Bachelor Thesis in International Marketing

DALE OF NORWAY

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This paper is done as a part of the undergraduate program International Marketing 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.
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# Table of Contents

**Executive Summary**  
3

**List of Figures**  
4

**1. Introduction**  
5
  1.1 *The scope, objective and problem definition of the thesis*  
5
  1.2 *Research limitations*  
6

**2. Dale of Norway**  
6
  2.1 *Company profile*  
6

**3. Methodology**  
9
  3.1 *Research aim and questions*  
10
  3.2 *Research design*  
11
  3.3 *Data collection*  
13
  3.4 *Survey and Findings*  
14

**4. Internal analysis**  
21
  4.1 *ACE model*  
22
  4.2 *VRIO analysis*  
27
  4.3 *Value Chain analysis*  
31
  4.4 *Bakka-Model*  
32
  4.5 *Boston Consulting Group-Matrix*  
36
  4.6 *Market Network*  
37
  4.6 *Preparedness for Internationalization*  
38

**5. External Analysis**  
39
  5.1 *The German sportswear market*  
40
  5.2 *The industry globality*  
41
  5.3 *Competitive structure*  
46
  5.4 *Porter’s five forces*  
47

**6. SWOT- Analysis**  
54

**7. Strategy**  
56
  7.1 *Solberg’s Nine Strategic Windows*  
56

**8. Strategy and Recommendations**  
58
  8.1 *Strategic Problem definition and Objectives*  
58
  8.2 *Critical Success factors (CSF)*  
59
  8.3 *Choice of Entry Strategies*  
61
Executive Summary

Peter Jebsen founded Dale of Norway in a small village outside Bergen, Norway in 1879. Dale produces fine outdoor clothing made of Norwegian wool and Merino wool from Australia and New Zealand. Dale exports to 22 countries, in addition the company offers its products online in Canada and USA. At the time of writing, the company would like to increase brand awareness in the heart of Europe.

This thesis researches the market potential for Dale of Norway in Germany and further conducts a strategy for increasing its brand awareness in the same market. The authors have developed the following research aim:

“How can Dale of Norway strengthen its market position in the German market?”

Through research findings and additional analysis, covering both external and internal company aspects, interesting information regarding both the German market and the German consumer was identified. The findings revealed information about Dale’s current struggle in the German market and has been fundamental in the authors strategic recommendations.
List of Figures

Figure 1: The Research Process
Figure 2: The Research Designs
Figure 3: Solberg’s Model for Strategy Development
Figure 4: The ACE model
Figure 5: The Value Chain
Figure 6: BCG matrix
Figure 7: Solberg’s Model for Strategy Development
Figure 8: The competitive structure
Figure 9: Porter’s five forces
Figure 10: Solberg’s nine strategic windows
Figure 11: Model of the market orientation
Figure 12: Segmentation
Figure 13: Standardize or customize
1. Introduction

1.1 The scope, objective and problem definition of the thesis

We have executed this marketing research paper as our finishing work for our bachelor degree in International marketing. The thesis is written with assistance from the University of Mannheim, during our exchange year from the BI Norwegian Business School. The thesis was performed by a group of four students in collaboration with Dale of Norway AS. From this point on the students will address the company as Dale. The objective of the thesis is to provide Dale with strategic recommendations in order to strengthen its position in the German market. In order to reach strategic recommendations the authors will utilize specific analytical marketing tools.
1.2 Research limitations

- Most of the respondents who participated in our survey were students.
- We only shared our survey on various social media platforms.
- The overall respondents were lower income providers.
- The sample size is too small compared to the population in order to generalize.

2. Dale of Norway

2.1 Company profile

Peter Jebsen founded Dale of Norway in 1879, earlier known as “Dale Fabrikker”, which produced knit clothing. Peter Jebsen was a famous Norwegian politician, ship owner and industry pioneer. Dale is a small village 45 minutes away from Bergen, Norway. Dale is the home of Dale of Norway. Dale’s employees are experienced 3-4 times generation knitters who take pride in their work. They have always produced high quality knitwear and are one of the best in their field. Dale of Norway became famous for its niche knitwear after the 1956 winter Olympics in Cortina, Italy. Dale was contracted to produce the official Olympic sweater known as the “Cortina” sweater. The company also sponsors the Norwegian skiing team. Dale is currently one of Scandinavia’s biggest textile producers. Its clothing receives old fashion Norwegian names from famous Norwegian explorers, villages or Norse words. Dale is one of the oldest brands in Norway that still produces sport and outdoor clothing. The company states that its products carry a “greater Norwegian character than the Norwegian chocolate” (Dale 1).

The products consist partly or fully from Norwegian wool. A combination of merino wool and Norwegian wool is used in most of the technical underwear to make it softer. There are few companies and producers that have the same expertise regarding wool and knitting production at the same level.

Market, Production and Organization

Dale’s vision has always been to stand out with its exclusive niche products, and sometimes with a modern twist. The company’s products stand out with its well-known traditional Norwegian knitting patterns. The yarn is made in Dale by hand, and is both used in hand knitting and machine knitting processes. The wool is made from 100 % blended
Virgin wool. Dale exports its products to 22 different countries worldwide and also offers online stores in both Canada and USA. The Norwegian wool is purchased from all over Norway, but mostly from the west coast and the central part of Norway. The merino wool is shipped from Australia and New Zealand since merino wool is impossible to produce in hard and cold climates. All of the textile production is located in the village of Dale.

The last two decades Dale of Norway has struggled with decreasing sales and turnover. In 2009 the Norwegian business women Ms. Hilde Midthjell bought a part of the company, and today she owns 80% of the shares. She has turned the company’s situation around and opened a flagship store in the Capital of Norway, Oslo. After decades of impressive numbers, Dale started to make profits again. In 2011 she hired Mr. Øyvind Lauritzen, who is well known within the Norwegian textile business and has taken part in some of the largest sport and outdoors textile companies in Norway. They restructured and reorganized the company, but kept the production location in Dale.

Current entry mode in Germany

Dale of Norway is today represented in all the German regions, either through online authorized dealers or distributors and agents.

2.2 **Product areas and garment**

Today’s collection consists of five types of product lines: Traditional, Fairy Tale, Reworked, Sport and Outdoor. Traditional, Fairy Tale and Reworked are based on the traditions of the product. “Traditional” is a unisex product line, which is based on Norwegian traditions such as the national costume. The traditional knitting patterns characterize the company with a classic and elegant look that makes it stand out as a niche company. Reworked gives the consumer a more modern streetlook that appeals more often to the younger consumer segment. The versatile clothes separate the feminine from the masculine.

Sport and Outdoor is the modern and sporty twist of the traditional products and patterns. Giving them clean lines and makes them perfect for outdoor activities.

1 [http://www.hegnar.no/kvinner/article683158.ece](http://www.hegnar.no/kvinner/article683158.ece)

provides technical underwear with innovative solutions. All the different product lines contain 100% Norwegian sheep wool and are produced in Dale. Outdoor is produced for adventures and activities like fishing, hunting and cabin vacations. Both of the product lines contain water repellent yarn and windproof inner linings. Within the product range it is possible to choose clothes, which fully contains Norwegian wool or a combination of Norwegian wool and merino wool. All the product lines, except the technical underwear offer clothing for men, women and children. The wide range of products and variations attracts consumers from different segments.

**The Wool**

Information regarding Dale’s wool is based on information collected from its catalog (Appendix: 6: 12)

Dale of Norway has a long tradition of producing clothing from Norwegian wool. The Norwegian wool fibers have been discovered to be longer than most wool around the world. It most likely has something to do with the hard climate and long winter.

The wool fibers have characteristics that make the company’s products more enduring. Wool contains more oxygen than most fibers; this keeps the body temperature warm when it’s cold and cold out when it’s warm. This makes wool perfect for outdoor clothing. Wool is also one of the most odor-resisting fibers.

Merino wool is softer than original wool, which makes it perfect for technical underwear and thinner products. Merino wool is known to be less scratchy than regular wool. Merino also contains 100 % natural and organic fiber.
3. Methodology

In order to collect data to answer our problem definition and research questions the authors have used both primary and secondary data. Our primary data is collected through a conducted survey and an interview with Dale’s Chief of Administration Mr. Kristoffer Østvang. Our secondary data is based on relevant literature and data such as, professional literature, journals, articles, reports and online Webpages. Analysis and findings from our research will be a fundamental part of the authors arguments when revealing strategic recommendation related to our problem definition.

To structure our methodology we have chosen to avail ourselves of Gripsrud, Olsson and Silkoset’s (2010) research process model. The model will take us through five steps, which results in a conclusion. The first step regards what the thesis would like to reveal (Research
aim), the second step consists of formulizing the questions of research and the third step will determine our approach concerning the collection of data, which will provide answers to our research questions. The data collection is provided in the fourth step, and the analyses of the collected data is being conducted in the fifth and final step. The authors will then finalize the methodology in a conclusion.

![Research Process Diagram](image)

*Figure 1 – Gripsrud, Olsson and Silkoset’s (2010: 36) research process*

Our survey, which was conducted as our primary research, was formed through an interview with Chief of Administration Mr. Kristoffer Østvang (Appendix:7), and also an additional competition analysis was formed (Appendix:1)

### 3.1 Research aim and questions

Through communication with Dale’s General Manager Mr. Øyvind Lauritsen, the authors were informed about the company’s current struggle regarding market conditions. Dale is striving to keep up with speed of information, increased competition, and the importance of building brand awareness. How is Dale supposed to strengthen its own position in the “jungle of brands, information and competitors with a low budget and niche-characterized products?” (Appendix: 8)

On the basis of these conditions the authors formulated the problem definition: *how can Dale of Norway strengthen its position in the German market?*

#### Research questions

Research questions are several questions that will provide an answer to the purpose of this analysis (research aim) (Gripsrud, Olsson and Silkoset 2010: 28). The authors have formulated nine research questions that will, together with our analysis, provide enough information to answer our problem definition.
Research questions:
1. Are German consumers interested in outdoor activities, outdoor sports, or both?
2. Are German consumers active in outdoor activity, outdoor sports, or both?
3. How strong is the German consumers’ knowledge with regards to wool as a fabric for clothing?
4. How are the German consumers’ attitudes regarding wool as a fabric for clothing?
5. What preferences and knowledge does the German consumer possess concerning functional underwear?
6. What preferences and knowledge does the German consumer possess concerning wool pullovers?
7. How are the German consumers’ attitudes regarding Norway as a country of origin?
8. What effect does sponsoring sports have on German consumers buying behaviour?
9. Does the German consumer have any relation to the brand “Dale of Norway”?

3.2 Research design

The research process is addressed to identify what type of data that is needed in order to answer the research questions. There are different paths to approach a research question; these paths are known as the research designs. Research design describes how the analysis process is constructed and how to solve the actual assignment Gripsrud, Olsson and Silkoset 2010: 38). We have three different research designs: Explorative design, descriptive design and causal design.

When choosing design concerning how to collect necessary information needed to answer the research questions, there are three factors that should be considered: previously experience from field of research, knowledge with regards to theoretical studies that identifies relevant variables, and the level of ambition regarding correlation between variables (Gripsrud, Olsson and Silkoset 2010: 49).

The authors will now describe and define each research design and underline the argument of our choice. We refer to “factors to consider when collecting information”, to provide the reader with further understanding of our chosen data design.
Explorative design

Explorative design is a qualitative approach suited for revealing information surrounding areas where the decision-maker holds limited information, or the objective with the study is to explore the topic closely (Gripsrud, Olsson and Silkoset 2010: 39). The forms of data collection when utilizing explorative design are by either finding relevant secondary data, or by collecting your own primary data. Primary data can be collected by either conducting a survey or individual depth interviews.

The authors have limited information about the German consumer market. To increase knowledge and understanding of the German consumer market, we decided that an explorative approach was necessary in order to reveal adequate information for all the research questions. One survey and one individual depth interview was conducted. We also used secondary information such as journals, articles, literature and webpages.

Descriptive design

When the researcher has basic understanding concerning problems, the descriptive design is the adequate approach (Gripsrud, Olsson and Silkoset 2010:41). The purpose of this design is to describe the situation within a given area. The design is often used to describe correlations between variables and for structured questionnaires (Gripsrud, Olsson and Silkoset 2010:41). Our survey can be defined within the category of structured questionnaires; descriptive design is utilized in relation to all of our research questions.
Casual design
This form of design concerns finding causality between variables through experiments. Because of the research questions the need of utilizing a causal approach was not found necessary, and have therefore not been applied.

3.3 Data collection
The data collection step in the research process concerns which sources of information we use. The information we use is solely gathered and used for the purpose of providing broad and deep information, which is important in order to answer our research questions and therefore our problem definition.

Under data collection we will share our sources of information, which we will apply in order to gain deep understanding of the topic and describe Dale’s current situation.

Secondary data
Secondary data is data collected by others intended for the usage of other purposes (Grønstrand, Olsson and Silkoset 2010). This type of data could be divided into two parts; internal and external sources. Internal sources are sources collected from Dale, such as product information, material, suppliers etc. The external sources can be divided into three categories: public, professional literature and standardized questionnaires.

Secondary data collected for this research is both internal and external. The public sources we mainly use are Dale’s and its competitor’s official webpages for company information. We have also applied public Internet sites for limited insight in Dale’s financials. We also use plenty of professional literature, such as books and journals. We have as mentioned, conducted a survey, which could be categorized as standardized because it contains questions about lifestyle, attitudes and values (Grønstrand, Olsson and Silkoset 2010:62). Dale has provided us with a not yet released catalog, which gives us broad information about the company’s present state and history.

Primary data
Primary data is characterized by being customized and collected in order to answer our research goals (Grønstrand, Olsson and Silkoset 2011:57). We can divide primary data in two categories: qualitative and quantitative data. Qualitative data is primary data that cannot be expressed by the use of numbers, while quantitative data is the primary data which can.
The thesis consists of both qualitative data gathered from an individual depth interview and quantitative data collected from our survey.

### 3.4 Survey and Findings

**Survey**

Additional findings from the survey are to be found in Appendix 2.

The survey is composed from findings revealed in a competitive analysis of Dale’s strongest competitors in the German market. We focused on the marketing mix for identification of where Dale lack skills compared to its competitors. For numerous of the questions in our survey we have used the likert scale. The likert scale is conducted for finding out how much the consumer disagrees or agrees with our questions. We have utilized a six alternative likert scale to force the respondent to either agree or disagree; this is designed to avoid neutral answer alternatives.

The survey consists of 31 questions and is conducted to provide best answers to our research questions. The authors will now reveal the most important findings related to the research question, followed by a summary.

**Findings**

In order to understand the German consumer market and obtain adequate qualitative data, we have conducted an online survey with 143 respondents. Because of sources of error and hereunder non-respondent errors we could only use 101 of the 143 respondents. Of the 101 respondent’s the average age was 24, and the mode displayed that a clear majority of the respondents (70%) earned up to €2000 a month (Appendix: 2). The survey consists of 53% male and 47% female respondent’s.

_The German consumers’ interest in outdoor activities_

Because of struggling times in the German market, the authors found it necessary to research the German consumers’ interest and knowledge with regards to Dale, including product offerings and product attributes such as wool. Dale delivers fashionable sportswear for outdoor activities in any weather. Therefore, the authors found it necessary to indentify how interested the German consumers are in such activities that Dale’s products are related to.
Statement: I’m interested in outdoor activities.

Our research was clear; the majority of the German consumers are interested in such activities that Dale relates its products too. The respondents were clear, almost 80% agreed with the statement, and a majority of approx. 35% totally agreed to the statement.

The German consumers’ attitude toward wool as a fabric of high quality
Dale is a high quality oriented company. Its wool is of fundamental importance for its products; therefore, Dale utilizes the finest wool to provide maximal quality. The German attitude regarding wool as a high quality fabric was relevant to reveal, since quality is of strong importance to Dale.

Statement: I regard wool as a fabric for high quality clothing.

The message from the respondents was that a clear majority agrees to the statement. Approx. 78% agrees and 22% disagrees in various levels. A conclusion can be drawn by taking all the respondents answers into consideration: the majority of German consumers agree that wool is a fabric perceived as high quality.
Statement: My knowledge regarding wool as a fabric for clothing is above average.

Findings reveal a dominant majority who agrees with the statement (67% vs. 33%). Hereunder are the respondents most frequently (32%) agreeing to the statement, and second most frequently strongly agreeing (23%) with the statement. The German consumer possesses knowledge about wool as a fabric for clothing.

What are German Associations to products from Norway?

Entering new markets is often a source of difficulties to master. One of them can be prejudgemental attitudes towards country of origin. Norway and Germany are big trade partners, therefore it is relevant to identify if this could be beneficial for Dale. The most interesting results of tested variables are illustrated.

Question: What are your associations regarding products from Norway?
The strongest associations presented by the German consumers’ is that they perceive Norway as expensive. 72% of the respondents share this association, and hereunder 54% of the respondents strongly agree. Regarding quality (Dale’s strongest attribute), research revealed a 65% share of the respondents associating Norwegian products with high quality. Concerning design; 50% of the respondents are not aware if Norwegian design is good or bad, while 44% believe Norwegian designs are good.

**Are German consumers’ willing to pay more for certain product attributes?**

Dale is a niche brand that focuses on providing a product to customers with several product benefits. Dale focuses great resources on product and design; therefore they charge a premium price which reflects its benefits. Research was therefore necessary to reveal if German consumers would pay premium prices for the benefits Dale offer. We will first look at the research findings when purchasing functional underwear, then the research findings for the pullover.

![Attribute Payment Chart]

**Which attribute are you willing to pay a premium price for, when purchasing functional underwear?**

The findings display a clear interest in functional underwear that possesses quality. 77% of the respondents would most likely pay an additional cost for increased quality. The second most interesting respond is the 68% who are interested in increased product lifetime. Moreover it is hard to distinguish if the respondents would pay a premium price for brand, eco-friendly products, or design.
Concerning what attributes the German consumers' would pay additional prices for.

**Question – Which attribute are you willing to pay a premium price for, when purchasing a wool pullover?**

The respondents give strong indications that quality is the most valuable attribute, which is most decisive when paying an additional price. 43% of the respondents confirmed their willingness, and 29% revealed that they sometimes would pay the premium price. Moreover, lifetime and design are the other attributes that the respondents would consider paying a premium price for.

Findings from the two previous questions reveal interesting findings concerning the brand attribute. In both questions brand loyalty appears absent. This could indicate strong competition. Due to the large exposure of brands, and to low switching costs, consumers can focus on preferred attributes rather than one specific brand.

**Are German consumers familiar with Dale of Norway**

One of the reasons for the difficulties Dale has experienced in Germany has been its weak brand awareness. Research was conducted in order to measure brand awareness.
By testing the awareness of the brand, it was revealed that 84% of the respondents were not familiar with the brand. This indicates lack of brand awareness, since only 16% of the respondents were familiar with the brand.

**Critical evaluation of findings and primary data**

Hereunder the authors will share limitations of research methods and findings. Furthermore measures conducted in order to strengthen our research validity and reliability will be presented.

**Research limitations**

The authors found respondents by publishing the survey online through different social media channels. The survey was therefore published in forums highly occupied by students; students are therefore most likely the majority of respondents in our survey.

**Validity**

Validity concerns the accuracy of what we want to measure. How close to the “bull’s eye” it is in order find the most accurate data to answer our research questions.

The sources to validity are numerous. We concentrated on increasing our face validity and content validity. Face validity concerns the respondent’s subjective opinion to questions in the survey, and the content validity concerns if the questions in the survey measure what we want to find (Gripsrud, Olsson and Silkoset 2010:101).

Pre-testing our survey was important in order to avoid mistakes and also to increase our validity. We tested our survey on multiple test-respondents before launching the survey. The test subjects gave us feedback on the survey after they had responded.
The accuracy of our measures could be even more precise if a focus group had been conducted. The focus group could have provided us with even more precise data to build our survey upon, than the competitive analysis gave us.

Reliability
Reliability concerns how equal and consistent the results are by measuring the same variable with a set of questions and answers (Gripsrud, Olsson and Silkoset, 2010:102). To increase reliability in our research, we could have conducted reliability tests to identify how good our measures were.
4. Internal analysis

As part of our review of Dale of Norway we have chosen to incorporate an internal analysis. The internal analysis has been incorporated in order to determine Dale’s preparedness for internationalization. Determinating Dale’s preparedness for internationalization will provide the authors with a broad overview over key aspects the company possesses and areas of weaknesses. In order to reveal aspects or areas of weaknesses, different tools have been applied. The following framework will be presented: ACE model, VRIO analysis, Value Chain analysis, Bakka-model, and BCG matrix.

The findings revealed from the internal analysis will be summarized in the SWOT analysis, which illustrates the company’s strengths, weaknesses, opportunities and threats, and is included to help structure our final strategic recommendations.
The collected data for our analysis is gathered through normative and descriptive methods. We conducted an interview with Dale’s Chief of Administration, Mr. Kristoffer Østvang (from now on referred to as Mr. Østvang) and through e-mail communication with General Manager Mr. Øyvind Lauritzen (from now on referred to Mr. Lauritzen). With their cooperation the authors received accurate qualitative data and referrals to accessible quantitative data, such as Dale’s latest catalog and websites. The analysis comprises numerous frameworks, which have been included to increase the reliability and thoroughness. The frameworks are continuously presented throughout the analysis.

In the first part of the internal analysis we apply Solberg’s nine windows (Solberg 2009:141). Solberg’s nine windows is a framework used for strategy recommendations. The authors have chosen to apply this framework because it considers the internal strengths and weaknesses of the company and the external opportunities and threats (SWOT), before recommending future strategic alternatives. The internal strengths and weaknesses concern Dale’s preparedness for internationalization, and the external opportunities and threats concern the globalization of the industry, which will be analyzed in the subsequent external analysis.

![Solberg's Model for Strategy Development](image)

*Figure 3 – Solberg's model for strategy development*

**4.1 ACE model**

Great research has been provided to identify what separates the successful and the unsuccessful exporter (Solberg, 2009:131). In this section we will apply the ACE model, which is a model designed to reveal company Attitudes, Competencies and Embodiment.
The model analyzes how well Dale cooperates with its foreign market network, which often supports the company in its marketing in the given export market (Solberg 2009:132). The framework has been included due to its relevancy when determining Dale’s preparedness for internationalization, and in order to reveal decisive company traits, which will be fundamental to our SWOT analysis. We will now present each part of the ACE model.

![Figure 4: The ACE model](image)

**Attitudes**

The attitudes characterize the company’s internal activities and decisions (Solberg, 2009:132). Therefore, it is vital for the company to implicate the appropriate attitudes. Areas that separate the good and bad attitudes are: ability to take risks, market orientation and attitudes toward foreign cultures.

**Risk Aversion**

Successful exporters tend to have lower risk aversion, than those who do not have the same success within their export markets (Solberg, 2009:133). The prosperity as an exporter could also reflect knowledge of crucial importance in the decision-making processes regarding export.

Doing business always involves risks. The main benefits Dale possesses are its knowledge and experience, achieved by being an exporter for decades. This is contributing to minimizing the risks, as well as choosing the right project to realize, despite risk involvement. Mr. Østvang distinguishes Dale as a company willing to take risks, but he also underlined the fact that it is a niche company and therefore risks are reduced.
Because of Dale’s knowledge and experience the authors categorize it as a company willing to take calculated risks, and by this hold a low risk aversion.

*Market Orientation*

“Market orientation can be seen as a management philosophy where the manager emphasizes market information and proximity to customers, and by closely follow up this information through penetrations and activities” (Solberg, 2009:133). Dale is a product oriented niche company due to its high focus on product and production. Nevertheless, Dale tries to obtain market information through implementing several measures to increase market knowledge.

“We monitor the development of major trends closely, frequently adjusting colors and finishing details to satisfy a fashion-conscious market” (Appendix: 6). Dale follows trends closely. The high quality of Dale’s products increases the lifetime, which was, after normal use, estimated to 10 years. Due to this, Dale has more focus on changing designs and color. To stay up-to-date on trends and fashion Dale frequently visits trade fairs, such as the ISPO fair in Paris. According to Mr. Østvang Dale’s general manager Mr. Lauritzen has travelled across the world, attending seven different trade fairs in the last months. Additionally, Dale has as frequently as possible workshops with its agents and tries to keep close communication with these agents in order to increase market orientation. The authors have minimal information about how frequent these workshops are held and the value of them. Other example of how Dale is monitoring the markets is its research associated with its sponsorships. After sponsoring a World Championship or the Olympic Games, Dale closely monitor the response from the customers by looking at sales, or customer acquisitions and other signs of increased brand strenght. Based on this Dale could be chatedorized a company, which firstly focuses on product and secondly market information.

*Attitudes toward foreign cultures*

Dale’s attitudes toward foreign cultures are no different than attitudes to its fellow colleagues. The problems tend to absent despite numerous partners, agents and collaborators across 22 different countries. This is one of the reasons for its good relationships with agents and distributors, which best could be described as consistent.
Dale has, for example, collaborated with one specific agent for 27 years (Appendix:7). The stable relationship with foreign partners can be explained through its obtained experience in collaborating with partners from different countries and cultures. Research has also indicated that successful exporters tend to have fewer problems with cooperation abroad (Solberg, 2009:134).

Regardless, problems have occurred. In Russia, Dale has been struggling regarding demand. The problems arise from the bureaucracy, credit time and expectations. According to Mr. Østvang the Western – Europe and USA both share a great level of interest in Norway, which benefits Dale through increased foreign interest for collaboration. Unfortunately, this foreign interest is not shared by the Eastern-European countries, and therefore it is no surprise that problem have occurred in the Eastern-Europe. The authors believe the problem in Russia has arisen due to Dale’s country of origin and not because of questionable attitudes toward Russia and its culture. Dale is therefore characterized as a company, which has the same positive attitudes towards any country or culture.

*Competence*

The competencies that Dale holds are of great importance for its success. The competencies need to generate corporate value, which in this case it does. What distinguishes the most in terms of international success is how the marketing mix is applied in the different markets (Solberg, 2009:136). This will be further explained in the subsequent VRIO analysis.

While being an international company for decades and exporting to different markets, Dale has acquired great knowledge and experience. This experience and knowledge has contributed to Dale’s deep knowledge within product development. It develops its new products with high focus on design, comfort and quality. The authors believe that the knowledge and experience is of great importance when electing international markets and entry strategy.

*Marketing*

Since 1956 Dale has been a proud supplier to the Norwegian Biathlon association. Dale also sponsors both domestic and foreign ski athletes, the Olympic Ski Committee (IOC), and big international ski events. This will be further examined in the VRIO analysis. The sponsorship of IOC has given the privileged right to use the five rings, the International
Olympic Logo, as part of Dale’s designs. Related to its sponsorships of different international events it introduces new collections with great success, both during and after the event, such as with the Lillehammer Olympic Winter Games collection. Dale was also sponsoring the recent World Championship in Val Di Fiemme. Dale’s product is therefore highly linked to winter sports and winter activities. Its markets are also chosen on the basis of access to winter activities or the consumers’ interest in such activities Dale relates its products to. From a different perspective its marketing can be questioned. Relating its products to athletes and international events is strategically smart regarding the products, which are designed for many of the performed exercises. The question is: are others than Norwegians aware of what the Norwegian sports athletes are wearing outside the exercises?

**Embodiment**

Exporting has become of great importance to Dale. Export generates almost 2/3 of Dale’s total turnover (Appendix:7). When export generates this amount of total turnover it starts affecting the “business as usual” (Solberg, 2009:137). By exceeding this, attitudes have been proven to spread out to the whole company, making not only the top-management, but also every member of the organization to see the importance of the export and internationalization. This is resulting in a contribution of building and retaining competencies and adequate attitudes, which positively affects the embodiment across the organization.

Dale considers the foreign markets as a strategic and an economic opportunity. Increasing profits, gaining market share and increasing brand equity is important, and accounts as current objectives. Mr. Østvang firmly believes that the attitudes the employee’s hold, are equal to those, which are possessed by the top-management. Dale believes this is the case because of the high number of staff involved in the production process. Being involved creates a better understanding of the value export generates to Dale. Dale, as an organization has, from top to bottom, understood how important the export markets are because of the large share of total employees, which is involved in the process.

**Conclusion**

The conduction of the ACE model reveals that Dale possesses traits that are of importance to succeed as an exporter. Attitudes are categorized through low risk aversion, positive attitudes towards foreign cultures and efforts to try stay market orientated. Its
competencies are considered as a source to competitive advantages, despite the possibility to narrow marketing efforts. The organization is united in beliefs and understanding in the aspect of export and its importance in the future.

Dale is currently struggling with decreasing sales in their home market, and therefore its dependence on the export is increasing. With a great amount of foreign collaborators the authors believe additional organizational resources need to be provided. Resources need to be provided in order to strengthen Dale’s position in the home market, and closer monitoring of collaborators is important to increase learning and controlling. Next it is necessary to use a VRIO analysis to uncover Dale of Norway’s resources and also how to make Dale the consumer’s top choice.

### 4.2 VRIO analysis

One of the critical tasks in strategic analysis is for managers to understand the relationship between the resources they control and the performance of the firm (Wernerfelt, 1984, Barney, 1991). It is possible to develop a set of tools for analyzing all the different resources and capabilities a firm might possess, and the potential of each of these to generate competitive advantages (Barney, 2006). The authors have incorporated the VRIO analysis because it identifies why Dale is the consumers preferred choice. The VRIO analysis is a four-step analysis of a company’s strategic capabilities. First we will identify the strength of Dale’s capabilities by revealing their Value, Rarity and Imitability, and the last part will reveal how well the Organization exploits its strategic capabilities.

VRIO is an acronym for the four variables: value, rarity, imitability and organization. These variables need to be measured to determine the competitive potential of a resource or capability (Barney, 2006). For clarification, necessary distinction needs to be done concerning who the customer is. Dale, as an exporter, serves mainly two customer groups: their distributors and end-customers. The authors have chosen to conduct this analysis with the end-customer as the customer. The reason why we have chosen the end-customer as our customer in the analysis is because they are the ones who create demand of the product and, in the long run, provide cash flow.
Value of strategic capabilities – Medium/high

The value of a capability is characterized by its creation of value to the customer. The level of value it creates determinates if it can be seen as a competitive advantage (Barney and Hesterly, 2010). Dale is a product-orientated firm; its key capability is the level of experience it has with know-how, regarding production of knit and wool clothing. The authors see this capability as the key for further success because of the additional value it provides to the customer.

Since the beginning in 1879 the acquiring of experience and knowledge has been of great impact and contributed building Scandinavia’s largest producer of knit- and wool clothing. Surrounding the production process vital intangible resources are identified. The human capital resources, crucial knowledge and expertise with regards to the production process and production methods helps secure the quality of the products, which are important to the customers.

Despite a struggle in the beginning of the twenty-first century with decreasing sales, Dale still holds a strong brand name in its reference market. By sponsoring the Norwegian biathlon and cross-country ski team and doing marketing through big international events, such as the Olympic Games, World Cup and World Championships, have helped maintaining a strong brand familiarity in Norway. “A firm has a competitive advantage when it is able to create more economic value than rival firms” (Barney and Hesterly, 2010:10). The capabilities which cause competitive advantages are crucial for Dale’s success in foreign markets and therefore also Germany.

Rarity of strategic capabilities – Medium

The rarity of the capability determines the strength of a competitive advantage. Indicating the rivals, who hold the same capability, decreases the strength of the competitive advantage (Barney and Hesterly, 2010). Therefore, it is necessary to evaluate the competitiveness of the capability in terms of how many of a company’s rivals possess the same capability, or in other words; the rarity of the capability.

Through Dale’s long experience as a knit and wool clothing producer, expertise of great importance has been gained. Resources and capabilities have naturally emerged from the company’s long practice within the industry.
Bachelor in International Marketing – Dale of Norway

Dale aims to approach the markets as an exclusive producer of clothing who provides customers with valuable benefits, by delivering high quality clothing made from the best materials and latest designs. Benefits such as high quality, body temperature maintenance and long life time contribute to creating an exclusive brand. The quality is of high importance, nevertheless Dale also strives to deliver the latest and the best designs, and constantly search to improve its products through high involvement within the most recent technology. The product also depends on other factors, not only material. Dale focuses heavily on designs as well as product development. Through high involvement in use of the most recent technology, Dale has introduced new revolutionary products, such as the water repellent wool. As mentioned earlier, frequently visits at fairs and collaboration with designers contribute to provide Dale with the latest and most up-to-date designs.

*Inimitable strategic capabilities – Medium*

Barney & Hesterly (2010) claims, “rare resources are often strategic innovators, because they are able to conceive and engage in strategies that other firms cannot because they lack relevant resources and capabilities”. Cardeal and Antonio (2012) describe that “if valuable and rare resources are easily imitable, competitors would quickly copy them and the potential for competitive advantage would disappear” (Cardeal and Antonio, 2012:3.). The previously discussed resources of Dale, such as the human intangible resources and strong brand familiarity provide sustainable advantages, and these can be considered as sustainable.

Choosing popular channels to promote its product through have been crucial for Dale to build a strong brand name in the Norwegian market. Sponsoring the Norwegian Cross country skiing and biathlon team for decades have contributed to Dale’s awareness in Norway. Relating its products up to winter sports, which are very popular in Norway, has been the key to its great success in the 90s and gaining a strong brand name and inimitable competitive advantage. Research has been conducted to identify why some resources tend to be more difficult to imitate. Also contributing to increase awareness in Norway can be explained through Dale’s choice of products. Wool sweaters have a strong tradition in Norway, and Dale’s products are considered as very traditional and are often highly associated with Norway and the Norwegian culture. The products are also handed out as gifts to famous international visitors of Norway.
Bachelor in International Marketing – Dale of Norway

Wills-Johnson (2008) suggest “time compression diseconomies – it takes time to learn firm knowledge through experience or to train workers in a skill, which can confer competitive advantages”. Dale has intangible human resources, which have been acquired through long experience in the business. Despite inimitable knowledge, it is hard to determine how long this resource will provide value to the customer and therefore it is hard to know how sustainable the competitive advantage is.

As mentioned previously, Dale is very product oriented and focuses highly on quality. Regardless, the products Dale produces can be made by anyone who knows how to knit and spin yarn. This decreases imitability of its resource.

Organizational Embedding
Potential competitive advantage relies on the value, rarity, and, imitability of its resources and capabilities (Barney and Hesterly, 2010). To fully realize this potential, a firm must be organized to exploit these resources and capabilities.

The organization of Dale has been described as a family who work united towards accomplishing goals. The attitudes represented in the top-management are equally strong among any other employee who works for Dale. Dale generates 2/3 of its revenues from the various export markets. This emphasizes Dale’s dependence in its international markets. The importance of a strong foothold in its reference market should not be underestimated, despite the higher share of turnover generated in the export markets. Dale is a relatively small organization; despite this its markets are numerous. In spite of limited resources, the authors believe Dale exploit its resources the best possible way. The most urgent objective for Dale is to strengthen its position in the reference market. This is vital for further advancement in the internationalization process, and to prevent a relapse. Nevertheless, the export part of Dale’s company is also vital for the future growth. The authors are certain that the export is strongly embedded in the organization of Dale, and seen by the whole organization as an evident area to succeed and achieve objectives.

Conclusion
The VRIO analysis reveals resources that are valuable, rare and hard to imitate. It is also important that the whole organization is united in its work for best utilization of the company’s resources, and thereby achieve sustainable competitive advantages. We conclude that the most valuable resource that Dale possesses is its intangible human
resource with regards to know-how, knowledge and competence in relation to the production process. These capabilities are vital to succeed both in Germany, and internationally.

Dale possesses a strong brand in Norway, much because of its company history and its strong relation to Norwegian culture. In Norway these factors can be seen as strategically relevant, however in Germany these factors cannot be seen as strategically important. Other factors, such as product, design and the product benefits are by the authors’ opinion more evident for future strategy in the German market.

After analyzing Dale’s resources it is also necessary to reveal which processes in the company these resources derive from. Therefore the authors will analyze Dale’s value chain.

4.3 Value Chain analysis

In the next section of the internal analysis we will look in to Dale’s Value Chain. The value chain was introduced by Michael Porter in his book “Competitive Advantage: Creating and Sustaining superior Performance” (1985). The objective by conducting this analysis is to enlighten the activities, both within and around the organization, which together create a product or a service and link them up to the organizations competitive position. The authors will analyze the value chain in order to reveal sources to competitive advantages or areas for improvement, which is necessary for the authors when arguing our final recommendation. The analysis will also be fundamental for our SWOT analysis and the authors have choosen the value chain activities, which are of highest importance for Dale. The activities we consider as most important for Dale are the technology development, operations and sales and marketing.

Technology development
Dale includes labor in every step of its production, technological innovations has therefore been of great impact for development of new designs and products. An example is the
making of water repellent wool. This technology has made it possible to develop Norwegian wool with a softer texture. The modern technology has also contributed to streamline the process of sorting and choosing the finest fibers, which results in finer merinowool.

**Operations**

Quality is essential to Dale’s products. By being this quality oriented the company has chosen to establish its own facility for production, to ensure great quality in every step of the production process. Because of its high valuation of product and quality, the authors believe that outsourcing of any operations, which most likely would lower the costs, is improbable.

**Sales and Marketing**

Dale focuses its promotion on sponsoring sport events and ski athletes. The company also cooperate with international ski organizations. We will examine this more in the consequent Bakka-model.

**Conclusion**

Dale is strong within the field of technology and has solid routines in order to offer the highest product quality possible. On the other hand, outsourcing steps of the production process could perform activities more efficiently.

**4.4 Bakka-Model**

The Bakka-model is a descriptive model that illustrates the company’s internationalization process through five distinctive phases: from *trail export*, through *extensive and intensive export*, to *international marketing*. The model describes which factors affect the business decisions surrounding these five stages. Criticism has been given to the model due the reason that it’s hard to locate where the company is situated. Despite criticism, the authors feel that this tool will provide a thorough impression of the company’s globalization process (Solberg, 2009:119). The authors have chosen to apply this descriptive model because revealing of the internationalization process will contribute in determining Dale’s preparedness for internationalization which is fundamental for our strategy recommendations.
For the readers understanding, the authors have chosen to define each phase shortly based upon Solberg’s definitions (2009:119,122). Secondly we will locate Dale in the different phases and summarize the model in a conclusion where we will determine how far Dale has come in its internationalization process.

Definitions:

Trail export
When companies decides to start exporting, the catalyst is often a reaction of others initiative, such as foreign demand, inquiry of customer, or competitive pressure. This phase is called trail export. This phase is often of high expense, because businesses often lack or have limited knowledge regarding elements surrounding the export

Extensive export
This phase describes a business that has become overconfident. Carrying away and building networks, making too many agent contracts in too many markets without the proper resources. The managing of the markets will be poor and minimize the learning process.

Intensive export
Increased experience and knowledge have lowered the frequency of mistakes and the company’s marketing mix is starting, in short steps, to be adapted market conditions. Important for this phase is to only focus on primary markets and pull out of less attractive markets.

Multinational marketing
The export markets are equally important as the home market when it comes to achieving company objectives. A higher share of revenues stems from its export markets, which indicates how crucial the export is. Local market information is important to adjust marketing mix to achieve best results.

Global marketing
Companies in this phase are either global or transnational actors, which are recognized by offering products and promotion in the global market.
**Dale’s internationalization process**

*Motive of Export*

Dale’s export motive is both operative and strategic. Through its export it wants to increase profits and brand equity, as well as gain market share outside the domestic market. Export generates for 2/3 of total income which also can be seen as a source of motive. The short-term goal (2-3 years) is to double revenues and have a stable profit margin at 10%. Due to its ambitions for growth in the foreign market we locate Dale in phase 3: *Intensive Export.*

*Market Selection*

The majority of Dale’s foreign markets are strategically elected on its interest for skiing and outdoor activities, such as the markets around the Alps. However, markets without relation to skiing and outdoor activities are also elected for export, such as England. This is because market information indicates that people in these markets have interest in skiing and outdoor activities. Because of Dale’s concentration on markets that either have interest or near access to outdoor activities, we choose to locate the company in the phase *Intensive Export.*

*Market share*

The authors have limited information regarding current market share in both the domestic and foreign markets. According to Mr. Østvang the market share in Norway was estimated to be small. Based on this the authors believe Dale’s market share is insignificant worldwide. This being said, Dale holds a respected size as a manufacturer of Norwegian knitwear and technical sportswear. Therefore we situate Dale in phase 2: *extensive Extensive export* and phase 3: *Intensive export.*

*Organization*

Great recourses are necessary in order to perform in the number of markets Dale is represented in. Dale has three employees working in Burlington Vermont, which works explicitly on following up with agents. At the headquarters in Norway the authors have no exact information on how many employees that are doing follow ups with foreign collaborators. Although, Mr. Østvang told us that approximately half of the organization was in some way involved in the export. 22 countries are a lot, and with only 60 employees resources can be limited (Appendix:7). We therefore locate Dale in phase 3: *Intensive export.*
Entry strategy
Dale’s entry strategy has been through distributors, agents and opening one subsidiary in USA. Agents have contributed with promotion, sales and customer contacts. Relationships with agents can be challenging, when it comes to negotiating contracts and developing good relationships. However, the authors have been provided with no indications regarding difficulties with agents, rather the opposite. Based on this, we situate Dale in phase 2: Extensive Export and phase 3: Intensive Export.

Marketing Mix
Dale includes human labor in every step of the production process, in order to guarantee high quality. The company does not see it as an option to outsource stages in the production process, nor is it a relevant option to replace human labour with robotic technology. Therefore, Dale can justify its premium price, which is higher than its competitors (Appendix:1) and reflects its quality. Products are standardized and according to Mr. Østvang none or very few adjustments were made to the marketing mix. Italy is the only example of adaption where Dale has positioned itself along with brands like Armani, which is a positioning strategy not implemented in other countries.

Dale’s promotion is not adapted to any specific culture, but is based on international awareness through sponsorships of athletes and major international events, such as the Olympic Games and cross-country skiing World Championships and through its official webpage. Dale’s promotion is therefore not adapted to any local market environment and this could be source of why they lack brand awareness. Based on this we argue that Dale should be located in phase 3: Intensive export.

Economic Result
The authors were provided with limited insight in Dale’s accountings. Despite this we revealed from other sources that Dale is heavily investing, by increasing liabilities to credit institutions with approximately € 263 000 from 2010 to 2011. However, according to Mr. Østvang 2/3 of total income is generated by export, indicating that these revenues are crucial for reaching financial objectives. The chairman and major shareholder of Dale, Hilde Midtfjell stated in an interview, that Dale for the first time in nine years had

3 (http://www.proff.no/regnskap/dale-of-norway-as/dalekvam/-/Z0I8SQMJ/).
4 (http://www.hegnar.no/kvinner/article683158.ece).
accomplished a positive operating result. Based on this information we locate Dale in phase 3: *Intensive export* and 4: *Multinational marketing*.

**Conclusion of the Bakka-Model**

In the internationalization process Dale can be assigned to phase *Intensive export*. However, recognition of fluctuations to the phase extensive export and multinational marketing do occur.

For potential advancement in the Bakka-model, measures must be done in order to increase level of preparedness for internationalization. It is therefore necessary to analyze Dale’s internationalization capability.

**4.5 Boston Consulting Group-Matrix**

*Market share in the reference market*

According to McDonald & Wilson (2011) the BCG matrix “classifies a firm’s products to its cash usage and its cash generation, using market growth and relative market share to categorize them in form of a box matrix”. The authors have incorporated this portfolio matrix because of its relevance when determining Dale’s internationalization capability. This is a decisive step in order to evaluate the company’s preparedness for internationalization and for our future strategic recommendations. Because this will help us reveal Dale’s current market position relative to the two variables: *Market growth* and *relative market share in the reference market*, and thus enlighten the effect Dale’s relative market share have on its internationalization capability (Solberg, 2009:146).

![Figure 6 - BCG matrix](image_url)
The portfolio matrix is based on two variables 1) market growth and 2) relative market share. Market share is an indicator of the product’s ability to generate cash; market growth indicates the product’s cash requirement (Marketing Plans, McDonald & Wilson, 2011:172). The market share Dale holds in Norway is difficult to measure because of its use of different distributors compared to its competitors.

A star is a product, which have high market share, and operates within a market characterized by high market growth. Cash cows have a high market share and operate in a market with low growth. The dog is characterized with low market share and is present in a market with low growth. Question marks have high market growth but suffer from low market share.

The BCG matrix indicates that Dale’s products either have not reached its dominant market position and thus a high cash flow, or perhaps it once had such a position but has slipped back. (Marketing Plans, McDonald & Wilson 2011, p. 173). In this case it is no doubt that Dale has experienced a setback through some rough years at start of the 21st century. The market growth is also high, and therefore, the investments need to be great to turn the trend around and in the future become a star.

4.6 Market Network

A good network can be of tremendous advantage. The success of transfer of knowledge between organizational units is critical for a number of organizational processes and performance outcomes (Tortoriello, Reagans, McEvily, 2012). A market network can be said to have the same function as information: It decreases the uncertainty surrounding decisions that shall be made. A prerequisite is that the information that is provided from members of the network can be trusted (Solberg, 2009:125). The trust within the network brings us right into the core of the agent-principal theory, which focuses on that business partners behave opportunistic and hereby touching the essential criteria for a good network: trust (Solberg, 2009:125).

The network can be of great value when it comes to market information. Market analysis can be expensive and time consuming to conduct. A good network can provide you with a “short-cut” to information (Solberg 2009: 125). The authors find it important to reveal Dale’s market network and the possible advantages or disadvantages it holds as important
for international success, and therefore also relevant when determinating Dale’s preparedness for internationalization.

Being a company with roots all the way back to 1857, Dale has through the years built a strong network, both domestic and foreign. The strong network in the foreign market has provided them with great information within trends, R&D and market information. One example is the information they have received from its agents, benefits such as customer information, how to best approach new markets and how to communicate its products. Mr. Østvang also told us about the Danish designer which they use with regards to design. This collaboration is seen as an exciting and different project, because the designs are new and separated from the designs Dale is commonly known for.

The foreign network as Mr. Østvang referred to as “very strong” was not described with regards to trust. Still the company has worked with an agent for 27 years and the agent network, as we know, has not been problematic but rather successful. The authors therefore believe that the trust between the members of Dale’s market network has contributed to create opportunities and making successful decisions.

**Conclusion**

Dale’s marketing network can be categorized as broad and strong because of its collaboration with numerous distributors and agents. The network is defined as broad because it holds sources to information about different aspects conserving Dale, such as design, trends and market information.

**4.6 Preparedness for Internationalization**

The framework applied for the internal analysis has provided the authors with information needed in order to determinate Dale’s preparedness for internationalization. The results from the different tools has been various, and based on this the authors define Dale’s preparedness for internationalization as *medium*. 
5. External Analysis

We have chosen to conduct an external analysis to get a clearer overview of Dale’s external environment, which concerns market, consumers, competitive environment and current market position in Germany. The authors will analyze the globalty of the industry and the competitive structure. The authors will then apply a PEST analysis and Porter’s Five Forces in order to collect the necessary information needed. These analyses will be the next step in Solberg’s model of strategy development. The following analyses are important for the authors in order to provide strategic recommendations.
Figure 8: Solberg’s Model for Strategy Development

The outcome of the external analysis will be applied in a SWOT analysis. A SWOT analysis gives an overview of the market environmental and internal strengths, weaknesses, opportunities and treats.

5.1 The German sportswear market

The German Sportswear market

Before analyzing the market growth and size, it is necessary to distinguish which industries Dale operate within. Dale, who is a niche brand, relates its products to many industries. The industries the authors find most interesting and important are the fashion and sportswear industries. The German consumer market is, because of its high population, the largest in the EU and therefore an important market to participate in. (U.S foreign commercial guide 2010).

The sportswear industry is characterized by medium-size enterprises. The industry is of great scale and the customer can choose among a broad specter of brands. The evolution of sportswear has indeed been great. Sportswear today is produced either to give comfort, for casual use or to improve performance. The increase of usages makes sportswear suitable for almost any occasion. According to The US commercial service, the German sportswear could be divided into 4 categories: 1) sports and leisure equipment, 2) sports apparel/sports shoes, 3) camping, trekking goods, and 4) Garden, camping furniture.

Despite the current economic uncertainty, the German sportswear market has over the previous years expanded. Forecast for the future also predicts that the market size will increase. “The reason why this forecast is fuelled largely by the increasing number of
elderly consumers, taking up a more active lifestyle and that sport activities remains a
dominant trend in Germany” (US Commercial Service, 2012). Statistics over consumer
spending with regards to sportswear indicate that consumers spend more money on goods
from the industry. The sportswear industry has enjoyed a proportional increase in total
turnover at €50 Million between 2006 and 2011.  

Other essentials: Germany has over the last decade been the 3rd largest importer in the EU.
In 2012 import accounted for more than 60% of the total market size.

5.2 The industry globality

**PEST-Analysis**

The macro environment affects markets and industries where organizations operate. The
elements that affect organizations are referred to as the PESTEL elements. The PESTEL
analysis contains political, economical, social, technological, environmental and legal
factors (Jim Blythe and Phil Megicks 2010:64-65). The PESTEL analysis is a macro-
environmental framework used to analyze the industry, where a company operates or
whishes to operate in. It is used for external analysis and market research. It gives us an
overlook over the factors in the market that Dale has to take into consideration.

Two factors have been excluded from the PESTEL analysis. These are the legal and
environmental factors. This is due to the fact the legal factors are being explained under
political factors and that Dale has no real environmental obstacles to overcome. Political,
Economic, Social and Technical elements are the elements that have been measured in this
analysis. All of these elements will influence or impact Dale’s penetration in the German
market.

**Political factors:**

Political factors include factors such as current government policy and stability of the
political climate (Jim Blythe and Phil Megicks 2010: 64-64). The level of interference a
government executes in a country concerning the market, taxes, labor laws, tariffs and
trade restrictions drives the political factors. These factors provide an overlook concerning
a country’s political situation.

Norway is a member of the European Economic Area (EEA), which gives the country access to the European Union’s internal market and the four freedoms: free movement of goods, persons, capital, and services. As Germany is a member of the European Union (EU), trade barriers between the countries are reduced. Tax regulations are not included in the EEA. This makes Norwegian firms unable to execute business like the rest of the EU countries when it trades within EU countries.

The few trade barriers, the stable and predictable governmental system and the Norwegian membership of the EFTA agreement makes Germany a secure and adequate country to operate in.

Economic factors:
Economical factors include elements such as demand in national economy, interest rates, credit availability, and so forth (Jim Blythe and Phil Megicks 2010: 64-65). These factors are fundamental in how a business operates within foreign and national markets\(^6\). In economic crisis such as the one Europe is experiencing now, the high unemployment rate in Europe should be considered. People might not prioritize buying expensive sportswear. Economies are price sensitive after the recession, but Germany is still one of the countries in the world, which are least affected by the recession. Germany is the largest economy in Europe and has the fourth largest nominal GDP in the world; therefore it is a strategic important country to be present in. Germany is the second largest exporter in the world, which indicates the country as a good trade partner of choice. The unemployment rate in Germany was at 6,7% at the end of 2012, which is very low\(^7\). The increased energy prices of the summer 2012, caused the inflation rate to rise above the European Central Banks limit at 2,0%. It is still satisfying compared to the rest of the Eurozone.\(^8\) The economy in Germany has expanded the last year, which has led to a growing financial freedom within the country. The unemployment rate is one of the lowest in Europe, which ensures that the

\(^6\) [http://pestel-analysis.com/content/economic-pestel-analysis-tool](http://pestel-analysis.com/content/economic-pestel-analysis-tool)

\(^7\) [http://statistik.arbeitsagentur.de/Statischer-Content/Arbeitsmarktberichte/Monatsbericht-Arbeits-Ausbildungsmarkt-Deutschland/Monatsberichte/Generische-Publikationen/Monatsbericht-201212.pdf](http://statistik.arbeitsagentur.de/Statischer-Content/Arbeitsmarktberichte/Monatsbericht-Arbeits-Ausbildungsmarkt-Deutschland/Monatsberichte/Generische-Publikationen/Monatsbericht-201212.pdf)

German spending is maintaining. Germany also has strong political and economic policies, which helps keeping the corruption at an all-time low\(^9\).

**Social factors:**

Social factors include language, social trends, and share beliefs of the society in which the organization operates (Jim Blythe and Phil Megicks 2010: 64,65). All these elements can have an impact on demand. It is important to know the demography and the cultural aspects of a country. The population growth and the age differences within the company can have an effect on labor-force and wages\(^10\). In order to reveal cultural differences or similarities between Norway and Germany the authors have chosen to apply Hofstede’s cultural dimensions.

Hofstede’s five dimensions are used to distinguish traits, which are equal among a group. In order to identify similarities or differences between countries Hofstede developed five cultural dimensions, which the authors will use in order to distinguish the German culture. The five dimensions are: *power distance, uncertainty avoidance, individualism vs. collectivism, masculinity vs. femininity* and *long-term vs. short term*.

Definitions of the cultural dimensions (Hofstede, 2001: 29)

1. Power distance is related to the different solutions to the basic problem of human inequality.
2. Uncertainty avoidance is related to the level of stress in a society while facing an unknown future.
3. Individualism vs. collectivism is related to how integrated people are within groups.
4. Masculinity vs. femininity is related to the extent of individualism and independency within a group.
5. Long-term vs. short-term is related to what kind of focuses individuals have in life, either concerning the future or the present.

Germany and Norway have many similar beliefs and values, which is one of the reasons why they are such close trade partners. Norms, values and culture share similar meaning between the two countries. The cultural dimensions by Hofstede compare Norway and

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\(^9\) [http://www.heritage.org/index/country/germany](http://www.heritage.org/index/country/germany)

\(^10\) [http://pestel-analysis.com/content/social-pestel-analysis-tool](http://pestel-analysis.com/content/social-pestel-analysis-tool)
Germany as quite similar, except that Germany is much more masculine than Norway. Their norms and values are not that different\(^\text{11}\). The number of people with an active lifestyle is increasing all over the world. People are more health conscious, and therefore a brand like Dale fits in today’s society beliefs and values. The marks from the differences between the old West and East Germany are still visible. The unemployment rates differ in gender, educational attainment and which ethnic groups people belongs to. The standard of living in Germany varies. Issues that might affect Dale are cultural differences. Dale’s special knitting pattern is rooted in Norwegian history, and is therefore easier to market in Norway than other countries. Its product is a symbol of culture to Norwegians. Norwegians like quality clothing, which Dale’s products represent with its fine wool. All this fits into the German lifestyle, as Germans like skiing and they are also aware of quality products. Tourism between Norway and Germany is big. Each year a high number of German tourists come to Norway to visit the many fjords and mountains. Half a million Germans visit Norway every year and this is estimated to account for 21% of all visitors. It goes both ways, as Germany is an increasingly popular destination for Norwegian tourists as well: the number of Norwegians visiting Germany has increased by 17% from 2009-2010. Even though the Euro zone countries are currently under recession, the number of people travelling out of Germany on vacation is still high. (Norwegian Foreign Ministry 2012) (Strategic Management "Concepts and Cases”. Frank T. Rothaermel. Chapter 3 "External analysis: Industry Structure, Competitive Forces and Strategic Group p. 55)

When analyzing the social factors in Germany, it reveals numerous similarities between Norwegians and Germans, which Dale can benefit from. One of the benefits could be the need of adaption of the marketing mix. The similarity between cultures decreases the importance for the company to adapt its marketing mix in the German market.

**Technological factors:**

Technological elements include products in the market, communications, technology or scientific breakthroughs (Jim Blythe and Phil Megicks 2010: 64-65). Technological factors help the company to keep up with research and development within its industry. Technological changes can be crucial to a business, it is therefore important to keep up since the changes can have an impact on cost, quality, and new innovations.

\(^{11}\) [http://geert-hofstede.com/germany.html](http://geert-hofstede.com/germany.html)
Germany is one of the world leaders within technological changes and development. Germany is innovative in the field of new technological products and production methods, which makes the country competitive on the global market place\textsuperscript{12}. Dale uses top quality garments and production methods, as the company produce products fast, efficient and delivers top quality products. Dale is constantly innovating its production methods and products (Dale of Norway Catalog 2013). Germany has one of the most rapidly growing markets concerning online shopping. In the first quarter of 2012, German consumers spent more money shopping online than in the whole year of 2011. This displays that the Internet has become the most popular shopping channel in Germany, and is constantly growing.\textsuperscript{13}

The level of technology development in Germany suits Dale due to the fact that the company possesses strong competencies within technology and delivers products with the latest innovative solutions. An example of this is the water repellent wool. Dale has also an online store provided in various languages, such as German and English. This is important in order to be available to foreign consumers who wishes to shop online.

\textit{Summarize of the PEST-Analysis}

Germany is a political stabile country, with non-existing trade barriers concerning Norway. Due to this, political and economical elements will not have a great impact on Dale`s further penetration in the German market. The German economy is, despite the current recession, stable and the low unemployment rate avoid decreasing consumer spending. Social elements can make a difference, even though the two countries have quite similar norms and values. This is due to the traditional Norwegian knitting patterns Dale uses, as it may be harder to market in other countries than Norway. The high innovative and technological level in Germany suits Dale, which provides products featuring the most recent technology.

\textsuperscript{12} \url{http://www.kampuslanding.com/technological-development-germany.html}
\textsuperscript{13} \url{http://www.newmediatrendwatch.com/markets-by-country/10-europe/61-germany?start=2}
\textsuperscript{14} \url{http://www.emarketer.com/Article/Ecommerce-Germany-Nears-9-Billion-Q1-2012/1008996}
5.3 *Competitive structure*

![Diagram of competitive structure]

*Figure 8 – the competitive structure, displaying Dale and its competitors. Competitors can be found in Appendix 1.*

An analysis of the competitive structure is central for this part of the thesis, because it gives us an overview of Dale’s degree of internationalization and degree of specialization. One way to analyze the competitive structure is to identify the most leading competitors in the industry, and position them according to their international involvement and organizational strength. For example: a global industry is dominated by international corporations, and operates within several business fields. (Solberg, 2009:143)

Dale is a small company concentrated within one industry, the sports industry. The sports industry is global, which puts Dale in a position of being potentially global. The high degree of specialization and the size of the company are two central reasons for why they are not perceived as global yet. Dale benefits from possessing a strong network, both domestic and foreign, which makes them potentially global. Also, as stated in the internal analysis, they receive much information from their agents and benefit from this when they decide to approach new markets and communicate their products.

The competitors (most relevant for Dale) included in the analysis derive from Engelhorn sport, and can also be found at Globetrotter (these are two sportswear retail stores in Germany).
In order to represent the size and the demand of the competing products, the authors decided to use the information provided from the survey. The circles identify how well known and desirable each brand is by German consumers. The authors do not possess any accurate revenues from either Dale or its competitors, which is why the authors chose not to include revenues in this model (revenues are included in Solberg’s original model). In order to display how global Dale’s brand is, the authors will use information from each of the brands Internet sites, and figure out how many countries they are located in.

*External conditions that affect Dale’s potential to become global:*
Weather and climate plays a big role within this industry, which means that the interest of wool clothing is mostly directed towards countries with rough and cold weather conditions. The prices are quite high, which means that the customers must be in the position where they are able to purchase expensive premium priced products.

Business conditions for wool textile around the world are rough. Orders from retailers declined in 2012, in Europe the demand for wool clothing fell rapidly and have caused wool textile companies to look to other export markets outside of Europe. To conclude these figures, the decrease for wool demand is a force that shows us a sign of weakness within the industry (Wool Journal, 2012).

**Conclusion**
Dale is by the time of writing, a potential global industry, since the company is capable of operating within a number of countries/continents who have weather conditions that meet its product characteristics. Dale is not global yet, due to the fact that it’s a small and specialized company. Dale is potentially global since it operates within a global industry and benefit from a strong network in both domestic and foreign countries. As the demand of wool has decreased and the fact that Dales products are highly specialized, tells us that Dale is not likely to become a global player within the coming years.

**5.4 Porter’s five forces**
Competitive strategy must grow out of a sophisticated understanding of the rules of competition that determine an industry’s attractiveness. The ultimate aim of competitive strategy is to cope with and, ideally, to change those rules in the firm’s favor. In any
industry, whether it is domestic or international or produces a product or a service, the rules of competition are embodied in five competitive forces: the entry of new competitors, the threat of substitutes, the bargaining power of buyers, the bargaining power of suppliers, and the rivalry among the existing competitors. (Porter, 1985:4)

Porter’s five forces are used to gather information and analyze the competitive market. This is helpful in order to grasp in which state the German market is or is not attractive for Dale. Dale is already operating on the German market, so in this scenario we shall try to analyze their external position compared to their competitors.

Figure 9 – Porter’s Five Forces

Threats of new entrance
The threat of entry determines the likelihood that new firms will enter an industry and compete away the value, either passing it on to buyers in the form of lower prices or dissipating it by raising the costs of competing. (Porter, 1985:9)

The EEA agreement contains the 27 EU member states and the three members of EFTA, which are Iceland, Lichtenstein and Norway. The EEA agreement covers the four freedoms - free movement of goods, persons, capital and services. This means that the members share the same rights to access and trade in the internal market place (Norway, the EEA agreement and other agreements within the EU).
Even though the market does not suffer from monopoly or oligopoly conditions, there are already strong developed brands on the German market displaying high brand equity. It is hard to compete with established well-known brands that offer the same type of clothing as Dale. The threat from new entrants is placed in a category of high, due to open market conditions and low entry barriers. Forces are intense and newcomers are expected in the textile industry, since the industry is rapid and popular to initiate by newcomers (Porter, 2008). The textile industry is estimated to grow from 510 billion to 1 trillion in total turnover by 2020 (The Hindu, 2010).

On the basis of this, we conclude that threat of new entrants is high.

*The power of buyers*

The power of buyers determines the extent to which they retain most of the value created for them, leaving firms in an industry with only modest returns. (Porter, 1985:9)

The bargaining power of the customers puts Dale under pressure. German consumers may be sensitive to premium prices, since they are not aware of Dale as a brand. According to the survey, the range of consumers who are aware of Dale as a brand is small.

There are no particular switching costs within the textile industry. This is because there are numerous options of retail stores that provide customers with clothes, and because it does not cost anything for the consumer to switch provider.

We see an increase from 2006-2011 in consumer expenditure on sportswear in Germany (Statista, 2011).
Between 2010 and 2012, there has been an increase in GDP (Trading Economics, 2012). This implies that the living condition in Germany is positive and that the income per person is rather high. Data collected on GDP and consumer spending on sportswear displays a correlation. According to the trend, the curves shall continue to follow the same pattern in the growing market. The buying power of consumer spending on sportswear in Germany should be rather stable according to these statistics.

Dale of Norway competes with numerous brands in the sport clothing industry. We discovered that certain fashion brands also compete with Dale of Norway, according to research we conducted in different retail chains, such as Engelhorn sport and Engelhorn trend house. Brands such as Ralph Lauren and Tommy Hilfiger have patterns on their winter sweaters that look like the ones Dale is famous for. This means that there are competitors in both the sport industry and the fashion industry.

Dale does not possess as high brand awareness as its competitors in Germany. It makes it hard for the company to justify premium prices if the consumers are not aware that Dale offers high quality products.

A costumer group has high negotiation power when they face few switching costs in changing vendors (Porter, 2008). The power of the buyer is also high since they operate within a competitive industry, where there are many other substitutes available (Porter’s five forces, 2010).

On the basis of this, we conclude that the power of the buyer is high.

**The threat of substitutes**
The threat of substitutes determines the extent to which some other product can meet the same buyer needs, and thus places a ceiling on the amount a buyer is willing to pay for an industry’s product. (Porter, 1985:9)

Dale produces high quality and fashionable knitwear clothing. When costumers buy wool sweaters and technical underwear, they may choose a product from Dale if they are aware of the design and quality provided.
One of the main substitute products for wool is fleece. Fleece is a great substitute for wool and is well known for being used as winter sport clothing. German consumers may not see wool as a quality advantage, and therefore they might choose to buy substitute products instead, especially when prices are lower.

Products competing with Dale are found within the fashion clothing industry and sport clothing industry. Many of these competitors are well known international competitors who have already gained customer loyalty. According to the survey, Dale possesses weak brand awareness in Germany.

Threat of substitutes in this case is therefore high due to consumer’s poor knowledge regarding Dale in Germany. The fact that there are cheaper fabrics in the sports industry makes the threat of substitutes high, which is critical since there are no switching costs within the textile industry. When the buyer’s cost of switching from one product to another is low (low-switching costs), the threat of substitutes accounts as high (Porter, 2008). As more substitutes become available, the demand becomes more elastic since the customers have more alternatives (Porter 2010). Costumers have several substitute products to choose from in Germany, according to our survey, several of Dale’s competitors possess higher brand awareness.

On the basis of this, we conclude that the threat of substitutes is high.

The power of suppliers
The power of suppliers determines the extent to which value created for buyers will be appropriated by suppliers rather than by firms in an industry (Porter, 1985, p.9). Dale of Norway purchases merino wool from Australia and New Zealand, which means that they compete with competitors on a global market. The rest of the wool is purchased from farms within Norway; in Norway they compete with suppliers such as Devold, Kari Traad, Janus and Ullvang.

Only 20% of the wool in Norway is sold to Norwegian textile factories, which means that the remaining wool is exported throughout the world. Even though the amount of wool sold to textile factories within Norway has decreased over the past 20 years, the authors still find an increase between the years 2008 and 2012, from 10% to 20%. One of the
One reason for this is that Norwegian wool has become more popular the past years (Kamilla Simonnès, 2013).

Dale gathers wool from different parts of the West-Coast of Norway, where Dale also is located. Norwegian wool is known for its strength and volume. Most of the wool producers in Norway share the same quality; the quality depends on the sheep. Dale also purchases merino wool produced overseas. Dale is one of Scandinavians’ biggest purchasers of wool. The wool production in Norway is stable and produces over 5000 tons of wool every year. The suppliers do not hold a high bargaining power over Dale, since Dale is among one of their biggest costumers. Dale is in great need of purchasing wool from Norwegian producers, which means Dale and the suppliers stand in the position of equally being dependent on each other. (Dale of Norway Catalog 2013)

One reason for why suppliers bargaining power is medium is that that there are reduced patents within the textile industry; such patents are found in for example pharmaceutical industries (Porter, 2008). A supplier group is powerful if: The supplier group does not depend heavily on the industry for its revenues (Porter, 2008). In other words, the power of the supplier is low in this case since the sport industry is a relative big purchaser of wool. Dale is a highly appreciated costumer among wool suppliers. Yet, there are numerous competitors on the market, which makes the bargaining power medium.

On the basis of this we conclude that the bargaining power of the supplier is medium low.

**Intensity of rivalry**

The intensity of rivalry acts similarly to the threat of entry. It determines the extent to which firms already in an industry will compete away the value they create for buyers among themselves, passing it on to buyers in lower prices or dissipating it in higher costs of competing. (Porter, 1985:9)

Within the textile market, the rivalry within the industry is incredibly intense, since there are new competitors entering the industry constantly. The textile industry is price sensitive, but since it is considered attractive, it is also popular to enter.

It is difficult to define Dale’s direct competitors, since the segment is hard to define. The segment refers to people who are interested in outdoor activities and who are able to pay
premium prices for quality products. Some of the company’s competitors would be defined as indirect competitors, due to the fact that they produce wool in addition to products with substitute fabrics and products such as footwear and other. An example is Jack Wolfskin, they produce a wide range of products including wool clothing. According to the author’s survey: Jack Wolfskin and The North Face is a German outdoor-clothing brand with strong bonds to the German consumers (Appendix:3).

When it comes to sport clothing, Jack Wolfskin, The North Face, Fjall Raven, Brynje, Devold of Norway, Mammut, Norheim, Odlo, Ice Breaker etc. are some of Dales biggest brand threats within the industry in Germany. They all provide wool underwear and sporty/warm sweaters. Numeros competitors do not concentrate on one niche product, such as Dale.

They also have other competitors such as Tommy Hilfiger and Ralph Lauren. These brands are more fashionable season competitors then the competitors in the sport and winter clothing industry. A few of the brands in the industry produce sweaters with Dale’s distinct “snowflake” pattern on the chest.

Jack Wolfskin and The North Face are two brands that are well placed and known on the German market, and have managed to produce high brand awareness. Dale is not as available or recognized as the rivals who operate within the same market as them; this makes the rivalry of Dale high.

**Conclusion**

The external environment shows high intensity of substitutes and rivals. There are also proven to be low switching costs within the industry, which makes it easier for the costumers to switch between competitors. Consumer spending is constantly growing within the sports wear industry in Germany, which emphasizes that is it a strong industry to operate within in Germany. The open market conditions also increases rivalry, but yet again, makes the maket more accessible for Dale. All and all the textile industry is intense and contains numerous strong competitors.
A SWOT is commonly used as a key component of the marketing planning process. The SWOT matrix depicts the marketing strategy process through bringing together the external and internal evaluation of the organisation’s situation using information collected from marketing audit. The process of strategy selection involves requires that the business tries to match its internal marketing opportunities with its internal strengths. Alternatively it should try to convert weaknesses into strengths and threats into opportunities (Jim Bynthe and Phil Megicks, 2010).

In this section the authors will describe some of Dale’s most important strengths, weaknesses, opportunities and threats.

**Strengths**

By providing enough resources to R&D Dale can differentiate themselves from competitors by offering customers with products produced, not only eco-friendly, but also within the latest technology that provides rare product benefits. Dale benefits from possessing strong human capital, such as highly qualified designers and technicians. This is perceived as a strength to the company since it ensures superior product quality. Dale’s brand awareness among costumers in the reference market is strong; this promotes good reputation through word of mouth. One of the most important strengths the company comprises is the control of its value chain. The company is independent from suppliers and other important resources that are vital in order to run a successful company.

**Weaknesses**

Dale’s annual turnover in Norway is decreasing, which makes it more vital to expand into new markets. Dale also possesses weak organizational resources, which is a weakness due to the company’s lack of contact with distribution channels abroad. Dale’s lack of contact with distributors keeps them from expanding and building stronger brand awareness in the German market. The last weakness the company faces is its lack of brand awareness since consumers usually choose to purchase brands they are familiar with.

**Opportunities**

The textile industry is constantly growing, which means that there are great opportunities to expand within this industry. It is also proven that German consumers are increasing expenditure on sportswear along with the growing industry, which displays an increasing
demand for sportswear among German consumers. Another factor that is an opportunity to
the company is that Germans are taking up a more active lifestyle, which indicates a higher
demand for sportswear. Dale can also benefit from exploiting Norway as a country of
origin when it comes to quality clothing. Good quality justifies high prices; this is
beneficial for Dale since Norway is perceived as a country that produces quality products.

**Threats**

According to our Porter analysis in the external section of the thesis, we have drawn the
following conclusion for Dale’s major threats.

Dale has numerous competitors who possess high brand awareness in Germany, this is a
threat since customers often choose to purchase well known products rather than products
that are unfamiliar. The sportswear industry offer popular substitutes, such as fleece, fleece
is perceived as a substitute to wool. There are substitutes within the industry that offer
cheaper products, products that many consumers believe possess the same function as
wool. This is a problem when consumers lack knowledge and are not aware of Dale as a
producer of high quality products.
7. Strategy

7.1 Solberg’s Nine Strategic Windows

The purpose by utilizing this framework is to identify strategic alternatives to win or survive in a global market (Solberg, 2009: 155). The authors will apply this framework to derive strategic recommendations from Dale’s preparedness for internationalization and the industry globality. The strategic recommendations will be determined from which window Dale is allocated within. It is important to underline that the model only provides indications of future strategies and not exact measures which guarantee success.
After analyzing Dale’s preparedness for internationalization and industry globality the authors find Dale allocated in window 5: *Consider expansion into new markets*. Our evaluation from the internal analysis revealed a ‘‘adolescent’’ preparedness for internationalization and the external analysis described *Potential global Industry*. Being allocated in this window, according to Solberg (2009: 151), indicates that your company have established a certain position in certain markets, and possesses a possibility for developing a stronger market position and company culture in other markets. For future strategy it is important to establish a stronger market network and market positions in markets with the highest strategic importance, such as Germany is for Dale. The markets with the highest strategic importance is here defined as the home and important markets to your largest competitors (Solberg, 2009: 151). This could appear over-ambitious for Dale as a small niche company, however, to obtain momentum towards these rivals is the best option to hit its rivals where it hurts the most: their reference market. This momentum can not be obtained if you do not have a foothold in the competitors reference market.

<table>
<thead>
<tr>
<th>Preparedness for Internationalization</th>
<th>Industry Globalism</th>
</tr>
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<tbody>
<tr>
<td><strong>Mature</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Adolescent</strong></td>
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</tr>
<tr>
<td>2. Consolidate your export markets</td>
<td>5. Consider expansion in international markets</td>
</tr>
<tr>
<td><strong>Immature</strong></td>
<td></td>
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*Figure 10 – Solberg’s nine windows (Solberg, 2009: 149)*
8. Strategy and Recommendations

Strategy consists of the competitive moves and business approaches that managers are employing to expand the business, attract and please customers, compete successfully, conduct operations, and achieve the targeted levels of organizational performance (Thompson, Strickland & Gamble, 2010).

In the following part of the thesis the authors will, based on prior conducted analysis and research findings, provide a strategic formulation for Dale’s future existence in the German market. Hereunder definition of short- and long-term objectives, following with the critical factors needed to accomplish these objectives, and identify the most adequate entry strategy for Dale to execute in Germany. After this we will circulate more in analyzing the German consumer, identify Dale’s segment and reveal our recommendation for how Dale should apply its marketing mix within the German market.

8.1 Strategic Problem definition and Objectives

“How can Dale of Norway utilize its strengths and weaknesses to exploit opportunities in a highly competitive market, when consumers’ lack knowledge to both brand and product benefits, in order to better face environmental changes?”

Operative and Strategic Objectives

Operative Objectives (2-5 years)

- Increase Brand Awareness at the German market
- Craft a clear strategy for future brand strengthening at the German market
- Strengthen control and monitoring of international collaborators
- Improve performance in the reference market
- Achieve a positive turnover in the German market.

Strategic Objectives (5-10 years)

- Launch a product collection tailored for the German market
- Launch a collection specialized for the German market
- Keep production in Norway
8.2 Critical Success factors (CSF)

“According to Rockart (1979: quoted by Leidecker & Bruno, 1984) Critical success factors thus are, for any business, the limited number of areas in which results, if they are satisfactory, will insure successful competitive performance for the organization. CSF are areas where “everything must be executed correctly” in order to succeed. In order to succeed a company must perform or possess factors which are evident for success. The authors have evaluated the following factors to be of key importance for Dale in order to survive in a highly competitive environment and for future success in the German market:

- Marketing
- Human Capital
- Research and Development
- Company resources: financial and organizational

Marketing

Marketing orientation

As mentioned previously (ACE model, market-orientation) Dale utilizes several activities to stay marketing oriented. Despite this, the majority of resources are provided to the product and also the product development; therefore Dale can be categorized as a product-oriented niche firm. According to Bryan Lukas, 2012 (Value-based lecture notes, page 2) firms could be distinguished by when marketing is included in the product development. A market-oriented firm is recognized by involvement of marketing activities before producing a product. Including marketing activities after products have been produced recognizes a marketing-oriented firm.

Generation

A Model of Market Orientation: (Value-based Marketing, Bryan Lukas lecture notes: 1)
Dale is by the authors defined as a marketing-oriented firm rather than market-oriented. The authors firmly believe that Dale needs to adapt a more market-oriented approach in order to become more customer-oriented. The early stage of marketing inputs of a pre-product development gives the company market knowledge whether or not to launch the product (Bryan Lukas, Value-based Marketing lecture notes page, 2). This will help identify who the customer is, reveal whether or not the demand for your product is present, and provide Dale an opportunity to gain a deeper customer understanding.

Promotion
The German consumers have, according to our research findings, a minimum level of knowledge with regards to Dale as a brand and unaware of its products (Appendix:3). Evident for Dale is to find its position in the German market. Due to lack of awareness, the marketing strategy should be conducted with an informative approach and hereby increase knowledge about Dale and its products offerings, benefits and brand awareness. Results from our primary research also revealed that the German consumers could be interested in paying a higher price for additional quality concerning both functional underwear and sweaters. Norway was also associated with this quality. Marketing communication should therefore emphasize Dale’s country of origin and how quality-conscious they are.

Human Capital
Germany is earlier described as one of the biggest markets in Europe and this increases the importance of being present in the market. Our external analysis has also revealed the high competitive intensity within the industry, and the rapidly environmental changes increasing the importance of conducting these analyses more frequently.

When exporting to a new market, it is important to build market network, conduct market research and gather customer information. Dale uses distributors and agents to reveal this information. Nevertheless, distributors and agents need to be followed-up closely. Therefore, key personnel who possess adequate competencies should be assigned to both follow market trends and their German collaborator. By closely follow-up on agents, key information regarding market circumstances can be attained, and increases the learning and company control.
If resources are available Dale should divide its organizations into marketing department based up on regions where one manager explicitly focuses on handed the assigned region (Solberg, 2009)

**Research & Development**

Operating in an industry where competitors strive to discover the latest technology and new innovations to increase performance and efficiency, increases the importance of staying innovative and at the top within the latest technology. Dale is currently utilizing the latest technology within knitting machines and techniques. Despite this it is vital to stay in front and provide resources for technological development. Customers are also constantly searching for better sportswear to enhance performance. A CSF for Dale is to provide enough resources to R&D in order to stay at the top providing the latest of technological innovations. This will benefit Dale by enhance product and the production process, keep costs low, better face competition and hopefully provide more efficient solutions that could benefit both Dale and the customers.

**Financial and Organizational Resources**

As mentioned in the Bakka-model, fiscal year 2011 Dale reached for the first time in many years positive results. To be able to strengthen its position, marketing investments are necessary in order to increase brand awareness and German Consumers knowledge about product benefits. Financial resources will always be decisive in the decision making process and herunder determine future strategic moves.

If the monitoring of distributors and agents is not done properly, Dale can jeopardise acquisition of large amount of important market information, which can prevent Dale from making future expensive mistakes. It is vital for a company to have organizational resources to follow up all its agents and distributors to increase learning and control. If organizational resources are added for monitoring foreign collaborators, acquired market information would be important when making future market decisions not only in Germany, but in other countries as well.

**8.3 Choice of Entry Strategies**

For entering new markets the choice of entry is vital step in order to succeed. Solberg (2009) claims that there are two factors, which mainly decide the mode of entry: internal resources and organizational objectives. The authors believe it is necessary to make
changes to how Dale penetrates the German market. Currently they are doing so by utilizing agents and distributors. The authors will in this section reveal positive and negative sides with the three most relevant entry strategies for Dale. The authors will conduct this analyze to indentify if changes should be made, concerning dale’s appearance in Germany.

There are numerous ways of entering a new market. The three most relevant alternatives for Dale are: Agent, Distributor and Establish a subsidiary. The different alternatives will be analyzed and compared to Dale’s objectives and available resources. After the analysis the authors will state their recommendations concerning which form of presence Dale should have in the German market, entry strategy and marketing mix.

Solberg (2009: 255-261) describes the following modes of entry that we will apply for revealing the best mode of entry for Dale.

*Agent*

Dale has long experience when it comes to utilizing agents. The consistent relationship was, according to Mr. Østvang, the key for its utilization of agents. Agent’s most important assignments are to promote, convey and guide the exporter according to the market conditions (Solberg, 2009: 258). An important aspect for Dale, if utilizing agents, is the decisions regarding direct or indirect contact with intermediaries (Solberg, 2009:258). This contact is the key to controlling the marketing. Dale needs to take control over this information in order to increase the brand awareness and inform the German customers about its products. This will require attention from Dale’s marketing department. Contact with customers could provide beneficial outcomes and can be used to adjust marketing if results are not found pleasing.

The agents possess benefits and weaknesses that Dale must take into consideration when choosing strategy Solberg (2009). Benefits could occur when the company has relatively cheap products, if agents hold market and product knowledge and the market is familiar with the agent. For Dale the biggest advantage is that it can through its agents come in contact with its own intermediaries partly through product adaption, payment and movement of goods. If Dale in the future should decide to open a concept store in Germany, this would be very valuable. The downsides with agents must also be taken into consideration. Dale should ensure bulletproof contracts and only utilize skilled agents in order to avoid problems, which could be high costs. In this case the company should put an
end to the cooperation. The cooperation with agents can also be problematic because agents tend to focus on their commission and sales volume, rather than sales price and earnings for the exporter.

**Distributors**

Utilizing a distributor is a form of market entry Dale has long experience in both the German and many other markets. This form of entry will decrease the exporter’s financial risk, but on the other hand concentrate everything on *one* customer, making the exporter completely dependable to one customer. Distributors are then the intermediary who deals with assignments such as promotion, resale and storage etc. Performing all these assignments for the companies can be both an advantage and disadvantage. The positive side is that the majority of work is done by the distributor and hereby ease the workload for Dale. Dale will enjoy and hopefully benefit from the distributor’s market network and market knowledge. One drawback is that market information and knowledge remains by the distributor, unless the company monitors its distributors closely.

**Establish a subsidiary**

Dale has previously established one subsidiary in Burlington, Vermont USA. Here it has three employees working solely with monitoring agents, therefore valuable experience is also here embedded in the organization. Establishing a subsidiary in Germany with the same intended assignments as in USA, would be suitable for Dale because of the level of strategic importance the German market holds, which is areas such as control of marketing and increasage of its own strengths to fight of competitors. There are on the other hand necessary considerations that need to be evaluated before deciding on this alternative. This form of entry will strengthen Dale’s company profile and its marketing control, and the demand to make investments for competent employees and office spaces will increase.

**Choice of Entry strategy**

Dale’s entry strategy has been consistent by use of distributors and agents, except in Burlington, Vermont, USA. Based upon our external analysis and our research findings in the survey, the German market is clearly one of the most important markets for Dale. The company’s key rivals have a strong foothold, the consumers have an increased spending on sportswear, and they are interested in activities that Dale relates its products to. Because of Dale’s struggle in Germany the authors recommend changes to be implemented. By taking Dale’s position in the internationalization process (henvisning til bakka model), and its
position in Solberg’s nine strategic windows into consideration, the authors are recommending Dale to open its own subsidiary in Germany. Dale should continue to utilize agents and hire competent employees to handle the contact with intermediaries and customers and increase control of marketing and the relationship to its agents. This will increase the possibility to achieve objectives as well as boost learning and market knowledge, which Dale will benefit from.

8.4 Segmentation and Positioning

In this section the authors will identify Dale’s segment and recommend how to position itself in terms of its segment. Approaching the right segment is fundamental in order to create sales, as the right positioning could help the company to increase exposure to customers, which will result in increased brand awareness and sales. The segmentation and the position strategy will furthermore provide necessary information for the author’s recommendation concerning how Dale should apply its marketing mix in the German market.

Segmentation

A market segment consists of a group of customers who share a similar set of wants and needs. Rather than creating the segments, the marketer’s task is to identify them and decide which ones to target (Kotler & Keller, 2009: 248). According to McDonald and Dunbar (2010) companies should focus on customers’ needs to fully realize the opportunities available to them in the market. The customer needs and the similarity of needs will help us identify the segment that Dale should to approach to increase its performance.
There are two ways of dividing up a market (Kotler and Keller, 2009: 253). The first is by looking at descriptive characteristics such as geographic, demographic and psychographic, and hereafter compare these to see if customers exhibit different needs or product responses. The other method considers behavioural considerations and hereunder reveals if different characteristics are associated with each customer-response segment. The authors have chosen to apply both methods in order to secure the right segment to be identified.

**Geographic Segmentation**

Geographic segmentation divides the market into different geographical units such as nations, states, regions, countries cities, or neighbourhood (Kotler & Keller, 2009: 253). The customer of Dale is most certain located in an place where either consumers are interested in outdoor activities but does not have access to the right climate to exercise these activities, or consumers located in areas where access to mountains and rough climate exists.

**Demographic Segmentation**

To divide the market into groups based on the basis of variables such as age, family size, life cycle, gender, income, occupation, interest, religion etc (Kotler & Keller, 2009: 255). Not all of the demographic variables are of interest to Dale. Customers of Dale can be in
any age or stage of life. More interesting are the variables; generation and income. Income will be relevant since Dale charges a price premium and meets the needs of the elderly generation (people above 50 years old) in Germany, who has boosted their activity level. The quality of product and fashionable design forces us to include social class. Dale produces high quality and fashionable products to a premium price, which can be regarded as a high class product.

**Psychographic Segmentation**

Psychographic segmentation is important because of its contribution to effective targeting. Buyers are divided into different groups on the basis of lifestyle, personality traits, or values (Kotler & Keller, 2009). Lifestyle concerns how the consumers want to live their lives. Dale approaches people, who are interested in being active and wishes to look fashionable. Nowadays, brand strategists view brands as a source to increase customers’ perceived uniqueness of products and services, in order to build intangible value to the customer (Mooij, 2010: 23). Some of Dale’s core values are design and quality; by focusing on these values the company can attract customers that are willing to pay a premium price because of the shared value.

**Source:** Global Marketing and Advertising: understanding cultural paradoxes / Marieke de Mooij - 3rd Ed. Copyright by SAGE Publications, Inc.

**Behavioural Segmentation**

A market divides buyers into groups on the basis of its knowledge of attitude toward, use or response to a product (Kotler & Keller, 2009: 263). For Dale the most relevant behavioural variables are knowledge to, and the use of product. The segment of Dale needs to possess knowledge about wool and its capabilities when using it for performing outdoor activities. Dale cannot afford serving a segment that does not possess this knowledge, due to high demand of financial resources. Tourism is something Dale possibly should take into consideration, if it has resources available. According to Mr. Østvang, tourists visiting Norway purchase a great amount of domestic sales. The German National Tourist Board revealed statistics, which showed that Germany was the second most popular travel destination in Europe with 28,4 Billion international arrivals in 2011\(^\text{15}\). This increased by

\(^{15}\)[http://www.germany.travel/media/pdf/dzt_marktforschung/DZT_Incoming_GTM12_en_web.pdf].
5 % in 2012 (World Tourism Organisation)\textsuperscript{16}. If resources are available maybe this segment might be profitable for Dale.

**Conclusion of Dale’s Segmentation**

For the convenience, the authors have chosen to summarize the characterizations of Dale’s segment in a table beneath:

<table>
<thead>
<tr>
<th>Demographical</th>
<th>Psychographical</th>
<th>Geographical:</th>
<th>Behavioural</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Medium-high income</td>
<td>- want to look fashionable</td>
<td>- Located in areas with near access to mountains and snow</td>
<td>- Knowledge to wool and its capabilities related to performance</td>
</tr>
<tr>
<td>- Any age</td>
<td>- active lifestyle</td>
<td>- Places where there is no access to perform activities but holds a high interest</td>
<td></td>
</tr>
<tr>
<td>- Related to a medium/high social class</td>
<td>- Enjoy outdoor activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Quality and design is high valued</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

After selecting the segment to target and determining that it can compete, the next vital step is: *the market positioning* (Belch & Belch, 2012)

**Positioning**

Positioning is the act of designing the company’s offerings and image to occupy a distinctive place in the minds of the target market (Kotler & Keller, 2009: 308). The objective with positioning is to maximize the potential benefits to the firm, by locating the brand in the minds of the customers.

Positioning strategies generally focus on either customer or competition (Belch & Belch, 2012: 55). The authors have chosen to take both approaches into consideration and look at the associations of product benefits, including customer needs and setting company benefits up against competitors. This will be conducted though analysing *points-of-

Points-of-difference

Point-of-difference (PODs) are attributes or benefits consumers strongly associate with a brand. If the attribute can be assigned as a POD it needs to create great benefits, which customers cannot find offered by any other competitor (Kotler & Keller, 2009:309). In Norway, Dale possesses three strong PODs, which are quality, design and brand. Unfortunately not all of these can be seen as a PODs in the German market.

Dale has produced its products for centuries, and several generations in Norway have grown up with them. This might be the strongest cause for its high brand familiarity in Norway. Unfortunately, the history and traditions have been proven through primary research, to not affect the German consumers in the same way (Appendix:3) Therefore, the brand, Dale of Norway cannot be considered in Germany to be strong; it is therefore not strong enough to out-compete competitors like Jack Wolfskin or Icebreaker.

From our primary research there were various opinions about Dale’s designs. The design is indeed one of its top trademarks, and it will therefore be important to take the markets various opinions into consideration and be prepared to offer a wide range of product designs in Germany. Dale has patent of the Olympic Games logo and can therefore - to this segment – deliver products that provides the highest outcome of benefit.

The last and the clearest POD Dale possess in Norway and in Germany is its product quality. From the harvesting of the wool until the product is exported out to distributors, Dale work hard to ensure quality. An outsourcing of steps in the production process might reduce costs, but on the other hand this is not an alternative for Dale since they would lose control over production. Control of production is necessary to ensure its top quality. No other competitor can ensure and deliver such quality of knitting garment; the benefit is therefore superior by Dale.

Points-of-parity are associations that are not necessarily unique to the brand but may in fact be shared by other brands (Kotler & Keller, 2009: 310). Associations come in two basic forms: category and competitive. Category points-of-parity () represents necessary, however not sufficient conditions for brand choice (Kotler & Keller, 2009: 310-311). The category points-of-parity benefits Dale delivers to the customer are the general benefits to
its product such as comfort, maintaining body temperature and being adequate in tough weather conditions.

Competitive points-of-parity are associations designed to negate competitor’s points-of-difference (Kotler & Keller, 2009: 311). Dale could steel customers from competitors based on the athletes they sponsor. Belch & Belch (2012: 149) indicates that celebrities can influence how well target audience receives marketing. Previously research supports the fact that Dale can benefit from the use of celebrities and increase customer effectiveness (Pringle & Binet, 2005 and Dr. Anjum, Dhahno and Nagra, 2012). Research also highlights the importance of the right use of celebrity endorsement. Dale has implementet this by relating its products and brand to famous sport athletes, who possess high skill within areas Dales products are designed for use.

Country-of-origin
The increase of globalization affects the attitudes and beliefs about one country and affects the consumer and business decision making (Kotler & Keller, 2009: 659). Perceptions of country-of-origin (CoO) are the mental associations and beliefs triggered by a country. The primary research revealed that Norway was perceived as a country providing quality. Great amount of research have been provided to the relation between CoO and brand equity and sales effectiveness. Pappu, Quester and Cooksey (2007:10) state that both macro and micro country images can be related to consumer-based equity, and Roth and Diamantopoulos (2010) also confirmed positive relation between CoO and consumers perceived risks and values as well as likelihood of purchase.

Summary of Positioning
Dale should position its brand in the German market as a fashionable sportswear brand delivering superior quality to a premium price. In its marketing the company should also increase awareness by promoting its country-of-origin and if suited for its promotion, utilize famous athletes it sponsors.

8.5 Marketing Mix
Marketing strategy requires the systematic use of marketing instruments. These marketing instruments are commonly referred to as the marketing mix (Homburg, Kuester and Krohmer, 2013). The instruments which form the marketing mix are: product, price, place
and promotion. The individual components of the marketing mix aim to achieve similar objectives with regard to market and economic success, however they do so by addressing different objectives related to potential (Homburg, Kuester and Krohmer, 2013: 106). The marketing mix has been included in order to be able to provide a strategic recommendation to Dale.

When designing the marketing mix it is highly relevant to consider to standardize or customize. Therefore, the authors will first present recommendations to whether or not Dale should standardize or customize its marketing mix. We will continuously describe and define Dale’s marketing activities according to each of the four P’s. These four P’s will result in a final conclusion where we will recommend future strategies that the company can implement in order to improve its marketing mix. The results from the survey will be used as a base for these recommendations.

### 8.5.1 Standardize or Customize

To succeed in new markets it is necessary to evaluate if marketing mix should be standardized or customized. According to Solberg (2009) research indicates that different elements of the marketing mix are more difficult to standardize than others (Takeuchi and Porter 1986 and Sorenson and Weichmann 1975; quoted in Solberg, 2009: 312). Customizing elements of the marketing mix demands greater company investments, therefore standardization is most adequate for Dale. In Solberg’s Product and communication model beneath the authors are allocating Dale in the square one product, several messages. We recommend Dale to standardize its products and adapt its market communication. When identifying Dale’s segment, it revealed correlation between the purpose of its products and the purpose of products in the reference and German market. The customized communication strategy will be explained in depth in the subsequent marketing mix analysis.
8.5.2 Product

When planning its market offering, the marketer needs to address five product levels. Broadly a product is anything that can be offered to a market to satisfy a want or a need, including physical goods, services, experiences, events, persons, places, properties, organizations, information and ideas (Kotler and Keller, 2009: 359).

The core product is the service or benefit the customer is really buying (Kotler and Keller, 2009: 359). Dale produces fine wool quality products, suited for rough weather conditions.

At the second level, the marketer must turn the core benefit into a basic product (Kotler and Keller, 2009: 359). The basic products are functional underwear and wool sweaters with high quality, Dale’s fine designs and distinct “snowflake” pattern.

Expected product is a set of attributes and conditions buyers normally expect when they purchase this product (Kotler and Keller, 2009: 359). The buyer will expect Dale to offer some of the nature’s finest wool qualities, the type of fabric that can be worn next to the skin without discomfort, increasing performance and keep you warm in rough weather conditions. Kotler includes a description of extended service at this level. Dale offers durable goods, which requires more personal selling and service than nondurable goods (Kotler and Keller, 2009: 360). The customer should be able to expect extra service when purchasing a premium priced product. One way to meet these customer needs is to have skilled service personnel who can provide the customer with the information needed, in order to understand the product benefits.

Marketers prepare an augmented product to exceed customer expectations. This level is central for marketing in developed countries where brand positioning and competition plays a big role (Kotler and Keller, 2009: 359). Dale offers fashionable wool clothing that meet the needs of active outdoor people. Dale’s design is inspired by Cortina design, Dale’s sweaters is the main choice for people who wish to enjoy nature and mountain life (Appendix: 6). Augmented product means associating benefits and services around the core and actual product (in this case core, basic and expected product). These additional factors should be attributes such as guarantees and after sales service (Wahed Riaz and Asif
Tanveer, 2011). Dale should offer after sale service and guarantees, in case the costumer is dissatisfied with the product.

The fifth level stands for the potential product, which encompasses all the possible augmentations and transformations the product might undergo in the future (Kotler and Keller, 2009). Durable goods demand a higher margin, and require more seller guarantees (Kotler and Keller, 2009). More information and guarantees concerning the products high quality should be offered to the consumers in the future. We discovered a lack of wool knowledge among German consumers in our survey. Consumers will generally pay more for products that have a reputation of being long lasting. The extra price must not be excessive (Kotler and Keller, 363). More information should be provided to the costumer, explaining why Dale’s fabric features make the product long lasting, of quality and eco-friendly. Most respondents, according to our survey, are willing to pay premium price for products with high quality, long life time and design. Dale possesses all of these three features. Technical adjustments are often necessary in a case where a company wishes to adapt to global markets (Solberg 2009: 344). Dale is a potential global company; this is explained further in the competitive structure. By being global Dale has been smart, providing its online web-site in numerous languages, such as German.

8.5.3 Price

Traditionally price has operated as a major determinant of buyer’s choice. Consumers put pressure on retailers to lower their prices. Retailers put pressure on manufacturers to lower their prices. The result is a marketplace characterized by heavy discounting and sales promotion (Kotler and Keller, 2009: 416).

Price not only provides income for the firm, it also signals quality. People tend to assume that a higher priced product is also of higher quality. Price must meet costumer’s expectations in order not to receive complaints (Jim Bynthe and Phil Megicks, 2010).

Reference prices:

When examining products, consumers often employ reference prices, comparing an observed price to an internal reference price they remember or an external frame of reference such as a posted “regular retail price”. All types of reference prices are possible (“fair price”, typical price, competitor price, etc), and sellers often attempt to manipulate
them. For example, a seller can situate its product among expensive competitors to imply that it belongs in the same class (Kotler and Keller, 2009: 420). This implies that location is central to consumer psychology; therefore Dale should make sure to locate its products close to other reference priced products, meaning competitors’ with premium priced products.

Dale comprises premium priced products, which means that consumers will be able to find substitute products with lower prices in the sports industry. Dale needs to differentiate itself to stand out. Some brands adopt exclusivity and scarcity as a means to signify uniqueness and justify premium pricing (Kotler and Keller, 2009: 421).

According to our survey, German consumers are willing to pay premium price for quality, increased product life time, and design when it comes to both functional underwear and wool sweaters (appendix). Most significantly were the respondents associations to Norwegian products, which had high quality and were expensive (Appendix). In other words, it is likely that German consumers are willing to pay for Dales premium priced products since they provide good quality and feature a modern design.

Dale should stress its position of being producers of innovative sweaters, due to its strong focus on R&D production. Dale applied Teflon to the wool, which turned out to be a huge success. The company provides its customers with unique design sweaters that are 100% wind proof and water repellent (Dale of Norway, 2013). Dale can justify its premium prices by stressing its unique quality products.

Selecting price objective
The company first decides where it wants to position its market offering. The clearer a firm’s objectives, the easier it is to set price (Kotler and Keller, 2009: 423).

A strategy that should be implemented in Dale’s case, due to high quality perception of Norwegian goods, is the Product Quality Leadership strategy. Product Quality Leadership strategy is one of the steps in the Selecting the Price objective process. A company might aim to be a product-quality leader in the market. Many brands strive to be “affordable luxuries” – products or services characterized by high levels of perceived quality, taste, and a status with a price just high enough not to be out of consumer’s reach (Kotler and Keller, 2009: 424).
The quality leadership strategy is the one Dale should try to implement by forming a customer base through promoting premium priced, quality products. Dale needs to focus on increasing its brand equity since the company, according to our survey (Appendix: 2), possesses low brand awareness among German consumers. We are planning on increasing brand equity in the future by opening a sales office in Germany for stronger control and monitoring of collaborators. This is implemented in our choice of entry strategies.

8.5.4 Promotion

Promotion includes actions that a company implements in order to extend the demand of its products (Solberg, 2009:347).

Consumer’s involvement is high when considering buying a premium priced product. This concerns especially the search for information and it is therefore important to choose the most efficient channel, in order to create customer exposure (Hoyer, 2013).

Dale of Norway uses the slogan “Norwegian quality since 1879” (Dale of Norway, 2013). The company stresses its high quality as the key asset for its products, combined with the image of Norway as promotional effects. In addition the company emphasizes its long experience producing wool products.

Dale is a proud sponsor of the worldwide winter sports. It is a supplier to the Norwegian ski association and the Biathlon Association. The International Olympic Committee has awarded Dale the rights to use the five rings, the international Olympic logo, as a part of its profile. Marit Bjørgen, Aksel Lund Svindal and Petter Northug are high profiled Norwegian celebrities who Dale uses, in order to get positive associations and knowledge towards its product.

Concerning if athletes Dale sponsors are well-known in Germany

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74
The company has a catalogue providing its customers with information, and it also displays which products are available. Dale is currently present in several social media channels such as Facebook, Instagram and blogs, in addition to the company’s own website.

Norway is often associated with high prices, but also with high quality. This is an important aspect for Dale to continue to focus on, in order to justify its premium priced products. The answers provided from the survey revealed that the respondents were highly aware of Petter Northug, Aksel Lund Svindal and Marit Bjørgen. Further use of these celebrities will be favourable for Dale to obtain better brand equity. Concerning the use of the international Olympic logo, it would be favourable to amplify this feature of the products, considering the 2014 Winter Olympics in Sochi coming up. This is a perfect occasion for Dale to promote its clothing’s benefits, providing much needed warmth.

Our average age of respondents is 24 years old, which is the reason why we have chosen to focus on social media promotion. Social media is increasing in importance, as more and more people use these channels to gather information. Social media is a tool that can be used, especially for small companies, in order to outsmart bigger companies without making huge investments. It is a marketing platform where small brands can make big names for themselves (Dan Zarella, 2009). According to our survey, a major part stated the Internet as a main search engine for winter activities, which is the purpose Dale’s products serve. Due to these findings, the authors recommend Dale to more extensively utilize social media in order to create knowledge to its brand in the German market. Currently, Dale does not have an application for smartphones. Implementing an application to its marketing activities will provide customers with the ability gather and
search for information, at any place and at any time. Dale should create an application, providing its customers with information concerning products and store locations worldwide. Developing a free application gives Dale the ability to expose its customers to more extensive promotional efforts.

Marketers must incorporate more reciprocity (two way flow) into marketing practices (move away from saturation and intrusiveness). Let consumers decide when and where they want to receive marketing communications (Hoyer, 2013). This will increase its brand knowledge without creating bad brand perception, as customers are more forgiving concerning advertisement when being provided with a free application.

8.5.5 Place

The location where the exchange takes place will affect perception of the product. If the product is offered only through exclusive, upmarket outlets it will be positioned as an exclusive upmarket product (Jim Bynthe and Phil Megicks, 2010).

In the case of services, the location of, say, a restaurant will immediately position it in minds of its customers – being in a posh part of a city centre provides a very different perception from being in a run down suburb or slum area (Jim Bynthe and Phil Megicks, 2010). According to this explanation, Dale needs to be located in stores where premium priced products are offered. The company needs to make sure that it also have an exclusive design on its web page so consumers get a perception of Dale being a worthy premium priced brand.

conserning where Germans prefer to purchase their functional underwear

<table>
<thead>
<tr>
<th></th>
<th>Online</th>
<th>Sportswear stores</th>
<th>Shopping houses</th>
<th>Brand retailers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>40</td>
<td>60</td>
<td>50</td>
<td>20</td>
</tr>
</tbody>
</table>
According to our survey, customers choose to first of all purchase technical underwear in sportswear stores. Internet is the next purchasing alternative where German consumers search for technical underwear, followed by department stores as their last alternative.

*Concerning where German consumers’ would purchase their wool sweaters*

Wool sweaters are mostly purchased in department stores followed by sportswear stores and Internet. According to this Dale has to further emphasize its Internet promotion through channels such as social media, as we described in promotion earlier in the marketing mix. The company also needs to be found in department stores such as Engelhorn and Globetrotter. Both of these department stores provide sportwear from all of Dale’s largest competitors. Engelhorn is rather posh, it provides premium priced brands, but luxury brands are also to be found at Engelhorn trend house. In other words, Engelhorn is associated with upperclass quality products. Both Engelhorn and Globetrotter offer Internet sales, so Dale should focus on increasing brand awareness through these two department stores since they offer direct and indirect sales. Engelhorn and Globetrotter are well known chains which have a huge customer base all over Germany.

These department stores offer products for ski alpine, cross country skiing, mountain biking, camping and hiking. According to our survey, German consumers mostly use wool clothing for these activities. Dale is most likely to increase sales by being located in the same department stores as the competitors which offer clothing for the type of activities the authors just mentioned.
Summarize of the marketing mix
Dale offers products that provide the customer with benefits which is proven to be valuable for the consumer. Dale charges a price premium, but the price is reflecting products attributes such as quality, design and long life time, which is attributes the German consumers are willing to pay an extra price for. In addition, personnel who sell Dale products should have knowledge about its products and products benefits. This is to offer the consumer additional services to the product. To be present in places such as shopping houses, in sportswear stores and online is proven to be important since these are the most preferred places to purchase Dale’s products.

9. Final recommendations

Based upon our internal, external analysis and our primary research, the authors believe Dale needs to make changes regarding its appearance in the German market, in order to strengthen its position in the German market. The authors recommend the best option is to open a sales office with competent employees, working solely with monitoring agents and being available for customer contact, which will provide Dale with access to valuable marketing information and the opportunity to control its marketing efforts.

The control of marketing is crucial in order to change the market strategy. Our primary research reveals lack of brand awareness. In the highly competitive environment, which are present in Germany, it is important to raise awareness. To increase brand awareness, the authors recommend an informative strategy approach where the marketing mix should focus on Dale’s product benefits and its sustainable competitive advantages: quality and technology.
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Appendix 1 – competitor analysis
<table>
<thead>
<tr>
<th>MARKETING MIX</th>
<th>ICERBREAKER</th>
<th>PEAK</th>
<th>THE NORTH FACE</th>
<th>DALE OF NORWAY</th>
<th>JACK WOLFSKIN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRICE</strong></td>
<td>Amazon.de</td>
<td>Amazon.de</td>
<td>Amazon.de</td>
<td>Amazon.de</td>
<td>Amazon.de</td>
</tr>
<tr>
<td>Prices are an average of the first four jackets for men at amazon.de</td>
<td>Average price: EUR 163.00</td>
<td>Average price: EUR 217.00</td>
<td>Average price: EUR 295</td>
<td>Average price: EUR 200</td>
<td></td>
</tr>
<tr>
<td><strong>PLACE</strong></td>
<td>Indirect sales.</td>
<td>Direct sales.</td>
<td>Direct sales.</td>
<td>Indirect sales.</td>
<td>Direct sales.</td>
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<td></td>
<td>Indirect sales.</td>
<td>Indirect sales.</td>
<td>Indirect sales.</td>
<td>Indirect sales.</td>
<td>Indirect sales.</td>
</tr>
<tr>
<td><strong>PRODUCT</strong></td>
<td>Male/Female Most ages</td>
<td>Male/Female All ages</td>
<td>Male/Female All ages</td>
<td>Male/Female Most ages</td>
<td>Male/Female All ages</td>
</tr>
<tr>
<td></td>
<td>Sports and outdoor activity clothing.</td>
<td>Sports and outdoor activity clothing.</td>
<td>They provide both casual clothing and sportswear.</td>
<td>Delivers knitwear clothing, mainly jackets and trousers.</td>
<td>Sports and outdoor activity clothing.</td>
</tr>
<tr>
<td></td>
<td>ICEBREAKER</td>
<td>PEAK PERFORMANCE</td>
<td>THE NORTH FACE</td>
<td>DALE OF NORWAY</td>
<td>JACK WOLFSKIN</td>
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</tr>
<tr>
<td>PRICE</td>
<td>Medium price</td>
<td>Low price</td>
<td>Medium price</td>
<td>High price</td>
<td>Medium price</td>
</tr>
<tr>
<td>PLACE</td>
<td>Medium number of distribution channels</td>
<td>High number of distribution channels</td>
<td>High number of distribution channels</td>
<td>Low number of distribution channels</td>
<td>High number of distribution channels</td>
</tr>
<tr>
<td>PROMOTION</td>
<td>Medium promotion</td>
<td>Medium promotion</td>
<td>Medium promotion</td>
<td>Low promotion</td>
<td>High promotion</td>
</tr>
<tr>
<td>PRODUCT</td>
<td>Full clothing line</td>
<td>Full clothing line</td>
<td>Full clothing line</td>
<td>Limited clothing line</td>
<td>Full clothing line</td>
</tr>
</tbody>
</table>
Umfrage zum Thema Ski- und Skibekleidung

Liebe Teilnehmer und Teilnehmerinnen,

wir sind Austauschstudenten aus Norwegen die ihren Bachelor in BWL hier an der Universität Mannheim abschließen. In diesem Zusammenhang brauchen wir Ihre Hilfe. Wenn Sie einige Minuten haben, um unseren Fragebogen zu beantworten, würden Sie uns sehr helfen.

Alle Ihre Angaben werden anonym und streng vertraulich behandelt.


Vielen Dank

Kristoffer Skjetne, Rebecca Sjödin, Clementine H. Isager und Henrik Vorkinn

Falls Sie Fragen zu der von uns durchgeführten Studie haben, können Sie uns gerne unter henrik.vorkinn@gmail.com kontaktieren.

Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 6 (Ich stimme überhaupt nicht zu), imwieweit stimmen Sie den folgenden Aussagen zu?

<table>
<thead>
<tr>
<th>Aussage</th>
<th>1. Stimme voll und ganz zu</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6.</th>
<th>6. Stimme überhaupt nicht zu</th>
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<tr>
<td>Ich interessiere mich für Outdoor-Aktivitäten</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Ich interessiere mich für Winter Outdoorsport</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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<td>☐</td>
<td>☐</td>
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</tr>
<tr>
<td>Ich interessiere mich für Sommer Outdoorsport</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Ich betreibe sehr gerne Outdoor-Aktivitäten</td>
<td>☐</td>
<td>☐</td>
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<td>☐</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>Ich betreibe sehr gerne Winter Outdoorsport</td>
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<tr>
<td>Ich betreibe sehr gerne Sommer Outdoorsport</td>
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</table>
2. Wie häufig betreiben Sie die folgenden Aktivitäten?

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<tr>
<th>Aktivität</th>
<th>1 Wöchentlich</th>
<th>2 Monatlich</th>
<th>3 Quartalsweise</th>
<th>4 Jährlich</th>
<th>5 Nie</th>
</tr>
</thead>
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<tr>
<td>Langlauf</td>
<td></td>
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<tr>
<td>Ski Alpin</td>
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<td>Wandern</td>
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<tr>
<td>Snowboard</td>
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<tr>
<td>Mountainbike</td>
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<tr>
<td>Camping</td>
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<tr>
<td>Reiten</td>
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<tr>
<td>Mannschaftssport draußen</td>
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<td></td>
</tr>
<tr>
<td>Golf</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Bitte geben Sie an, ob Sie andere Outdoor-Aktivitäten betreiben, die in der Aufstellung nicht angegeben ist.

4. Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 6 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

   Ich weiß aus eigener Erfahrung, dass.

<table>
<thead>
<tr>
<th>Aussage</th>
<th>1. Stimme voll und ganz zu</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6. Stimme überhaupt nicht zu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baumwolle als Material für Bekleidung eine hohe Qualität hat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wolle als Material für Bekleidung eine hohe Qualität hat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merinowolle als Material für Bekleidung eine hohe Qualität hat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Polyester als Material für Bekleidung eine hohe Qualität hat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vlies/Fleece als Material für Bekleidung eine hohe Qualität hat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5 Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 6 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

Ich habe gute Kenntnisse über.

<table>
<thead>
<tr>
<th>1. Stimme voll und ganz zu</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6. Stimme überhaupt nicht zu</th>
</tr>
</thead>
<tbody>
<tr>
<td>...Baumwolle als ein Material für Bekleidung</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>...Wolle als ein Material für Bekleidung</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>...Merinowolle als ein Material für Bekleidung</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>...Polyester als ein Material für Bekleidung</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>...Vlies/Fleece als ein Material für Bekleidung</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

6 Welche Stoffe/Gewebe möchten Sie am liebsten tragen, wenn Sie eine dieser Aktivitäten ausüben?

Bitte setzen Sie ein Kreuz bei den Stoffen/Gewebe, die Sie für jede Sport-Option bevorzugen. Mehrere Alternativen pro Sport-Option sind möglich.

<table>
<thead>
<tr>
<th>Aktivität</th>
<th>Baumwolle</th>
<th>Wolle</th>
<th>Merinowolle</th>
<th>Polyester</th>
<th>Vlies/Fleece</th>
<th>Andere (Bitte angeben):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Langlauf</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td></td>
</tr>
<tr>
<td>Ski Alpin</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td></td>
</tr>
<tr>
<td>Wandern</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td></td>
</tr>
<tr>
<td>Snowboard</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td></td>
</tr>
<tr>
<td>Mountainbike</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td></td>
</tr>
<tr>
<td>Camping</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td></td>
</tr>
<tr>
<td>Klettern</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td></td>
</tr>
<tr>
<td>Mannschaftssport draußen</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td></td>
</tr>
<tr>
<td>Golf</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td></td>
</tr>
</tbody>
</table>
7 Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 6 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

<table>
<thead>
<tr>
<th>Funktion</th>
<th>1. Stimme voll und ganz zu</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6. Stimme überhaupt nicht zu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funktionsunterwäsche hält mich warm</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Funktionsunterwäsche ist bequem zu tragen</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Funktionsunterwäsche transportiert die Feuchtigkeit vom Körper weg</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Ich trage Funktionsunterwäsche, wenn ich eine Aktivität ausübe</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Funktionsunterwäsche ist für meinen Körper geeignet bei Körperlicher Anstrengung</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Ich trage nie Funktionsunterwäsche</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
Produkte aus Norwegen

In welchem Maße stimmen Sie den folgenden Aussagen über Produkte aus Norwegen zu?

<table>
<thead>
<tr>
<th>8 Produkte aus Norwegen.</th>
<th>1. billig</th>
<th>2.</th>
<th>3. Weder noch</th>
<th>4.</th>
<th>5. teuer</th>
</tr>
</thead>
<tbody>
<tr>
<td>.sind</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9 Produkte aus Norwegen.</th>
<th>1. schlechtes Design</th>
<th>2.</th>
<th>3. Weder noch</th>
<th>4.</th>
<th>5. gutes Design</th>
</tr>
</thead>
<tbody>
<tr>
<td>.haben</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10 Produkte aus Norwegen.</th>
<th>1. Schlechte Qualität</th>
<th>2.</th>
<th>3. Weder noch</th>
<th>4.</th>
<th>5. gute Qualität</th>
</tr>
</thead>
<tbody>
<tr>
<td>.haben</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11 Produkte aus Norwegen.</th>
<th>Umweltgefährlich</th>
<th>2.</th>
<th>3. Weder noch</th>
<th>4.</th>
<th>5. Umweltfreundlich</th>
</tr>
</thead>
<tbody>
<tr>
<td>.sind</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12 Produkte aus Norwegen.</th>
<th>1. Modern</th>
<th>2.</th>
<th>3. Weder noch</th>
<th>4.</th>
<th>Traditionell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Bachelor in International Marketing – Dale of Norway

13  Ich trage Funktionsunterwäsche, wenn die Sie folgenden Aktivitäten betreibe:

<table>
<thead>
<tr>
<th>Aktivität</th>
<th>Immer</th>
<th>Ab und zu</th>
<th>Nie</th>
</tr>
</thead>
<tbody>
<tr>
<td>Langlauf</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Ski Alpin</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Wandern</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Snowboard</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Mountainbike</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Camping</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Klettern</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Mannschaftssport draußen</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Golf</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

14  Bitte geben Sie an, ob Sie Funktionsunterwäsche tragen wenn Sie andere Outdoor-Aktivitäten betreiben die in der Auflistung nicht angegeben sind.

...
15 Wie finden Sie die Funktionsunterwäsche auf den Bildern?

Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 6 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

Ich finde diese Produkte:

<table>
<thead>
<tr>
<th>Eigenschaft</th>
<th>1. Stimme voll und ganz zu</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6. Stimme überhaupt nicht</th>
</tr>
</thead>
<tbody>
<tr>
<td>trendy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>atmosphärisch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sportlich</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>angenehm auf der Haut</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>original</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>langweilig</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>umweltfreundlich</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>warm</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>praktisch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>qualität/hochwertig</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>komfortabel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

16 Sind Sie bereit, einen Premium Preis für Funktionsunterwäsche zu bezahlen, wenn Sie in einer dieser Kategorien sehr gute Eigenschaften haben?

<table>
<thead>
<tr>
<th>Eigenschaft</th>
<th>1. Ja, natürlich</th>
<th>2.</th>
<th>3. Weder noch</th>
<th>4.</th>
<th>5. Auf keinen Fall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Umweltfreundlich</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualität</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lebenszeit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marke</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

17 Wo kaufen Sie Ihre Funktionsunterwäsche? Mehrfachnennungen sind möglich

- [ ] Im Internet
- [ ] Im Sportfachgeschäft
- [ ] Im Kaufhaus
- [ ] Im entsprechenden Markenstore
18 Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 6 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

<table>
<thead>
<tr>
<th>1. Stimme voll und ganz zu</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6. Stimme überhaupt nicht zu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pullover aus Wolle halten mich warm</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Pullover aus Wolle sind bequem zu tragen</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Pullover aus Wolle transportieren die Feuchtigkeit vom Körper weg</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ich trage Wolle Pullover, wenn ich eine Aktivität ausübe</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ich finde, dass Pullover aus Wolle gut für körperliche Anstrengung geeignet sind</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ich benutze nie Pullover aus Wolle</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

19 Ich trage Pullover aus Wolle, wenn ich die folgenden Aktivitäten betreibe

<table>
<thead>
<tr>
<th>Aktivität</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Langlauf</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ski Alpin</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Wandern</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Snowboard</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mountainbike</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Camping</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Klitten</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mannschaftssport draußen</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
20. Bitte geben Sie an, ob Sie Pullover aus Wolle tragen, wenn Sie andere Outdoor-Aktivitäten betreiben, die in der Auflistung nicht angegeben sind.

21. Wie finden Sie die Pullover aus Wolle auf den Bildern?

Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 6 (Ich stimme überhaupt nicht zu), insoweit stimmen Sie den folgenden Aussagen zu?

Ich finde diese Produkte..

<table>
<thead>
<tr>
<th>1. Stimme voll und ganz zu</th>
<th>2.</th>
<th>3.</th>
<th>4.</th>
<th>5.</th>
<th>6. Stimme überhaupt nicht zu</th>
</tr>
</thead>
<tbody>
<tr>
<td>trendy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>allmodisch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sportlich</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>original</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>langweilig</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>umweltfreundlich</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>warm</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>praktisch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>qualitativ hochwertig</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Komfortabel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
22 Sind Sie bereit einen Premium Preis für einen Pullover aus Wolle zu bezahlen, wenn Sie in einer von dieser Kategorien sehr gute Eigenschaften hat?

<table>
<thead>
<tr>
<th></th>
<th>1. Ja, natürlich</th>
<th>2.</th>
<th>3. Weder noch</th>
<th>4.</th>
<th>5. Auf keinen Fall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Umweltfreundlich</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Lebenszeit</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Qualität</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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- [ ] Im Internet
- [ ] Im Sportfachgeschäft
- [ ] Im Kaufhaus
- [ ] Im entsprechenden Markenstore


- [ ] The North Face
- [ ] Jack Wolfskin
- [ ] Devold
- [ ] Dale of Norway
- [ ] Icebreaker
- [ ] Odlo
- [ ] Norheim
- [ ] Brynje
- [ ] Peak Performance
- [ ] Fjall Raven
- [ ] Mammut
Bachelor in International Marketing – Dale of Norway

25 Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 5 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

<table>
<thead>
<tr>
<th>Aussage</th>
<th>1. Stimme voll und ganz zu</th>
<th>2.</th>
<th>3. Weder noch</th>
<th>4.</th>
<th>5. Stimme überhaupt nicht zu</th>
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<tr>
<td>Ich lese häufig die Artikel in der Zeitung, die von Wintersport handeln.</td>
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<td>Ich schaue oft eine Zusammenfassung über den heutigen Sport, wenn ich Sport nicht live sehen kann.</td>
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<td>Ich schaue nur Wintersport an, wenn es entweder die Olympischen Spiele oder Weltmeisterschaften sind.</td>
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</tr>
</tbody>
</table>

26 Bitte setzen Sie ein Kreuz bei den Personen die Sie kennen.

- Petter Northug
- Marit Bjørgen
- Aksel Lund Svindal
- Therese Johaug
- Tanje Æbe
- Emil Hegle Svendsen
- Tora Berger

27 Haben Sie von der Marke Dale of Norway schon gehört?

☐ Ja
☐ Nein

28 24. Wenn "ja", wie haben Sie Dale of Norway kennengelernt?

☐ durch Familie und Freunde
☐ durch öffentliche Plakate/Werbungen
☐ durch Kataloge
☐ durch die offizielle Website
☐ durch TV oder Film
☐ durch bekannte Sportler
☐ durch verschiedene Events
☐ von Verkäufern Empfohlen
☐ andere (bitte angeben): [Leerzeichen]
29 Wie alt sind Sie?

30 Geschlecht?

31 Monatliches Nettbekommen?

- € 0 - € 1000
- € 1001 - € 2000
- € 2001 - € 3000
- € 3001 - € 4000
- € 4001 - € 5000
- € 5001 +
Appendix 3 – survey response

Total number of respondents
1) Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 6 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

2) Wie häufig betreiben Sie die folgenden Aktivitäten?
3) Bitte geben Sie an, ob Sie andere Outdoor-Aktivitäten betreiben, die in der Auflistung nicht angegeben ist.

4) Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 6 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu? Ich weiß aus eigener Erfahrung, dass..
5) Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 6 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu? Ich habe gute Kenntnisse über..

7) Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 6 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

8) Produkte aus Norwegen.
9) Produkte aus Norwegen..

10) Produkte aus Norwegen..
11) Produkte aus Norwegen.

12) Produkte aus Norwegen.

13) Ich trage Funktionsunterwäsche, wenn die Sie folgenden Aktivitäten betreibe:
14) Bitte geben Sie an, ob Sie Funktionsunterwäsche tragen wenn Sie andere Outdoor-Aktivitäten betreiben die in der Auflistung nicht angegeben sind.
15) Wie finden Sie die Funktionsunterwäsche auf den Bildern? Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 6 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu? Ich finde diese Produkte...

16) Sind Sie bereit, einen Premium Preis für Funktionsunterwäsche zu bezahlen, wenn Sie in einer dieser Kategorien sehr gute Eigenschaften hat?
17) Wo kaufen Sie Ihre Funktionsunterwäsche? Mehrfachnennungen sind möglich

![Bar chart showing the percentage of people who buy their functional underwear in different places.](chart1.png)

18) Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 6 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

![Bar chart showing the responses to statements about wool sweaters.](chart2.png)
19) Ich trage Pullover aus Wolle, wenn ich die folgenden Aktivitäten betreibe

![Graph](image)

20) Bitte geben Sie an, ob Sie Pullover aus Wolle tragen wenn Sie andere Outdoor-Aktivitäten betreiben die in der Auflistung nicht angegeben sind.

![Graph](image)

22) Sind Sie bereit einen Premium Preis für einen Pullover aus Wolle zu bezahlen, wenn Sie in einer von dieser Kategorien sehr gute Eigenschaften hat?

Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 5 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

Ich lese häufig die Artikel in der Zeitung, die von Wintersport handeln

25 – 2/6) Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 5 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

Ich lese häufig die Artikel im Internet, die von Wintersport handeln
25 – 3/6) Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 5 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

**Ich lese nur Artikel über Wintersport, wenn deutsche Athleten gewonnen haben**

25 – 4/6) Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 5 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

**Ich schaue oft Wintersport an**
25 - 5/6) Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 5 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

**Ich schaue oft eine Zusammenfassung über den heutigen Sport, wenn ich Sport nicht live sehen kann**

![Bar Chart](image)

25 – 6/6) Anhand einer Skala von 1 (Ich stimme voll und ganz zu) bis 5 (Ich stimme überhaupt nicht zu), inwieweit stimmen Sie den folgenden Aussagen zu?

**Ich schaue nur Wintersport an, wenn es entweder die Olympischen Spiele oder Weltmeisterschaften sind**

![Bar Chart](image)
26) **Bitte setzen Sie ein Kreuz bei den Personen die Sie kennen.**

![Bar Chart with Names and Counts]

27) **Haben Sie von der Marke Dale of Norway schon gehört?**

![Bar Chart with Responses: Ja and Nein]
28) Wenn "ja", wie haben Sie Dale of Norway kennengelernt?

29) Wie alt sind Sie?
30) Geschlecht?

![Bar Chart](image)

31) Monatliches Nettoeinkommen?

![Bar Chart](image)
## Appendix 4 – Bakka model

<table>
<thead>
<tr>
<th></th>
<th>Trial export</th>
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### Appendix 5 – SWOT analysis

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<th><strong>Strengths</strong></th>
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<td>• Research and Development</td>
<td>• Lack of brand awareness in Germany</td>
</tr>
<tr>
<td>• Human Capital</td>
<td>• Decreasing turnover in reference market</td>
</tr>
<tr>
<td>• Strong brand awareness in reference market</td>
<td>• Organizational resources</td>
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<tr>
<td>• Control of value chain</td>
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</table>

<table>
<thead>
<tr>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Growing industry</td>
<td>• Strong substitutes</td>
</tr>
<tr>
<td>• Consumer’s increases sportswear spending</td>
<td>• Numerous competitors</td>
</tr>
<tr>
<td>• People taking up a more active lifestyle</td>
<td></td>
</tr>
<tr>
<td>• Norway is perceives as a country of quality</td>
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</table>
ONCE UPON A TIME IN THE STEEP HILLSIDES OF NORWAY

The little village of Dale, is nestled next to the fjords, where birches cling to the steep mountain walls and waterfalls flow down from the mountains above. Here, Peter Jebsen, a businessman, arrived back in 1872, and became fascinated by the spectacular surroundings. Inspired by the potential of nature, he settled down.

The natural blend that became the look and feel of Norway

With years of experience in the textile industry, Peter Jebsen recognized new opportunities for the small village. His idea was to transform the natural power of the waterfall to run a textile mill. Being a man of action, he started the project immediately, and in 1879, Dale Fabrikker was founded. And a new dawn for every farm and household, emerged. Now, the locals with their access to clean water, power and wool were empowered to conquer new horizons.

Keeping Norwegians warm through long and cold winters

It was hardly a quest for fashionable wool clothing that made Norwegians begin to wield their knitting needles as early as the Middle Ages. On the contrary, they saw a practical new use for the fantastic wool produced in the area - it could keep them warm through the long and cold Norwegian winter. The wool was carded and spun into yarn that was formed into stitches using the needles. Although it may look easy today, at the time, the system was nothing short of ingenious!

The patina of traditions - Fragments of Norwegian DNA

Norwegians are great ones for traditions, and what could be nicer than donning a Norwegian sweater knit according to age-old Norwegian pattern traditions. It appears that handknitting will never go out of style in Norway. Hundreds of thousands of knitting enthusiasts proudly produce garments for their husbands, boyfriends or grandchildren, thoroughly convinced that Tender Loving Care is the key ingredients in hand-knit products.

THE STORY
THE SECRET OF DALE’S QUALITY IS NATURAL

Dale of Norway is one of Scandinavia’s largest textile companies. From scratch, we make our own refined yarn for hand-knit and machine-knit garments. That means the same yarn is used for hand-knit and machine-knit sweaters.

Wool textiles go back a long way. Wool is one of the oldest and most universal fibers. Felted or woven wool has been used for garments and household linens since the earliest civilizations. Despite the development within synthetic materials, no man-made fiber can match the unique qualities of wool. All Dale of Norway’s knitwear carries the Woolmark label which guarantees that our yarn is made from top quality 100% virgin wool.

Wool – Natural Comfort

Part of the secret of Dale of Norway’s success is the pure Norwegian virgin wool that stands in a class of its own. Wool is often called nature’s own high-tech material due to its very special properties. For example, wool allows moisture to wick through the fibers for a comfortable and dry feel. The high percentage of air in wool means it insulates against both heat and cold, and this gives the user the best comfort both in cold and warm days.

The Norwegian blend

We are using different blends; white mohair and wool, full year growth and crossbred wool shorn in autumn. The Norwegian wool fibers are long and due to the thickness and characteristics of the fibers in our blends, we can make long lasting products with specific properties.
THE UNIQUE DALE CONCEPT AND PATTERNS

Classic Norwegian knitting patterns form the core of Dale's entire design concept: roots with contemporary flair. The designs have reflected Norwegian history and culture for over 130 years, making Dale garments instantly recognizable from the beginning. No company in the world can match the number of Norwegian knitting patterns Dale can offer.

Turning age-old patterns into contemporary flair

Our aim is to create stylish contemporary and classic garments based on authentic age-old patterns and techniques. Behind every new design there is a thorough process that involves several members from our design and product development teams. All new products and patterns are based on traditional Norwegian materials and design elements, with updated cut and functional details.

No machine can replace the human touch

The human touch is indispensable, as no machine, regardless of how sophisticated it is, can ever replace the human mind when it comes to design. Highly trained technicians ensure that every product gets the best possible technical solution and finish. Rigorous testing guarantees that only products in which we have absolute faith ever reach the market.

Classic Norwegian pattern – constantly evolving

We monitor the development of major trends closely, frequently adjusting colors and finishing details to satisfy a fashion-conscious market. We visit international yarn shows and trade fairs regularly to ensure that no new developments escape our attention. The same applies to production technology, as we aim to be on the cutting edge with new technology.
A PRODUCTION PROCESS WHERE EVERY STEP GETS PERSONAL ATTENTION

Developments at Dale have not stood still since Mr. Jebsen first recognized the potential inherent in this beautiful valley outside Bergen some 130 years ago. Although sophisticated computers and machinery have led to tremendous advances in the manufacture of machine-knit sweaters, each and every garment still gets the personal touch and care that have always been Dale of Norway’s hallmark.

It all begins with the yarns

Making garments to our standards is no small feat. It involves paying close attention to detail at every stage of the production process. The yarn is crucial to the quality of the sweater. We believe there is only one way to ensure the right quality, and that is to spin the yarn ourselves. We do everything ourselves, step by step, from raw materials to finished products.

Today, as 130 years ago

Norwegian wool is especially well-suited for high-quality knitwear. The wool fibers are long and sturdy, giving strength, lightness and warmth. We buy the wool from different parts of Norway to ensure the very finest quality. Each region’s wool has slightly different characteristics, so the raw wool is blended carefully to achieve the requisite texture and quality.

Unique appearance and strength

Our dyeing process ensures that all our yarns are 100% colorfast. The process is eco-friendly as we use no harmful chemicals. Dale yarn is not only stable, its breaking strength is also about three times that of ordinary wool yarns. This gives Dale garments exceptional dimensional stability, meaning they retain their shape and give their proud owners years of pleasure.
THE WOOL EXPERIENCE
BY DALE OF NORWAY.
SIMPLY INGENIOUS

Wool keeps you warm in cold weather and cool in hot weather. These remarkable fibers also absorb up to 30 percent of their own weight in moisture, wicking moisture away from the body so that the wearer stays dry and comfortable regardless of the temperature.

The ultimate all-season performance fiber – by nature

The extremely fine, soft, and crimped nature of wool fibers allow for a strong natural elasticity that enhances its high-performance qualities. Wool is not only warm, it is odor-resistant, antimicrobial, breathable, insulating, extremely durable, and anti-static. Making it ideal for a range of products from performance wear to fine wool suiting. Its structure gives it a unique and versatile combination of comfort with high performance. It's naturally environmentally friendly, renewable as well as easy-care and wrinkle free.

Flax and Merino wool feels soft, not scratchy

Modern technology has made it possible to sort and select only the finest fibers to produce finer-micron Merino. Today Merino wool has a micrometric diameter – about one-third to one-tenth the thickness of a human hair. The smaller the diameter, the finer, softer, and less scratchy the fabric will be. Merino wool produces fabric that can be worn next to the skin without discomfort, is soft, and always provides an exceptional hand and distinctive style. Dale offers a wide range of luxuriously soft Merino wool clothing.

Developing new thick & soft Norwegian wool qualities

Thick wool yarn can have a rough texture. Our highly skilled labour and modern technology makes us capable of developing a Norwegian wool with a far more softer texture than we are used to. The Norwegian wool has higher bulk and strength and retains much more air than the finer micron wool. This makes it excellent for durable mid- and outer-layer garments. Dale products are well known for their longevity, both in material and design.
ADVANCED WEATHER PROTECTION DOES NOT HAVE TO STOP YOU FROM LOOKING YOUR BEST

Norwegian mountains can be cold and windy. With Knitshell™, Dale of Norway brings unprecedented technology to the market. The Knitshell-technology demanded numerous hours of research and development to successfully conserve the properties of wool while creating a membrane that could perfectly adhere to knit.

Water repellent wool

Dale of Norway is the world-leading producer of water repellent wool products. The three-layer laminated system of water repellent yarn, and a soft waterproof membrane, gives you a garment that keeps you warm, comfortable and looking good in any condition. We developed a unique technology that coats every fiber of the garment with a water repellent capsule. This actually makes the garment even oil and dirt repellent.

Windproof and breathable

The Polarwind™ membrane used in our Knitshell-products is an ultra thin protective liner which is laminated to a lightweight textile fabric, making it totally windproof. This adds 100% windproofness to any textile without perceptively restricting its breathability or weight. eliminating the need of a jacket in cooler weather. Dale Polarwind’s composition and its particular 3-layer structure produces less noise.

Effective moisture control

Polarwind™ is also one of the most efficient moisture control systems you can find in the market; wicking moisture more quickly than any other liner. This helps you handle the challenges of physical activity in low temperatures. In addition, the difference of pressure and temperature between the body and the ambient air maintained by the high protection liner, creates thermal insulation.
Most Norwegian boys and girls have worn Olympic or World Championship sweaters knit by their mothers or grandmothers. This tradition is highly treasured not only by Dale, but also by the alders who look forward to a new Dale sweater every year.

Enduring classics

Since the first Olympic sweater was introduced at the Cortina Olympics in 1956, all of these sweaters remain in our collection for years after the Olympics or World Championships are over. Many of the designs are regarded as enduring classics. The sweaters are named after the location of the event, and we still carry successes such as “Cortina”, “Sarajevo”, “Calgary”, “St. Moritz” and of course, “Lillehammer” in our collection. Available in new colors every year, they are still as popular as when first released.

The Lillehammer experience

Our greatest success ever is the sweater for the 1994 Winter Olympics at Lillehammer, Norway. The Norwegian winter athletes won an incredible number of gold medals that year. As an official outfitter of the Norwegian ski teams, Dale of Norway took particular pleasure in celebrating the triumphs of the best ambassadors a country could ever hope for.
The obvious outdoor outfit

Today, the Norwegian team look and is worn in the latest fashion, and has become the world's leading brand of authentic and exclusive Norwegian knitwear. Inspired by the Cortina design, sweaters from Dale of Norway now are the obvious choice for many, who enjoy nature and mountain life.

The Olympic Ward

During the last Olympics in Vancouver, Canada, the entire VIP stand was one large Dale assembly. This is sweet proof that Dale sweaters, have become the official Norwegian uniform, and is worn by athletes, coaches and support staffs at World Championships and Olympic Games.

Sponsorship inspired by three words

In addition to the Norwegian Ski Association, Dale of Norway is an official supplier to the Norwegian Biathlon Association and the International Olympic Committee (IOC) awarding Dale of Norway rights to use of the five rings, the international Olympic logo, as part of its profile. Therefore, Dale of Norway also identifies itself with the Olympic motto, “Citius, Altius, Fortius”, these Latin words that translates into “Swifter, Higher, Stronger.”

Baron de Coubertin borrowed the motto from Father Henri Martin Dideon, the headmaster of Arcueil College in Paris. Father Dideon used the motto to describe the great achievements of the athletes at his school. Coubertin felt it could be used to describe the goals of great athletes all over the World.

We could not agree more.
TRADITIONAL

The traditional part of our collection, with typical old Norwegian knitting.

FAIRY TALE

A truly classic and versatile product. All cuts and details are very elegant and feminine.

REWORKED

The comeback of the old knitting patterns, with new life and energy.

SPORT

Produced with crisp, clear and bright colors, in distinctive patterns and clean lines.

OUTDOOR

Garments come with thicker knit for hunting and fishing.
FAIRY TALE

A truly classic and versatile product. To keep it as light as possible, the use of Merino wool has been used to keep it comfortable. All cuts and details are elegant and feminine, and the use of color is softer. Precious details shape both buttons and embroidery, and old characteristic patterns are used in the garments. A versatile design that is ideal for the office or around town. A truly exclusive garment.
REWORKED

This is the comeback of the old knitting patterns, with new life and energy. Aimed at a slightly younger consumer, the shape is longer and slimmer, and more contemporary. Street fashion actually: easy to wear both indoor and outdoor. The colors are bolder, with more contrast. The patterns are large and vary from thin knit to hand knit qualities. This is retro; old craftsmanship in new shapes and packaging.
SPORT

Products with crisp, clear and bright colors, less distinctive patterns and clean lines. A more dynamic expression; custom-cut for both men and women. Knitshell™ has a three-layer laminated system of water repellent yarn, and a windproof membrane and a comfortable inner liner. Any of our sport garments will keep you warm, comfortable and looking good in any kind of weather.
Garments made for hunting and fishing. All the details and features are exclusive ranging from salmon and elk skin, to buttons of deer antlers. Products come with thicker knit and a earthy tone. All for outdoor use, hiking, and trips to your mountain cabin.
Appendix – 7 interview with Mr. Østvang

Interview with Dale of Norway’s Chief of Administration Kristoffer Østvang

In order to get a clear vision about Dale’s organization and the members of the organization we conducted an interview with Chief of Administration Mr. Kristoffer Østvang. This was necessary to be able to evaluate their preparedness for internationalization and in general for the thoroughness of the thesis.

Business decisions

When Dale take business decisions their attained knowledge and experience together with information received from their marketing network has the decisive voice. Important competencies as the knowledge and experience which has been gained though long history and embedded in the organization was seen as one of their greatest strengths and referred to as “solid”.

Good knowledge with regards to risks involvement when doing business Mr. Østvang was clear that through a strong network which provides good reliable information contributed to minimize the risk involvement. The fact that Dale also is a niche company also reduces the risk.

Cooperation with foreign partners

By being present in numerous countries, and many places within these countries many collaborators is involved. Despite many partners Dale rarely experience any problems. Few problems were explained through their great and consistent relationship with agents and distributors and Mr. Østvang brought up this through an example with one of their agents who have been with them for 27 years.

The problems were rarely but some did occur. One problem that which was mentioned was with Russia. Here they experienced that some demands was seen as a problem. This was related to bureaucracy, credit time and expectations. The fact that the problem arise in Russia was neither a surprise. In the Western Europe Dale experience great interest for cooperation due to a big interest for Norway. This interest is unfortunately not present in the Eastern Europe.

Visions for the export market

The objectives for the export markets and further expansion internationally are an opportunity Dale see and are willing to take. Objectives such as increase market share, brand equity and profits was highly relevant for the future.

Market Orientation
To keep up with competition Dale executes many activities to keep up with an ongoing market development. By visiting trade fairs they keep up to date in trends, following up agents and having workshops is just some of many measures Dale do to keep up with competition. Since Dale’s products hold a long lifetime the focus were mostly on new trends, colors and designs.

Despite exporting to numerous markets, Dale often standardizes the marketing mix. Adaptions where only mention being done when it comes to place. This was important to give the right impression of the brand to the other nations. Therefore, they place their products with products like Armani in Italy which is not done in Germany where they sell products through distributors such as Engelhorn.

**Market Research**

Through their sponsorships and promoting they follow up their sale, brand equity and customer inquiry to evaluate the success of the promotion. To every event the sponsor such as the Olympic Games they release a new collection. It is mostly the sale of this collection they follow closely to identify changes.

**Organization**

Everyone who was working at the headquarter in Dale was described as a “family” by Kristoffer. Despite discussions and disagreements regarding their future strategy the dedication and willingness to work hard toward the same objectives was clear to everyone. When the strategy were set Mr. Østvang was clear that the whole organization supported it and performed their work the best way to help the organization to reach its goals. This was also clear in the top-management.

Their subsidiary in USA which had three employees was hire for the purpose to follow up their agents in USA. The export comes clear to be extremely important to Dale as because export generates 2/3 of their total income. Since the export generates this amount of total income almost half of their total employees where in some way involved with the export part of the business.

**Internationalization process**

After the Olympic Winter Games at Lillehammer in 94 the export truly became a vital part of their company. The collection which was launched to the Olympic Games was a great success. This was seen as the catalyst for their export to international markets.

Dale chose their markets strategically. By exporting to markets that either have near access to mountains and outdoor activities or markets which are represented by people who are interested in such outdoor activities. Therefore they see it important
to be located around the Alps, and they also experience sales in markets such as in England where skiing is only possible when they are on vacation.

Market Network

Throughout the years Dale has established a great foreign network as well as a good domestic network. The network consists of many reliable information sources such as agents, trend-spotters and design. The benefits they gain from their network could be information about a potential market for export. According to Mr. Østvang Dale uses a Danish designer to get information surrounding new designs and ideas to new projects and developments.
Appendix – 8 e-mail conversation with Dale of Norway

Hei Clementine,

Her er en problemstilling dere kan ta tak i.

Dale er et gammelt selskap ( etablert 1879 ), tuftet på gamle norske tradisjoner og tradisjonsrike materialer. Men tiden har gått litt i fra merkevaren, og den må fornye seg for å kunne overleve i en stadig «mindre» verden.

Med mindre verden tenker jeg spesielt på nettbasert informasjon, raskere distribusjonskanaler av informasjon, merkevarebygging og – informasjon, det er lettere å starte opp nye, vel designede merker, som konkurrerer i samme markedsplass.

Hvordan skal Dale orientere seg og fornye seg i denne jungelen av merker, informasjon og konkurrenter med små markedsbudsjetter, og nisjepregede produkter ( kun strikkeprodukter ).

Hvordan skal de klare å formidle og forsterke sine produkter, sikre sin markedsposisjon på samme måte som en del andre, eldre merkevarer har fått til (se Pringle, Burberry, Barbour )

**Polo R L**

Merker som Gant, Dolce&Gabbana, Polo Ralph Laurent, bruker norsk inspirasjon og mønstre i sine design. Norsk strikk er med andre ord «IN», og Dale er originalen.

Dale er med andre ord Coca Cola, alt annet er Pepsi…

Dale er Made in Norway

Hvordan skal man gjøre dette riktig i det tyske markedet, som er mye mer «seriøst» i sin tilnærming til markedsføring, produkter og reklame. Tyskerne er opptatt av funksjonalitet, kvalitet, seriøsitet og autentitet.

Dale har alle disse egenskapene, men hvordan formidle det på riktig måte ?

Stikkord for Dale er;

- Norsk strikkemønstertradisjon ( første setesdalsgenser ble nedtegnet ca 1840, men mønstret er eldre, og av ukjent opprinnelse. Ble opprinnelig «designet for å beskytte bæreren i krig og mot det onde, ukjente – dette symboliseres med korsene i mønstret )

- Håndverk/håndarbeid – Dale startet opp som produsent av kamgarn, og begynte først på 60-tallet å lage maskinstrikkede gensere. Før det var det kun garnproduksjon ( NB, første strikkemaskin ble oppfunnet på 1500-tallet, så var Dale langt etter )
Tradisjon/Historie – Dale har som tradisjonsbærer og historiebærer med seg begge de to norske «storhetstidene» i nyere tid; både under frigjøringen i 1905, da nasjonalfølelsen var spesielt sterk, samt på 50-tallet (første offisielle OL-genser designet for Cortina OL i 1956) – da vi skulle «bygge»landet på nytt etter krigen. Dale Fabrikker ble etablert fordi det var gode forhold for vannkraft i Dalen (hydropower), med andre ord har Dale vært miljømessig riktig siden 1879, og alltid brukt kraft fra vannkraftanlæg. Dette er et enda viktigere moment i dag enn for 133år siden, da resirkulerbar kraft er viktig i samfunnsbevissheten i de fleste europeiske land.

Aktive mennesker – nordmenn har alltid vært et naturelskende folk, med lange tradisjoner for jakt, fiske, og å bruke naturen til sjølvberging og rekreasjon. Dette gjenspeiles veldig sterkt i merkevaren, og noe av det unike utlendingene ser ved Norge, norsk produksjon og produkter, norsk natur.

Hvordan skal disse egenskapene og «råvarene» over forvaltes for å få fremgang i de tysktalende markedene (DACH-landene)? Det betyr for så vidt både Tyskland, store deler av Østerrike, deler av Sveits, og enkelte deler av Frankrike.

Hvordan kan merket «gjenfødes», og ta sin posisjon? 

Sender med utkastet til den siste «historieboka» vi holder på å lage for Dale, så har dere litt å jobbe med J

Lykke til,

Best regards/Vennlig hilsen

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