses are analyses that are made by professional companies to cover different needs. From this type of data one can obtain more specific information on the area of research. However, a problem can be that the analysis does not cover the area needed and can be quite expensive. Through NTU’s online library, students are enabled access to a variety of standardized analysis from renowned research companies such as Datamonitor and Economic Intelligence Unit.

Secondary data contributes to a general understanding of the problem area and can help to confirm findings in primary data.

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4.3 Primary Data

Primary data can be collected in several ways\textsuperscript{89}, including through:

- Communication with people
- Observation of people
- Document analysis (written material and visual material)

These three methods can provide both quantitative and qualitative data. The writers have emphasised on collecting qualitative data through communication with people. The method used was both in-depth interviews and short interviews.

Individual \textit{in-depth interviews} are carried out when personal experiences, opinions or knowledge are of interest.\textsuperscript{90} In-depth interviews are time consuming and there are generally fewer interview objects compared to other qualitative methods. A great advantage of using in-depth interviews is that the interviewer can largely control the conversation and the respondent is also given more time to make more detailed comments. It is important to note that the results cannot be generalized to the population.\textsuperscript{91}

The writers selected interview objects carefully according to relevance for the problem statement. Expert interviews were conducted first to get a better understanding of the problem area and the seafood market in Singapore. All of the in-depth interviews were pre-booked.

\textit{Expert interview objects:}

Internal interview object:

- Mr. Ken Yam Yak Seng – Manager of FiSK

\textsuperscript{89}Gripsrud, Olsson & Silkoset. 2008. \textit{Metodeogdataanalyse}. Page. 97
\textsuperscript{90}Gripsrud, Olsson & Silkoset. 2008. \textit{Metodeogdataanalyse}. Page. 108
\textsuperscript{91}Gripsrud, Olsson & Silkoset. 2008. \textit{Metodeogdataanalyse}. Page. 109
In order to draw on SF’s previous experience with the opening of the FiSK outlet Mr. Ken was interviewed. He is also a key informant with regards to how FiSK is operated today.

External interview objects:

- Mrs. Mei Ling - Professor at NTU.

  We interviewed Mrs. Ling due to her expertise within the retail business in Singapore. She previously worked as a consultant before becoming a lecturer and has been engaged in working with large players on the market, e.g. Fair Price. She is also highly interested in food, which enabled us to get valuable information regarding potential customer preferences.

- Mr. Gerrard Gonzales – Professor at NTU

  Gonzales was selected because of his profession as a consultant. He possesses in-depth knowledge with regards to locations as well as ideas on how FISK can obtain a good strategy.

- Mr. Wolfgang Lapper – Chef and co-owner of the Esmirada group

  As a chef and co-owner of the Restaurant chain Esmirada (1994) in Singapore, Mr. Lapper holds valuable inside information regarding doing business in Singapore. Our supervisor, Robert Kreuzbauer, recommended him to us.

The writers also conducted interviews with individuals who can be considered as potential customers:

- Mrs. Tiina Thurner

  After living in Singapore as an expatriate for two years, Mrs. Thurner holds insight to habits and the lifestyle adopted by this segment.

- Mrs. Helena Hammarberg
Mrs. Hammarberg was contacted on behalf of her involvement with the Swedish Women’s Educational Association in Singapore. She has a broad experience of living as an expatriate in Singapore after staying in the country for five years.

In order to get a better understanding of how the current customers perceive SF and FiSK, the writers conducted interviews with existing customers. The interviews were conducted on a Saturday morning at the FiSK outlet in Fishery Port Road. Five Singaporeans and two Norwegians, six males and one female, were interviewed.

4.4 Validity and Reliability

Planning and conducting data require validity and reliability. The term validity refers to how well you measure what you intend to measure. Reliability refers to the degree the results are consistent.92

Regarding validity, the process of developing the different interviews was given a lot of effort. We also sent SF the questions formed prior to the interviews in order for SF to make comments and to ensure that we covered the problem area. We ensured that the questions were easy to understand, not too long and avoiding leading etc.

As for reliability, the writers selected the expert interview objects carefully in terms of knowledge and area of expertise.

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5. Findings
5.0 Findings

Chapter five presents the secondary and primary findings. Secondary data findings contain key point form NSEC’s research. The primary data findings consist of key findings from each interview that has been completed.

The last part of this chapter examines the consumer purchasing process. Secondary and primary data findings have been used to identify how consumers go through each step in the model.

5.1 Secondary Data Findings

In 2007 NSEC conducted a consumer survey with a main focus on fresh, frozen and smoked salmon in Singapore. The survey had 505 respondents. Since salmon is SF’s top selling product and considering the fact that Norwegian salmon is well known for its quality all over the world this survey is in high degree of interest. The following section will contain the most interesting findings and useful information to SF.

*Top three favourites of fish/seafood*

The respondents were given a list of fish and seafood and were required to select their top three favourites. The top three were:

1. Other type of fish (54%)
2. Prawns/Shrimps (38%)
3. Pomfret (29%).

The products listed was salmon, mackerel, cod, prawns/shrimps, crab/crawfish, grouper, pomfret, other types of fish, other types of clam, other types of fish, none/do not like fish and don’t know/no answer.

*Last consumption of salmon*
About a third of the respondents (30%) answered that they ate salmon less than two weeks ago. 16% ate salmon 3-4 weeks ago and 24 % state to never eat salmon.

**Last place for eating fresh/frozen salmon**

39% ate salmon in restaurants and 34% ate salmon at home. The fact that a large percentage reported to cook at home supports that there is potential for a FiSK store according to NSEC. Other places for consumptions were at sushi/sashimi outlets (14%) and at friends (3%).

**Frequency of having salmon at home**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twice a week (or more often)</td>
<td>6%</td>
</tr>
<tr>
<td>Approximately once a week</td>
<td>9%</td>
</tr>
<tr>
<td>2-3 times a month</td>
<td>9%</td>
</tr>
<tr>
<td>Approximately once a month</td>
<td>10%</td>
</tr>
<tr>
<td>Approximately every second month</td>
<td>1%</td>
</tr>
<tr>
<td>Approximately every third month</td>
<td>2%</td>
</tr>
<tr>
<td>2-3 times a year</td>
<td>4%</td>
</tr>
<tr>
<td>More seldom</td>
<td>9%</td>
</tr>
<tr>
<td>Never eat</td>
<td>49%</td>
</tr>
<tr>
<td>Don’t know/no answer</td>
<td>0%</td>
</tr>
</tbody>
</table>

This shows that many consumers never eat salmon at home. For those respondents that do eat salmon at home, the largest segment eats salmon approximately once a month, 2-3 times a month and once a week. These consumers constitute a total of 27%.

**Location for buying fresh/frozen salmon for the household**

The majority of the respondents buy salmon for the household at supermarket (55%). The second most popular location is traditional wet markets (23%). 5% says that they buy salmon at fish shops. This is an interesting finding because it shows that fish shops, like FiSK, do not have a great market share as of today, but might have an opportunity to expand their share in the future with the right amount of efforts.
Preferences according to country of origin for buying salmon to household
The respondents were asked to select their preferred country of origin for seafood among Norway, Chile, Canada and Australia. A total number of 36% answered Norway, 23% chose Australia, 22% prefer Canada and the remaining 8% prefer salmon from Chile. It is not unexpected that preference for Norwegian salmon is high due to its strong position as a high quality product.

Form of fresh/frozen salmon for home consumption
54% buy filet without skin, 30% buy pieces/slices and 8% buy whole fish. This indicates that the majority of the consumers prefer fish that is easy to cook. It is also less time consuming to cook a filet compared to a whole fish. As mentioned earlier, many people, especially the young, spend more time on career and less time on cooking. Therefore they prefer the more convenient and time saving products.

Perception of attributes according to country of origin
On the perception of different attributes Norwegian salmon scores overall higher than Canada, Chile and Australia. The perceptions that stand out compared to the others are good reputation, good taste, quality, healthy fat content and good, firm texture. The attributes were ranked on a scale from 1 to 10, where 10 are the best possible score. On these 5 attributes Norwegian salmon achieved scores with an average above 7.

Frequency of eating fish
A vast majority of the respondents (78%) eat fish two times per week or more. 9% eat fish once per week and 8% eat fish more seldom than once per week. 5% never eat fish.

Frequency for eating poultry
67% of the respondents states that they eat poultry twice a week or more often, while 17% states that they eat poultry approximately once per week. Only 4% claims that they never eat poultry.

Frequency for eating beef
41% says that they never eat beef. 10% eats beef twice a week or more often, while 11% eat beef about once a week.

**Frequency for eating pork**

47% states that they eat pork twice a week or more often and 14% eat pork once a week. 23% never eat pork.

**Frequency for eating lamb**

Lamb is the least frequent eaten animal group in the survey. Only 2% states that they eat lamb twice a week or more often. A total of 45% claims that they never eat lamb.

These findings show that poultry and pork are eaten more often than beef and lamb among the respondents. Fish and seafood are still being consumed more often than any of the other categories. This indicates that the Singaporeans in the survey are concerned about what they eat and often choose the healthier choice. However, these numbers might to some extent be exaggerated due to respondents wish to please the interviewer conducting the survey. Due to this survey it is, on the other hand, safe to assume that fish and seafood are the preferred choice among many consumers compared to meat and poultry.

5.2 Primary Data Findings

The interviews have been divided into three different groups. The first group consists of our expert interviews.

5.2.1 Findings from Expert Interviews

Internal interview object

**Interview with Mr. Ken Yak Seng**

*Store Manager at FiSK*

See appendix A for full interview
The interview with Mr. Ken Yak Seng, the Store Manager for FiSK, was conducted because he has high knowledge of the customers and products. Mr. Ken has been the manager since FiSK opened in May 2010. Our aim was to identify the top products, when customers usually shop and how much they spend. We were also curious to identify who FiSK believes to be their target market.

According to Mr. Ken fresh, salmon is the top product of FiSK. He says that the freshness is a very important factor for their customers and is one of the reasons many customers buy salmon sashimi. Cod and prawns are also among FiSK’s top products. Saturdays is according to Mr. Ken the peak day at FiSK. Mr. Ken believes one reason for this is because Saturdays is one of the three days fresh fish is delivered to FiSK. The two other days they receive fresh fish is on Tuesday and Thursdays and they are in general more popular than other weekdays.

He estimates that customers tend to spend between SGD 80-120 on average per visit. Mr. Ken believes their customers are mainly Singaporeans. However, there are many expats as well. He also says that they might appear to have middle to higher income.

According to Mr. Ken many customers mention that the location of FiSK is not the most convenient, hence far away, and therefore some customers have expressed a wish for home delivery services. In addition, several customers appreciate that chefs working at FiSK can give them guidance to preparation of the fish and suggest recipes.

External interview objects

Findings from interview with Mrs. Mei Ling,

*Expert and potential customer*

See appendix B for full interview

Mei Ling frequently dines out, in line with the majority of Singaporeans, due to the citizen’s high buying power, low prices on food services provided in the country and convenience. She also enjoys cooking at home, but it is usually the
maid who prepares the meal. Employing maids is common among upper income groups living in Singapore. Out of habit and relationship with the shop owners she most commonly buys her seafood at the wet markets.

Her family enjoys eating seafood and it is one of the major components of their household diet. The main reason behind including seafood in her family’s diet is the fact that it provides a healthy and nutritious meal. Fish is often perceived as the safest alternative on the market with regards to various diseases in other food groups such as mad-cow disease, swine flu and bird flu.

Her inspiration when cooking mainly comes from cookbooks and occasionally from radio channel 93.8. Another source of inspiration she mentioned was a recipe machine at Cold Storage. The machine displays various dishes and you may print out a copy of whichever one you find most appealing.

Quality and freshness is the most important factors when deciding what seafood to buy. Singaporeans generally hold the perception that Norwegian seafood is of good quality. Due to the fact that Singaporeans are unfamiliar with how to prepare Norwegian seafood Mei Ling suggested that preparation could be made easier. By providing portion packages with ingredients that match the seafood sold at FiSK, barriers for preparing the seafood may decrease while the areas of usage increase.

She mentioned Bukit Timah, near Holland Village, as a good location for the new FiSK store because several expatriates shop in this area. She also proposed that instead of setting up an independent store, FISK could also follow Culina’s example. Culina is a butcher who has taken over the butchery section in selected stores at several large retailers, such as FairPrice, and run this section independently with separate branding. A home delivery service is a good idea in her opinion and she would use it if prices were no higher than 10% of in-store prices.
Findings from Interview with Mr Gerrard Gonzales  

*Expert and potential customer*

See appendix C for full interview

Mr. Gonzales rarely eats in and provided little information with regards to preferences for seafood, which he consumes seldom. He dines out due to convenience and lack of time to cook food at home.

His suggestions when it comes to location of FiSK on the other hand are what will be considered valuable. The number one location he mentioned is Great World City. It is centrally located and draws a large number of visitors including expatriates. There is also a Spanish butchery located in the basement of Great World City, Espirito Santo, which FiSK can be complimented with in order to create a synergy effect and draw more visitors to the mall. Rather than having an independent store one advantage of being located at a mall is the existence of a customer base. Setting up an independent store requires time and effort in order to build awareness and draw customers. Another advantage is that FiSK will benefit from the marketing efforts Great World City invests in to promote the mall as a whole. Secondly he mentioned Tanglin Mall and thirdly Holland Village.

Considering whether he would use a home delivery service for seafood, Mr. Gonzales stated that he would prefer to see the products before he buys them.

Findings from interview with Wolfgang Lapper,  

*Restaurant owner*

See appendix D for full interview.

The writers wanted to interview someone who knows the food market in Singapore, both the retail and restaurant market. Our supervisor recommended Mr. Lapper from Austria, since he owns several restaurants in Singapore and has
been in the business for many years. We wanted to examine possible difficulties he has had on starting up a business in Singapore and how to target expats.

According to Mr. Lapper one of the biggest threats for SF’s FiSK store is the extreme competition within the food market in Singapore. Grocery stores and restaurants are everywhere. When he started up in Singapore 17 years ago the competition hardly existed. However, he believe that the seafood market is still not as established, but the food market in general is very competitive. He emphasizes that the most critical success factor is the location. A prime location is expensive, but in the long run it is worth it, otherwise people will not go there. In addition, he emphasised that expatriates as a target segment is too narrow and locals must be targeted as well in order to be profitable in Singapore.

A differentiation strategy in addition to location will be crucial for FiSK. Mr. Lapper also mentioned Cold Storage as one of the main competitors, but that their seafood is not known for a superior quality.

5.2.2 Findings from Potential Customer Interviews

The main purpose of these interviews was to get an understanding of where and how potential customers purchase seafood and find out why he or she is not an existing customer of FiSK.

Findings from interview with Mrs. Tiina Thurner

See appendix E for full interview.

Mrs. Thurner is from Finland and has lived in Singapore for two years. She eats seafood approximately two times per month, mostly in restaurants. Her favourite type of seafood is prawns, but she is under the impression that prawns are not very healthy due to high level of cholesterol. She values freshness and quality of the products and prefer to see them herself, hence she does not use home delivery and will most likely not use home delivery for seafood in the future. Her maid usually buys food for the household and also cook. Mrs. Thurner always tells her what to buy. Her husband is the influencer when it comes to trying out new
recipes, but because of the fact that they have two small children they make child
friendly food. Their children are not very fond of fish unless they catch it
themselves.

When she buys seafood she prefer to buy it at Cold Storage or NTUC FairPrice.
She also mentioned that she has bought smoked salmon at IKEA for Christmas.
Her family spend and average of SGD 100 per month on seafood, but most if this
is spent on restaurant visits.

Regarding location, she would prefer a store located in Greenwood, which is close
to her house. She was also asked about the location of Great World City and
stated that she would not go there only to buy seafood, but that she might go there
for other errands. She mentioned that they have activities for kids at Great World
City, which appeals to families with children.

Mrs. Thurner mentioned dark sour bread and liquorice as the products she misses
from her home country.

Findings from interview with Mrs. Helena Hammarberg

See appendix F for full interview.

Mrs. Hammarberg, from Sweden, has been living in Singapore for five years.

The major findings in this interview were that convenience, quality and freshness
is important when buying seafood. In addition, seafood from cold water is
preferred, especially Norwegian seafood. Helena explained that she uses home
delivery service for almost everything and would use it if FiSK offered it due to
convenience. Otherwise it is her family’s maid that is in charge of buying
everything. Her maid usually purchase frozen seafood from Carrefour and
FairPrice, but shrimps and fresh fish is most commonly bought at different
markets, especially from Tekka market in Little India. At the market the food is
fresh and cheaper than other places. IKEA is also a place where they sometimes
buy seafood.
Mrs. Hammarberg heard about SF and FiSK for the first time a year ago. The location is not convenient for her, and she states it is the main reason for not shopping there more than once. Also, taking a taxi all the way makes it expensive. Factors she sees as important for a possible new location is easy access. A location nearby a good transportation opportunity and a good parking lot would help. She mentioned Dempsey Road and Holland Village as good locations.

The maid is also in charge of the cooking. Sometimes she uses cookbooks that Mrs. Hammarberg buys, but otherwise she likes to try out new things on her own. Finally, a product Mrs. Hammarberg misses from Sweden is pearl sugar.

5.2.3 Findings from Existing Customer Interviews

See appendix G-M for full interview

*Singaporeans*

The interviews revealed that the Singaporean respondents who shop at FiSK became aware of the store because they passed by when shopping at Ben Food down the street. One customer said he became aware of FiSK through friends, so it is reasonable to assume that word of mouth has an effect. Four out of the five people we spoke with shop at FiSK once a week, mainly weekends, and one stated to stop by once a month. In general, the attitude among local existing customers we spoke to is positive towards FiSK's current location. Although they all agree that a more central location would be convenient and increase visits. A benefit would be the opportunity to combine seafood purchases with shopping for other groceries if a new store is located closer to other shops. When asked where they would recommend FiSK to open another outlet the following were suggested:

- Orchard area
- Bukit Thima
- City Hall

FiSK is their choice when buying seafood because they value the products freshness and quality. Prices are perceived as competitive and the idea that
Norwegian seafood is considered to be pollution free contributes to FiSK’s popularity. Fresh salmon used for sashimi stands out as the most popular item the Singaporean customers buy, followed by scallops. Some also state that they buy complimentary ingredients such as sauces to go with the salmon sashimi.

Four out of five is pleased with the range of products offered at FiSK today and only one person stated that he would appreciate a larger variety of seafood available in store. Suggestions for what could contribute to increase purchases and more frequent visits included tasting sessions, more central location and complimentary wine to go with the seafood.

Why FiSK stand out derives from the perception that the store is considered to be hygienic, have service minded staff, top quality products and convenience related to free, large parking space. A nice and friendly environment was also mentioned to be a favourable attribute.

The wife in the household most commonly prepares meals and inspiration is gathered from cookbooks and the Internet. One of the interview objects stated that he frequently ask for tips from the employees at FiSK.

Based on SF’s interest in opportunities for a home delivery service we were curious to figure out whether existing customers would be interested in such a service. Two stated that they never use home delivery for groceries and another two stated that they do use it sometimes. Four out of five said that FiSK products would be something they would buy trough a home delivery service. The fifth Singaporean would rather see the products before he buys them and was thus not interested in a home delivery service.

Among the Singaporeans we interviewed the average of what they estimated to spend on seafood every month per household were SGD 200.

_Norwegians_

Work colleagues and a flyer received in mailbox was how the two Norwegians had become aware of FiSK. One stop by the store every other week, whereas the other one shop there every now and then.
They buy FiSK products because they have the best quality seafood and are very happy with the product range present in the store today. That is also the reason why the FiSK store is appealing to them. Mostly they buy fresh fish like salmon, cod and sashimi but one of them also enjoys the Norwegian products present. What we observed the buyer of Norwegian products purchased were traditional items such as makrellitomat, surkål, brunsaus, sennep, ertestuing etc. None of them could think of any products they were missing or any other factors that would make them shop there more often, they were both happy with what FiSK offer today.

None of them use home delivery for groceries and would not be interested in such a service if offered by FiSK. The reason for this is that they like to see the fresh products they are buying.

They were also happy with the current location in Fishery Port Road. One of them stated that compared to Norway no distances in Singapore are too large. He would rather drive to FiSK at SF’s location instead of purchasing FiSK from a hot spot down town, which may affect the prices of the products.

With regards to how much money they estimate to spend on seafood they had no exact numbers, but one guessed around SGD 100 per month.

5.3 Consumer Decision-making Process

Figure 5

The buyer decision process consists of five steps; need recognition, information search, evaluation of alternatives, purchase decision and post purchase behaviour. It is important for marketers to focus on the whole process because the buying
process starts before the actual purchase and continues afterwards. According to the theory, consumers go through every step with every purchase. The exception is routine purchases, which has a lower degree of involvement. Purchases are classified by the degree of involvement and the degree of product differences. High involvement products are often expensive, bought infrequently and involves a high risk.\textsuperscript{93} The products are significantly different, and the consumer will go through a complex decision-making process.

The low involvement products are inexpensive, bought frequently and involves a low risk. The process will be less complex, and the consumers tend to skip several of the steps in the five-step decision-making process. Because of the low-involvement and the minor product differences consumers often adapt a routine buying behaviour for low involvement products.

Based on the research information we have gathered, both primary and secondary, the writers have summarized FiSK consumers’ decision-making process in an attempt to map out how consumers best can be reached.

Consumers make purchases based on how they personally go through the process of decision-making. Every step of the process is being affected by both internal and external stimulus, and the key to success is to influence the various steps in favour to the company. This is why it is important for SF to have a great understanding of a consumer’s decision-making process, so they are able to choose the right and most influential measures to use at the various steps. The process involved with FiSK’s products is not to be seen as a complex-process because the purchase will not reflect the consumer’s personality nor have a significant impact on the person’s life. Additionally, the level of risk and cost are considerably low.

Seafood belongs to a product category that is bought frequently and can be categorized as low-involvement products. The process involved with low involvement products is the decision-making process where consumers spend least time on information search and decision-making. As a result, consumers tend

\textsuperscript{93}Kotler, Swee, Siew and Chin, 1999. *Marketing Management; an Asian Perspective.* 2\textsuperscript{nd} Ed. Page. 206
to skip or reverse the steps. FiSK’s consumers will go thorough a three step
decision making process, 1: Need recognition, 2: Evaluation of alternatives and 3:
Purchase Decision

The following elaboration of the consumer decision-making process is made
specifically for purchase of FiSK’s products, and the consumers are identified as
both potential and existing customers within the Singaporean market.

5.3.1 Need Recognition

The first step starts when a consumer recognise a need or problem. This I caused
by an identified gap between desired state and actual state. A recognised need in
relation to FiSK will therefore be a consumer’s desire for seafood. Most of FiSK’s
products need preparation, and will therefore not be an alternative to consumption
of seafood at restaurants. For that reason, the authors will focus on the consumer’s
need for buying seafood to prepare at home.

1b: Information Search

After the problem or need is identified, the consumer will use the next step to
obtain information. Due to the fact that FiSK has low-involvement products, the
information search will mostly be absent in the consumer’s decision-making
process. However, a brief search may occur if the consumer is new to the product
category. Today’s health focus has made the Singaporeans more aware of the
importance of eating healthy food. Their choice for dinner and lunch has changed
accordingly, mainly because of the work generated by the Singaporean Health
Promotion Board. Many of the expats have also been influenced from the
Singaporean environment, in addition to the global focus on health. Hence, it
seems reasonable to believe that there will be new consumers introduced to the
seafood market. As a result we have included the information search step to show
how a new consumer will proceed to obtain the needed information.

The information search can be divided into two levels based on the consumer’s
level of motivation. Low-involvement products are equal to a low motivation
Therefore, it will be liable to predict a minor information search from FISK’s potential new costumers. The first level is also called the heightened attention, meaning that the consumer will be more receptive to billboards, promoting seafood, smells from different sources and find inspiration from previous restaurant visits. Moreover, our research discovered that FISK’s existing costumers used a higher search level when trying to find ways to prepare commodities available at FISK. They sought information more actively by searching the Internet, buying cookbooks and reading food articles. Our studies also shows that word-of-mouth was a very common information source.

5.3.2 Evaluation of Alternatives

In the second step, the consumer will evaluate the different alternatives that will give him/her the desired seafood. In Singapore there are several companies that offer seafood, these companies represent the total set of brands. Furthermore, because of limitations in the human mind, only a few (often between 3-5) of the brands will be in the consumers mind. These brands are referred to as the awareness brands. Based on the collected research, Cold Storage, NTUC FairPrice, Greenwood Fish Market and the traditional wet markets will most likely be a part of the consumer’s awareness brands. FISK might be a part of some consumer’s awareness brands, but this is an area that FISK needs to improve to gain a clearer position among the consumers.

Further on the consumer will develop a consideration set which include the brands that are possible choices for the consumer. The consumer will go though the different brands and ask if it will satisfy the identified need. With low-involvement brands the product differences are minor, and studies shows that often the basis for evaluation is price, size, packaging and taste. From our research we se that most of the consumers prefer quality over price, and that taste and freshness are substantial attributes. Existing costumers associate FISK’s appearance with good quality and freshness. Consumers weight the product attributes differently, and the decision set is based on the individual weighting. To

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clarify, if the consumer sees quality and taste as the two most important attributes, FiSK and Greenwood Fish Market can be a part of the decision set.

5.3.3 Purchase Decision

The third and last step is where the consumer decides on which brand to purchase. The brand with the highest score at the highest weighted attributes will be the preferred brand for the consumer. However, factors like attitudes of others, location and convenience might affect the purchasing decision in favour of a competing brand. This is especially noticeable with low-involvement brand where the product differences often are minor. Our studies show that the majority of our respondents think FiSK could benefit from a better location. It means that even if FiSK would have been the preferred brand, the consumer might have decided on one of its competitors because of a better location. Hence, the right location seems to be of great importance in the consumer decision-making process for FiSK’s target group. Convenience, e.g. parking availability and the opportunity to purchase other needed items at the same time, has also been mentioned as important factors.

After some time consumers buying low-involvement products tend to engage in routine purchases. Meaning they use the information gathered in the past to decrease the time spent on their decision-making process. SF should actively try to influence the various steps, both to maintain the already existing costumers’ buying habit, but also to break the habit of their competitors’ costumers. The authors’ recommendation on how SF will most successfully influence the three steps of the decision making process is included in the strategy part.

5.4 Evaluation of research

Regarding the existing costumer interviews, we conducted shorter interviews compared to in-depth interviews to ensure that we would get customers in the store to answer our question. We felt that it was more appropriate with shorter interviews. However, out of the seven customers we interviewed, six were male and only one female. The interviews were conducted on a Saturday from 10-12:30, based on some FiSK’s most busy hours.
To compare, the survey we received from NSEC were all female respondents. The survey was also a secondary survey, which often does not measure the actual problem area. For this project the secondary research helped the writers to get a broader perspective on consumers preferences towards seafood and their habits regarding purchases.

Most of the expert- and potential interview objects were not randomized, but as a result of contacts and availability due to lack of a broad network in Singapore. However, our interview objects, especially the expert interview objects, possess strong credibility and great expertise within the area for research.

There could also have been improvements on the questionnaire by NSEC leading to that the survey might not measure what it intends to. Some of the questions were leading and double-barrelled.
6. Strategy Development

- Introduction
- Internal Analysis
- External Analysis
- Research Methodology
- Findings
- Strategy Development
- Strategic Implementation
- Conclusion and Recommendation
6.0 Strategy Development

6.1 SWOT Analysis of Internal and External Environment

A SWOT presents the internal Strengths and Weaknesses of a company as well as external Opportunities and Threats existing in the environment. It is a strategic planning tool. It is important to be realistic and as specific as possible in order for the SWOT analysis to be meaningful.

Findings from the analyses conducted have been summarized in a SWOT in order to highlight important elements regarding opening a new FiSK store for the management at SF.

The strengths and weaknesses have been evaluated on a scale from 1 to 5, where 5 are a great strength, 1 is a great weakness and 3 is neutral. The importance of the characteristic has also been evaluated according to their significance for SF, where 5 is very important, 3 is neutral and 1 is not important.

Table 2

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<td>Service</td>
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<td>5</td>
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<td>Reputation among customers and partners</td>
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Further on, the opportunities and threats have been evaluated according to the degree of attractiveness and severity on a scale from 1 to 5, where 5 is a great opportunity, 3 is neutral and 1 is a great threat. The probability of success and affect of threats to SF are ranked from 1 to 5 where 5 is great probability, 3 is neutral and 1 is low probability.

### WEAKNESSES

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### OPPORTUNITIES

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<tbody>
<tr>
<td>Increased demand for sophisticated and convenient seafood retailers</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Increased focus on healthy food</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Demand for cold water seafood increases</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>NSEC’s efforts to promote Norwegian seafood can create more synergy effects for SF</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Social media marketing</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

### THREATS

<table>
<thead>
<tr>
<th>Threat</th>
<th>Degree of severity</th>
<th>Probability that threat will affect SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intense competition in the seafood market</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Price sensitivity towards seafood</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Power of buyers</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Substitute products</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>
6.2 Strategic Problem Definition

The strategic problem definition states how SF can take advantage of internal strengths, improve weaknesses to exploit their opportunities and avoid threats in the environment. The writers have developed the following strategic problem definition for SF based on the SWOT analysis.

*How can SF exploit on its strong position in Singapore's seafood industry in order to successfully expand their niche FiSK store concept in the mature food retail industry existing in Singapore?*

6.3 Goals for Snorre Food

Goals state what SF as a whole need to achieve in order to succeed over the time frame of the strategic plan.

6.3.1 Operative Goals

Operative goals are short-term goals with a time perspective of 1-2 years.97

- Direct marketing activities and advertisement towards the target market
- Develop profiles on social media services to establish brand awareness
- Training of employees in terms of knowledge, expertise on seafood and customer service

6.3.2 Strategic Goals

Strategic goals are long-term goals with a time perspective of 5-10 years.98

- Ensure that the establishment of the new FiSK store will increase brand awareness of SF a whole
- Break even with the new FiSK store within 5.5 years
- Build loyal costumers in order to ensure brand maintenance

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6.4 Critical Success Factors

SF’s critical success factors are based on the SWOT analysis and the findings from the research. If SF wants to reach their goals these factors must be present:

- Build brand awareness for FiSK
- Location of the FiSK store
- Understand local taste and preferences
- Increase consumer knowledge about cold water seafood
- Implement a differentiation strategy for the new FiSK store

6.5 Business Level Positioning Strategy

*Figure 6*

According to Ireland, Hoskisson and Hitt (2009), a business level strategy is “an integrated and coordinated set of commitments and actions the firm uses to gain a competitive advantage by exploiting the core competencies in specific product markets”.

A company’s business level strategy should be based on a match between the company’s strengths and weaknesses in addition to the external opportunities and

66
threats in the competitive environment. None of the strategies are, by themselves, superior to each other.

According to SF they aim towards positioning themselves with a differentiation strategy. After going through the different strategies a company can apply we came to a conclusion that if SF are to open a new FiSK store they should continue to aim for a differentiation strategy. However, it is very important for SF that FiSK’s products is perceived as different in ways that are important to their customers, if they are to pursue a differentiation strategy for the new FiSK store.

In order to achieve this it is essential that the new FiSK store upholds the same high quality for the seafood that SF provides their customers with today. They have to continue focusing on cold-water seafood of the best quality to stay different from their competitors and maintain a high customer value. Through a differentiation strategy FiSK has to offer their customers unique products. In most cases customers will value differentiated features more than low costs. Today, the situation for FiSK is that many customers perceive the seafood to be of top quality at a reasonable price. This will be important to apply in the new FiSK store as well. However, if SF decides to open a new FiSK store it is likely that they have to pursue a small price increase, due to higher costs related to rental prices in a more popular shopping area.

Further more, since customers tend to be loyal purchasers of products differentiated in ways they see as meaningful, FiSK’s customers are not likely to be too price sensitive. The reason for this is the uniqueness they perceive of the high quality FiSK’s products. Hence, a small increase in price will most likely not affect the perceived value among the customers. In addition, a central location will for many be more convenient.

One important aspect for SF is to work to create brand loyalty because this will decrease the possibility that FiSK’s customers switch to other products or suppliers of seafood when opening a new store. If SF is to pursue a differentiation strategy for the new store they should create additional differentiation visible for

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the customers. A good strategy could be to further develop their focus on the country of origin effect.

Today, markets and competition are being globalized and this has led the use of marketing based on country of origin to increase. This kind of marketing helps a company to differentiate its product. Consumers all over the world have different perceptions of different countries and these perceptions help them to evaluate a product’s quality. Consumer’s perceived degree of economic development in the country of origin influences the evaluation. Hence, products from industrialized countries are in general evaluated higher than products from underdeveloped countries.  

Singapore is the country in the world with the highest number of Norwegian companies, besides Norway itself, and therefore there are many Norwegian expats in Singapore. Due to this it is likely that Singaporeans might posses more knowledge about Norway and its products compared to other Asian countries.

Product evaluation is likely to vary from one product category to another. For instance one country can be given a high expertise within one product category, but not for another product category. Seafood is popular in Singapore as well as in the rest of Asia and consumers tend to be highly aware of quality and freshness, like pollution free seafood. As Norway is one of Europe’s largest seafood export countries it is likely to believe that Asian consumers has some knowledge about Norwegian seafood, like the Norwegian salmon, which is known for high quality.

Based on research that analyses the significance of country origin compared to other information signals, has discovered that country of origin can be very important and sometimes even more important than e.g. price for consumer’s product evaluations. It is however important that information is available. Especially for food, country of origin can work as key information for the product category. This is the case for Norwegian salmon.

There are additional efforts SF can make in order to differentiate the new FiSK store further. First, they should increase the emphasis on country of origin. They

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100 Nes, Erik B. Norgesprofilsomopprinnelsesland:Handelsøyskolen BI. Page. 1-2
101 Nes, Erik B. Norgesprofilsomopprinnelsesland:Handelsøyskolen BI. Page. 2
102 Nes, Erik B. Norgesprofilsomopprinnelsesland:Handelsøyskolen BI. Page. 3
can do this by using direct or indirect association between well-known national symbols in order to create a unique concept. Norwegian nature, mountains and fjords may be used in order to portray the image of clean, pollution free and untouched seafood for the consumers.

Secondly, the name of the store is in Norwegian and might not be effective in communicating the FiSK concept since most Asians may not have any knowledge or associations related to this. For example, by portraying the logo and brand name by itself Singaporeans may not understand that FiSK is a seafood store. One suggestion is to include a short subtitle after the logo and brand name with information about FiSK and Norway. E.g. FiSK “The Seafood Specialist from Norway”.

6.6 Target Market

FiSK’s target market can be divided into two main groups; expatriates and upper income Singaporeans.

Based on size and potential profitability, it is middle and upper income Singaporeans who will be FiSk’s primary market. The population in Singapore totalled 5,076.7 million in 2010. According to Singapore’s Department of Statistics 39% of households in Singapore earned above SGD 7000 in 2008 and thus belong to upper income brackets. This equals 1,980 million individuals. NSEC’s survey reported that 78% of Singaporeans eat seafood two times per week or more. Assuming that this statistic is evenly distributed across the population leaves us with 1,544 million individuals. One more detail to add regards preferences for country of origin related to seafood. Norway was reported as the preferred country of origin by 36% of the respondents, ending in an estimated target marked including 555,960 Singaporeans, outlined in orange.

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103Department of Statistic Singapore, 2010. *Key Annual Indicator*
104Department of Statistic Singapore, 2010. *Key Annual Indicator*
Singaporeans tend to prefer local seafood rather than coldwater seafood. Therefore, Norwegian seafood is only a niche market in Singapore. It appears to relate just as much to taste and preference as with lower prices.\textsuperscript{106} FiSK should therefore target Singaporeans who are likely to have developed a preference for coldwater seafood. Norwegiansalmonexporters, localimportersand the Norwegian Seafood Export Council have increased awareness and consumption of Norwegian salmon through marketing targeted at middle and upper income households. An opportunity for FiSK is therefore to expand their target market trough marketing efforts that increase awareness of cold water seafood. In addition, it seems reasonable to believe that middle to high income households are the most likely to have developed a taste for other categories of coldwater seafood that FiSK offer, e.g at fine restaurants and abroad. There are also an increasing number of affluent consumers that are willing to pay a premium for higher quality and convenience than traditional wetmarkets can offer.\textsuperscript{107}

\textsuperscript{106}Kystmagasinet. 2011. \textit{Norsksuksass med rom for vekst}. \\
\textsuperscript{107}Australian Government. 2010. \textit{Food and Beverage to Singapore}. 

Table 3
FiSK’s secondary market is considered to be expatriates living in Singapore, as SF regards expatriates as an important customer group. 1.3 million foreign professionals and workers along with their dependents are living in Singapore and they represent a reasonable customer base. No information regarding this target market’s preference for seafood is available. Nevertheless, there is reason to believe that individuals originating from countries with less geographical distance from Norway will possess greater knowledge of Norwegian seafood.

Norwegian specialty products may also have a great appeal to Scandinavian expatriates, but this relatively small group is not large enough to be targeted alone. As outlined in social factors (PESTEL); based on numbers from August 2010 given by the Norwegian Embassy, the registered amount of Norwegians living in Singapore was 1665. Among these 1535 are Norwegian expatriates, while the remaining 130 are Norwegian students in Singapore.

6.7 Influencing the Consumer Decision-Making Process

One of the greatest marketing challenges for a firm is to understand how to affect consumers in their decision-making process. The factors affecting the consumers are complex and rooted in psychology and sociology.

6.7.1 Influencing the First Step: Need Recognition

A consumer’s needs may be triggered by both external and internal stimuli. Related to FiSK, one identified internal stimuli will be hunger, and the need for food will arise when the stimuli reach a threshold level and become a drive. According to Maslow’s Hierarchy of Needs, hunger is among the physiological needs that require to be fulfilled first. This means that the internal stimuli will often appear naturally and FiSK will benefit from it without too much interference. The consumer’s need can also be recognised by an external stimuli for example through an add exposure that will trigger the consumer’ hunger.

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108 Singapore Setup. 2010. Expats Find it Easy to Settle in Singapore, HSBC Survey
Because internal stimuli are highly independent, we will recommend SF to focus on the external stimuli. In advertising we will therefore suggest that emphasis is put on including pictures to trigger hunger. Text should be kept to a minimum because there is no need for a lot of information when advertising low-involvement products. However, it is important that the FiSK logo is highly visible.

Influencing the Information Search Step:

For the consumers who will go thorough the information search it will be important that the information is easy accessible. The low-involvement product category is linked to a low motivation level and the consumers will most likely not put in any extra effort to gather the necessary information. SF needs to ensure that the consumers can easily locate the information related to their product and store. Today, SF is highly dependent on word-of-mouth. Word-of-mouth is a very powerful form of marketing, but it also leaves the company with a low level of control. SF cannot fully control what the consumers are informing others of, the informant may carry the wrong message or a negative message. Therefore it is important that SF provide additional information that is easy to find, so the consumers can obtain authentic information.

SF’s newly developed web site is an important step in the right direction. However, the web page is dependent on a greater consumer awareness to be identified as a visible information source. In today’s world, the Internet is one of the most used sources for information, and in Singapore www.google.sg is the dominant player among search engines. As a result, the ability to attain high rankings in search engines has become a critical marketing objective for many companies. Some firms are paying Google a monthly fee to be positioned in the light-yellow area on top of the result page, also called SponsoredLinks.112 One such example is to type in “food Singapore”. You will see three companies appear in the light-yellow position on top of the result page: openrice.com, food.insing.com and homecookedfood.blogspot.com.

112 Google Guide. Ads
If a consumer were looking for information on where to buy seafood in Singapore and types in e.g. “buy seafood in Singapore” the preferred result for SF would have at least been to appear on the first result page. Unfortunately, as the result page appears today (April 11th, 2011) SF is not even on the first five pages, but noticeable none of SF’s main competitors are either. SponsoredLinks may be an option for SF, but the writers believe an increase in the result page ranking can be enough to reach the needed awareness.

Google’s page ranking is determined by an objective evaluation done by Google’s PageRank-technology. The evaluation is among other things based on the page’s content and the importance for the consumer’s search. To be successful the company need to align the content to relevant keywords.113 For further guidelines on how Google can find, index and rank SF’s page see see their Webmaster Guidelines:
http://www.google.com/support/webmasters/bin/answer.py?hl=en&answer=35291

In addition, SF should create a company profile at Wikipedia that contain company information and a direct link to the company web page. Wikipedia pages tend to rank high at the Google result page, and will be an important contribution to the mostly needed consumer awareness.

6.7.2 Influencing the Second Step: Evaluation of Alternatives

Before SF can influence the consumer’s evaluation of the alternative, they need to make sure they are represented in the consumers mind. Being a part of the consumer’s evoked set, place SF among the brands that are up for evaluation. To gain this position SF need to fulfil several criteria, including the two first steps in the AIDA model; awareness and interest.114 To accomplish the steps SF will need to link positive attributes to the brand, and position FiSK correctly in relation to the consumer’s awareness. We know from the conducted research that quality and freshness are positive and important attributes with the consumers. The goal is to find an available hole in the consumer’s consciousness and establish FiSK as a natural choice for this position.

113Google. Webmaster Central.
114Kunnskapscenter. Evaluering av alternativer
Lastly, we suggest that SF construct their brand image through a deliberate use of the marketing mix. SF has specifically requested information on how social media can benefit their company, and the writers have therefore put the emphasis on this aspect under *promotion* in the marketing-mix. The writers believe social media will be a necessity for SF’s further success if they are to keep up with their competitors and the society’s technological development. SF will also be able to better monitor the word-of-mouth through usage of social media.

### 6.7.3 Influencing the Third Step: Purchase Decision

When the consumer reaches the purchase decision he or she has already recognized a need, gathered information and evaluated the alternative. The result is a *decision set* of brands. Identified factors that influence the finale purchase is time, convenience, cost/price, the opinion of family and friends and the service received at the store. SF needs to facilities the identified factors for their target. Here, we can see that e.g. use of social media can be beneficial for SF when trying to secure a positive word-of-mouth. After all, the consumer’s personal sources, family and friends, has the most effective exposure on the consumers own opinion. Further, FiSK’s personnel should deliver top service, and make the consumer confirmable with a potential purchase. Lastly, offering samples from different products can affect the consumers to finalise his or heir’s purchase at FiSK. This is especially popular with Asian consumers.
7. Strategic Implementation

- Introduction
- Internal Analysis
- External Analysis
- Research Methodology
- Findings
- Strategy Development
- Strategic Implementation
- Conclusion and Recommendation
7.0 Strategic Implementation

7.1 Marketing Mix

The concept of the marketing mix is among the most used marketing terms and it is a tool to assist in implementing a marketing strategy in order to satisfy company and customer objectives. It contains four basic variables, which are Product, Price, Place and Promotion. A combination of these variables is more effective than just depending on one and it allows marketing managers to use this tool to attempt to generate the optimal response in the target market.115

This section presents a marketing mix that will be useful for SF to implement in their differentiation strategy. It includes suggestions for a location, promotion possibilities and product suggestions for the new FiSK store. SF has a clear perception of their pricing strategy for the new FiSK store, accordingly the writers have chosen not to focus on price. Mr. Borge stats that SF’s price mark up has to be increased by 10-20% in order to cover expenses related to the new store location.

7.1.1 Place

Determining the FiSK store location is a key to attract customers. With the consumer shopping habits focusing to a greater extent on convenience and being able to buy everything they need in one location, FiSK will benefit from a location fulfilling these demands. With the added element of sophistication in shopping habits, originating from fierce competition among food retailers and growing disposable incomes among consumers, FiSK should chose a location that reflects this trend. In addition, FiSK has a high status image and should locate the store in an area that matches this image.

As the interview with Mr. Gonzales revealed, determining on a location where other shops can compliment FiSK’s offer may greatly influence the attractiveness of the shop to consumers. Shopping malls have increased drastically in Singapore over the last decade and have contributed to add on to the lifestyle element of

115 About Marketing. Laura Lake. Developing your Marketing Mix

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shopping in Singapore. Where and what you shop can be used as a way to display success and status.

Another advantage pointed out by Mr. Gonzales is the security of an existing customer base that comes with being located at a shopping centre. An independent store has to spend more effort to attract customers while a shopping centre location provides promotion done by the centre as a whole. Activities promoted by the mall will contribute positively for all shops and be a factor that can generate a shopping hub, which in turn will attract more customers.

An interesting fact regarding choice of locations concerns pricing of rental space. With the increasing number of suburban malls and their growing popularity among consumers, the price to rent shop space is evening out. The rental price for a prime location in Orchard Road is now only 3.6% higher than a prime suburban location rent. Compared to prices at the start of 2009 when the difference was as high as 24%, it is easy to see that there has been a huge change. Monthly rents at prime Orchard Road locations averaged SGD 30.20 per square feet (psf) in Q4 2010, which is down 6.6% from 32.4 psf in Q4 2009. Prime suburban location prices increased buy 2.8% resulting in an average rent of SGD 29.10 psf/month in Q4 2010 and display how the differences is evening out.

This development should contribute to ease companies concerns regarding choice of location based on rental prices. With the premium concept FiSK will offer it is better for SF to open a store in a popular area where upper income consumers and expatriates shop, rather than settling for a less attractive location based on rent.

The writers have examined several locations through observations, as well as asking our interview objects for their opinion. There exists consistency in our research towards a central location in one of the popular shopping areas/malls in Singapore.

Based on our research the writers will recommend the following two locations FiSK should evaluate when opening a store down town Singapore: Great World

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City and Tanglin Mall. Both locations will be explained in turn with the benefits they possess.

Great World City holds several benefits that can contribute to FISK being successful.

“Great World City at the fringe of Orchard Road and bounded by Kim Seng, River Valley and Zion Roads and Kim Seng Promenade is a mixed-use development. The whole development comprises of retail, office and serviced apartments. For shoppers’ convenience, there are more than 1,000 car park lots to meet shoppers’ parking needs as well as shuttle bus services to and from Orchard, City Hall & Chinatown MRT.

The shopping mall, which is over 400,000 sq.ft of shopping space, boasting an exciting shop mix with anchor stores like 6-screen Golden Village cineplex, Cold Storage supermarket, Food Junction foodcourt, ZARA & Best Denki electrical store. Indulge in over 20 F&B outlets, including Kuriya Dining, Ichiban Boshi, Imperial Treasures (Cantonese Cuisine), Crystal Jade La Mian Xiao Long Bao, CZ’ZAR, Bangkok Jam, Sapparo Ramen Bishamon, Bentendo Pasta & Cafe, Starbucks Coffee & more. Or simply revel in the variety of products and services from fashionwear, furniture & furnishing, gifts & electronics to banking, beauty & hair services, laundry & more.

Great World City is a one-stop family mall catering to the mass market as well as a neighbourhood mall to the catchment districts 9, 10, 11, 20 and 21 which has approximately 1 million population within 4km radius with a monthly household income above $10,000.
Services we provide: Our Free Shuttle Services for your convenience. We also have a baby care room. Smoothing environment with comfortable furnishing and lightning.”

- Great World City, 2011. About Us.¹¹⁹

Tanglin Mall is the other location, which holds the following elements Snorre Food can benefit from when choosing a location for FiSK.

“Tanglin Mall is strategically located at the junction of Tanglin Road & Grange Road. Set in an eclectic background of colonial and tropical architecture, to reflect an ambience of warmth and comfort, Tanglin Mall is a niche for the expatriates, yuppies & professionals.

A 4-storey, a one-stop lifestyle mall with over 71 shops, restaurant & services, Tanglin Mall caters to affluent catchment of approx 1 million residents in the nearby districts. Anchor tenants include Tanglin Market Place (a gourmet supermarket cum bakery) and Tasty Food Court (a foodcourt offering no less than 15 varieties of local cuisine).

Complementary exciting offerings like Patara Fine Thai Cuisine, Chili’s Grill & Bar Restaurant, CaffeBeviamo, Starbucks Coffee, oomphatico’s, Yantra Restaurant and TETSU Tempura & Tonkatsu Restaurant . . . Or simply indulge in the numerous specialty & services that caters to your every whim & fancy. From fashion to home fashion, sports and leisure to hobbies, hairdressing to dental services, maternity to baby care, toys to edutainment, professional photo studio to laundry service & more. Plus there are over 500 car park lots for your shopping convenience.”

- Tanglin Mall, 2011. About Us.¹²⁰

¹¹⁹ Great World City. AboutUs
¹²⁰ TanglinMall. AboutUs
In summary the three main objectives we have discussed regarding location are:

- Contribute to convenience
- Enhance the image of FiSK
- Provide a customer base

Both Great World City and Tanglin Mall fulfil these requirements.

7.1.2 Promotion

7.1.2.1 Social Media Marketing

When it comes to marketing FiSK effectively the increasing popularity of social media poses a great opportunity. In today’s competitive environment companies need to think outside the box when it comes to marketing in order to differentiate themselves. The rise of social media is rapidly becoming an important promotion tool in order to create awareness for various products.121

Social media are a relatively new kind of online media where the users are able to contribute and share their opinions and feedback for everyone who is interested. In other words, social media erases the line between media and audience.122

When choosing which platforms to engage in Alexa.com presents statistics on what sites are most popular, ranged by country. Also when deciding to enter into the world of social media, companies must be aware that keeping up-to-date information and giving feedback is essential. The writers therefore propose that marketing will begin on three major platforms; Facebook, Twitter and Foursquare. On request from SF, all will be examined in the following section along with descriptions to maximize the marketing outcome and consumer response of each platform.

121 Channel News Asia, 2010. Asians muscling into social media world
122 Asia Correspondent. 2011. Singapore recognized as worlds most evolved social media market (Retrieved 06.03.11) http://asiancorrespondent.com/48192/singapore-recognised-as-worlds-most-evolved-social-media-market/
7.1.2.1.1 Facebook

Facebook is a social networking service with over 600 million active users worldwide as of January 2011.\textsuperscript{123} Users can add friends and view the profile of their friends. Users can upload photos, post short statuses on what is on their minds, send \textit{wall posts} on friends profile, send private messages, share links and videos etc. Facebook is developing rapidly and has become a platform for more than just friends communicating and engaging with each other online. Over the last years several companies all over the world have realized that Facebook can be used as a great source to market their business. A large amount of people is involved with Facebook every day and the fact that it is free of charge contributes to attract companies. Facebook also ranks high on Googles results page. Even though it is free, it is important to notice that starting and maintaining an account can be quite time consuming.

Nearly three out of five Singaporeans have a Facebook account today\textsuperscript{124}, which equals 2,820,642 individuals and enhances what potential lies in reaching out on this social media platform. Facebook is the second most popular site in Singapore\textsuperscript{125}, and is useful for getting information out to customers. The pie chart below shows what ages groups use Facebook the most. The age group from 25-34 years are the largest, representing 33\% of the users. Second, the age group from 18-24 stands for 31\%. In total young adults constitute of 64\% of all Singaporean Facebook users. Adults within the age group from 35-44 are the third largest group with 16\% of the users.

\textsuperscript{123}MaxReaultat. 2011. \textit{Facebook vokser}. (21.04.11)
http://www.maxresultat.no/facebook-vokser-med-80-mill-nye-brukere/
\textsuperscript{124}Socialbakers. \textit{FacebookStatistics Singapore}.
\textsuperscript{125}Alexa. \textit{Top Site Countries}
Fan pages of all kinds can be found on Facebook; artists, schools and companies. Facebook has an action called “like”, that allow users to express positive feedback or connect with fan pages of interest. When a connection between a user and a fan page is made, the news will be displayed on the user’s profile and wall. Moreover, the user’s friends will receive a newsfeedstory about the connection. This way the fan page has a potential of creating a domino effect of “likes”. The fan page owner can also post content into the user’s news feed and send messages.  

Additionally, Facebook provides the fan page owners with a free service called Facebook Insights. The service issue the company with metrics around the fan page’s content, providing the company with a greater understanding of trends within user growth and demographics, consumption of content and creation of content. The first metrics are made available within 24 hours after the first day of operation is completed. Later the metrics are aggregated on a daily basis, and can be used actively to improve the fan page.

The writers recommend SF to create a fan page for FiSK

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126Facebook. HelpCenter. Like
127Facebook. Help Center. Insights
Some of the marketing activities that SF can consider doing over Facebook are:

- Sharing company information
- Displaying pictures of the store and the offered selection of seafood
- Invite to events
- Promotions/sale e.g. “15% off fresh salmon from 31.05-05.06 in our FiSK store at …”.
- Sharing news articles or other publicity of FiSK
- Recipes
- Answer customer questions

See appendix N for guidelines on how to set up a Facebook fan page.

7.1.2.1.2 Twitter

Twitter is an information network of 175 million registered users and can connect businesses to customers in real-time. All users may read, write and share short messages (up to 140 characters). These messages, named Tweets, are public. Therefore, businesses can share information and connect with people that show interest for their messages (Tweets). Through statistics the service provides a company can retrieve information about how many followers they have, number of views on their page and messages they send, impressions and replies to your messages (Retweets). Registered users can tweet on the Twitter website, via compatible external applications for Smart phones e.g. and some countries provide the service to tweet by SMS. Twitter is free of charge, except from the SMS service.\(^{129}\)

Twitter was launched in October 2006 and after only two years Twitter had somewhere between four and five million users. As of April 2011, they have 175 million registered users worldwide and the number is increasing rapidly with an incredible 375,000 new sign-ups on a daily average.\(^{130}\) Singapore is ranked 4\(^{th}\) in

\(^{128}\)Twitter. *What is Twitter?*
\(^{129}\)TG Daily. 2010. *Twitter on pace to reach...200 million users by 2011*
\(^{130}\)Twitter. *What is Twitter?*
Asia by number of Twitter users with an estimated total of 2,112,000.\textsuperscript{131} This number is considered high due to Singapore’s small population compared to other Asian countries. A study by the social media software firm Sysomos shows that Singapore has the second highest usage rate of Twitter per capita after the US.\textsuperscript{132} This supports the fact that Twitter is an extremely popular social media service in Singapore and can be a great promotion tool for a company.

To reply on feedback is one of the most important things a company should pay attention to. If someone asks a question, it is important to answer within a reasonable time frame and answer with honesty. Sometimes Twitter users talk about a company and not to the company and it is therefore useful to monitor and keep track of what they are saying. SF can use the Twitter search engine to search for the company name, product name etc to display what tweeps are tweeting.\textsuperscript{133} Here is an example to illustrate; if an industry issue occur, such as people being concerned about increasing radiation level in seafood after the tsunami in Japan, SF can use this to their advantage by posting tweets concerning the safety of their products from Norway.

Some of the marketing activities that SF can consider doing over Twitter are:

- Interactive feedback
- Different kinds of contests. One example can be that SF tweet that they have a contest going with a link to the SF web site. Consumers can participate in some kind of competition, with relatively simple questions such as “What do you know about Norwegian salmon/seafood?” A winner(s) can be drawn and win a gift card at the new FiSK store. SF can also tweet about the winner(s) of the contest.
- Information on products to inform the consumers on what kinds of products is available at FiSK.
- Promotions/sale
- Inform consumers on new product or service launches.

See appendix O for guidelines on how to set up a Twitter business account.

\textsuperscript{131} Grey Review. \textit{Twitter in Asia: Total Users by Country}
\textsuperscript{132} Trends in the Living Networks. 2010. \textit{Twitter users in Population}
\textsuperscript{133} Twitip. \textit{Building an Effective Business Profile on Twitter}
7.1.2.1.3 Foursquare

Foursquare is a location-based social media platform based on software for smartphones with GPS. Users can share their location by selecting venues in close proximity to where the user is located. For each so called check-in, the user receives points and badges. The application was launched in March 2009 and as of April 2011 8 million people are registered and increase with 35,000 new sign-ups on a daily average. The application can be downloaded for free. ¹³⁴

Foursquare is integrated with Facebook and Twitter, which make the level of communication even greater because of the size and impact Facebook and Twitter have on social networking. Users are able to add friends from Gmail, Facebook and Twitter. ¹³⁵ The importance of this application to SF is that users can share their opinions about restaurants, stores etc if it is registered at Foursquare. Word of mouth can be generated about FiSK and at the same time SF can monitor what is being said about their competitors (if registered). Users also recommend what is worth buying and what is not, which leads to the importance of monitoring the application in order to see what feedback FiSK is receiving.

Users can search for what is popular in a certain area and places with most feedback will appear first. If FiSK is to be listed on Foursquare it should be located in a popular area where many people visit or pass by, in order to benefit from this social media platform.

Companies listed on Foursquare gain access to different statistics such as daily check-ins over time, most recent and frequent visitors and portion of check-ins broadcasted on Facebook and Twitter etc.

How SF can use Foursquare to attract new customers to the FiSK store: ¹³⁶

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¹³⁴Foursquare. 2011. What is foursquare
¹³⁵Slideshare. Foursquare For Businesses
¹³⁶FourSquare. FourSquare Merchant Platform
In order to attract more customers to the FiSK store there are several different *specials* companies can offer through the Foursquare application. For instance SF can use *friends special* by rewarding a group of friends for visiting FiSK. A suggestion can be to offer a free product if a friend bring a group of people.

Another special that is relevant is the *newbie special*. By using this SF can reward people for coming to the store for the first time by for example offer them a discount off any item or one free item e.g. one portion of salmon sashimi.

The *check-in special* can be used to reward customers every time they come to the store or for promoting specific offers on a specific item such as "*Foursquare users can take 10% off fresh salmon every Tuesday*".

How to use Foursquare to encourage loyalty among existing customers

SF can use *loyalty specials* in different ways to encourage the customers to stay loyal and come back. The *loyalty special* can be used like a loyalty card by giving the customer an offer or a product every X times they visit. It can also be used as a one-time reward for coming X times in total. The last option is to reward the loyalty of customer within a given period of time, such as get a free product for 4 visits within the next 20 days.

Users discover *specials* when they are located within the area of the store. The user can choose an area from 0-10 km, which means that the user does not have to be located at the store to receive *special* updates. *Specials* will appear in the application and the users will be able to see that they can stop by to get a *special*. However, specials are not available to all users. A user can receive specials after acquiring a certain status, e.g. *mayor* (a level achieved in Foursquare) or by visiting a place X times. Companies will be in charge of selecting what variables and requirements will give access to *specials*.

There are several other ways SF can use Foursquare beside from *specials*. The use of Foursquare can also be promoted by other marketing activities such as in advertisement, through Twitter and/or Facebook and in SF's web site.
See appendix P for guidelines on how to set up a Foursquare platform.

7.1.2.1.4 Mistakes to Avoid When Using Social Media

- Try to avoid having unrealistic expectations. Many companies believe that social media might lead to an increase in sales, more web site traffic and more buzz in general. Companies become disappointed when they find out that this is not necessarily the case and lose their enthusiasm and stops putting more effort into their social media marketing or abandon it.

- Fail to realize that there is a lot of work involved. Social media does not happen by itself, but require work on a frequent basis. It requires someone to invest working hours on creating content, build a community and establish a lively presence.

- Avoid approaching multiple social media services at the same time. The result is often that one or more are being neglected or not prioritized. This can in turn lead to mediocre results and it seems reasonable to believe that neglected or not prioritized engagement in social media might be worse than not to enter at all. Instead it is more useful to focus on one social media service to begin with and slowly evolve if resources are available.

- Avoid creating social media as a standalone activity. Many companies think that social media marketing can do wonderful things by itself, but tend to forget that social media needs support within the organization to maximize the effect. Including social media services on the web site and mentioning social media activities in sales and other marketing activities, can help to get the most out the social media services. Ideally, social media supports the company’s other activities and the other activities supports social media.

7.1.2.2 Radio Channels

Symosos Blog. 2011. *Five Social Media Marketing Mistakes*
Mrs. Ling recommended a specific radio channel that can be an effective communication tool, especially when promoting a new store. Reviews on a popular radio channel can contribute to create brand awareness for FiSK, assumed that the review is good. Mrs. Mei Ling mentioned the radio channel 93.8 Live during the interview, which is where she sometimes gets tips for new recipes or recommendations on where to eat/buy food.

Channel 93.8 currently has a program called Food, Fun & Feel Good, which is airing from 12.15 to 15.00. The program contains a variety of topics within food and beverage such as food bloggers coming in and sharing their tips and regular shows with different topics such as everything from how to brew coffee to dining recommendations.\(^\text{138}\) Receiving a positive third party review from a credible source may have a strong influence on customers.

### 7.1.2.3 Merchandise

In order to reinforce the FiSK brand and strengthen SF’s position in the customers’ mind, SF can give out merchandise to the customers. This can also lead to goodwill among the customers in terms of that they will get something beyond their expectations. This can be items such as key chains with the FiSK logo, stickers and buttons for children, notepads, sweets etc.

### 7.1.3 Product

Establishing the right product mix can contribute to differentiate FiSK from its competitors. Four broad product categories are available at SF’s current FiSK store; fresh fish and other seafood, frozen fish and other seafood, special ingredients and Scandinavian products.

Singaporeans tend to prefer fresh seafood and are, in general, suspicious towards frozen seafood and other frozen meat and poultry because of an inadequate cold chain system in the past.\(^\text{139}\) It is therefore reasonable to believe that FiSK can benefit from having a main focus on fresh seafood.

\(^\text{138}\) 938 Live. *Food Fun Feel Good*
\(^\text{139}\) Australian Government. *Food and Beverage to Singapore*
Through our research we received feedback from customers regarding a fifth product category we would propose as a point of difference to FiSK, which are products that are ready to be prepared for dinners. Cooking of coldwater fish differs from what Singaporeans are familiar with and tend to be less suitable with Asian recipes. Therefore such a product category seems to contribute positively to the product mix.

In order to reach more customers during lunch hour, easy meals can be offered at the new store. This can include sandwiches such as smoked salmon and scrambled eggs, shrimps, mayonnaise, lemon and dill etc. Another suggestion for easy meals could be wraps with shrimp or salmon. This will most likely target Western consumers more than Asian consumers, as sandwiches and wraps tend to be more common in Western parts of the world. However, the West is rapidly influencing Singapore’s classic Asian food culture.

In order to offer seafood more adapted to Asian consumers, the new FiSK store could sell dried fish or other types of seafood, from cold water areas, as this is a popular snack in Asia.

For the new FiSK store SF could also create and provide simple recipes in store for both Scandinavian and Asian taste. In addition, the ingredients needed should be easily accessible in Singapore. SF works closely with well-known Norwegian chefs who create recipes with a touch of Asian cousin. The writers recommend that the recipes should be kept simple and require average effort and time to prepare. The recipes should be available in store, because our research discovered that consumers appreciate recipes in store. Few Asians will have knowledge of who the famous Norwegian chefs are. Creating cooperation between Norwegian chefs and well-known Asian chefs could therefore be a good idea. By working together they could create recipes with a mixed touch of Norwegian and Asian seafood dishes and have these available in the new FiSK store.

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\(^{140}\) Australian Government. *Food and Beverage to Singapore*

\(^{141}\) Australian Government. *Food and Beverage to Singapore*
At the beginning of the work involving our bachelor thesis SF mentioned that they have thought of the idea of home delivery. Even though this is out of our limit of scope, we decided to include it in the questionnaire for our interviews, for the purpose of getting an indication of what consumers feels about it. In the findings we discovered that consumers beliefs are quite broad concerning home delivery for seafood, especially fresh seafood. Some was very positive due to convenience, as home delivery would be less time consuming. On the other hand many put high emphasis on wanting to both see and then choose (for themselves) fresh products before purchasing. This information is based on finding in the appendixes.

7.2 Financial Projections

Financial projections have been calculated in order to provide SF with an indication of the financial outlook for FiSK. The calculations present what will be required in terms of revenue to reach breakeven within the five-year timeframe, determined by the writers.

Cash flow (CF) analysis will be used to calculate the amount of cash generated and used by FiSK over a period of ten years. Based on the CF analyses a calculation of the payback period for FiSK will be given, which provides an estimate for how long it will take to pay back the start up costs SF will incur on FiSK.\textsuperscript{142}

In addition a calculation of project FiSK’s internal rate of return (IRR) will be provided. This will give an indication of the rate of growth FiSK can be expected to generate. FiSK’s IRR can be compared to the IRR of other available investments SF can make, in order to determine what will bring most profit to the company. Estimated IRR will often differ from the real IRR a project will generate, but generally the project with the highest IRR can be expected to generate the strongest growth.\textsuperscript{143}

Projections are made according to interviews and information gathered from valid sources in order to estimate revenues. Calculated revenues may not correspond to

\textsuperscript{142}Investopedia, 2011. PaybackPeriod
\textsuperscript{143}Investopedia, 2011. Internal Rate of Return - IRR
reality but will give an indication of how much income FiSK will have to generate in order to reach breakeven within a certain period. It also provides an estimate of the average number of customers who must visit the store everyday and how much each of them has to spend on average.

Nevertheless, with the limited information available the pay back period will be the most accurate calculation we can perform regarding the financial viability of FiSK.

CF was calculated for ten years in order to get an overview of the financial situation within the five-year period stated as a goal to reach breakeven and to have a considerable amount of time for the project to generate revenue. Our projections estimate that FiSK will reach breakeven after 5,5 years and hold an IRR of 17%. In order to reach breakeven after 5,5 years FiSK will have to hold the following daily average number of customers the first six years, who in average spend SGD 60 when they visit the store:

Daily average number of customers:

<table>
<thead>
<tr>
<th>Year</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average daily number of customers</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>55</td>
</tr>
<tr>
<td>Yearly increase</td>
<td>16,7%</td>
<td>14,3 %</td>
<td>12,5 %</td>
<td>11,1 %</td>
<td>10 %</td>
<td></td>
</tr>
</tbody>
</table>

In order to reach an IRR of 17% the following number of customers to visit FiSK on average the next four years will be:

<table>
<thead>
<tr>
<th>Year</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average daily number of customers</td>
<td>56</td>
<td>57</td>
<td>58</td>
<td>59</td>
</tr>
<tr>
<td>Yearly increase</td>
<td>1,8</td>
<td>1,8</td>
<td>1,8</td>
<td>1,7</td>
</tr>
</tbody>
</table>

There is expected that the yearly percentage increase of customers will decrease as the FiSK store becomes more established in the market.
See appendix Q for a detailed description of how the numbers in our financial projections were calculated.

### 7.2.1 Limitations of Financial Projections

Two drawbacks exist when using payback:\(^{144}\)

1. It does not take benefits that occur after the payback period into account, as a result it is not a measure of profitability.
2. It ignores *time value of money* (TVM). TVM is based on the idea that X money received today is worth more than an equal amount X of money received in the future. This is due to the fact that money deposited into a savings account will earn interest.

Drawbacks when using IRR:

*Modified internal rate of return* (MIRR) is often used as opposed to IRR in capital budgeting, because MIRR gives a more realistic evaluation of a project. IRR assumes that positive CF of a project is reinvested at the IRR. MIRR on the other hand presume that positive CF is reinvested at the company’s *weighted average cost of capital* (WACC) and therefore gives a more accurate reflection of a project’s cost and profitability.\(^{145}\)

WACC is a calculation of a company’s cost of capital where each category contribution is proportionately weighted. In other words a company’s assets are financed by either dept or equity and WACC represents the average of these financing sources weighted by its respective use in the given situation. This gives a picture of how much interest the company has to pay for every dollar it finances. It can be used to determine the economic feasibility of opportunities to expand and is the appropriate discount rate to use for cash flows with risk that is similar to that of the overall company.\(^{146}\) Due to lack of information to calculate WACC

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\(^{144}\) Investopedia, 2011. *Payback Period*

\(^{145}\) Investopedia, 2011. *Modified Internal Rate of Return - MIRR.*

\(^{146}\) Investopedia, 2011. *Weighted Average Cost of Capital.*
for SF, it has not been possible to project financial numbers where knowledge of WACC is required.

This will also apply to the lack of a calculated net present value (NPV) for the FiSK project. WACC is required to make projections on this matter.
8. Conclusion and Recommendation

- Introduction
- Internal Analysis
- External Analysis
- Research Methodology
- Findings
- Strategy Development
- Strategic Implementation
- Conclusion and Recommendation
8.0 Conclusion and Recommendation

In order for SF to succeed with the opening of a new FiSK store, the writers believe that it is necessary to achieve the critical success factors in addition to incorporate the recommendations given in the marketing mix. The food retail industry in Singapore is mature and SF must be prepared to face though competition. Nevertheless, the writers believe that SF holds the strengths to make FiSK do well.

It is crucial that SF will position the new FiSK store with a unique and creative concept in order to differentiate from competing companies. By enhancing Norway as country of origin FiSK can gain a strong position because no other seafood specialist store in Singapore holds that advantage. Communicating the health benefits related to include seafood in everyday diet could also contribute to increase purchase intentions among the target market.

In addition, the writers believe that SF will benefit from engaging in Social Media Services. We recommend that SF create a company profile on Wikipedia. We recommend that SF start by establishing a fan page on Facebook and create a profile on Foursquare. When these two are established SF should create a Twitter profile. It is important that the different platforms are maintained and up to date. By ensuring that the Social Media Marketing are being incorporated with SF’s other marketing activities can lead to an increased brand awareness among the target market.

With regards to location, FiSK will benefit from a central spot, which provide convenience to their target market. Corresponding to consumer shopping habits the store should be situated in a shopping mall. A shopping mall also holds the benefit of providing FiSK with an existing customer base. We recommend that SF chose to locate the new FiSK store either at Great World City or Tanglin Mall.
The writers also suggest that SF ensure that their employees of FiSK are well trained and are able to provide both the best possible customer service and educate the consumers on the benefits from cold water seafood. This can increase brand loyalty towards FiSK.

Lastly, we believe that an increased product line including light meals and products that are easy to prepare can contribute positively regarding adapting to customers needs for convenience.

Even if FiSK will not be able to generate positive income in its first years the writers believe that if the proposed strategy is implemented as advised the opening of a new FiSK store will be able to further strengthen SF as a brand.
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Appendix
Interviews

Appendix A

Mr. Ken Yam Yak Seng
Store Manager at FiSK

Full name: Mr. Ken Yam Yak Seng
Location: FiSK store, 25 Fishery Poart Road
Date of interview: 8th of February 2011

What are the top 5 or 10 products you sell at FiSK?
The products that sell most are fresh salmon, cod, red fish, halibut, frozen prawns. (Singaporean customers prefer fresh salmon. Other popular products are frozen fish cakes and frozen shrimps)

What are the peak days and hours people shop at FiSK?
Saturday is our top sales day. We get fresh fish Tuesday, Thursday and Saturday so people tend to come on these days. Peak hours are 10-12 and 15-16.

What is the average number of customer per day?
Approximately 10-15 people on weekdays and about 20 people on Saturdays.

How much do they spend on average?
They tend to spend SGD $ 80-120 on average.

Who are the majority of customers who shop here?
Families tend to shop here on weekends and business people tend to shop here on weekdays.
**What is your opinion of FISK customer profile?**
Probably middle to upper class customers. There are mostly Singaporeans that shop here on weekends. On the weekdays there are expats as well.

**Is price important for your existing customers?**
They already know before they come here, that fresh fish is somewhat expensive. They just pick what they want and go.

**Do you receive any particular feedback from existing customers?**
Many customers say the shop is a bit far away. People also ask if we can do home delivery for them. They also like that our chef here can give them guidance on how to prepare the food.

**Do you know the store revenue?**
Please ask my boss.

**Are there any seasonal changes in the revenue of the FISK store?**
The store opened in May last year so the data we can collect from this is not very accurate. But we did have our peak in the festive season (Chinese New Year).

**Why do you think that people come to FISK?**
I think it is because the fish is so fresh. Our fresh fish is only on display for three days. The third day we freeze it. Our fish is so fresh that you can eat the salmon raw (sashimi).

**Is the country of origin (Norway) something that attracts locals?**
I think that the freshness is more important.
Appendix B

Professor Yang Mei Ling
Expert and Potential customer

Full name: Yang Mei Ling
Age: 46
Nationality: Singaporean
Occupation: Lecturer and former consultant
Number of years in Singapore: 46 (suggested that this should be in blocks)
Number of people in household: 5 (includes one maid)
E-mail address: AMLYANG@ntu.edu.sg
Location: Nanyang Technological University
Date of interview: 15th of February 2011

Profile:
“Ms Yang teaches business and managerial communication strategies and skills at the Nanyang Business School. She is also involved in various consultancy projects and regularly conducts writing seminars for corporate clients. Ms Yang held a wide range of portfolios in her 20 years in both the private and public sector. Her wide-ranging industry experience covers journalism, corporate communications, corporate training and customer relations. Starting out as a journalist with The Straits Times in the 1980s, she joined the Ministry of Defence as a Research Analyst before embarking on a career in corporate communications with Singapore Airlines. At SIA, her portfolio also included key stints in service quality, training and customer affairs departments. Ms Yang headed the Corporate Communications Department in one of Singapore’s largest retail chain. On top of being responsible for the Group’s corporate communication strategy, media relations and all PR matters, she was also in charge of the company’s Customer Relations Unit. Apart from having trained Singapore Airlines staff in various parts of the world, Ms Yang has extensive experience in designing and delivering training programmes for various
organizations, such as OCBC Bank, Ascott International, NTUC FairPrice, SIA Engineering Company, SMRT, Mindef and Singapore Telecoms.

[http://www.nanyangbusinessschool.ntu.edu.sg/sprsv20/inter/MyProfileDetails.asp]

How often do you eat in/out?
My family eats at home four to five times a week.

What influences you to eat in?
Mainly health reasons, but also less hassle because the maid will prepare the meal. Our maid will prepare more traditional meals, while I am more adventures and like to try new recipes. If I get expensive/nice ingredients I usually prepare the dinner myself, so the maid will not ruin it.

Do you ever use home delivery?
Yes, our family use home delivery.

Which products do you buy when using home delivery?
Usually it will be for fast food and the main reason behind it is due to convenience. I have never used home delivery for groceries but I remember one of my neighbours ordered seafood once from a Japanese home delivery service. She got black cod and scallops, which was very nice. I could possibly try a service like that sometime.

How often do you eat seafood?
30-35% of our household’s food budget is used on seafood. We eat a lot of seafood, mainly shrimps, squid and black cod. Especially when the mad cow, swine flu and bird flu was going on, then fish and seafood was the safest. It became a mindset. Health is probably the most important factor for choosing to eat seafood, as it is perceived as a healthy and nutritious meal.

Where do you go to buy seafood?
Wet markets. The sales persons are educated and they clean and cut the fish for you. They are trustworthy. They usually know what we want and how we like our fish to be prepared. We have a good relationship with them.

_Do you buy it yourself?
_Both my maid and myself buy seafood. Occasionally my husband, but he shops out of habit.

_Who decides what to buy?
_Usually it is I who decide what to buy. If my husband is in charge of buying groceries he follows the list I give him or shops out of habit.

_Do you cook it yourself?
_For the most part our maid will cook when it comes to basic dishes. If we are to try something new I personally will cook it, because I am afraid that my maid might ruin the seafood if it is a new recipe or expensive commodities.

_Where does your maid get inspiration from to cook seafood or to cook food in general?
_Cooking books, or from the recipe machine at Cold Storage. Recipe cards made by the producers is more appealing but must be more expensive to create recipes in colours, compared to the one you get from the recipe machines. They look like recites.

_Any particular media you use to search information?
_I often get information from food reviews when listening to radio channel 93,8. Due to that radio program I have tried several new restaurants and dishes. It is convenient because it air when I have time to listen; morning, lunchtime and in the afternoon when I get home from work. Also, third party reviews is a great and trustworthy source of information.

_What is your preference when buying seafood?
a. **Price/quality?**

Number one is quality. It is important that it feels fresh. There is high buying power in Singapore and quality plus value will be appreciated in Singapore.

b. **Fresh/frozen?**

It depends on how you would like to prepare it. Usually we do not steam frozen fish. A local mind set barrier. Another local mindset regards saltwater fish vs. freshwater fish. Freshwater fish is perceived as less tasty compared to saltwater fish.

*Are you familiar with Norwegian Seafood?*

Yes, smoked salmon is what comes to mind first.

*Do you have any attitudes towards Norwegian seafood?*

I have a good quality perception of Norwegian seafood. The perception of Scandinavian food in general is so not. Often what comes to my mind and other local is the pickled and canned seafood.

IKEA should receive some credit for introducing the salmon to Singapore. Due to the low price, they made it accessible for the average household. Boosted the awareness for salmon.

*Have you heard about Snorre Food?*

Yes, but I have never been there. I looked at the recipes online after you emailed me for this interview. Looks very clean and appealing. The outline is very good, but the recipe will maybe be a little bit unfamiliar for the locals. We do not use much butter or capers when we prepare our food, and when it comes to the vinaigrette; it feels like a waste to buy a whole bottle for one recipe. Maybe the ingredients should be more adapt to the local customs when it comes to cooking. Maybe a good idée is to make recipes that combine the seafood with regular local ingredients. Like the Japanese have done with the sashimi, we were not used to eat uncooked fish, but since the fish is eaten with soya souse, rice and wasabi it gets more familiar and popular.
And a lot of Chinese food (dishes) comes in customized portions. Like a package that includes everything in the exact amount needed to make the dish. This is generally a good idea when selling food in Singapore because business people are very busy and appreciate convenience.

Would you shop at FiSK?
Yes

If FiSK were to open a new store, where should this shop be located?
I know that Greenwood has a fish market with imported fish, but I think Bukit Timah or close to Holland Village would be a good location. A lot of expats shop in these areas, and I believe this would be the best location regarding FiSK’s target market. I would like to have a shop on the east coast because that is where I live, but not many westerns shop there.

Would you ever shop FiSK products from a home delivery service?
It would have been excellent, but it will all depend on the price. I would have paid 10% extra to get FiSK products delivered home.

How much do you spend on seafood on average every month?
Weekly budget is about 80 to 100 SGD. 30-35% of our food budget.

Additional information that was mentioned:
- Cod is expensive, so it is bought more seldom.
- To overcome the high price perception FiSK might obtain, the price should be visible from outside the shop. That way it will not be too intimidating to enter the store. Communicated that the quality is very good, but not as pricy as people might think. Also, send out brochures in the neighbourhood when opening the store, to let people know that you have opened
- Culina is a butcher that has taken over the meat section in different retail stores. E.g. FairPrice. They operate the meat section
Independently with their own branding. This type of concept might be
a good idea for FiSK.

Appendix C

Professor Gerard Gonzales
Expert and Potential customer

Full name: Gerald Dionicio Gonzales
Age: 57
Nationality: Singaporean
Occupation: Consultant and lecturer
Number of years in Singapore: 57
Number of people in household: 3
E-mail address: aggonzales@ntu.edu.sg
Location: Nanyang Technological University
Date of interview: 23rd of February 2011

Profile:
“Prof Gonzales has garnered over 30 years of international management,
consulting and training experience in several countries. Prior to setting up a
management consulting practice in 1989, he held positions as managing director,
general manager, financial controller, administrator and internal auditor with
various hospitality organizations in Singapore, Indonesia, Malaysia and the USA.
Since then, he has trained and consulted in the areas of strategic planning and
marketing, asset and financial management, organizational development and
customer value management with chain and independent hospitality corporations
located in Singapore, Malaysia, Indonesia, France, China and the United
Kingdom. His firm’s past and current clients include The Ascott Group,
CitadinesApart’Hotel, Raffles Knowledge, NTUC Club, Asia Pacific Breweries,
Hewlett Packard, and the Sabah Economic Development Corporation.”

Nanyang Technological University, 2011. Academic Profile: Assoc Prof (Adj)
Gerard DionicioGonzales.
How often do you eat in/out?
I eat in once a day, 4 times a week.

Do you ever use home delivery?
Yes, for ready to eat meals mainly for his parents. Nobody have time to cook. Eats home cooked meals once a month.

How often do you eat seafood?
Not very often, maybe once or twice a month.

Where do you go to buy seafood?

Do you buy it yourself?
Yes.

Where do you get inspiration from when buying food?
My mother is a good cook, so she is the inspiration.

What is your preference when buying seafood?
Convenience. I like to get everything in one place.

Are you familiar with Norwegian Seafood?
Yes, Norwegian salmon is famous.

Any attitudes towards Norwegian seafood?
Norwegian seafood is the best.

Have you heard about Snorre Food?
No
Would you shop at FiSK?
If I had an urge to eat salmon or do something for friends, I could go there. But I do not know how to prepare Norwegian seafood.

Would you ever shop FiSK products from a home delivery service?
No. Want to see the products.

If FiSK were to open a new store, where should this shop be located?
1. Great world city. The Spanish butchery in the basement, Espirito Santo, can be complimentary to FiSK’s seafood concept.
2. Tanglin Mall.
3. Holland Village

How much do you spend on seafood on average every month?
SGD 30-40 per meal, so maybe SGD 80 a week.

For additional tips to Snorre Food regarding FiSK Mr. Gonzales said the following:
Culina concept at FairPrice is a good alternative to setting up an independent store. If an independent store is to be set up, it will be smart to have it at a shopping mall. The reason being that it takes a long time to build up a customer base and it takes time to change customer habits and mindset. Being located at a shopping centre will automatically give you a certain amount of customers. In addition FiSK will be able to benefit from complimentary shops, e.g. Espirito Santo Butchery, creating a hub to draw customers. Being able to get everything you need at one place can contribute to increase convenience for customers.
Appendix D

Mr. Wolfgang Lapper
Chef and restaurant co-owner of the Esmirada Group

Full name: Wolfgang Lapper
Nationality: Austrian
Occupation: Chef and restaurant co-owner of the Esmirada Group
Number of years in Singapore: 17
Location: Brasserie Wolf, Robertson Quay.
Date of interview: 22nd of February 2011

For how long have you been in the restaurant business in Singapore?
I have been in Singapore since 1994. I started by opening one restaurant and since then the Esmirada Group have grown to 8 restaurants of different kinds.

Who is your target market?
I don’t really have a specific target market. The people who usually come here is both expats and locals with more money than the average. About 80% of Singaporeans belongs to the working class, so you could say that the remaining 20% is my target market.

How do you market your restaurants?
Marketing is probably my weakest link. I use a PR agency, but I feel that marketing only helps if you are well established. In the beginning you need good publicity and are dependent on good reviews and a positive word-of-mouth effect. Previously I have sent out postcards to potential and existing customers with pictures of the food and with offers, such as “a free Greek Salad”, discount on champagne etc.

What have been your biggest challenges regarding starting up new restaurants in Singapore?
Starting up in the 90’s was actually pretty easy and the competition was weak compared to today. Now you can find restaurants and supermarkets everywhere in Singapore. Excellent food is not enough; you also need differentiate yourself from the competitors and create something unique. The rent in prime locations is extremely high and people don’t spend as much money on eating out as they used to. Last year I think that about 750 restaurants had to close down. On the other hand, about 750 also opened.

Have you heard about Snorre Food?
Yes, I have. I know Mr. Frank Næsheim. I remember that they have excellent crab legs!

Snorre Food is looking in to opening a store in Singapore. What can you say about the current competition on the seafood market?
In my opinion, the seafood market is still not as established or competitive as the restaurant business. The important thing is to find a good location, preferably in the city center; otherwise people would not go there. A prime location is expensive, but if they want the store to go well I believe that location is very important. If they have a good location and quality product, I believe that the word-of-mouth will spread. They must strive towards bringing a difference compared to the customers.
One of the main competitors in the market is Cold Storage, but their seafood is not very good. An alternative to opening a store would be to distribute their products through retail. By doing this they will probably not have to change their product line or make improvements as often as they will have to by having their own store.
Potential customers

Appendix E

Interview with Mrs. Tiina Thurner

Full name: Tiina Thurner
Age: 40
Nationality: Finnish
Occupation: Housewife
Number of years in Singapore: 2
Number of people in household: 5 (including their maid)
E-mail address: sales@unoquefoodandwine.com
Location: At her home in Greenwood
Date of interview: 1st of March 2011

How often do you eat in/out?
I eat dinner at restaurants approximately 3 times per week and eat home made dinners 4 times per week.

What influences you to eat in?
I have two young kids and it is friendlier for the kids to eat regular dinners at home. One of the reasons for eating out is the availability of food in Singapore and the fact that I don’t have a dishwasher.

Do you ever use home delivery?
No, I have never used home delivery before.

How often do you eat seafood?
I don’t eat a lot of seafood. I would say about 2 times per month.

Why so often/why so seldom?
I am not a great fond of fish, but I love prawns. Unfortunately, I don’t think that prawns are very healthy if you eat it often. It is because they contain a high level of cholesterol. I also like different kinds of white fish, but I believe it is quite expensive here in Singapore.

When I am in Finland our family often goes fishing. Our family definitely eat more fish during the summers in Finland. It is a lot more fun to eat the fish you catches yourself and the kids love it too.

Where do you go to buy seafood?
We usually buy seafood from Cold Storage or NTUC FairPrice. I bought salmon at IKEA for Christmas.

Do you buy it yourself?
Our maid usually shops our food, but I always tell her what to buy.

Do you cook it yourself?
No, the maid tends to cook the most, but again; I always tell her what to cook.

Where do you get inspiration from when buying food?
I get inspiration from cooking books and magazines. I have found some great recipes, but some how managed to throw them away. My husband likes to try out new types of food and often encourage me to try as well. He gets a lot of inspiration from restaurant.

What are your most important preferences when buying seafood?

a. Price/quality?
The quality of the products and that the seafood is fresh is very important to me.

b. Fresh/frozen?
Definitely fresh seafood. I like to see the seafood myself before I buy it. I guess that is why I also never use home delivery.

How much do you spend on seafood on average every month?
I’m not quite sure, but I think about SGD $100 each month. Most of it is spend in restaurants.

_Are you familiar with Norwegian Seafood?_
Yes, I am.

_Do you have any attitudes towards Norwegian seafood?_
Norway has particularly exceptional salmon. However, my opinion has always been that wild salmon tastes better than breeding/farmed salmon.

_Have you heard about Snorre Food?_
No, I have never heard of Snorre Food until now.

_Do you think that you would you shop there in the future?_
That depends on the location. I don’t have a car and if it is too far away it will be difficult for me to get there.

_As we told you, Snorre Food wishes to open a new store in a more convenient area. According to your preferences, where should this shop be located?_
To me Greenwood is only a 10 minutes walk away with a wide variety of different kinds of stores. I often shop at Swiss Butchery. So to me Greenwood would be the best location.

Another issue that I consider is the fact that I will be able to combine grocery shopping with afternoon activities like shopping, meeting friends or do fun stuff with the kids. Then Orchard Road would be the best location.

_Have you ever heard of Great World City?_
Yes, that is a shopping centre close to Orchard. I know that they have some activities for the kids there.

_Would you consider going to the Fisk store if it were located at Great World City?_
I would probably not go there just to buy seafood. I would combine it with other grocery shopping etc.
Are there any products that you miss from your home country/Europe? If so, do you think it would increase the possibility of you coming to this new store?

I really miss dark sour bread, but I guess that is not very likely for a seafood store to sell dark sour bread. It is really difficult to find here and it never taste quite the same as back home. The kids also miss salt liquorice, but that is possible to buy at the German supermarket.

Appendix F

Interview with Mrs. Helena Hammarberg

Full name: Helena Hammarberg
Age: 43
Nationality: Swedish
Occupation: Housewife
Number of years in Singapore: 5
Number of people in household: 6 (3 children and their helper lives with them)
E-mail address: helenahammarberg@hotmail.com
Location: Starbucks, Wisma Atrium
Date of interview: 8th of March 2011

How often do you eat in/out?
Including lunch and dinner I eat out approximately four times a week.

Do you ever use home delivery?
Yes.

For which products do you use home delivery?
For example rice, potatoes, toilet paper, basically everything. I especially use home delivery for heavy products.

How often do you use home delivery?
I usually order home delivery once a month and then I buy a lot.
Why do you use home delivery?
Because it gets heavy when you buy a lot at the supermarket. Also it is more convenient and if you buy products for a certain price you get free delivery. Sometimes I buy with my friends as well. I usually use home delivery from Carrefour.

How often do you eat seafood?
I do not eat seafood that often, because my husband is not so much into seafood, though he eats shrimps. Therefor we eat seafood twice a week. When he is away for business we eat more fish.

Where do you go to buy seafood?
Mostly we buy seafood from Carrefour and FairPrice because you can find good shrimps there. We also go to IKEA to buy seafood. My kids like the shrimp sandwich IKEA has. I also know many Singaporeans who buy seafood there. When it comes to buying fish our helper goes to different markets.
I prefer fresh seafood, so our helper who has been with us for five years buys fresh seafood, meat, etc. at the market. At the market the food is fresh and cheaper than for example Marketplace and Cold Storage. There are many markets and our helper goes to many of them, but mostly Tekka market in Little India. This is a really nice place with a huge variety of really fresh meat and seafood.

Do you buy it yourself?
It is our helper that buys almost everything.

Where do you get inspiration from when buying food?
I don’t know where she gets her inspiration, but I buy a lot of cookbooks with recipes for food from all over the world. She is deciding what to cook and she really likes to cook all kind of food. The other day she even made Swedish meatballs.

Do you cook yourself?
I only cook sometimes on Sundays, otherwise our helper is in charge of the cooking.

*How is it usually prepared by you/others?*
I actually don’t know, but our helper cooks from scratch and sometimes she uses the cookbooks I buy.

*Where do you/others get inspiration from to cook food, especially seafood?*
Our helper is very creative and a big risk taker, so she likes to cook and try out new things.

*Do you use any particular media to search information of how to cook?*
As mentioned earlier we have many cookbooks and I buy books for all kind of food.

*What is your preference when buying seafood?*
  
  a. *Price/quality?*
  
  My preference would be quality over price.

  b. *Fresh/frozen?*
  
  I personally think that fresh seafood tastes better than frozen.

  c. *Why any of the above?*
  
  Both fresh and quality seafood contributes to a better taste.

*Are you familiar with Norwegian Seafood?*
Yes, I am.

*Do you have any attitudes towards Norwegian seafood?*
I think that shrimps and fish that come from cold water are better and I believe that Norwegian seafood is fresh and good.

*Have you heard about Snorre Food?*
Yes, I heard about Snorre Food for the first time a year ago, but I have been here for five years now. There are not many people I know that have heard about Snorre Food. I have not seen any advertisement for Snorre Food or Fisk.
Have you ever been there?
Yes I have been there once, with a friend.

Would you shop there? (why/why not?)
I don’t shop there because the location is inconvenient, hence far away. Usually many of the girls get together and share a taxi to get there, but there are many taxi drivers that struggle to find the right location. Also it takes time to get taxis and therefore the taxi usually waits outside while they shop which makes it more expensive. I have a small freezer, which is common for most people here, so I cannot buy much at the same time. Therefore I would have to go there more often but then the distance becomes an obstacle.

Where should this shop be located?
That would depend on who the target is. The rent is very expensive near the city centre. It is important with a good parking place nearby and good transportation opportunity, hence easy access.

Popular shopping areas?
Dempsey Road could be a good location as it has easy access and a huge parking space. People go there during the whole week for shopping, lunch and dinner. Maybe they could consider opening a restaurant there with seafood with an Asian twist or a combination between a restaurant/cafè and shop. Then customers could come there to shop and enjoy a light lunch.

Where would it be most convenient?
I think maybe Holland Village. This is a nice expat area and the locals there usually have more money than the average.

Would you ever shop FiSK products from a home delivery service? (why/why not?)
Yes I would, because I think that home delivery is very convenient. However it is important that the website is easy to manage.

How much do you spend on seafood on average every month?
I don’t know how much we spend on average but we eat seafood maybe 2 times a week.

*Are there any additional products you miss from your home country?*

There are some products I miss that I think it is hard to find here. Like pearl sugar to make cinnamon roll like I am used to from back home in Sweden.

*Would a selection of those products at FiSK make you choose to go there more often?*

Yes, it definitely would.
Existing customers

Appendix G

Interview with Mr. Andrew Quek

Full name: Andrew Quek
Age: 60
Nationality: Singaporean
Occupation: Investor
Number of years in Singapore: 35
Number of people in household: 3
E-mail address: andrewquek@gmail.com
Location: FiSK shop, 25 Fishery Port Road
Date of interview: 19th of March 2011

How did you become aware of FiSK?
I was told by the CEO of Ben Food, which is located nearby. He told me that this shop has really fresh seafood.

How often do you shop here?
I shop here every Saturday.

What do you buy?
Mostly I buy salmon sashimi and sometimes scallops.

Why do you buy FiSK products?
Because the sashimi is very good and fresh. It is also very convenient, therefore I shop at both Ben Food and FiSK every Saturday.

Is there anything that would make you shop here more often?
No, nothing that comes to my mind.
What appeals to you about Fisk?
I believe it is a combination between a nice environment, convenience and top quality.

Do you prepare food yourself?
No I don’t. As I usually buy sashimi I store it in the refrigerator and eat it in the evening.

Do you ever use home delivery services for groceries?
No, never.

Would Fisk products be something you would buy as home delivery?
No, because I prefer to come and see the products for myself and buy on the spot. If it is frozen it would be okay.

If Snorre Food opened a new store in Singapore, where should it be located?
Maybe around the Orchard area, because it is where I and people I know usually shop. Then we could combine seafood shopping with other shopping. Regarding location I believe that accessibility and convenience is the two most important factors.

How much do you spend on seafood every month?
Around $ SGD 250 each month at Fisk.

Any additional products you miss from your home country?
No, if I need local products I go to the supermarket like Cold Storage.
Appendix H

Interview with Mr. Francis Ng

Full name: Francis Ng
Age: 60
Nationality: Singaporean
Occupation: Retired
Numbers of years in Singapore: Since birth
Number of people in household: 3
E-mail address: francisckng@hotmail.com
Location: FiSK shop, 25 Fishery Port Road
Date of interview: 19th of March 2011

How did you become aware of FiSK?
I passed by one day after shopping at Ben Food down the street.

How often do you shop here?
I shop here at least once a month. The FiSK shop is easy located when you drive and it is a free and good parking space.

What do you buy?
I mostly buy salmon, because it is my favorite. Sometimes I buy other types of fish, sauces and jam, but I usually don’t buy the Norwegian food.

Why do you buy FiSK products?
I buy it because of the freshness. They are also very professional here and the Norwegian fresh seafood makes a difference because it is pollution free.

Is there anything that would make you shop here more often?
Maybe if they had more tasting sessions. I am like most Asians, we like to taste and if we like we buy.

What appeals to you about FiSK?
It is hygienic.
Do you prepare food yourself?
It is mostly my wife, but I sometimes help.

Where do you get inspiration from when you prepare yourself?
I get inspiration from the Internet and recipes.

Do you ever use home delivery services for groceries?
No.

Would FiSK products be something you would buy as home delivery?
Yes I would sometimes, why not.

If Smorre Food opened a new store in Singapore, where should it be located?
I like this area and maybe Bukit Timah.

How much do you spend on seafood every month?
Overall I spend about $ SGD 250 each month.

Appendix I

Interview with Mr. Kive Ng

Name of interview object: Kive Ng
Age: 56
Nationality: Singaporean
Occupation: Executive Director
Number of years in Singapore: 56
Number of people in household: 5
E-mail address: kive.knowledgepark@gmail.com
Location: FiSK shop, 25 Fishery Port Road
Date of interview: 19th of March 2011

How did you become aware of FiSK?
I became aware of FiSK through my friends.
How often do you shop here?
I shop here every weekend.

What do you buy?
Mostly I buy fresh salmon and sashimi together with the sashimi sauce. I usually also buy cod liver, but it if often sold out.

Why do you buy FiSK products?
Because it is very fresh and I like Norwegian deep ocean seafood.

Is there anything that would make you shop here more often?
A larger variety of fish would make me buy here more often, also the location. The location today is okay, but if FiSK were located in the central part of Singapore it would be easier.

What appeals to you about FiSK?
It is very nice and cozy.

Do you prepare food yourself?
Yes, I prepare for my family.

Where do you get inspiration from when you prepare yourself?
Mostly recipes and I ask for tips here at FiSK.

Do you ever use home delivery services for groceries?
Yes, sometimes.

Would FiSK products be something you would buy as home delivery?
Yes, it would be more convenient. I would buy fresh salmon, fish egg, cod liver and more.

If Snorre Food opened a new store in Singapore, where should it be located?
I believe that central parts of Singapore are better.
How much do you spend on seafood every month?
I spend about $ SGD 200 a month.

Appendix J

Interview with Mrs. Lynn Leau

Full name: Lynn Leau
Age: 31
Nationality: Singaporean
Occupation: Home maker
Number of years in Singapore: 31
Number of people in household: 5
Location: FiSK shop, 25 Fishery Port Road
Date of interview: 19th of March 2011

How did you become aware of FiSK?
I was shopping at Ben Food nearby and passed by one day.

How often do you shop here?
I shop here around once a week, sometimes every 2 weeks.

What do you buy?
I buy fresh salmon, sashimi and tuna.

Why do you buy FiSK products?
Because it is very fresh and it is good quality, also because it is Norwegian. I live far away but I still think the location is okay.

Is there anything that would make you shop here more often?
No. I mostly buy seafood here because of the freshness.

What appeals to you about FiSK?
It has friendly and good service.
Do you prepare food yourself?
Yes I do.

Where do you get inspiration from when you prepare yourself?
I get inspiration from recipes and cookbooks.

Do you ever use home delivery services for groceries?
Yes.

Would FiSK products be something you would buy as home delivery?
Yes, definitely. It would be very convenient to get fresh seafood delivered on the door.

If Snorre Food opened a new store in Singapore, where should it be located?
Maybe little Orchard area or City Hall. I also think that Great World City is a good location.

How much do you spend on seafood every month?
I spend around $ SGD 100 each month.

Appendix K

Interview with Mr. SveinBrevik

Full name: SveinBrevik
Age: 65
Nationality: Norwegian
Occupation: Service engineer
Number of years in Singapore: 14
Number of people in household: 2
Location: FiSK shop, 25 Fishery Port Road
Date of interview: 19th of March 2011
How did you become aware of FiSK?
I heard of it through my work and colleagues.

How often do you shop here?
I don’t know how often, just every now and then.

What do you buy?
Mostly fresh fish, but also other Norwegian products.

Do you prepare food yourself?
Yes, me and my wife.

Where do you get inspiration from when you prepare yourself?
From recipes.

Do you ever use home delivery services for groceries?
No.

Would FiSK products be something you would by as home delivery?
No, there is no need because I prefer to see and buy the fresh seafood in the shop.

If Snorre Food opened a new store in Singapore, where should it be located?
I don’t know, I think that today’s location is okay.

How much do you spend on seafood every month?
I don’t know.

Appendix L

Interview with Mr. Torbjørn Lie

Full name: Torbjørn Lie
Age: 51
Nationality: Norwegian
Occupation: Consulent
Number of years in Singapore: 5
Number of people in household: 5
Location: FiSK shop, 25 Fishery Port Road
Date of interview: 19th of March 2011

*How did you become aware of FiSK?*
I received a flyer in my mailbox with information.

*How often do you shop here?*
I shop here every other week.

*What do you buy?*
I buy fresh fish like cod, salmon and sashimi.

*Why do you buy FiSK products?*
Because the products has the best quality.

*Is there anything that would make you shop here more often?*
No I don’t think so.

*What appeals to you about FiSK?*
I think the products FiSK offers is most appealing.

*Do you ever use home delivery services for groceries?*
No I don’t use home delivery services.

*Would FiSK products be something you would by as home delivery?*
No, because I like to see fresh products before I buy so that I can pick and choose myself.

*If Snorre Food opened a new store in Singapore, where should it be located?*
The location today is okay. If they move to a location closer to town it would probably affect the price of the products, so I think I prefer the price and location
FiSK has now. Singapore is relatively small so it is not long distances between anything, at least compared to Norway.

*How much do you spend on seafood every month?*
I believe I spend around $ SGD 100 each month.

Appendix M

**Interview with Mr. Lee Kok Kee**

Full Name: Lee Kok Kee  
Age: 60  
Nationality: Singaporean  
Occupation: Assistant director human resource  
Number of years in Singapore: Since birth  
Number of people in household: 3  
Location: FiSK shop, 25 Fishery Port Road  
Date of interview: 19th of March 2011

*How did you become aware of FiSK?*
I passed by one day after shopping at Ben Food down the street.

*How often do you shop here?*
I shop here once a week. Mainly Saturdays.

*What do you buy?*  
Salmon sashimi, smoked salmon, scallops

*Why do you buy FiSK products?*  
I buy it because it is fresh and have a good price.

*Is there anything that would make you shop here more often?*  
When it comes to seafood they have everything, but they could sell complimentary wine to go with the fish.
What appeals to you about FiSK?
It is hygienic.

Do you prepare food yourself?
It is mostly my wife who cooks. The salmon we usually eat fresh. Scallops are prepared with vegetables by my wife.

Would FiSK products be something you would buy as home delivery?
Yes, why not.

If Snorre Food opened a new store in Singapore, where should it be located?
More central location, maybe close to an MRT station.
Social Media: Set Up Guidelines

10.2.1 Appendix N: Facebook

How to set up a Facebook fan page:

1. A personal profile needs to be created in order to gain access to Facebook, which is easily done by entering facebook.com and follow directions. A personal profile can be created on behalf of the company, connected to an email account that only will deal with inquires from Facebook. Click the button “Create page”. SF will be given the opportunity to choose between a local business/place and a company/organization. Choose company/organization.

2. Before the fan page is ready to launch to the public certain criteria should be fulfilled. Page layout is crucial and should not be underestimated. In order to create a relation to SF and FiSK a similar use of colour and theme should be applied to the logo on Facebook. The profile picture should be a high-resolution version of the logo.

3. Fill out the rest of fields of basic information.

4. The page is ready and SF can now start inviting people to “Like” the fan page. However, building up a considerable group of fans before inviting the public to join can also contribute to the attractiveness of the Facebook page. As a minimum, everyone at the company should become a fan and invite their friends to join.


Appendix O: Twitter

How to set up a Twitter business account:

1. Go to the web site www.twitter.com and click on “Get Started Now”. Write company name as full name and fill in the rest of the fields.

2. Find people to follow by selecting categories that are of relevance to SF. One can also find other companies to follow by searching for them.
3. Edit settings by clicking on “Settings” in the top right hand corner and fill out information on SF. Also list company bio and logo in the “Profile” section. Try to set up the profile in synergy with the web site.

4. The profile is ready and SF can post the first message. Remember to keep it interesting and relevant to SF. It is important to keep the tweets professional and avoid sensitive subjects and debates. However, take the opportunity to use a little humour every now and then and show the personality of SF.


Appendix P: Foursquare

How to set up a Foursquare platform:

1. Go to the web site www.foursquare.com and search for SF and click “Claim the Venue”.

2. SF can start creating *Specials* to get new customers and to get loyal ones come back.

3. SF can use the data in the Venue Stats Dashboard in order to figure out what kind of activities is working and get more people to the store.

## Appendix Q: Cash Flow Analysis FiSK Store

### Income

<table>
<thead>
<tr>
<th></th>
<th>CF0</th>
<th>CF1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average daily number of customers</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Number of days open*</td>
<td>354</td>
<td></td>
</tr>
<tr>
<td>Average spending per person</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td>637,200 SGD</td>
</tr>
<tr>
<td>Sales incl. 3.4% y-o-y inflation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*11 public holidays in Singapore

### Expenses

<table>
<thead>
<tr>
<th></th>
<th>CF0</th>
<th>CF1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax 17%</td>
<td></td>
<td>108,324 SGD</td>
</tr>
<tr>
<td>Production costs</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>382,320 SGD</td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>62,400 SGD</td>
<td></td>
</tr>
<tr>
<td>Average rent psf</td>
<td>25 SGD</td>
<td></td>
</tr>
<tr>
<td>Rent for 98sf (30sqm)</td>
<td>29,400 SGD</td>
<td></td>
</tr>
<tr>
<td>Marketing expenditures as percentage of revenue</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Total marketing expenditures</td>
<td>12,744 SGD</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous costs</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Total miscellaneous costs</td>
<td>12,744 SGD</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>CF</th>
<th>Cumulative CF</th>
</tr>
</thead>
<tbody>
<tr>
<td>-200,000 SGD</td>
<td>29,268 SGD</td>
<td></td>
</tr>
</tbody>
</table>

### Payback Period

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>IRR</td>
<td>17%</td>
</tr>
<tr>
<td>CF2</td>
<td>CF3</td>
</tr>
<tr>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>354</td>
<td>354</td>
</tr>
<tr>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>743 400 SGD</td>
<td>849 600 SGD</td>
</tr>
<tr>
<td>768 676 SGD</td>
<td>878 486 SGD</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>130 675 SGD</td>
<td>149 343 SGD</td>
</tr>
<tr>
<td>60 %</td>
<td>60 %</td>
</tr>
<tr>
<td>461 205 SGD</td>
<td>527 092 SGD</td>
</tr>
<tr>
<td>63 960 SGD</td>
<td>65 559 SGD</td>
</tr>
<tr>
<td>26 SGD</td>
<td>27 SGD</td>
</tr>
<tr>
<td>30 576 SGD</td>
<td>31 752 SGD</td>
</tr>
<tr>
<td>2 %</td>
<td>2 %</td>
</tr>
<tr>
<td>15 374 SGD</td>
<td>17 570 SGD</td>
</tr>
<tr>
<td>2 %</td>
<td>2 %</td>
</tr>
<tr>
<td>15 374 SGD</td>
<td>17 570 SGD</td>
</tr>
<tr>
<td>26 237 SGD</td>
<td>40 715 SGD</td>
</tr>
<tr>
<td>-144 495 SGD</td>
<td>-103 780 SGD</td>
</tr>
</tbody>
</table>
Information and assumptions behind the calculation of expected CF’s for FiSK:

Corporate Tax:

Rental Prices:

Email received from Ms Judy Wong (Head of Leasing Shop Space & Trolley Carts) For your information, depending on the concept, location and size of unit, our rental rate for our malls at Great World City and Tanglin Mall, ranges from $10.00 to $30.00psf/pm (inclusive of service charge & promotion fee, but subject to GST).

After year six, due to uncertainties related to future rental prices, rental prices has not been set to increase. This will have to be taken into consideration.

Marketing and miscellaneous expenses:

Email received from Finn Mathisen (former Franchisee in McDonalds) stated that miscellaneous expenses are calculated to be 1-2% of revenue each month for a McDonalds restaurant. We assume that this can be transferred to a FiSK store and chose to set the expenses at 2% due to lack of knowledge regarding the total unknown expenditures generated by operating FiSK.

Marketing is expected to be 4% of revenues for a McDonalds franchise restaurant and we therefore assumed that FiSK would use half of that amount. One reason is that we expect McDonalds to spend more efforts on marketing than what is possible for FiSK. The fact that we have included suggestions for free social media marketing as well as marketing generated by both Great World City and Tanglin Mall is included in the rental price suggest that marketing expenditures will be lower than a McDonalds restaurant. One factor to note is that marketing expenditures might be higher during the start up period for a new business. This has not been taken into account for these calculations because SF is established in Singapore, which can help contribute to lower initial marketing expenses.
Calculation of Employee Expenses

Information and assumptions behind the calculation of expected employee expenses:

**Average salaries:**


Average hours worked in retail is 43.7, we have assumed that 2 employees are needed to be paid to cover ten-hour workdays; left over hours is expected to be spent on extra help on weekends.

**Average hours worked in retail:**
