The UK Sports – and Underwear Market

Bachelor of International Marketing

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Executive summary

Pierre Robert Group is a Norwegian company, which specialises in regular underwear, in addition to sports underwear. The company is currently represented in Sweden and Finland, as well as in their domestic market. Pierre Robert Group wishes to explore the possibilities for a future expansion into the UK sports- and/or underwear market.

The purpose of this report is to explore the UK sports- and underwear market in order to ascertain the most appropriate strategy for Pierre Robert, if they were to enter the UK. Secondary data, mainly from Mintel and Key Note databases, was used to gain enough knowledge about the research objectives, while primary data was conducted to obtain unexplored information, through a survey, semi-structured interviews and observations. Relevant theory is applied throughout the report in compliance to Pierre Robert's situation.

The competitive analysis shows that the UK underwear market is highly competitive, and fairly overcrowded. The underwear market has an enormous extent, which makes it difficult to break down in narrower segments. On the basis of this, the underwear market was regarded as to large for Pierre Robert to handle, and the UK underwear market was therefore excluded from further discussion.

The sportswear market is predicted to grow in the forthcoming years, with a peak in 2015 at £4.89 bn. This market-increase has resulted in several non-sport retailers widening their clothing lines, and includes sportswear. The sportswear market has become more quality conscious, and the consumers tend to be willing to pay for it.

Findings show that females in the age 21-44, within both mainstream sport and active leisure, would be an appropriate target group for Pierre Robert. This group is an opportunity for Pierre Robert, as it gives the company an ability to tailor its offerings, and provide wool underwear in addition to the sports underwear.

Nike and Adidas are strong players in the sportswear market, so it is important for Pierre Robert gain a strong position. By entering an untraditional retailer, and build a strong brand,

Pierre Robert may be able to enter the UK sportswear market with success. An agent will be the most suitable entry strategy as this can provide Pierre Robert with a great extent of market information.

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LIST OF ABBREVIATIONS

Ads – Advertisement

Apps – Applications

Ch – Chapter

C-stores - Convenience Stores

EU – European Union

FMCG – Fast Moving Consumer Goods

GDP – Gross Domestic Product

H&M - Hennes & Mauritz

IMC – International Marketing Consultancy Project

M&S – Marks & Spencer

POS - Point Of Sale

PR – Pierre Robert

SLEPT – Social, Legal, Economic, Political and Technological

SME – Small and Medium Sized Enterprises

STP – Segmenting, Targeting and Positioning

SWOT – Strengths, Weaknesses, Opportunities and Threats

UK – United Kingdom

WOM - Word of Mouth

LIST OF DEFINITIONS

Convenience store – Small and centrally located store with an easy access and late night hours, with limited goods design for the convenience shopper. (<www.businessdictionary.com> 2011)

Competition – Rivalry between sellers who tries to get what other seller are seeking at the same time, in relation to sales profit and market share.

Economies of scale – The extra cost savings that occur when higher volume production allows unit costs to be reduced (Lynch, 2006)

E – Business – Is the term used to describe the information systems and applications that support and drive business processes, most often using web technologies.

E – Commerce – Goods and services that is provided, transacted and sold through the Internet. Timothy Cumming (2001)

Fast Moving Consumer Goods – Products that have a quick turnover and relatively low cost

High Street/upper market – Traditionally refers city centres of UK cities. In this report, high street refers to shops such as Debenhams, House of Fraser and La Senza, which offers high priced and good quality products.

Retailers – A person or business that sells goods to consumers as in contrary to a wholesaler or suppliers who normally sell to another businesses. BD.com

Sport marked – A market which consists of underwear and clothing's for all types of sports and activities.

Switching Costs - The real or perceived cost of switching suppliers.

Thermal – Is a type of underwear which is divided into natural and synthetic fabrics and is worn to prevent you from getting cold. Wool, cotton and silk are natural layers and polypropylene, polyester and nylon are synthetic.

Underwear marked – Consist of both hosiery and lingerie, where lingerie is comprised of a large range of products which includes items such as: vest, negligees, knickers and shape wear items. While hosiery is made up by tights, socks, stockings and knee-highs.

Chapter 1

Introduction

The business concept:

"Pierre Robert Group designs, develops, markets and sells tights, socks and underwear under the brands La Mote and Pierre Robert" (Pierre Robert Group, 2011) .With knowledge, contemporary design and strong brands for women, men and children, Pierre Robert Group shall contribute to growth and profitability for convenience goods.

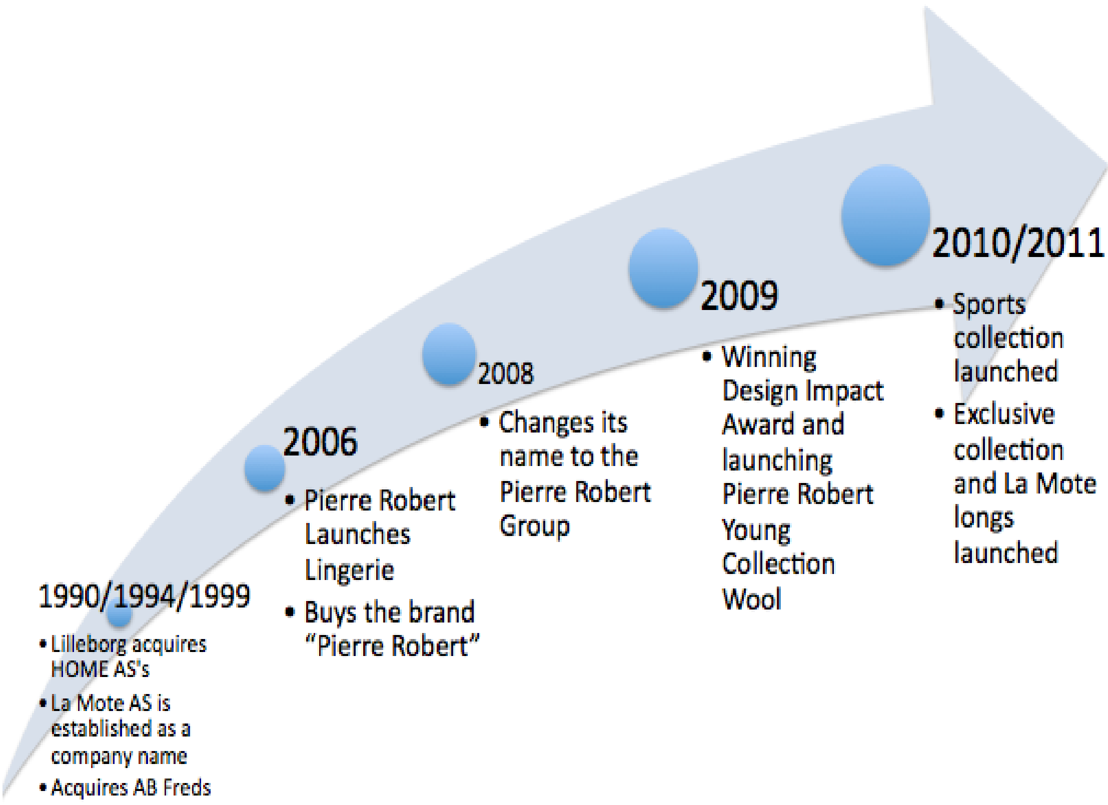
The company

Pierre Robert Group is also a part of a big Norwegian industrial conglomerate, Orkla Brand Nordic Business Unit. Orkla is operating in 40 countries that include the Nordic region, Eastern Europe, Asia and the US.

Pierre Robert Group has its heritage from “Helmets” products AS which was founded in 1956. After several name changes, during the years, the company became Pierre Robert Group in 2008, consisting of the two brands Pierre Robert and La Mote. Furthermore, Pierre Robert Group clients are operating in the Nordic area: Norway, Sweden and Finland with the main office in Oslo. Pierre Robert is, with their 157 employees, the leading supplier in Norway, of textiles in convenience stores. In Norway, they have increased by 0.6% last year to 11.6% share of the underwear market for women, men and children. In grocery however, they have achieved 55% of the market and Pierre Robert Group´s turnover in 2009 was NOK 447 million and portrays a strong growth in the economy.

The products

Pierre Robert’s main focus is to offer high quality and innovative design in everything they do; strategy, stores, products, vision, packaging and advertisement. All of their product categories consist of raw material used to enhance the quality, comfort and good support for the consumer.



CHAPTER 2

TERMS OF REFERENCE

2.0 Terms of Reference

2.1 Project Title

The UK sports- and underwear market

2.2 Parties

2.2.1 The Authors

The authors of this report are level 3 students on the BA (Hons) International Business course at Leeds Metropolitan University 2010/2011.

The students are;

Iyoel Tesfai

Mathilde Melgaard

Nina Kristin Grav

Nina Elvestad

The supervisor which has guided the authors throughout 2010 / 2011 was;

Mr. Peter Williams

2.2.2 The Client

Pierre Robert Group
Contact person:

Mr. Erik Aass

Key Account Manager

erik.aass@pierrerobert.no

2.3. Time Plan

A contractual agreement between the authors and the client, Pierre Robert, was conducted in October 2010.

The research process started in January 2011 and the report is to be submitted 16th of May 2011. (See Appendix 1)

2.4 Financial Costs

There were certain costs in relation to the development of this report, which derived from travel by bus and train, and hotel residence. The total expenditures in regards to the report have been £ 400.

2.5 Research Aim

The purpose of this report is to explore the UK sports- and underwear market in order to ascertain the most appropriate strategy for Pierre Robert, if they were to enter the UK.

Objectives

1. Describe and analyse the present situation in the UK sports- and underwear market.

2. Conduct a competitive analysis.

3. Examine and analyse prospects attitude towards Pierre Robert's products.

4. To examine if Pierre Robert's domestic concept is transferrable into the UK.

5. Give an outline of potential retailers for Pierre Robert.

6. Implement the main findings through a discussion.

7. Conclude and give recommendations for an entry strategy.

2.7 Methodology

To reach the aim and objectives which were sat for this report, both qualitative and quantitative research methods were utilized. In addition the authors used secondary data. The methodology is further explained in chapter 3.

2.8 Methodology limitations

Due to Pierre Robert's main focus on women and because the majority of Pierre Robert's products are targeted towards them, the authors have only been focusing on women during this report.

In the primary research, the authors determined to include only a random sample of Pierre Robert's products within the sport, hosiery and tights, lingerie and wool collection, due to some time and budget limitation. These products are divided into different collections during the primary research, but will further on, only be referred to as "Sports- and regular underwear".

2.9 Literature review

The literature review which is portrayed in chapter 4, is to give the reader a comprehension of existing theory regarding the subject matter. This will be used in practise in the analysis section.

CHAPTER 3

METHODOLOGY

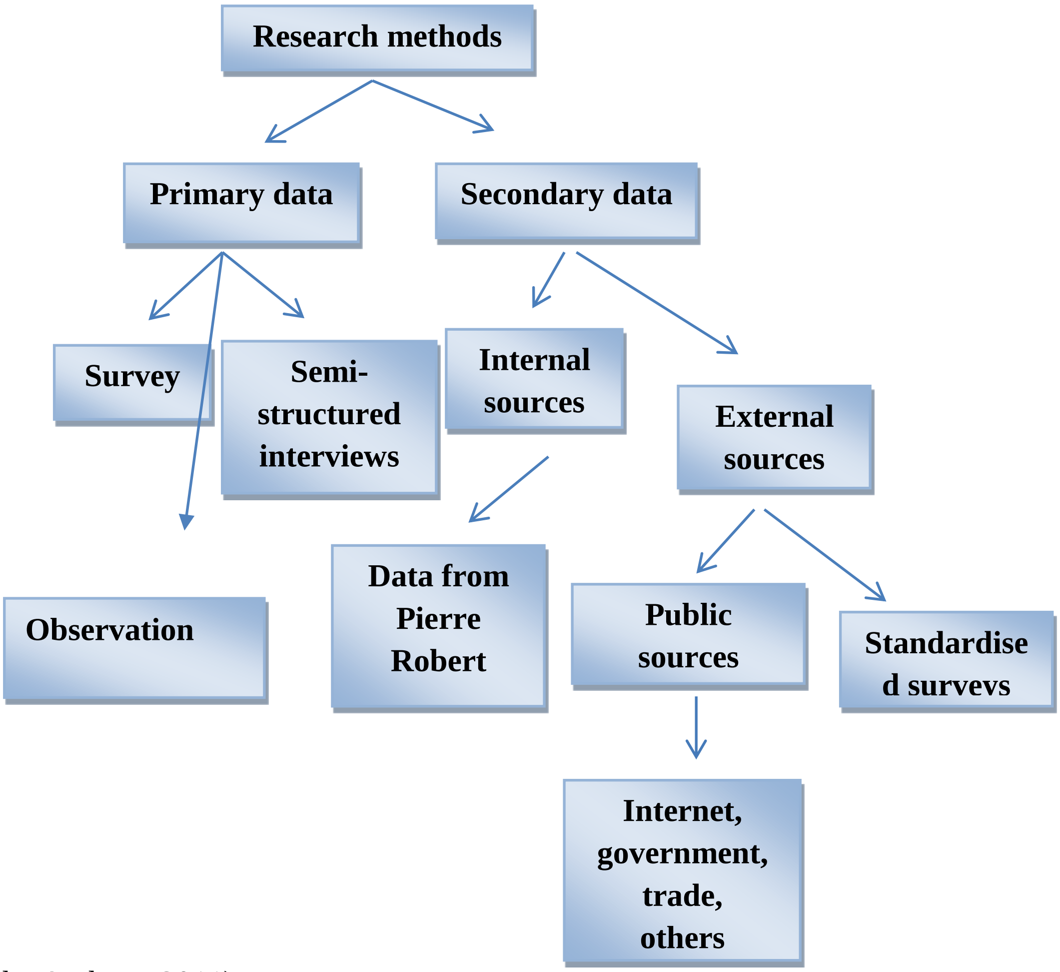
3.0 Methodology

3.1 Introduction

Alan Wilson defines marketing research as: “The collection, analysis and communication of information undertaken to assist decision making in marketing.” (Wilson, 2003, p. 4)

The aim for the different analysis, was to give answers to objective 1, 2 3, 4 and 5.
To analyse the internal and the external situation for Pierre Robert, and to fully explore the research objectives, the authors used a combination of secondary and primary data. Secondary data was actively used during this report, to gain enough knowledge about the research objectives, while primary data was an important part of the report since Pierre Robert Group never before has collected similar research in the UK market.

3.2 Sources of Data



(The Authors, 2011)

Every stage of this model will be looked into throughout this chapter.

3.3 Secondary Data

"Secondary data is data used for a research project that were originally collected for some other purpose." (Saunders, Lewis and Tornhill, 2003, p. 489)

Secondary data can according to Kumar, Aaker and Day (1999) give enough information to answer the certain research questions a company might have, as well as it can help to resolve a problem. This type of data collection is both easy and inexpensive, as the access to the information is enormous. Due to some time and budget limitations, it was essential for the group to use this type of data wherever possible.

Benefits	*Limitations*
Low cost	Collected for some other purpose
Less effort expended process	No control over the data collection
Less time taken	May not be very accurate
Sometimes more accurate than primary data	May not be reported in the required form
Some information can be obtained only from secondary data	May be outdated
	May not meet data requirements
	A number of assumptions have to be made

(Kumar, Aaker and Day, 1999, p. 111)

Gripsrud, Olsson and Silkoset (2008) have further divided the secondary data into internal and external sources, where the external sources are the information that exist outside the organisation.

3.3.1 Internal sources

The internal sources are the company's internal records which can provide basic data, such as sales figures, information about their costs for different activities, and other information that are gathered by and for the organisation. (Gripsrud, Olsson and Silkoset, 2008)

Regarding the internal information in this report, the authors received all the necessary information from either Pierre Robert Group, or the company's web page.

3.3.2 External sources

"External data, on the other hand, are those generated by sources outside the organisation." (Malhotra and Birks, 2006, p. 91)

Gripsrud, Olsson and Silkoset (2008) have further divided the external data into public sources and standardised surveys. The standardised surveys are prepared by professional agencies and have usually a narrower accessibility, in addition to high costs. (Malhotra and

Birks, 2006) The authors of this report therefor used a full range of public resources, such as academic books, journals and online databases.

3.4 Primary Data

"Primary data are originated by a researcher for the specific purpose of addressing the problem at hand." (Malhotra and Birks, 2006, p. 85)

Primary data is often used to collect information, if this type of information does not already exist, and both quantitative and qualitative methods can be used in the research process. It is common to use a combination of these methods, and the data can be carried out in three different ways (Gripsrud, Olsson and Silkoset, 2008):

1. communication with people
2. observation of people
3. Document analysis (written materials and images)

The third one is rarely used in marketing research.

These types of data are more expensive, and the timeframe of collecting and analyse the data is much longer. It is therefore important to plan the research well, before taking it into action. (Malhotra and Birks, 2006)

Benefits	*Limitations*
Collected for the specific purpose	Can be very expensive
Control over the data collection	Takes longer time than secondary data
Up-to-date data	Sometimes less accurate than secondary data
Meets the data requirements	Some information may be obtained only from secondary data

(Kumar, Aaker and Day, 1999)

Pierre Robert Group has never before collected similar data in the UK, so in order to understand the customers in this market, and ascertain whether there is any interest for Pierre Robert's products, the authors took advantage of both qualitative and quantitative research methods. The qualitative research method was in addition used to receive some professional opinions on the competition, products, price etc. from different store managers.

3.4.1 Quantitative Research

"Quantitative data can be defined as research which is undertaken using a structured research approach with a sample of the population to produce quantifiable insights into behaviour, motivations and attitudes." (Wilson, 2003, p. 120)

It is a requirement that quantitative data is collected in an ordered and structured manner. Alan Wilson (2003) points out that the survey method is the most popular structured approach in this type of researching. The survey method has shown to be especially useful when one need to contact a relatively large numbers of people and the same survey questions are often used on all the respondents. (Gripsrud, Olsson and Silkoset, 2008) (Jankowicz, 2005)

Benefits	*Limitations*
Simple to administer	Might be difficult to obtain the desired information from the respondents
The obtained data are consistent	Fixed-response and structured questions might weaken the validity for some types of data
Fixed-response questions decreases the diversity in the results	Difficult to write the questions on a properly way
Coding, interpretation and analysis of the data are quite simple	
Large amount of data	

(Malhotra and Birks, 2006)

To locate if there were any interest for Pierre Robert products in the UK market, it was important to reach as many people as possible. To find out what the consumers thought about the products and due to the fact that the authors needed to determine if there were any correlation between some variables, a combination of explorative and descriptive design was used. A survey was therefore an appropriate method to get the data that was needed. (See Appendix 2)

3.4.1.1 Survey

To find random females in the age group between 15 and 50, the authors conducted some street interviews. Alan Wilson (2003) believes that, in Europe, most street interviews take place in the open air. The street interviews will further in this report be referred to as "survey".

The primary research started off with street interviews to find out:

- if there were any interest for Pierre Robert's products in the UK,
- which collections or products that were the most favourable among the customers,
- if the survey gave information on what the consumers were willing to pay for the different products,
- and to which stores the respondents expected to find Pierre Robert's items.

The respondents were also asked about their age and income, and their attitude towards buying Pierre Robert's products in c-stores, in order to see if there were any correlations between the answers. Due to that Pierre Robert sells their products through c-stores in Norway, the authors wanted to see if this concept could transfer into the UK market. However, the perception of a c-store is different in the UK market than in Norway. Therefore, when conducting the surveys, the authors made it clear to the respondents that this expression involved supermarket by giving examples such as ASDA and Tesco.

Due to some time and budget limitations, the surveys was confined to London, Manchester and Leeds. Both the authors and Pierre Robert Group saw London as an obvious city to include in the research process for two main reasons. First of all, London is the capital of UK and consists of several villages, which could provide a great amount of diversified views. Secondly, London is one of the largest fashion metropolises in the world, which make it a great interest area for Pierre Robert Group, as they highly priorities fashion and design. However, to get the research most valid and reliable, it was important for the authors to avoid tourists.

When it comes to Leeds and Manchester, these cities were chosen mostly due to time and budget limitations. As the authors are situated in Leeds, it was found adequate to utilize this. Manchester is a big city, which may provide more diverse answers than smaller cities, and has a convenient location in relation to Leeds.

3.4.1.2 Conducting the Survey

In London it was especially important for the authors to prevent the city core, where it is a high level of tourism. Due to London's great extent; the authors used the tube in order to cover the areas towards the different outskirts.

During the survey, Pictures of Pierre Robert's various collections were visualised to the respondents so that they could make up an impression about their products. (See Appendix 3)

3.4.1.3 Analysing the Survey

The collected data was first put into spread sheets, before it was undertaking using SPSS.

SPSS (Statistical Product and Service Solution) is a software package that is used to calculate and analysing statistics collected from a survey. (McCormack and Hill, 1997)

The SPSS were used to see if there was any correlations or deviation between age, income and the respondents' replies, and if it occurred any inequalities between the different collections and cities.

3.4.2 Qualitative Research

According to Wilson (2003), qualitative research is an approach where a smaller amount of individuals are carefully selected to produce non-quantifiable understandings into behaviour, motivations and attitudes.

As opposite to the quantitative research method, the qualitative data is undertaken with the use of an unstructured approach. In addition, the gathering process is more flexible (Wilson, 2003). As the quantitative data can be very expensive, qualitative methods are usually much cheaper, however, the replication tend to be much more difficult (Proctor, 2003). One of the most popular methods within the qualitative research is semi-structured interview. This method can be very useful when one need to develop a greater insight of attitudes and the underlying reasons for a specific behaviour (exploratory study) and also to understand relationship between variables (explanatory study) (Saunders, Lewis and Thornhill, 2009).

In a semi-structured interview the researcher will have several questions and themes to be covered. The questions and themes and also the order of them may vary from interview to interview, depending on the flow of the conversation. (Saunders, Lewis and Thornhill, 2009)

Benefits	*Limitations*
Flexible	Higher skills required by the interviewer
Extra time devoted to the respondent	The interviewer may affect the respondents and the data
Can observe non-verbal feedback	Time consuming
Control of the sample selection	Cannot generalise the findings
Provides a large amount of data	
Opportunity to "probe" answers that may give depth and significance to the data	
May lead to answers that are not previously considered and that is significant for the researchers understanding.	

(Proctor. 2003, Gripsrud, Olsson and Silkoset, 2008)

To receive a more professional view on Pierre Robert's product and to get more inside information about the UK sports- and underwear market, the authors conducted some semi-structured interviews with the store managers at M&S, Primark, Debenhams and JD sports. The authors received some selected and new products from Pierre Robert Group by mail, which were used to show the store managers and create a comprehensive picture of Pierre

Robert products and collections. The semi-structured interviews will throughout this report be referred as "interviews".

3.4.2.1 Semi-structured Interviews

The respondents of the survey were, as mentioned, asked in which stores they would expect to find Pierre Robert's products. The store managers, which the authors approached, were based on the findings from this question. In addition, the team have tried to make contact with the respective headquarters. (See Appendix 4)

The aims for the interviews were to gain a deeper insight of the UK sports- and underwear market; however, the main focus was on Pierre Robert's products. The primary questions have revolved around aspects such as the first impression, thoughts about the design, packaging, promotion and critical success factors for a possible entrance.

3.4.2.2 Conducting the semi- structured Interviews

The authors approached the store managers personally and made an appointment. A topic guide with a list of questions and themes was used during the interviews to ensure clear directions and prevent unnecessary leading questions or give them ideas (See Appendix 5). In addition, a tape recorder was used, due to the enormous amounts of information.

Since the authors lacked experience within semi-structured interviews, the interviews were conducted in pairs. The roles were divided into one interviewer and one observer that provided extra questions or probes if necessary. In order to prevent any difficulties with the tape recorder, the observer also took notes to ensure that important information was captured.

3.4.2.3 Analysing semi-structured-Interviews

The analysing started off by transferring the collected data into a written document. The various interviews were then pitted against each other to be able to compare the answers, before drawing out the key points and produce a main findings sheet.

3.4.3 Observation

Another way of collecting primary data is through observation. Observations are important exploratory methods and may be the least expensive and most precise method when collecting data. It may also help increase confidence if the answers in the questionnaires match the results from the observations. (Kumar, Aaker and Day. 1999)

Benefits	*Limitations*
In-expensive	Provides only limited information
Highly systematic	Can give biased results if the observer subjectivity is involved.

(Saunders, Lewis and Thornhill, 2009)

There are different ways of conducting an observation and one of them is structured observation. Structured observations are when you need straightforward facts that play an important role in order to answer the research questions and also meeting the research objectives. This type of observation is often completed with a clipboard and a pencil. (Saunders, Lewis and Thornhill, 2009)

3.4.3.1 Conducting observation

The authors went to different c-stores and supermarkets which were shown to be the biggest stores, in term of market share, using secondary research. The authors were provided with pencils and clipboards and wrote down information about the outlets' clothing lines, if they had private labels and which price and quality they could offer.

3.4.3.2 Analysing the observation

The analysing part consisted of transferring the data into one document to get a better overview of the different product offers and brands in the various outlets.

Chapter 4

Literature Review

4.1 The Marketing Mix

The Marketing Mix is defined as a marketing tool that the company use to pursue its marketing objectives. It is divided into four broad groups that consist of the four"P`s"; Product, Price, Place and Promotion. These are all important elements in the decision- making process within the company; as they will influence everything form the trade channel to the final customers.

When marketing products abroad, the management need to take into consideration the political, cultural, legal and economic environment, as they might differ from the primary market.

However, when marketing products in an international environment, factors like market research, market services, prices for advertisement and printing of materials, will differ from the company’s home market. The political, cultural, legal and economic environment will also differ and that is important aspects when marketing products over broad.

(Kotler and Keller, 2006) (Bennet and Blythe, 2002)

4.1.1 Product

A product is by Czinkota and Ronkainen (2004) stated as the company’s offering to the market, and may be referred to as a physical product, as well as an intangible service or ide. Quality, packaging, brand name and design are some of the components Kotler and Keller (2006) mentions as the most essential aspects of the product.

4.1.2 Price

The price variable is an important part of the mix as it reflects the company`s image. When choosing a pricing strategy, it is important that it is relevant to the product/ service and the market, and also that it is aimed to attract the particular market segment in mind. In International markets, pricing decisions are more complex compared to the company’s domestic and familiar market.

(<www.thetimes100.co.k> 2011) (Doole and Lowe. 2008)

4.1.3 Place

Channel Management and logistics management are two components that together make the marketing mix variable “place”. It includes elements such as transport, distribution channels and location. (Kotler and Keller. 2006)

4.1.4 Promotion

The communication mix is sets of various tools for a company to better interact with customers and to sell their product. They consist of sales promotion, events and experience, direct marketing, public relations and personal selling.

(Kotler og Keller, 2006, Czinkota and Ronakainen, 2001).

As stated by Chee and Harris (1998) there are two available options when deciding the balance and allocation of resources towards personal selling and advertisement. A marketer has the choice between a *push* and a *pull* strategy, whereas the former emphasises personal selling, pushing the offerings towards the customer. The latter focuses the effort on advertising directly aimed at the end-user. A pull strategy seeks to enhance demand, which creates pressure on the distribution channels to stock the product in mind.

4.1.5 Limitations of the Marketing mix

The marketing tools have received criticism of having focused too much on the physical outcome and not sufficient enough on customers' needs. Regarding the customer, Lautherborn putted forward their side of the 4 P's, the 4 C's (Kotler, 2000);

- Product = Customer solution
- Price = Customer cost
- Place = Convenient
- Promotion = Communication

4.2 The Bakka-Framework

Bjarne Bakka was one of the first to develop an internationalisation model, the Bakka-framework. This shows a process with distinct phases, that companies can use to identify where they are located in the internationalisation process. The Bakka-framework describes the factors believed to influence corporate decisions in the various stages, consisting of five different phases; trial, extensive and intensive export, multinational and global marketing. (Solberg, 2009)

Figure: The Bakka-framework

	Trial Export	Extensive export	Intensive export	Multinational marketing	Global marketing
Export motive	Operative	Operative	Strategic/ operative	Mainly strategic	Mainly strategic
Market-choice	Neighbouring country – Random	Several markets	Concentrate markets	Market expansion	Consolidation in the Triad
Market-share	The company is "invisible"	Insignificant	Increasing	Large in selected markets	Large in key markets
Organisation	"One man show" on part time	"One man show" on full time	Export departments	International division	Global or transnational organisation
Entry strategy	Trading companies. "Piggyback"	Agent	Sales offices in main markets	Licensing. Production	Production. alliances
Market mix	Limited promotion. Low price	Product requirement adaption. Limited promotion. Low price	Cultural adaption. Product promotion. Medium price	Cultural adaption. Profile building. High price	Global products and promotion. International PR
Economic result	Marginal or negative	Marginal or negative	Positive contribution	Mutual dependency of home market	Price leader. Main income source

(Solberg, 2009)

4.3 STP

When a company wishes to enter a market, the segmentation, selection of proper target group and developing a valuable position is the very core of strategic marketing (Kotler, 2000)

4.3.1 Segmentation

Defined by Kotler (2000, p. 256), segmentation is " a market segment consists of large identifiable group within a market with similar wants, purchasing power, geographic location, buying attitudes, or buying habits". This classification makes it easier and more accurate to reach the target audience. According to Doyle and Stern (2006) there are two main criterions to distinct customers;

- "Differences in actual or potential needs".
- "Differences between them in what they may be willing to pay for a solution to their needs".

(Doyle and Stern, 2006, p. 411)

4.3.1.1 Segment criterion

To get a suitable segment, certain criteria need to be met in order to target the marketing communications towards the audience. For the segment to be relevant for the company it is ought to be: (Kotler, 2000, p.274);

- Measurable (size, purchasing power, characteristics)
- Substantial (large and profitable enough to serve)
- Accessible (can be reached and served)
- Differentiable (responds differently to marketing stimuli than other segments)

4.3.1.2 Types of segmentation

There are four main segmentation variables, which a company can base their segmentation on;

- Geographic (region, city (size), population density and climate)
- Demographic (age, family size/lifecycle, gender, income, occupation, education, religion, race, generation, nationality and socio- economical group)

- Psychographic (lifestyle, personality)
- Behavioural (occasions of use, benefits sought, user status, usage rate, loyalty, attitude)

4.3.2 Targeting

After dividing the market into different segments, the marketer needs to make a decision of which of the segments that present the greatest potential, and will become the company's target market. According to Kotler (2006), there are five different choices of targeting;

- *Single-segment concentration*: offering a single product in one single segment
- *Selective specialisation*: offering a number of products in several markets
- *Product specialisation*: offering one product in many markets
- *Market specialisation*: offering several products concentrated on one single market
- *Full market coverage*: offering products covering the whole market

4.3.3 Positioning

After the target market has been determined, the next step is to develop and introduce the positioning strategy. Positioning is the process that can bring a brand throughout the market, despite any obstacle, and obtain a unique place in the target audience mind (de Chernatony, 2010).

Doyle and Stern (2006) argues that positioning is the selection of target market segments, which also gives the answer to where and how they compete, depending on the focus of differential advantage. However, Nilson (1998) states that a positioning strategy will only be successful if the offerings are beneficial to the consumer. The positioning must be consistent, which mean that the whole marketing mix must support the statement, it should be reliable and the claims should be clearly stated.

According to Ries and Trout (1986) there are three possible ways of product positioning;

- Strengthen the present position obtained in the customer's mind
- Achieve and non-occupied space
- Reposition competition

4.3.4 Differentiation strategy

While a positioning is to provide the consumer a basic idea of how the product/brand is, differentiation is to communicate how the product/ brand differs from others in the same category. There are six options to differentiate which often gets mixed to achieve uniqueness;

- Product differentiation
- Service differentiation
- Personal differentiation
- Channel differentiation
- Image differentiation
- Value differentiation

(Kotler and Keller, 2006)

4.4 Brand Management

Brand equity

Because of the importance of brands, branding has become the priority within marketing. Strong brands that convey a level of perceived quality, can achieve loyalty (Kotler and Keller 2006). Nilson (1998) states that successful brands are ”*built on a combination of product benefits, mainly tangible values, and emotions, values of abstract, or intangible, character.”* (Nilson, 1998, p.73)

According to Kotler and Keller (2006), the brand equity is the added value equipped to products and services. The process of building brand equity is a step vice process from brand salience towards enhancing customer loyalty. (See Appendix 6).

Brand awareness and knowledge

Miller and Muir (2005) argue that brand awareness is how familiar the customers are with the brand. They stress the importance of band awareness, because people in general tend to be drawn towards the brands they already know. David Dolak (2003) responds and states that even though people are aware of a firm’s brand, does not necessary mean that they prefer the brand. Mille and Muir (2005), however believes that the awareness possessed and knowledge gained can create positive preferences.

Brand identity and image

Aker (2002) states that brand identity is to create distinguish associations that represent the brand and the promise of brand performance to its customer.

The identity creation is on the sender's side and can through communication of identifiers such as brand name, design, package, colors and logo (Kapferer, 2004). Gobe (2001) on the other hand, emphasizes strongly on colours to allow brand identification. He states that colors will help trigger certain emotions and images which may have a strong effect on the brand.

Meenaghan (1995) quotes that in contrast to brand identity, which is something that is sent to the consumers, brand image is what is received/ perceived. Schiffman, Kanuk and Hansen (2008), states that the key to establish a positive image, will be a strong and successful a strong positioning.

4.5 SLEPT analysis

A SLEPT analysis is a segmentation method, used to examine international issues that may occur or should be bared in mind when companies go abroad. The key to success is the ability to control the effort of a company's marketing mix, in a strategic manner that will enhance its operations in a fast changing environment. (Doole and Lowe, 2008).

4.5.1 Social / cultural environment

This aspect covers differences in social conditions, religion and material conditions that impacts on the company's international marketing. When examine the social / cultural environment consumer inequities and resemblances across the world will be revealed and the possibility for global branding and standardisation of goods and services will be given (Doole and Lowe, 2008).

4.5.2 Legal environment

The legal environment is a complex issue, since the world is getting more integrated and countries become members of different trade unions. Trade Unions such as the European Union have its own directives, which firms most follow in order to do business in member nations (Doole and Lowe, 2008).

4.5.3 Economic environment

The economic environment surrounds the development of domestic economic policies and the economically prospects for a market. This must be greatly understood to make the right assumption for a profitably market entrants. (Doole and Lowe, 2008)

4.5.4 Political environment

The political arena is the most fleeting aspect of international marketing. When governmental policies change, it leads to opportunities and threats for a firms marketing strategy. Unstable regimes in the host country may expose domestic firms with different risks, which they would have less chance to meet in their domestic market. (Doole and Lowe, 2008)

4.5.5 Technological environment

The technology is developing with a fast pace and is the leading driver towards a more integrated international marketing, The easy access to information on which ever topic desired, gives managers better grounds for their decisions (Doole and Lowe, 2008).

4.6 Porters Five Forces

In the framework for strategic planning, there were designed a concept consisting of five competitive forces, that determines the attractiveness of a market. Doole and Lowe (2008) refer to it as one of the most helpful strategic tools to map the competitive structure in a market.

4.6.1 The threat of potential new entrants:

- Economies of scale
- Product differentiation
- Switching costs
- Access to distribution channel

(Porter, 2004)

4.6.2 Suppliers bargaining power is strong when:

- When the offerings are concentrated towards only a few companies in the industry
- The threat of inward integration is present
- The switching costs for changing supplier are high

- There are few substitutes in the market

(Porter, 2004)

4.6.3 Buyers bargaining power is strong when:

- If they are able to affect the prices in an industry
- influence the service as well as bargaining for higher quality
- The enormous information accessibility provides buyers with a great overview of the industry
- Low switching costs

(Porter, 2004)

4.6.4 The threat of substitute products:

- Similarities in their performance in relation to price and satisfying customer needs
- The costs involved in switching

(Hill and Jones, 2004)

4.6.5 Level of competitive rivalry:

- Growth in the industry
- Power of suppliers
- Threat of new establishers

(Hill and Jones, 2004)

4.7 Entry modes and distribution channels - Theory

For the majority of firms, choosing a mode of entry is likely to be the most significant international marketing strategy that will affect the firm many years ahead (Doole and Lowe, 2008). The choice of strategy depends on various factors, such as costs, options available, possible loss of control and the risk involved. According to Griffin and Pustay (2010) exporting is the simplest mode of internationalizing a domestic firm and is also the most common form of international business.

Direct distribution channel involves selling direct to the customers, mainly through mass communications media (Doyle and Stern, 2006). The indirect distribution channel involves utilising outside intermediaries such as wholesaler and agent in the foreign country, whilst using intermediaries as an entry mode are defined as a direct exporting approach.

There are different strategies that are available for companies wanting to expand to foreign market (See Appendix 7). However, because of the nature of Pierre Robert Group products, the authors have chosen to focus on;

- the direct entrance strategy and distribution channel; internet
- the indirect mode of entry; export house
- the indirect distribution channel available and that is defined as a direct export approach when choosing a mode of entry; an agent and wholesaler

4.7.1 Indirect export

Indirect export is a good mode of entry for novice firms, expanding internationally (Papadopoulos and Martín, 2011). Furthermore, Griffin and Pustay (2010) states that in most cases, activities moves away from a conscious internalization strategy. Therefore the firms will get a limited experience in conducting international business and the short-term and the long-term profits available also get narrowed.

4.7.1.1Export house

An export house is located in the exporters home country. It takes over the products and is responsible for the entire technical export work (Solberg, 2009). Doole and Lowe (2008, p. 236) states that:” They can help small and medium-sized companies to initiate, develop and maintain their international sales”. They will also provide access to international market information and contacts. Solberg (2009) explains that although export houses accounts for market information and contact, the contact between the markets and thereby the marketing of the products is usually limited.

Export houses major advantages is that they reduce the exporter’s financial risk considerably, by the fact that they account for the financing of export (Solberg, 2009). Doole and Lowe (2008) argue that another disadvantage is that export houses is often specialised by a geographical area, customer type or product. A result could be that the selection of market is based on this, what is best for the export houses, rather than what is best for the manufacturer.

4.7.2 Direct export

A firm can chose from several distribution channels when deciding to go abroad. The distribution activities conducted in the different channels can be similar, but in some cases the company must recognize that the need for additional service and support are provided. This concerns storage, transports, customs clearance and packaging (Bradley, 2005). While a retailer takes responsibility for selling the products, the intermediaries can lead the responsibility of "pulling" customers to the stores through promotions and advertising (Doyle and Stern, 2006).

The most popular types of independent intermediaries are considered to be wholesalers and agents. They both benefit the home –companies, but do also have differences that are important to take into consideration when choosing the right channel. (See Appendix 8).

(Bradley, 2005)

4.7.2.1 Agent

An agent is the company's contractor and its work is to put their client in touch with a third party, with not being any further involved (Bennett and Blythe, 2002). Griffin and Pustay (2010) argues that an agent can be a company or independent individuals that also takes care of the storage functions in showrooms or warehouses. In foreign markets, agents provide the most common low-cost direct involvement (Bennett and Blythe, 2002). Some of the criteria's a company should search for is the agent's market knowledge, business contacts and market experience in the specific market (Doole and Lowe, 2008).

By acquiring orders and carry out tasks, the agent works in consistent with the company's aims and operations (Bennett and Blythe, 2002). Doole and Lowe (2008) point out that, along with good communication, the nature of the agreement between an agent (also a wholesaler) and the firm is crucial.

The agent has no other financial interest, besides the payments, and the work is typically commission based (Bennett and Blythe, 2002) Nevertheless, according to Solberg (2009) this is connected with a financial risk, as the agent may think of the volume rather than price and profit for the exporter. Under difficult market conditions an agent can be able to convey sales to questionable client. If the company wish to cancel a partnership, it could lead to high costs and loss of important market information and activities.

Clothing, footwear, textiles and other more expensive tailored items of capital equipment are more suitable for an agent; however the risk lies on the company's side if the products are damaged or defected (Bennett and Blythe, 2002).

4.7.2.2 Wholesaler

Approaching a wholesaler is a solid arrangement for broader representation in foreign markets. (Bradley, 2005)

According to Sherlock (1994) a wholesaler is a client of a firm who buys products, stores them and makes profit of selling it to a third client. Bennett and Blythe (2002) cite that wholesalers usually have their own warehouse facilities, in addition to a sales and distribution network. It's common for a wholesaler to handle large scales of fast moving goods, such as goods found in supermarkets, and this increases the access to the consumer. (Bradley, 2005)

By taking the title to the goods and acquiring payments from the customers, a wholesaler will help to relieve the company from massive amounts of work (Bennett and Blythe, 2002). Despite this, Doole and Lowe (2008) point out that, wholesalers usually looks for exclusive rights and expects higher prices to cover the risk and cost involved. Wholesalers also have more of a stake in the business and therefore demand more on how things should be done (Bennett and Blythe, 2002). Solberg (2009) states that these entire financial aspects make the company financial dependent, concentrated on only *one* customer in the market. Furthermore, the company will have no connection with the next sales section or the end customer.

A wholesaler has a good connection with the market, since it is often located in the import country and it gives the company a relative significant sale without building a sales force. However, this also makes the company vulnerable for changes made by the wholesaler, which has the active marked contract. The wholesaler may also be capable to be a possible competitor by making private labels that imitate the firm's brand and also have other advantages such as a lower price (Solberg, 2009)

4.7.2.3 The Internet

According to Mintel (2010- B), the Internet has become a growing force as a direct distribution channel these recent years. Bennett and Blythe (2002) argue that E-commerce has had a significant growth, probably the greatest revolution in international trade the past 20 years.

Mintel (2010- B) cites that consumers are increasingly using the Internet and purchasing products from the web. In recent years, fashion is the biggest success online. Nevertheless, customer sees the delivery as one major problem, which may hinder the company in reaching a higher number of audiences.

The Internet creates a communication and information source, which provides information about any company and products for the customer to compare, before a possible purchase (Bennett and Blythe, 2002). Solberg (2009) states that firms selling their product using Internet are vulnerable to global competitors offering lower prices. Building a competitive advantage and also unique selling proposition are therefore vital in order to please the customers.

According to Solberg (2009) E-business operations, are expensive to establish, maintain and require constantly innovation in order to retain customer loyalty and interest. In spite of this, Timothy Cumming (2001) that e- commerce is a long- term game and a return should not be expected before 12 moths.

Ambrit 2011, states that there are options such as instant catalogue that is an "easy and cost-effective way to build and maintain a well organised product catalogue on the Internet". (www.ambrit.co.uk, 2011). A simple database allows possible customers to look at product information and pictures without visiting the shops.

Chapter 5

Internal Analysis

5.1 Marketing mix

As written in chapter 4, the marketing mix is defined as a marketing tool that the company use to pursue its marketing objectives (Kotler and Keller, 2006).

5.1.1 Product

Quality, packaging, brand name and design are among others, essential features of the product (Kotler and Keller, 2006).

Pierre Robert's products consist of raw material used to enhance the quality, comfort and good support for the consumer.

The fabrics used in the different product lines are as follow;

- Lingerie: cotton, microfibre, polyamide and Elastane /Lycra for a soft and comfort fit.
- Sport: polyamide (cool comfort) and Elastane/lycra to gain breathability, transfer moisture and give support.
- Wool: merino wool, silk, polyamide and Elastane /Lycra that is soft and non- itching.

Design

To be on the top of the game at all time, Pierre Robert focuses on customer insight and continuously improvements through understanding the market trends. They are provided with an own designer team aimed to tailor the product offerings, making the individual woman feel that it's "*made for me*". In 2009 Pierre Robert won a designer award given by the Norwegian design council, and was voted as Woman's Magazines favourite with its sports bra from the "Seamless" collection in 2010.

The centre of attention in their lingerie collection, is the feminine design, it's appealing, delicate and exclusive, with a touch of lace and inviting colours. Pierre Robert also has seasonal offerings the "Limited edition" with strong colours and pattern, made to boost sales.

Norway Pierre Robert is associated with the following terminologies in Norway: good fit, feminine, modern, nice design, comfortable and functional.

The packaging

The design of the packaging is important for Pierre Robert and due to the environment they are sold in, they emphasize exclusivity, attractiveness and also quality packages, as the products are sold in convenience stores. Pierre Robert use paper and plastic packages and have detailed information on them. The wool and sports packaging are designed with an opening on the back side, which gives the customer the opportunity to feel the product.

Pierre Robert is continuously working on improving the packaging to make the choice faster and easier for the consumer.

5.1.2 Price

When choosing a pricing strategy, it is important that it is relevant to the product/ service and the market, and also that it is aimed to attract the particular market segment in mind (Doole and Lowe, 2008).

Pierre Robert operates with indicative prices, based on the price the consumers are willing to pay. However it must also ensure PR's own profitability and reflect the prices compared to the rest of the market. The need for competitive prices in relation to other suppliers is very important, but they also need to provide prices which gives the customer low costs of buying the wrong product. Pierre Robert informed the authors that they are often best on design while the competitors beat them at the price.

5.1.3 Place

The variable “place” consists of features such as transport, distribution channels and location (Czinkota and Ronkainen, 2004).

In the domestic market Pierre Robert sells their products through 3 out of 4 retail chains and is present in 1 / 3 of the retail chains in Sweden and only one salesman in Finland. They have their own sales force both in Norway and Sweden, this type of channel management is expensive, but also gives them control.

In Sweden, their products are distributed through an acquired distributor, which is responsible for storage of goods. Pierre Robert is dependent on economies of scale to cover fixed costs, and basis for the acquisition was to get access to a distribution network since it is hard and very expensive to build a new network. Pierre Robert’s distribution is today very good; however they are working on simplifying the logistic.

5.1.4. Promotion

The communication mix is sets of various tools for a company to better interact with customers and to sell their product (Kotler, 2006).

In both Norway and Sweden Pierre Robert is actively advertising to promote products and create brand awareness through a *pull strategy*. The range of their advertising is in relation to the turnover, so therefore the focus is highest in the domestic market.
Like other brand builders in the FMCG market, the main medium is Television. Before new product launches, Pierre Robert carefully builds up a media strategy for the platforms to communicate from. Due to its enormously high coverage, TV is usually included in the mix. However, since it requires a large budget, Pierre Robert generally doesn’t use TV commercials before reached a certain turnover, or gained greater agreements.
Pierre Robert also relies on the increasing share of the internet, such as banner advertising and own website. Furthermore, Pierre Robert has focus on female fashion magazines, outdoor ads and on promotions to involve the customer in contests.

Critical Success factor: (See Appendix 9)

5.2 The Bakka-Framework

In chapter 4, it was clarified that Pierre Robert may take advantage of the Bakka-framework to identify where they are located in the internationalisation process.

5.2.1 Export Motive

In addition to Pierre Robert's domestic market in Norway, they have chosen to further expand their product range into Sweden and Finland. They can therefore be placed under extensive export, as their export motive is mainly operative.

5.2.2 Market Choice

When it comes to Pierre Robert's market choice, they have as mentioned, only expanded into their neighbouring countries Sweden and Finland. Because of this, Pierre Robert falls under trial export in the internationalisation process.

5.2.3 Market Share

Even though Pierre Robert is market leader in Norway, the market shares in Sweden and especially Finland can be said to be insignificant within the market they are operating in. Pierre Robert can therefore be placed under extensive export.

5.2.4 Organisation

Pierre Robert Group does not have any established export department, but there are several people within the organisation working with the export. The authors would therefore place the company somewhere in-between extensive and intensive export.

5.2.5 Entry Strategy

Pierre Robert Group has acquired their own distributor in Sweden, and has established sales offices in both Norway and Sweden. The company may therefore be placed under intensive export in the Bakka-framework.

5.2.6 Market Mix

Pierre Robert's promotion abroad is depending on their sales revenue. The company has therefore great promotion activities in Norway, while there are only limited promotion activities in Sweden and Finland. Regarding the price strategy, the company has the same price strategy in all of its markets. The price can be considered as medium, as they are not competing on price. Pierre Robert can on these grounds, be placed under extensive export in the Bakka-framework.

5.2.7 Economic Result

Pierre Robert has over the recent years experienced a positive growth in its economic results. In 2010, they had a net profit of NOK 54 476 000, which is an increase from 2009 where they had a net profit of NOK 46 151 000. (See Appendix 10). However, the contribution from Sweden has been marginal and considered to been non-existent from Finland. Therefore, the authors of this report have decided to place Pierre Robert in the extensive export.

	Trial Export	**Extensive export**	**Intensive export**	**Multinational marketing**	**Global marketing**
Export motive	Operative	Operative	Strategic/ operative	Mainly strategic	Mainly strategic
Market-choice	Neighbouring country –Random	Several markets	Concentrate markets	Market expansion	Consolidation in the Triad
Market-share	The company is	Insignificant	Increasing	Large in selected	Large in key markets

	"invisible"			markets	
Organisation	"One man show" on part time	"One man show" on full time	Export departments	International division	Global or transnational organisation
Entry strategy	Trading companies. "Piggyback"	Agent	Sales offices in main markets	Licensing. Production	Production. Alliances
Market mix	Limited promotion. Low price	Product requirement adaption. Limited promotion. Low price	Cultural adaption. Product promotion. Medium price	Cultural adaption. Profile building. High price	Global products and promotion. International PR
Economic result	Marginal or negative	Marginal or negative	Positive contribution	Mutual dependency of home market	Price leader. Main income source

5.2.8 Placing Pierre Robert in Bakka

Pierre Robert Group is mainly in the extensive phase of the Bakka-framework; however, the company do not seem to be one of the suppliers that will naturally fall into the stereotype created by the Bakka-framework. The reason is mainly because of that Pierre Robert Group has only located themselves in the neighbouring countries Sweden and Finland, which puts them in trial export. They also have sales offices in both Norway and Sweden, acquired their own distributor in Sweden and have several employees working with the export, which puts them in intensive export.

Chapter 6

External Analysis

6.1 SLEPT Analysis

There are several ways and methods to use when examine the external macro environment. The authors have decided to use the tools from the SLEPT model (Ch., 4) to examine the UK market, and the effect on a possible market entrance for Pierre Robert.

6.1.1 Social/ cultural environment

The factors of social and cultural environment will determine the opportunity for Pierre Robert to standardise its products or not (Doole and Lowe, 2008).

Besides small cultural variables that will occur between any two countries, Norway and the UK have great similarities in both cultural and material behaviour (Gesteland, 2009).

Increasing sizes

- UK habitants are increasing in terms of body size. The reports suggest that manufacturers should approach this by offer larger sizes, without making it embarrassing for the consumer (Mintel, 2011- A)
- Approximately ¼ of UK woman uses size 18 and the plus size market in UK accounts for £3.8 billion (Mintel, 2011).

Pierre Robert's current offerings are tailored made, aimed at the Scandinavian woman. To suit the UK market, there might be a need for adaption, as some of Pierre Robert's products, is offered in a measure equal to UK size 16.

Shift in the social patterns

- A total of 30% of the woman in the UK has the highest income in their household (Mintel, 2011- A). The trend is expected to sustain in the years to come (Marketing Week, 2011).

As Pierre Robert only focuses on females in the UK, this can be beneficial as they will have a high disposable income. With many UK women having career as a top priority, many decide to extent the time of pregnancy, which again leaves them with more money (Mintel, 2011- A).

6.1.2. Legal environment

As a member of the European Union (EU), the UK becomes an attractive destination, due to the regulations they are imposed to by the legislative body of EU

- The UK was ranged as the 6th best country of doing business with by the World Bank in 2010 (UKTI 2011). This membership could have been a possible concern for Pierre Robert, if Norway was not under the agreements of the European Economic Area (EEA).
- The EEA membership allows Norwegian firms to benefit from the same advantages that the EU members do, in terms of the *four freedoms* that the EU is built on (EU delegasjonen 2011- A).

The most relevant pillar for Pierre Robert will be the *free movement of goods*. Pierre Robert will have access to the internal market at the same degree as member states, this implicates that there will be no additional taxation fees or duties on the company's products.

- The fact that Pierre Robert has crossed an EU border, when entering Sweden, makes them aware of the legislations in the trade union. Pierre Robert should not meet many, if any obstacle in a possible entrance into UK (EU delegasjonen 2011-B).

6.1.3. Economy

The UK is characterised as a developed economy and the 61.8 million inhabitants constitutes for the 6th largest economy in the world (UKTI, 2010).

Despite the setback during the recession a recent report from Datamonitor (2010) shows that for the first time in 18 months the UK economy is experiencing growth.

- Although the UK economy is experiencing growth, the sensibility of consumer spending will still be present and the UK will therefore witness a rather moderate growth curve (Datamonitor 2010).
- Only 9. 7% of the population improved their financial situation the last six months, and the big spending habits that used to be, will not be present yet.
    - However, consumers will treat themselves with smaller amounts of luxury goods, as in better quality or enjoy a meal at a restaurant (Datamonitor 2010).

Pierre Robert needs to be aware of the fluctuations in the market demand, as many still are uncertain about their economy. When that been said, Pierre Robert can benefit from this situation because they offer quality products at an affordable price, which can satisfy the trend towards buying affordable luxury goods.

As of 29th March 2011, the UK has a GDP of £ 329.1 billion (National Statistics 2011).

- In the 4th quarter of 2010, the Gross Domestic Product (GDP) was 1.5 % higher than in the same quarter in 2009.

The upwards spiral the economy is in, and which is predicted to sustain, can Pierre Robert utilise if they decide to enter the UK sports and/ or regular underwear market.

6.1.4 Political environment

A nation's political environment makes the context where either domestic or international financial activities are conducted (Daniels, Radebaugh and Sullivan, 2009).

- As a member of the EU, the UK has stable political system and low risk.

Pierre Robert will therefore not have to worry about discriminatory taxation policies, which is a barrier to trade sat out from the European Court of Justice under Art 25 TFEU (Davis, 2011).
In addition to being a member state in EU, the UK is also one of five regular members of the United Nations Security Council, the Commonwealth and one of the founders of the Northern America Treaty Organisation (NATO).

All of these engagements put the UK as one of the drivers to a global approach towards foreign policies (CIA 2011- A). Due to the nature of UK's stabile political system, any investment made by Pierre Robert will be conducted in a safe environment.

6.1.5 Technology

Internet

- The UK is a highly technology advanced country, with a well integrated communication system, and was, ranked in the top ten of internet users with a total of 51.444 million in 2009 (CIA 2011-B).

Pierre Robert can efficiently reach out to potential consumers through the internet. By using the company's webpage, the UK woman can easily gather information on the products.

SMART – Phones

- In Mintel's Report "2011 Consumer Trends", Smart phones are becoming strongly present and Quick Response (QR) is giving users codes and location based technology which increases the access to information. By downloading an application one can sweep to almost everything. This market is in growth and in 2010, 28% of the UK consumers owned a SMART-Phone (Mintel, 2011- A).

Pierre Robert could benefit from such a technology in their international marketing, by making an application and get easily access to customer (Mintel, 2011- A).

6.2 The UK sportswear market

Market definition:

The sportswear market provides a wide range of opportunities to appeal to different types of participants, but also exposes it to widespread competition

The sportswear market consist of both people who participate in mainstream sports, such as football, volleyball and dancing, but also people who have an active leisure, such as jogging, hiking, cycling and skiing. (Mintel, 2008)

Growth

In previous years the growth in sportswear market has been slow. However, Keynote (2011-A) predicts a sudden growth in the UK sportswear market in the forthcoming years with a peak in 2015 at £ 4.89 bn.

Main players

Debenhams:

Debenhams (department store) is one of the leading retailers in the general category of sports retailing. They have a various stock of products and brands. The “big two” are considered to be Nike and Adidas. (Key Note, 2011 C) They are both the most purchased sports brand in the world and are accounted for a large share of the entire UK sports market. (Key Note, 2011- C).

- **Nike** is one of the largest sportswear companies in the world with its global presence around all continents. Nike is specialised in different types of sportswear through its Nike brand and wholly owned subsidiaries. Their price range is at £13-35 (Key Note, 2011- C)

- **Adidas** has been trading for over 60 years, where they have been distributing sports footwear, apparel and accessories. They are also distributing through the Adidas brand, and their subsidiaries. All of the brands are focusing on different sectors of the market. (Key Note, 2011- C)

Sports Direct:

Sports Direct is one of the largest retailers in the UK market and are one of the four main players in retailing with JJB sports, JD sports and Blacks Leisure Group. Sports Direct is operating as a discount retailer and also stocks various sports brand, such Nike and Adidas seen. (Key Note, 2011- C).

Trends

Fashion: The trend moves towards more fashion than function, and an increasing use of sportswear included footwear on a daily basis, have increased the value of this market, and thus made it a part of the overall clothing and footwear sector. (Key Note- 2010).

Comfort, support, Breathability: The focus revolves around comfort and support along with breathability to satisfy the consumer. Sports bras are said to be the biggest sub sector, along with vests, pants and socks. Several suppliers experienced an increase in sales of sports bras during the Beijing Olympics, whereas John Lewis increased sales of sports bras with approximately 30 %. Mintel (2010- C)

Body and health: Mintel (2010- C) reported that the demand after sportswear is rising due to the higher emphasis on body and health, and the government attempts to change the mentality of UK citizens, by encourage them to get involved in sports- and leisure wear as the population gets more overweight.

Sport Strategy: Part of the Sport England has developed a sport strategy in 2008-2011 with a commitment of getting on million more people to participate in sport by 2012/13. (www.ic.nhs.uk , 2010) Large body consumers that wants to improve their health and fitness, but that is not attracted to mainstream sports is encouraged to do active leisure.

Specific underwear: According to Mintel (2011- D), research that has been done, shows that there are a significant number of adults in the UK, who does take part in some kind of sports. These activities demand specific underwear, which provides a growing opportunity for retailers to launch their sportswear collection.

Fabric technology: Fabric technology is a main factor that provides different opportunities for retailers to launch niche sportswear collections. There are also potential to design various styles of underwear to more specific sports made from innovative fabrics that can absorb more and be more comfortable. For people beginning a new sport, it is easy to be convinced that wearing s certain underwear will help their performance. (Mintel, 2011- D)

Women who take part in various sport activities are most likely to wear sports bras, which is one of the areas with a great potential to develop fabric technology for sports underwear. Sportswear such as pants, vest and socks are additional areas of the sport underwear market with potential for fabric technology and designed or specialised underwear for certain sports. (Mintel, 2011- D)

Market Leaders:

Table 4.1: Leading Suppliers of Sports Clothing and Footwear to the UK by Country of Origin and Global Turnover ($, € and £), 2010

Company	Country of Origin	†Turnover
Nike Inc	US	$19.01bn
adidas Group	Germany	$10.38bn
PUMA	Germany	€2.62bn
New Balance	US	$1.65bn
Pentland Group PLC	UK	£1.13bn
Hi-Tec Sports PLC	UK	£101.6m
Regatta Ltd	UK	£80.5m

† — global turnover for latest full financial year, see profiles for further details

Source: Key Note

Key Note (2011C)

6.3 The UK underwear market

Market definition

According to Key Note (2011- B), The UK underwear market consists of both hosiery and lingerie. Lingerie is comprised of a large range of products, including items such as vests, negligees, knickers, as well as shape-wear items. Furthermore, Hosiery consists off tights, socks, stockings and knee-highs.

Growth

Despite the recession and the lack of consumers purchasing in 2007-2009, there has been a continual growth that is estimated to be worth £2.93 billion in 2010, which is an increase of 17.8 % since 2006. Due to the consumers' view of these products as an inexpensive treat, it is apparent that the underwear market is not the most affected industry. (Key Note. 2011- B) has also predicted that the UK underwear market will grow the next five years, and reach approximately £3.51 billion within year 2015. (Key note 2011- B)

Main players:

(See Appendix 11)

- *M&S*

M&S is seen as the most successful distributor of woman underwear in the UK market and is considered to be a market leader within lingerie. (Key Note 2010- B)

- *La Senza*

La Senza operates in the specialist market, and have a market share on 7.5% of the lingerie UK market. With this, they are also the largest lingerie retailer in the UK. (Key note, 2011- A)

- *Primark*

Primark is a leading value retailer and have become a threat to M&S as they are considered to be a second placed player in the underwear market. (Mintel, 2010- A)

- *Debenhams*

Debenhams are an important department store because of their depth and breadth of its underwear range. (Mintel, 2010 A)

Trends in the underwear market

- **Own-label:** In the UK underwear market, own label continues to increase it share to 72% of especially lingerie. Differentiation of product and brand becomes more important for mainstream brands and retailers. Offering appealing alternatives and justify a high price tag also becomes essential. (Mintel, 2010- C)

- **Supermarkets and value retailers:** Supermarkets has become a threat, as many of them are expanding their lingerie range. (key note, 2011- B) Supermarkets and value retailers are most popular among women, with tree out of ten women shopping their underwear in discount retailers, such as Primark or super markets such as Asda and Tesco. (Mintel, 2011- D)

- **Hour- glass figure:** The UK consists of slightly more woman than man, which is beneficial for the underwear market, because women are the main consumers. The media has therefor a strong focus on women, and has recently been favoured the hour-glass figure, which has given a lift to the underwear market. The trends in shape-wear products have especially been popular the recent years. (Key Note. 2011-B)

- **Style:** Basic and plain designs are the most favourable styles among the majority of women. However, Mintel (2011- D) states that the underwear market is still largely affected by fashion. The recent trend for underwear to be worn as outerwear has grown over the last years and is also expected to continue. The more revealing and sexy style trend with patterns and colours therefore benefits the underwear market as customers, especially 15-24s, use the products as fashion items.(key note, 2011-B) This is also the age group that are most fashion conscious and experimental regarding their underwear choices. (Mintel 2011- D)

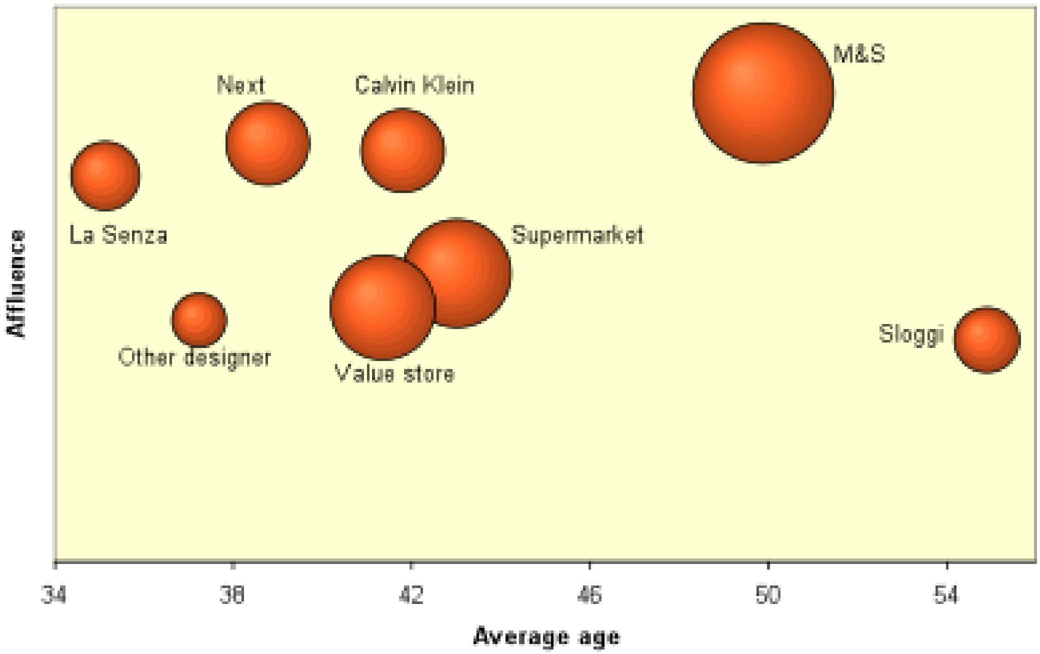
  Due to the high competition in the underwear market, innovation in fabrics and designs are critical success factors to survive the tough industry. . (Mintel 2011- D)

- **Decrease in price:** The availability for supermarkets low-priced underwear, has led to a decreasing price in the underwear market. This makes other retailers having to struggle harder on differentiating their products, rather competing on price. The Internet and discount retailers have also been a part of lowering the price value in the market.

Mintel (2011- D)

Key Note (2011- B)

Shopper base of leading underwear retailers and brands, age and affluence, February 2010



Source: Ipsos MORI/Mintel

6.4 Supermarkets and Convenience stores

As shown from the table below, the outlet type in the UK that are witnessing the biggest growth are Supermarkets. (Table)

Supermarkets can be defined as stores with between 25.000 and 50.000 square feet. (Key note 2010 B)The four dominant supermarkets in the UK market are;

- Tesco
- ASDA
- Sainsbury's
- Morrison's

(See appendix 12).

ASDA has with their George range been the most progressive grocery retailer within the clothing market. Tesco and Sainsbury‘s does also offer various clothing through larger outlets, which is dependent on the size and location of the store.

Neither Tesco nor ASDA has hidden the fact that they will expand their non-food supply, while Sainsbury and Morrison’s have relaunched extended area, where the latter is also considering introducing e commerce. (Keynote, 2010- B) Morrison’s is also planning to expand its coverage as they feel they are not convenient enough for the customer. No more than 15 min drive away from a Morrison’s, the store will gain higher coverage than its three main competitors. (www.thetelegraphandargus.co.uk. 2010).

The main reasons for why consumers choose supermarkets when it comes to buying non-food goods is:

- Convenience
- Value
- Choice of product

Supermarkets are growing in market share on both price and value, and the online trading is gaining popularity. However, with so many providers in the lingerie market, it creates a competitive pressure on both greater quality and both better and more variety in product offerings. As a result, supermarkets are look to increase even more by offering designer look at high - street prices. Key Note (2010- B).

Convenience store

To increase accessibility, the largest supermarkets have introduced spin offs - convenience stores. Tesco Express, Sainsbury’s Local and M&S simply food are all spinoffs from their superstores. These are also considered to be the main and leading C-stores and provide the sector with new ideas and products. Mintel (2011- B)

The top three reasons why consumers choose to buy in these and other convenience stores is because of:

- convenient location
- longer opening hours
- immediate solution for snack and meals
- That they have essential items
- That they have offers that the consumers prefer
  Mintel (2011- B)

The five previous years has been stable in the UK convenience store market. However this year, 2011, is interpreted to be tough. Whereas the C-stores have to improve their stores, have better constructed ranges, build strong brands and acquire better convenience products, to stay competitive. Mintel (2011- B)

6.5 Competitive environment

As mentioned under chapter 4, Pierre Robert may conduct a porter's five forces analysis, to examine the competitive environment in the UK sports- and regular underwear market.

6.5.1 Potential entrants

Underwear market

The UK underwear market is a highly competitive marketplace, and is expected to become even more competitive, as new entrants like Victoria's Secret are predicted to affect the upper end of the underwear market. It will therefore be crucial for Pierre Robert to differentiate themselves from their potential competitors, if they were to enter this market. (Key Note. 2011- B)

There are few entry barriers in the underwear market, and the switching cost for the consumers are low, so the threat of entry is relative high. Key Note (2011-B) has also forecasted that the market will attract even more competitors the following years, due to predicted growth in the UK underwear market. (Key Note. 2011- B)

Sportswear market

The UK sportswear market is characterized by a few major players, such as Nike and Adidas, which makes it harder for new firms to enter the market. In comparison to the underwear market, the switching costs are higher for the consumers in the sportswear market, due to increasing brand loyalty. On the other hand, the recession has affected the consumers shopping habits and they have become more price-conscious, which has led to non-sport retailers widening their sportswear collections, and thereby become a threat for the sportswear market. Key Note (2011- C) has also predicted that the Olympic Games in 2012 will attract more competition into the UK sports market. (Key Note. 2011- C)

6.5.2 Buyer's power

Underwear market

There are numerous of suppliers in the UK underwear market, and the fact that many of the purchases are driven by replacement, provides a relative high bargaining power to the consumers. As mentioned in the previous section, the consumers switching costs are low in the UK underwear market, and they are therefore able to affect the prices, as well as the quality. (Mintel. 2011- D) During economic downturns, consumers tend to seek more price-oriented retailers, and the cheaper alternatives therefore create a downward pressure on pricing. It is therefore important for high-street underwear retailers and Pierre Robert to differentiate themselves in other ways than just the price, such as innovative design and the newest fashion trends. (Key Note. 2011- B)

Sportswear market

In the Sportswear market, brand loyalty and the demand for quality are very powerful. This, in addition to Nike and Adidas dominant positions in the market, gives a smaller bargaining power towards the consumers, than it does in the underwear market. However, in the recent year, several non-sport retailers have widened their sportswear collections and may therefor increase the buyers bargaining power, as they pose a threat to the sportswear retailers. (Key Note. 2011- C)

Since the revolution of the Internet, the information accessibility has been enormous, and the consumers therefore have a great overview of the industry. This has given them an increased bargaining power, whether it is the sports-or underwear market. (Bennett and Blythe. 2002)

6.5.3 The threat of substitutes

There are no direct substitutes to either underwear or sports underwear. However, as mentioned above, the growth in non-sport retailers which are offering less expensive sport collections, and supermarkets that are offering cheap underwear in 3-packs, has raised the recent years. Since the switching costs are low in the underwear market, these products may be seen as alternatives to specialized and more expensive underwear. In the sportswear market however, Key Note (2011- C) has stated that the brand loyalty is significant high, and the switching cost are therefore greater. The threat of consumers buying cheaper and non-labeled sportswear are therefore less likely, than in the underwear market. (Key Note. 2011- C)

6.5.4 Supplier's power

According to Key Note (2011- B) suppliers can be said to have a low bargaining power in both the sports- and underwear market, as they are competing in a high-competitive environment and due to low-concentrated customers. Retailers operating in the two mentioned industries have a great access to different manufacturers, and it has been a trend the recent years to locate cheaper manufacturers overseas in Asian countries, due to lower production costs. This also includes Pierre Robert, and it has left many European manufacturers struggling in these two markets. (Key Note. 2011- B) However, due to a shortage of cotton worldwide, retailers which are using the textile, may be forced to increase their product prices, as well as they will be more dependent on the suppliers of this raw material. The global lack of cotton may have a negative impact on Pierre Robert, as they are using much cotton in their lingerie collection. Pierre Robert should therefore be precautionary, and maybe think of alternative fabrics, so that they don't have to be affected by this. (Key Note. 2011- B)

6.5.5 Rivalry

Underwear market

The competition-level in the UK underwear market is very high, and especially among the higher-end retailers, the marketplace remains fairly overcrowded. Key Note's (2011- B) forecast shows that the competition will become even greater with the new entrance of several underwear companies, such as Victoria's Secret. There is likely that the new competitors will affect the existing competition, so several retailers have changed their strategies to remain in the sector. (Key Note. 2011- B) La Senza, which is the largest specialist retailer in the UK, is one of them, and is widening their target age-group. The high competition will make it very tough for Pierre Robert, if they were to enter this market, so a differentiation strategy is essential for them to be successful (Key Note. 2011- B).

Sportswear market

In the sportswear industry, Nike and Adidas is the most dominant in the industry. Adidas acquired Reebok back in 2006, making the organisation even stronger. The dominance of these two world-leading brands makes it difficult for other sportswear brands to enter and compete in the industry. As mentioned earlier, there has been a change the recent year, with many non-sport retailers widening their sportswear collection. They work as a threat towards the established sportswear retailers and they may therefor create a higher level of competitive rivalry. (Key Note. 2011- C)

6.6 Communication

6.6.1 Internet

According to (2011- A), nearly seven out of ten adults, are surfing the internet with a high speed connection, and approximately 57 % of females between the ages 24-35 uses the internet for more than seven hours each day.

Online advertisement

Online advertising is also becoming important, and is designed in a way that makes consumers look for adverts. A high percentage of consumers are notice online ads for products, services or price when searching the internet (Mintel, 2009- A).

The last decade the online advertisement has broaden its spectrum, and Internet users are exposed with more marketing than before.

- Mintel (2009- A) reported that 76% of respondents are actively avoiding online ads.

Females tend to take on a more negative attitude towards online advertising and pay higher attention to ads offline (Mintel, 2009- A).

- Exclusive information, competitions or great offers are often used to involve females to explore ads (Mintel, 2009- A).

6.6.2 Magazines

Magazines are clearly a very important medium for women to catch up with current fashion trends and general interest. Online magazines have a little impact on women's buying magazines; however, it has not made a significant impact on the hard copy yet (Mintel, 2010- C).

6.6.3 Sponsorship

Sponsorship has in the recent years evolved significantly, with deals that have become more sophisticated and integrated (Mintel, 2010- C). Big events are highly attractive because they draw allot of viewers, making them an attractive destination for marketer and their brands.

According to Mintel (2010- C).the younger age groups are more favourable and aware of sports- sponsorship than the older segment.

SWOT-Analysis

Strength	Weaknesses
Financial backbone (Orkla)	Lack of international knowledge and experience.
Leading supplier within textiles in c-stores in Norway	Lacks international reputation.
Updated on trends in the market	"Comfort zone"
Their own designer team	
Has built and maintained a strong brand in domestic country	
Won a designer award in 2009	
The only supplier of high-quality products in c-store	
Treats	**Opportunities**
Both markets are highly competitive arenas	The UK economy is witnessing a growth
High dominance of the greatest sport brands	Barriers of entry into the UK underwear market is low
Switching cost for a consumer is high in the sports and leisure marked	Customers tend to show more attention towards quality products
Strong brand loyalty and high demands for quality in the sport market	Shift in social patterns – wealthier women
The UK underwear market is embossed by own labels	Opportunity to approach different types of outlets in UK
	Several non-sport retailers have widened their sportswear collections

Chapter 7

Primary Research

7.0 Main findings from Survey

There was conducted primary research in form of a survey, to fully explore research objective 3, 4 and 5. The findings were transferred into spread sheets and SPSS (See Appendix 13).

7.0.1 Sports Collection

Products included in the survey, were; Sports bra, hipster, string and sports socks.

7.0.1.1 Attractiveness among the cities; London, Manchester and Leeds

- In both London and Leeds, the percentage of the respondents which were interested in purchasing from the sports collection, were the highest with 58.5% and 50%, while in Manchester, there were only 40%.

- The overall who would consider buying some of the products, accounts for approximately 52%.
- 25% were the total amount of participants answering “maybe”, where Manchester stood for the highest percentage in relation to the sample from that city, with 33%.

7.0.1.2 Willingness to buy: age and income

- The age group 15-20 stood out as less interested towards buying from the collection.
    - Only 35.7% from this age group were positive, in comparison to 63.7% within the age group 21-25.
- The tendencies among the age group 26-35 were also relatively positive.
    - Overall, 55% of these were willing to buy the products.
- The collected data shows no significant correlations between income and willingness to buy.

7.0.1.3 Main reasons for not wanting to buy

- “Don’t do sport”
- To revealing
    - This indicates that they have misinterpreted the use of these products, as it should be used under regular sportswear.

7.0.1.4 Attractiveness of the items

- The sports bra was the most favoured item, with overall 60% among the females asked.
- The sports socks and hipster accounted for respectively 40% and 36%.
- Total, only 4% of the women favoured the sports string.

7.0.1.5 Preferred price range

- £6-15 was overall the most preferred price range for the products.
- The sports socks were the only exception with a price range £1-5.

- The data shows no significance between the income level and the choice of price range.

7.0.1.6 Expected stores for Pierre Robert's sports collection

- JD Sports and JJB accounted for the majority of the total replies, with respectively 31% and 18%.
- Non-sport retailers such as Debenhams and John Lewis accounted overall for 12%.

7.0.1.7 Attractiveness of Pierre Robert's sports collection in a c-store

- Only 41% of the overall respondents would buy the items from a c-store.
  - It needs to be taken into consideration, that some of these would neither consider buying the products.
- Main reasons for all the respondents, not willing to buy from a c-store;
  - Quality issues, poor image and none accessible fitting rooms.
- The collected data shows that it may be a correlation between age group and consumers attitudes towards purchasing Pierre Robert's products from a c-store.
  - 15-20 tended to be more sceptical and they are also they with the lowest incomes.

7.0.2 Lingerie Collection

Products included in the survey, were; top, briefs, hipster, string, exclusive string/hipster.

7.0.2.1 Attractiveness among the cities; London, Manchester and Leeds

- There were no identifiable differences between the cities.
- An overall average of 80% of the women, were willing to buy some of the products.

7.0.2.2 Willingness to buy: age and income

- The data indicates that there is no significance between income levels, age groups and the willingness to buy.

7.0.2.3 Main reasons for not wanting to buy

- Too plain, not their taste or they stick to their regular brands
  - These reasons were most common in the age group 15-25.
  - Notably, only 10% overall did not wish to buy any of the products.

7.0.2.4 Attractiveness of the items

- The exclusive hipster was the most favourable item, with 69% of the total response.
- The exclusive string and basic hipster had a popularity of respectively 50% and 58%.
- However, there was shown a very positive interest for all the products in this collection.

7.0.2.5 Preferred price range

- The most desirable price range was among all the products £6-15, except for the basic string which were most commonly placed under the price range £1-5.
- The authors compared the respondents with the income levels less than £10 000, against the levels above £10 000 to see if there were any inequalities between these two groups. To get two similar groups, the breakpoint was set at £10 000 since females with a lower income was so concentrated, while the higher income was so scattered among the women. It shows a tendency that women with an income higher than £10 000 may be willing to pay more for certain products.
  - This was most frequent within the exclusive collection

7.0.2.6 Expected stores for Pierre Robert's lingerie collection

- 37% of the overall majority of the respondents would expect to find the collection at La Senza.
- 31% answered M&S.

7.0.2.7 Attractiveness of Pierre Robert's lingerie collection in a c-store

- There was a greater interest in Leeds, with 60%, compared to London and Manchester with respectively 56% and 47%.
    - This provides an average of overall 54%.
- Main reasons for all the respondents, not willing to buy from a c-store;
    - not the proper place, not specialized or consider as poor quality
- The collected data shows that the age group 21-25 tends to be more sceptical towards buying Pierre Robert's lingerie from a c-store in both London and Leeds, in relation to the amounts of women asked within this age group.

7.0.3 Hosiery and Tights Collection

Products included in the survey, were; microfiber tights, nylon firming tights, knee joggings' and cotton tights.

7.0.3.1 Attractiveness among the cities; London, Manchester and Leeds

- There were no mentionable disparities between the three cities.
- Hosiery and tights were very favourable among the respondents, with an overall average of 81% wanting to buy some of the products.

7.0.3.2 Willingness to buy: age and income

- There were shown no significant disparities between London, Manchester and Leeds, in comparison to the income level and the age of the women asked.

7.0.3.3 Main reasons for not wanting to buy

- Did not use these kinds of products or they did not fit their taste.

7.0.3.4 Attractiveness of the items

- The microfiber and cotton tights distinguished themselves as the most favourable items in all cities, with respectively 67. 8% and 62. 3%.
- However, there was shown a very positive interest for all the products in this collection.

7.0.3.5 Preferred price range

- The preferred price range were overall £1-5 for all products, except from the microfiber tights, which had a preferred price range of £6-15.
- There were shown no identifiable differences between age, income and chosen price range.

7.0.3.6 Expected stores for Pierre Robert's hosiery and tights collection

- 24% of the respondents expected to find the products at M&S, which holds the majority of the females.
- Top Shop, Debenhams and Primark were also frequently mentioned, with 57% of the response.

7.0.3.7 Attractiveness of Pierre Robert's hosiery and tights collection in a c-store

- There were no remarkable inequalities among the cities.
- Overall, 77% of the women were positive regarding the c-store.
- The collected data showed no noteworthy disparities in comparison with the female income level and age group.
- The main reasons for the negative attitudes towards c-stores derived from;
    - Perceived quality, it is not specialized and it creates a bad image

7.0.4 Wool Collection

Products included in the survey, were; wool tights, long sleeve, t-shirt, top, over knee and wool socks.

7.0.4.1 Attractiveness among the cities; London, Manchester and Leeds

- Overall, 64% of the women participating in the questionnaire could think of purchasing some of the items.
- The interest in both London and Manchester were over 67%, while in Manchester, 54% of the women would like to buy from the wool collection.

7.0.4.2 Willingness to buy: age and income

- There were shown no significant differences between London, Manchester and Leeds, in comparison to the income level and the age of the women asked.

7.0.4.3 Main reasons for not wanting to buy

- Itching fabric, associated with old fashion and it is not trendy enough.

7.0.4.4 Attractiveness of the items

- The wool tights and socks distinguished themselves positively from the rest of the products, with respectively 82% and 54% of the total response.

7.0.4.5 Preferred price range

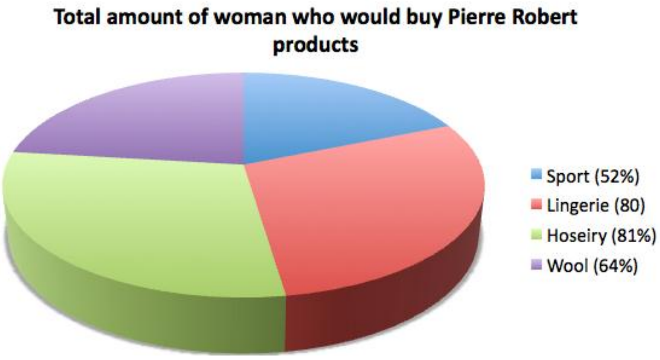
- The most desirable price range chosen for these products, were £6-15, except from the socks and the over-knee, which were most commonly placed under £1-5.
- The authors compared the respondents with the income levels less than £10 000, against the levels above £10 000 to see if there were any inequalities between these two groups. To get two similar groups, the breakpoint was set at £10 000 since females with a lower income was so concentrated, while the higher income was so scattered among the women. It shows a tendency that women with an income higher than £10 000 may be willing to pay more for certain products.

7.0.4.6 Expected stores for Pierre Robert's wool collection

- 59% of the females, which accounts for the majority, answered that they would expect to find these items at M&S.
- 21% of the respondents replied Primark and Debenhams, where the rest fell under the term "department stores".

7.0.4.7 Attractiveness of Pierre Robert's wool collection in a c-store

- There were shown no noteworthy disparities among the cities.
- Overall, 60% of the respondents where positive towards buying the wool products from a c-store.
- The age group 15-20 with the income £0-5000 tends to be most positive to buy from a c-store.
- The negative attitudes towards c-stores were mainly due to;
    - Poor quality, image issues and not specialized



7.1 Main findings from Semi-structured interview

The asserted information from the survey showed that the respondent expected to find Pierre Robert's products in stores such as; M&S, Debenhams, Primark and JD Sports. These are also the ones that the authors appointed interviews with. Summary of interviews (See Appendix 14)

Products included in the depth-interview (See Appendix 15)

7.1.1 Product

The quality of Pierre Robert's products

- The good quality and nice material in all the product lines were mentioned in every interview.
- They all agreed that Pierre Roberts' use of merino wool was very positive due to the soft touch.
- Positive towards the breathability and the cooling effect of the sports collection.
- Good support of the sports bra.
- M&S mentioned the need for adaption of UK sizes.
    - And make the sports bra suitable for women with bigger breasts.
    - Invest in sport bras with padding on the shoulders to enhance extra comfort.

Design

- All the respondents favoured the products design and described it as; "feminine", "nice colours" and pure and clear design.
- The fresh and "funky" colours and simple design of the sports collection was associated with Nike.
- The exclusive lingerie was considered as very inviting and exclusive.
- The design of the wool collection was perceived as nice but to average and was compared to M&S's thermal collection.
- Positive towards the offer of a full sport set.

Packaging

- Overall, the packaging received very good response from all the respondents, and the majority got high-streets associations.
- The well provided information about the products was very positive.
- They favoured the front of all the packages;
    - Clear labelling

  - Good with the use of pictures
- As for the sport they highlighted the plastic packaging;
  - See-through
  - Not easily damaged
- All the store managers agreed that it is beneficial that the customer can feel the fabrics provided by a little opening in the packages of sport and wool.
- Both M&S and Debenhams recommended having the lingerie and wool products on hangers;
  - More accessible for the customers and less damages on the paper packaging.
- M&S characterised the wool package along with hosiery and tights, as boring, while Debenhams described it as “not particularly fancy and not that premium.”

Pierre Robert’s name

- JD Sports and M&S thought the name derived from a famous person;
  - Looked like a branded sport person
  - Got association to a famous designer
- French associations occurred
- Otherwise, it got described as a good and exclusive brand name.

Pricing strategies

- M&S focus strongly on quality and comfort;
  - Offer sport bras in the price range £14-22
  - Sport socks only comes in multipacks from £6
- M&S sells many multipacks within lingerie, and mentioned that their 5-pack panties from £6-12 were very popular.
- M&S’s thermal collection was priced between £5-14
- Primark has a price focus on its clothing lines;
  - Inexpensive products from approximately £1-15
- All the respondents saw Pierre Robert’s products as high quality, and the price therefor needs to reflect the quality and how they wish to be perceived in the market.

Communication channels

- Some of the store managers could reveal that television and adverts in female magazines have been essential for their success.
- Primark only utilizes their positive WOM.
- The store managers advises for Pierre Robert to enter the market with success;
    - High-street commercial, especially female magazines such as Vogue, OK! Magazine and Look.
    - Television where also mentioned to reach a broad audience
    - TV adverts might have a negative impact in the beginning, if Pierre Robert wants to reach a narrow segment.

Distribution channels

Attitudes towards having Pierre Robert in the participants own store

- All the store managers were positive towards Pierre Robert's products;
    - However, Primark and M&S have a strict policy where they only sell their own labels.
    - JD sports and Debenhams could see the sports collection as suitable for their current product line.

Recommended retailers

- There were mentioned that high-street stores where they sell other brands, would be suitable for Pierre Robert's products (regarding all the collections);
    - Nearly all the participants thought that Debenhams and House of Fraser would be good retailers for Pierre Robert to enter.
- Sports stores were also considered as appropriate distribution channels for the sports collection;
    - Up and Running and Sports Direct were listed as suitable.

Opinions about selling Pierre Robert through a c-store

- The store managers at M&S and Debenhams asked where Pierre Robert distributes their collections in Norway, and expressed a negative opinion towards distribution of Pierre Robert's products through a c-store in the UK market;
    - Not the right channel as they perceived Pierre Robert as a quality brand
    - They thought that distributing through a c-store may damage Pierre Robert's brand name.

Market situation

Main players

- M&S were considered as the market leader in the overall underwear market.
- La Senza was also seen to be a major threat in the underwear market, due to its specialized offerings.
- Regarding the sportswear market, Nike was mentioned to become the greatest competitor for Pierre Robert's sports collection, if Pierre Robert were to enter the UK market.

Competition

- All the participants saw the underwear market as a highly competitive market.

- Regardless of their position, M&S continuously improve their products to stay strong in the UK underwear market.

Current product offerings

- All the store managers could reveal that they offer sports bras under their sports collections;
    - both non-wired and wired sport bras,
    - with high, medium or low impact
    - push-up and sports bras with extra shoulder paddings
    - crop-tops
- Both JD sports and M&S offer sport socks in multipacks;
    - However, according to the store manager at JD Sports, their sport socks tend to have a poor demand.

- Except from JD Sports, all the participants have a broad range of regular underwear;
    - Bras
    - Briefs, strings and hipsters
    - Lace, silk and cotton
    - Shape wear
    - Bridal underwear
    - Night wear
    - Etc.
- Bra fitting services have become a very popular additional offering in the UK underwear market.
- Regarding wool, none of the subjects from the depth-interview offer this type of fabric in their underwear. However, both Primark and M&S revealed that they do offer thermal underwear with a mix with cotton and cashmere.

Consumer behaviour

- Quality conscious customers
    - Consumers are becoming more prepared to pay more for better quality.
- Brand is becoming more important for the customers.

Country of origin

- Some of the participants received French associations from Pierre Robert's name.
- None of them had any problem with that at all and one of the respondents said that they "don't know enough about Norwegian names to tell if the name fit or not".
- They thought the French associations made the brand seem more exclusive and expensive, and the fact that PR is a Norwegian company playing on French feelings would not stop them from trying the products.
- On the other side M&S thought it may be a good idea for PR to play on its domestic qualifications when it comes to the wool collection, due to a colder climate.
- Due to the French association with the word "exclusive", it was also added that "it might be dangerous if PR is trying to be exclusive, but not hitting it right".

Critical success factors for Pierre Robert in the UK market

- The ability to create a strong brand and deliver good quality was stated as the most important factors during all the interviews.
- Pierre Robert must focus more on the design of the packaging.
- The price will be a critical success factor for Pierre Robert, as the price will reflect the quality and their market perception.

7.2 Main findings from observation

7.2.1 Introduction

The observations were conducted in some of the largest supermarkets and convenience stores in Leeds, which the main findings are based on.

7.2.2 Product offerings in the various outlets

- Tesco and ASDA were two of the observed supermarkets with the broadest product range within underwear. Their offerings consist of socks, tights, briefs, vests, t-shirts, among other. In addition to their regular underwear, their clothing lines also consist of sport bras.
    - Within the sports underwear, ASDA was the only supermarket in the observation that provided sport socks in addition to the sport bras.
    - Both ASDA and Tesco offer inexpensive clothing, whereas their sport bras were priced from £4 and their regular underwear from approximately £2.
    - Neither Tesco nor ASDA offered any wool underwear for women.

- Tesco Metro, a spin-of convenience store from Tesco supermarket, had a limited clothing line in the store;
    - They only offered tights and socks in the price range £1-5, which mainly included multipacks.
- In addition to Tesco Metro, the observation revealed that also Sainsbury's and Morrison only provide a limited selection of socks and tights.

- Both Sainsbury’s and Morrison offer inexpensive underwear. While Sainsbury’s underwear only was available in multipacks from £1-3, Morrison’s underwear had a price range from £2-6.

- Waitrose was the only outlet included in the observation, which did not provide any clothing lines.

7.2.3 Brands provided by the different outlets

- Morrison was the only outlet included in the observation, which provided other brands then their own. In addition to their own brand, Morrison had also socks and tights delivered from Pretty Polly and Umbro.

Chapter 8

Discussion of Findings

8.1 Internationalisation of Pierre Robert

In the light of the Bakka-framework, which was portrayed under chapter 5, there is possible to determine whether Pierre Robert is ready for a further expansion by entering the UK sports- and/or the regular underwear market.

The internal analyses which were explored in chapter 5 revealed that Pierre Robert's internationalisation in terms of international knowledge is low. From Bakka's perspective, Pierre Robert is mainly placed under the extensive export phase. Nevertheless, the company does not seem to be one of the suppliers which will naturally fall into the stereotype created by Bakka. Pierre Robert has a large marketing department in their domestic country, in addition to an established sales force in both Sweden and Norway. However, the company's choice of market has fallen on their neighbouring country Sweden, which is by Bakka suggested that the company has chosen to expand due to the convenient location in relation to

Norway. Pierre Robert is still trying to establish a strong market position in Sweden, as this expansion has not been as profitable as expected. This shows that Pierre Robert could consider focusing more on the Swedish market, to gain both knowledge and experience, before expansion into a new market (Solberg. 2009).

Despite Pierre Robert's limited international knowledge, they are in possession of great human and financial resources. They have also created a strong platform in their domestic market, which can make it possible for Pierre Robert to enter the UK sports- and/or regular underwear market, while establishing a stronger position in Sweden (Pierre Robert Group. 2011).

8.2 SWOT-Analysis

8.2.1 Pierre Robert's strengths in relation to international expansion into UK

To determine whether Pierre Robert should pursue further international expansion into the UK sport and/or regular underwear market, it is essential to assess the company's strengths, in order to decide if they hold any advantages in favour towards their competitors.

Financial strengths

One of Pierre Robert's key areas which need to be deliberated, when considering an international extension, is the company's financial backbone. They are owned by the conglomerate Orkla which is strongly represented around the world. However, even though

Pierre Robert is a subject to Orkla, they are economic independent and strongly improving their results. Only during the last fiscal year, Pierre Robert raised their net profit from NOK 46, 1 million in 2009 and till NOK 54, 4 million in 2010. Pierre Robert‘s good economy and Orkla’s great knowledge regarding international business and expansion into other sectors, would pose a strength if they were to enter the UK sport and/or regular underwear market.

Market leader

Regarding the domestic market, Pierre Robert is the leading supplier within textiles in c-stores. They are in continuously growth in the domestic convenience sector, with a share of 55% of the market, and are the only supplier of high-quality products provided through this type of outlet. In addition, Pierre Robert has also, as mentioned under chapter 1, achieved a strong position in the overall domestic market for regular underwear compared to other clothing operators. The fact that Pierre Robert is market leader in the domestic origin, may give them more credibility if entering the UK sports- and/or regular underwear market. As a market leader, a company is superior, which can work as a risk reducer. Pierre Robert should therefore use this in their international marketing, if entering the UK.

Category pushing

The company has built and maintained a strong brand in the home market, which enabled them to achieve a category pushing. Before the Pierre Robert Group entered the underwear market, the demands of such products were in specialized and other clothing stores. However, the company has the previous years, been able to create a great demand for their sports- and regular underwear in c-stores, by convincing and accomplish brand credibility through their marketing.

Performance proven

The quality of Pierre Robert’s products is another advantage, as they use raw material to enhance the quality, comfort and good support for the consumer. From the interviews (ch.7) the good quality was underpinned, and especially the cooling and breathability effect of the sports bra were emphasized. This was a feature that made Pierre Robert to be voted as the favoured sports bra in the Norwegian Woman’s Magazines 2010.

Design

Pierre Robert's centre of attention is their customers' needs and they are continuously updated on trends in the market, and strengthened with their own designer team, which can give an advantage, since markets are dynamical (Lynch. 2006). The company won a designer award in 2009, which is an intangible asset they can take advantage of when trying to build credibility in a new market.

8.2.2 Pierre Robert's weaknesses in relation to expansion into UK

It is important for a company to acknowledge its weaknesses, and by assessing these, it is possible to see which areas that need enhancement. It is essential to explore the areas with lack of performance, to see whether these may be an obstacle for entering a new market, or if the company is able to utilize the weaknesses, by learning from it and achieve greater experience.

Low international experience

The main weaknesses of Pierre Robert are their lack of international knowledge and experience. Except from Norway, Pierre Robert is currently only represented in the Swedish market, in addition to their one salesman in Finland. These two markets have been very challenging and expensive, which from the Bakka framework's perspective indicates that Pierre Robert still has some of the characteristics from "Trial export", where trials and failing is present (Solberg. 2009).

Weak international reputation

Another weakness is that Pierre Robert lacks international reputation. In whichever market they choose to enter, Pierre Robert needs to build up a strong brand as they have little brand reference outside entered markets.

"Comfort Zone"

Being the leading supplier in the domestic market has led Pierre Robert into a "comfort zone", where they easily conduct the home strategy in other markets without further product adaption. The poor market penetration into Sweden and Finland may be a result of this.
If Pierre Robert were to enter the UK sports- and regular underwear market, they need to acknowledge that they may step out of their "comfort zone," as differences may occur.

8.2.3 Pierre Robert's opportunities in relation to international expansion into UK

When exploring possible markets, the prospect destination needs to offer some advantages relevant to the company. This has been fully explored under chapter 6.

Demand for quality

The UK possesses a lot of great opportunities for Pierre Robert, being the 6th largest economy in the world, which can give Pierre Robert access to a large market. In addition, the UK economy is witnessing a growth; however, it is slightly moderate because of the repercussions from the financial recession. As shown from the interviews (ch.7) customers tend to show more attention towards quality, and it was mentioned that the consumers rather would pay more for quality. Marketing Week (2011) support this statement by saying that it is not about the brands that shout the loudest, but rather the brand that is able to perform. This can pose an opportunity for Pierre Robert, as they can create perceptions that they provide high-quality items to lower price.

Shift in social patterns

According to Mintel (2011- A), 30% of the UK women are the highest earner in their household, and is forecasted by The Future Foundation (2011) to increase even more the following years. This can give Pierre Robert access to customers who are willing to pay more for quality.

Few entry barriers in the UK underwear market

As found in the competitive analysis under chapter 6, the barriers of entry into the UK underwear market are low, which can give Pierre Robert a fair chance to establish themselves.

There is also low switching cost for the consumers in the UK underwear marked, which can make it easier for Pierre Robert to attract customers in a new market.

Range of outlets opportunities

In the recent year, several non-sport retailers, such as Debenhams and M&S, have widened their sportswear collections. This indicates that Pierre Robert not necessary has to be tied to a specialized sports store for their Seamless sports collection. As an independent supplier, of both sports- and regular underwear, Pierre Robert can have the opportunity to approach different types of outlets in UK. Both sports- and regular underwear could fit into a department store, specialized store and a supermarket. The latter could pose a great opportunity for Pierre Robert as they have been the only retailer with an unexpectedly positive growth of 12 %, within regular underwear.

8.2.4 Pierre Robert's threats in relation to international expansion into UK

Direct competition will be an unavoidable factor for Pierre Robert, if they were to enter the UK sports- and/or regular underwear market.

Highly competitive market places

As found in the competitive analysis in chapter 6, both markets are characterized as strongly competitive. In the underwear market, and especially among the high-end retailers, the marketplace remains fairly overcrowded. In addition, own labels, with 72% of the market, emboss the underwear market. This creates a pressure on the providers in the market, so it can be essential for Pierre Robert by a potential entrance, to offer appealing alternatives that can justify a higher price tag. Regarding sportswear, a few major players, Nike and Adidas dominates the market. For Pierre Robert, as a possible newcomer in these markets, it will be crucial for them to cope with competition and keep pace with market development.

Some entry barriers in the Sportswear market

Due to high dominance of the greatest sport brands, Nike and Adidas, it is harder to enter the UK sportswear market. The switching cost for a consumer is therefore higher in this market, than the underwear market, due to brand loyalty and demands for quality. This may put a lot of pressure on both sports- and non-sport retailers, where the latter also offer sports underwear, to increase the level of quality in their products. If the quality level among the providers gets more equal, the chance to distinguish by this feature becomes more difficult, and the providers may have to rely more on other product assets such as brand, design and accessibility.

8.3 Entry modes

When company's goes abroad, choosing the proper international strategy can be crucial for the company (Doole and Lowe, 2008).

For Pierre Robert, who has little international experience, gaining access to market information and network will be incredibly important if entering UK market. According to Griffin and Pustay (2010), exporting is the most common international business activity. Pierre Robert can choose from several exporting alternatives, both direct and indirect. Export house is one of the alternatives, which are an indirect channel, and the most common form for direct export is either a wholesaler or an agent.

8.3.1 Export house

An export house could provide Pierre Robert with both market information and contacts, as well as reduce their financial risk. However, the contact with the market is usually limited and another disadvantage is that an export house indicates a small amount of control regarding the market activity. Since marketing will pay an important role for Pierre Robert in a possible establishment of a brand, export house may not be the suitable as an entry strategy into the UK market.

8.3.2 Wholesaler

A wholesaler could give Pierre Robert great access to both information and network. It would also be able to relief Pierre Robert with work regarding logistics and marketing activities (Bennett and Blythe, 2002). One of the advantages of choosing this type of intermediary will be that a wholesaler could hold large amount of stock. This would be important regarding the geographical distance from Norway to the UK, and that Pierre Robert is a supplier of FMCG. By using a wholesaler Pierre Robert would be dependent on one large customer, which could make them vulnerable for changes made by the wholesaler. Another threat may be that the wholesaler can develop similar products under own label and become a competitor (Solberg, 2009). In the same manner as the exports house, a wholesaler will also make Pierre Robert lose control with the market activities. This will be the main factor for not choosing this kind of intermediary as the brand building will be crucial for a successful UK entrance (Solberg, 2009).

8.3.3 Agent

Under the internal analysis (ch.5), the authors found that Pierre Robert had some common characteristics with phase two in the Bakka framework. At this stage, an agent is the most common form of export intermediary.
An agent is specialised within the desired market, and is an inexpensive approach to gain market insight and network. A possible agreement between Pierre Robert and an agent would be mutual dependant, whereas the agent could help Pierre Robert with their aims and objectives, as well as geographic coverage through a third party. In return the agent is commission based, which may be a negative side since they may focus on volume rather than price and profit for Pierre Robert. However, the nature of such agreements can ensure both parties mutual benefits if they fulfil their obligations. One aspect of such agreements is that Pierre Robert will gain great control over their marketing activities.

8.3.4 Internet

According to Mintel (2010- B), the Internet has become a growing force as a direct distribution channel the recent years, and provides free access to compare offerings for the consumers. This makes it very important for Pierre Robert to achieve a competitor advantage, because there may be other firms who can outrun their performance. The importance of this medium is growing fast and should be an entry strategy that Pierre Robert can pursue in the future. If Pierre Robert were to have an e-commerce in the domestic market, it could have facilitated a potential establishment of e-commerce through a catalogue in the UK; however, the internet is according to Timothy Cumming (2001), a long term game. Therefore, it may be vice of Pierre Robert to prioritize the creation of a strong brand in the UK before utilizing e-commerce.

8.4 STP

8.4.1 Segmentation and targeting

If Pierre Robert were to enter the UK sports- and/or regular underwear market, it is essential for the company to distinguish the market, in order to concentrate its marketing resources towards a specific target segment.

8.4.1.1 Sportswear market

The authors have decided to divide the sportswear market into three segments; women involved in mainstream sport, women with an active leisure and women which is not active. The latter will not be a priority in this case, because Pierre Robert will try to reach the group which may have the highest potential in purchasing their products.

By segmenting women on the basis of lifestyle, age and personality, it can be possible for Pierre Robert to find the most suitable target group.

Mainstream sport

According to Mintel (2008), the women in the age group 16-24 are those who are most active within mainstream sport, such as football, dance and volleyball. This age group also tend to be more fashion conscious. (Mintel. 2010- D) Nevertheless, the conducted surveys (ch.7) showed that the age group 15-20 tended to be less interested in Pierre Robert's sports underwear. This may indicate that the females within this age group are more concerned with familiar brands.

Active Leisure

However, Pierre Robert's products are also suitable for females who do not engage in a specific type of sport. The products are also appropriate for they who have an active leisure, and prefer activities such as walking, tracking, rambling, hiking and jogging. In the UK market, females in the age 25- 44 tend to be most active within leisure activities (Mintel. 2008).

Geographical aspects

The survey revealed that there were some differences regarding the geographic location of women who would consider buying some of the sports products. In London, approximately 60% of the respondents could imagine themselves purchasing from the Sports Collection, while in Manchester, 40% of the women were positive towards buying some of the items. However, the percentage of women from the surveys answering *maybe*, were highest in Manchester, in relation to that sample. This may therefore represent a great potential of consumers for Pierre Robert, which needs to be persuaded. This indicates that the geographic location may not necessary limit the potential customer base for Pierre Robert, although, it is of importance for the company to take it into consideration.

8.4.1.2 Regular underwear

Underwear is a category where it may be difficult to distinguish the consumers into identifiable segments, because of the fundamental needs for underwear. The findings from the survey showed that there were no significant differences between the respondents' age groups, and the willingness to buy Pierre Robert underwear. Mintel (2011- D) also reports that the inequalities among women in the age 15 – 65+ is significantly low.

Geographical aspects

According to Kotler (2000), it is also possible to distinguish segments by geographical variables. However, neither the survey nor Mintel (2011- D) managed to separate female consumers by purchase of underwear and geographical locations.

Personality and behaviour can therefore be useful criterions for Pierre Robert to explore a narrower segment.

Mintel (2011- D) reveals that women in the age 15-24 prefer more sexy and revealing underwear, and often experiment with different styles. This age group may therefore not be suitable for Pierre Robert, as they then would have to change focus to more sexy design, rather than their current focus on the classic, timeless pieces which can be used any time of the year. The primary questionnaire also displayed that the most frequently reasons for not wanting to buy Pierre Robert's underwear, were that they were considered as too plain, not the women's taste or they stick to their regular brands. These reasons were most commonly mentioned in the age group 15-25. This is something that Pierre Robert needs to take into consideration and maybe pay more attention towards the women above the age of 25.

Lifestyle

According to Caci (n.d), there may be possible to break down larger consumer segments into smaller target groups, such as group A; Affluent Diners, and group B; the Affluent, Active and Urban. However, there are several of these target groups which would have suited Pierre Robert's regular underwear and sportswear, so it is difficult to choose between these groups, as the characteristics for one group, can suite another group as well.

It is hard to target the UK underwear market after demographic, geographic and psychographic. Because of this difficulty, and due to the extensive and highly competitive market, the authors see the UK underwear market as too large and expensive for Pierre Robert to target. Therefore, the underwear market will not be further discussed within this report.

Target group

Pierre Robert's products can be suitable for both females within the mainstream- and active leisure group.
The primary research (ch.7) showed that women aged 21-25 and 26-35 were those who most frequently answered *yes* regarding purchasing some of the items from the Sports Collection. If Pierre Robert targets these age groups, they may be able to reach females which are both within the mainstream- and active leisure group, where the latter consist of the majority of potential customers. Pierre Robert's target group will therefore be females in the age 21-44, consisting of both the mainstream-and active leisure segments.

8.5 Positioning and Differentiations

If Pierre Robert were to enter the UK sportswear market, it will be essential for them to create a unique position and differentiate themselves from their potential competitors.

The secondary data showed that there are many operators that offer quality and competitive prices such as Nike and M&S. Because Pierre Robert is a possible newcomer in the UK market, they can take whatever market position they would prefer. However, as mentioned the sportswear market is a highly competitive arena, and strong positions are already taken.

According to Doyle and Stern (2006) a positioning strategy will give companies answers to where and how they can compete in the market and the strategy will make no sense unless it is relevant for the customer (Nilson, 1998).

Data asserted from both secondary sources and the primary data, showed that there are many providers established, which offers quality and design on the same basis as Pierre Robert. Nike and Adidas dominate the sports market; however, the data from the interviews shows that also M&S had a broad range of particularly sport bras. For Pierre Robert it may be difficult to take and maintain a unique position among those players, because they are strongly competitive when it comes to brand, image and quality.

The findings from the secondary and primary data, displayed a tendency among the respondents that they would be willing to pay approximately the same price for Pierre Robert's products as other quality products, such as Nike and M&S. Pierre Robert may therefore not have any competitive disadvantages regarding price, if they were to position themselves among these brands.

The collected data from the survey (ch.7) shows that the respondents would expect to find Pierre Robert's sportswear in both specialized sports- and department stores. This indicates that Pierre Robert could, by a possible entrance into the UK, position them to be perceived as a high quality designer brand with an upper marked price tag. This could create a strong image, however, this position may not be as unique as there are several players in the same position and Pierre Robert is additional an unfamiliar brand in the UK market.

This argues that Pierre Robert needs to find a non-occupied space in the market or a less well defended place, and differentiate the brand to gain competitive advantage. Pierre Robert's possibility is to distinguish their brand through *channel differentiation,* by avoiding the traditional sports outlets or department stores which provides sportswear. The secondary data showed an impressive increase in underwear sales at supermarkets and that these types of outlets also have started to be affected by the pressure of higher quality and design.

The primary observation (ch.7) of the offerings in the supermarkets gave an indication of the quality provided in sportswear. This tended to be lower than what Pierre Robert can offer, in terms of fabric, support and design. This can therefore give Pierre Robert an explicit position to differentiate and offer products that are better that what is currently offered in a supermarket. At the same time, Pierre Robert will give the supermarkets an opportunity to deliver a designer brand with higher quality at a middle price. The success of this strategy will, however, depend on Pierre Robert's ability to create a strong brand through their communication.

8.6 Marketing Mix

As presented in chapter 4, Pierre Robert's marketing tools needs to be adapted to the local circumstances in the UK market, if they were to enter the market. Throughout this section, both secondary and primary research will be used to explore how Pierre Robert should approach the possible new market.

8.6.1 Communication channels

For Pierre Robert to achieve awareness in the UK market, it is crucial for them to take advantage of different marketing channels. In their domestic market, Pierre Robert is currently using a *pull strategy*, which also may become a relevant method in a new market. If

Pierre Robert were to enter the UK sportswear market, they need to create demands for their products. The pull strategy therefore needs to be directed towards their target market.

Television

- Results from the interviews showed that television ads would be the most suitable channel for Pierre Robert to reach the broader audience, and to become visible in the media. However, it might not be that efficient for a narrower segment.

Magazines

- Female and celebrity magazines are another communication channel Pierre Robert should consider. The respondents from the interviews emphasised the importance of this kind of medium, as a company is able to reach a large and relevant target. They thought magazines such as Vogue, OK! Magazine and Look would be suitable channels, due to the design on Pierre Robert's products. According to Mintel (2010 D), communication through Magazines is very effective when the aim is to reach women under the age of 35.

- Both television and magazines are ways to direct the target group to Pierre Robert's webpage.

- **Internet**
- The internet is one of the fastest growing media, whereas Pierre Robert should take advantage of their already established web site, to provide the prospects with brand information and knowledge. They could also benefit from creating an online catalogue adapted to the UK market, as this has become a popular an efficient way of showing the customers their product lines.

Smart-Phones (I-Phones)

- Pierre Robert could take advantage of the increasing market for smart- phone applications. If Pierre Robert had download - information on the product package or on to the company's home they could gain an efficient way of marketing exposure. Applications are a way of involving the customers and make them feel important by getting access to promotional offers, or product news before others. This can be an opportunity to encourage the women which do not prefer unnecessary exposure of online ads, to download an application. To gain understanding about Pierre Robert's quality, an app can give the user information about the manufacturing process, which can create credibility for the brand. (Mintel, 2011- A).

Sponsorship

- Sports sponsorship is seen as a cost effective way of enhancing brand awareness. Sponsoring events may in some cases be an indirect way of gaining TV coverage, and a direct way of targeting the segment. For Pierre Robert, this could be a positive way of distinguish the brand and create credibility for them. The younger age groups are according to (Mintel 2010- C) most likely to be favourable towards sponsorship.

8.6.2 Pierre Robert's products

A product is by Czinkota and Ronkainen (2001) stated as the company's offerings to the market, which is primarily sports underwear in Pierre Robert's case.

8.6.2.1 Physical product

For the sports underwear, the sports bra was the most favoured item during the survey. This is also according to Mintel (2000), said to be the biggest subsector within sports underwear. From the interviews, the quality of the sports underwear was highlighted and there were positive attitudes towards the offering of a full sport set. However, the participants saw some improvements for Pierre Robert, to adapt the products to the UK women;

- Need to transfer sizes from dual to single size
- Extend the range of sizes to fit plus-sized women
- Make the sport bras suitable for women with bigger breasts, with integrated shoulder paddings.

Pierre Robert should also take into consideration that there is a need for both high and low impact in the sports bras, and consider that their potential target market are involved in different types of activities.

8.6.2.2 Tailor offering

Even though the authors regarded the regular underwear market as to competitive for Pierre Robert, the company should look at their whole range of products to see if they are capable of tailoring a new collection directly aimed at their UK target audience. One of the preferences within the target audience is the interest for outdoor activity, such as fishing, hiking or skiing, which could create a need for practical and worm clothing. By looking at Pierre Robert's whole range of underwear, and the results provided from the survey, wool socks and wool tights are something that could be offered in addition to the sports underwear to cover these needs. By mixing several products from the different collections, Pierre Robert could be able to provide the most suitable assortment for their target audience. The interviews and observation showed that it is more usual to offer thermal products than wool in the UK, which may give Pierre Robert a chance to differentiate.

8.6.2.3 Packaging

Regarding the packaging design of the Sport Collection, the participants in the interviews (ch.7) were impressed by the plastic packaging which holds better quality than the use of paper. Some of the features which the respondents felt Pierre Robert should use in their favour, were;

- The see-through packaging
- The customers are able to feel the fabric, due to the opening in the back
- Great providing of information and clear labelling

The wool package on the other hand, did not receive the same positive respond as the sports package. The participants regarded the paper package as boring, and thought that Pierre Robert should focus more on distinguish the packaging design.

8.6.3 The value of the product

The price variable is an important part of the mix, as it reflects the company's image. For Pierre Robert it will be important to communicate a price that is competitive in regards to the market price and what the costumers are willing to pay for the products.

Results from the survey suggested that the respondents would pay an average of £6- 15, for the Pierre Robert Sports Collection.

The interviews and observation revealed that the price range for a sports bra in the UK market, reaches from about £4 to 22, depending on the brand. The secondary data showed that the market leader, Nike, had a price range from £13-35. The broad range of prices, gives Pierre Robert many alternatives depending on how they will be perceived in the UK if they were to enter.

According to the survey, chapter 7, the average price for the Wool Collection was £6-15, except from the wool socks, which were estimated to cost around £5. M&S, which is considered as the market leaders in the regular underwear market, has a price range on their thermal collections from £5-14. Since the market leaders, hence the interviews, do not offer wool, but thermal, Pierre Robert may play on the qualitative aspect of the products, and charge a higher price.

The interviewed store managers saw all of Pierre Robert's products as high-quality products, and the price should therefore reflect the quality and how they wish to be perceived.

8.6.4 Intermediaries

Both secondary and primary data showed that the UK market is represented by many outlets with their own private labels. Pierre Robert therefore has to either choose an outlet where they do not have an own brand policy, or build such a strong brand that they could manage to convince stores such as M&S, that they will benefit their sales.

JD Sports & Debenhams

The survey, (ch.7) suggested that appropriate retailers for Pierre Robert's products would be either a specialized store such as JD Sports, or a department store, such as Debenhams. M&S was also mentioned, however, M&S has a brand policy where they only offer own labels.

The findings from the survey were supported by the interviews, and both Debenhams and JD Sports could see the Sport Collection fit into their current product lines.
However, an entrance through these types of outlets may make it hard for Pierre Robert to distinguish them, because other competing brands will be present in the store.

Supermarkets

The findings from the secondary data (ch.6) and the collected data from the observation (ch.7), estimated that the majority of the Supermarkets, have their own labels. For Pierre Robert, a possible outlet among the Supermarkets may be Morrison's, as they in present time only offers a limited clothing line and do accept other brands. The challenge of choosing a supermarket is, as revealed in the survey, that people may have bad attitudes towards the quality of the clothes in such outlets.

When choosing an intermediary, Pierre Robert has to consider the geographical coverage of the outlet, and how convenient the location is for the customers.

If Pierre Robert were to enter the UK sportswear market, suitable outlets would be:

- Department stores such as Debenhams
- Specialized stores such as JD Sports
- Supermarkets such as Morrison's

8.7 Building a strong brand

If Pierre Robert were to successfully enter the UK sportswear market and gain a profitable position, the essential factor will be to build a strong brand through their marketing communication. This is important either they choose distribution through a high-street retailer, a specialized store or supermarkets.

8.7.1 Brand identity

In order for Pierre Robert to build a strong brand, the first step in the process is to communicate their brand values through their brand identity. This can be achieved through identifiers such as the brand name and logo, to inform the consumers of who they are, what Pierre Robert stands for and what they can offer.

In the interviews, it was stated that Pierre Robert could be perceived as a French brand, and the participants therefore received more exclusive associations. Pierre Robert has to decide how they would like to be perceived in the UK market, whether they would like to create a Norwegian or French identity. The interviews revealed that Pierre Robert could have an advantage regarding the wool, considering the colder climate in Norway, and in that way it could be easier to convince the consumer about Pierre Robert's quality. However, if Pierre Robert first chooses to play on the French associations they should be consistent with this, or it may confuse the consumer of having two identities. The French association can create high expectations of exclusivity and performance of the quality, this was also mentioned during the interview and it may pose a danger towards Pierre Robert if they are not capable of satisfying the expectations.

Another alternative for Pierre Robert to consider if they were to enter the UK market, is to deliberate if they could benefit from changing their current strategy in Norway, Sweden and Finland. By emphasis quality and Norwegian expertise, they may be able to create a unique position within the target audience.

8.7.2 Communicating brand value

Pierre Robert's identity should communicate a promise of value to their target market. In order to create a favourable brand image in the prospects' mind, Pierre Robert has to carefully encode a message, consisting of their tangible and intangible assets.

The benefits contained in the message needs to be of high importance to the target audience; Pierre Robert has to communicate the benefits of the quality material of their sports underwear, such as;

- The breathability effect
- The use of double layer to enhance extra support
- The cool down effect which provides extra comfort
- Performance proven – best in test in Norway

As for the wool socks and tights, the interviews estimated that there are little wool products in the UK underwear market. The survey showed a tendency that the respondents regarded wool as itching and that there is a low knowledge around this fabric. Pierre Robert therefore needs to convince the consumers through their marketing, and possible also learn the UK female that;

- Marino wool contains silk, which gives a softer touch
- It keeps you worm
- Better that the existing thermal products

- Can be worn as undergarment

8.7.3 Brand attitude

According to Elliot and Percy (2007), the brand identity can lead to attitude creation, which is the sum of the brand knowledge possessed by the customer. For Pierre Robert to achieve favourable brand image through their marketing, would be especially important if Pierre Robert were to enter an untraditional outlet, such as a supermarket. The survey showed that there were negative attitudes towards buying Pierre Robert in a supermarket, due to associations of poor quality and the lack of dressing rooms. The latter may cause uncertainty because of the habits of trying products before purchase. By a possible entrance, Pierre Robert could consider offering the customer the guarantee entitled to change the product, to reduce this uncertainty. By creating a strong and favourable brand, it may be possible to change attitudes and consumer habits. However, the extent to which Pierre Robert is able to achieve this depends on their utilization of their marketing mix.

8.7.4 Creating brand awareness

Colours of the products and the design of the packaging are also a part of the communication; for Pierre Robert to be persistent it has to deliver quality at every step. The interviews resulted in favourable attitudes towards the colours in the Sports underwear and the see-through packaging showing the colours, gave a positive first impression. According to Gobe (2001), colours can have a strong implication on brand identification, trigger certain emotions and create brand image. For Pierre Robert to create a strong position in the target audience mind, distinguishable strong colours may make it easier for the customer to recall the brand. They have to evoke awareness in order to trigger trial purchase, and it will become important to satisfy the early consumers' needs to ensure repurchase.

The primary data suggested the following Critical Success Factor if Pierre Robert were to enter the UK;

- The ability to create a strong brand and deliver good quality
- Focus more on package design.
- Decide a price which would give the desired market perception

Chapter 9

Recommendation & Conclusion

9.0 Recommendation and Conclusion

The purpose of this report is to explore the UK sports- and underwear market in order to ascertain the most appropriate strategy for Pierre Robert, if they were to enter the UK.

The sportswear market consist of both people who participate in mainstream sports, such as football, volleyball and dancing, but also people who have an active leisure, such as jogging, hiking, cycling and skiing.

In previous years the growth in sportswear market has been slow. However, Keynote (2011-

A) predicts a sudden growth in the UK sportswear market in the forthcoming years with a peak in 2015 at £ 4.89 bn.

Based on the findings from the internal analysis, Pierre Robert are in lack of international experience. However, regarding their strong domestic platform and the company's possession of the necessary human and financial capital, the authors see Pierre Robert as capable of an expansion into the UK sportswear market. Due to the increasing market demand, and the emphasis on physical activity, the authors recommend Pierre Robert to expand into the UK sportswear market within the next two years. By utilizing the market development, Pierre Robert can get established before the market gets overcrowded. The sportswear market is highly competitive and dominated by a few major players; however, there are still some gaps in the market which Pierre Robert may be able to fulfil.

Pierre Robert is recommended to approach an agent when entering the UK marked, as this will be an inexpensive way of providing the company with the necessary network to achieve a broad coverage and a wider distribution. An agent can give Pierre Robert more control over marketing activities than the other evaluated intermediaries. As brand building will be crucial for Pierre Robert, they are not recommended to utilize another type of intermediary.

Pierre Robert is not recommended to target the UK underwear market, however, Pierre Robert should aim to reach females in the age between 21- 44, referred to as the mainstream sport- and active leisure target. Pierre Robert is recommended to take advantage of the gap in the market and position the brand as a quality designer brand with middle – price, sold through a Supermarket. The supermarkets strategic location and great coverage can provide Pierre Robert with a large a profitable market.

Pierre Robert could benefit if they create a tailored collection towards the target group, and include both wool and sports underwear. From the primary data, it was suggested that Pierre Robert should adapt to UK sizes and provide sports bras for bigger bust, with shoulder paddings and included high and low impact. The price should reflect how their wish to be perceived, but also take a price which allow frequent repurchases.

Regarding promotional activities, the authors recommend Pierre Robert to conduct a pull strategy, and rely heavily on Television ads, female magazines, sponsorship and the company's own webpage. Also by applying apps for the customer to download, could facilitate the promotion. It is crucial for Pierre Robert to create brand awareness, and build a strong brand in the UK. This would automatically advice Pierre Robert to highly prioritize advertising.

Pierre Robert is recommended to change their current focus, as the tailor made UK offering, could benefit from communicating and create associations to Norwegian expertise. This could be a distinguishable factor for Pierre Robert and create credibility.

As for the intermediary, Pierre Robert could have a great opportunity by approaching Morrison's, which in present time do not offer a broad range of clothing. They are currently planning to expand within clothing and widening their national coverage. The authors would however not recommends Pierre Robert to communicate Morrison's as a retailer, as this may create negative associations.

9.1 Conclusion

By pursuing this recommendation, Pierre Robert could be able to create a strong brand and get further integrated in the internationalisation process. The long term aim will be to cover the broader spectre of the UK sportswear market, and in addition launch a wider range of products. Further on, Pierre Robert may have the opportunity to expand its target group, and include men and children within the same market.

A long term strategy for Pierre Robert could be to acquire an own distributor, to gain fully control over the value chain. This is a very expensive investment, but could benefit Pierre Robert in the long run and they could experience that the sales abroad starts to surpass the domestic sales.

9.2 Limitations

The time frame provided for this project and the budget given by Pierre Robert has caused some limitations regarding the performance of this report. With unlimited time and resources, it is clear that the subject in this report could have been explored to a much larger extent, as dealing with four different collections demands great amounts of time. Also with a greater timescale, the core sample of the questionnaire could have been bigger. The narrow size of the sample created some restrictions to which extent the authors can generalise the answers.

Regarding bias in the survey, the respondents may have misinterpreted the questions or given fraudulent answers.

Concerning the interviews, the authors did not get hold of as many store managers as hoped. Not all the respondents was able to make as much time for the interview as wished, so the information provided from the interviews was therefore not as comprehensive as expected. The authors of this report have neither none experience in conducting interviews. More professional interviewers could probably have gained more information from the respondents. Regarding the primary observation the authors have never before conducted such a research.

It needs to be taken into consideration that the products shown in the interviews were not the complete range of products that Pierre Robert offers.

The authors lack of knowledge of processing the data from the primary research, could perhaps effect the interpretation of the findings. The secondary data may also create some limits, as it is not always possible to get access to the latest reports.

Since English is not the author's native language, there may be some limitations in both the written work in the report, and the oral communication when interacting with interview participants.

9.3 Learning process

Working with the IMC-project, has been a great experience, however, dealing with such a comprehensive project, also represents many challenges. The challenges have concerned issues like booking of interviews, issues relating the structure of the report and divide responsibilities in order to be most effective. Nevertheless, the conducting of a primary research with four different collections have posed the greatest challenges, however, good help from the methodology and the supervisor, the authors have gained more knowledge around this subjects.

Through the writing of the literature review the authors were put in the right mind set to more easily apply the information in the internal and external analysis.

If the team were to do anything differently, promotion would have been investigated in the questionnaire. Furthermore the construction of the questions would also been done differently as some of them might have been misinterpreted. In addition to get more valid answers, the amount of respondents should also have been the same within each age group.

As mentioned in the limitations of the project, not all the respondents within the interviews were able to devote as much time for the group as expected. The authors have therefore learned that more time needs to be devoted when approaching store managers, so they could have dedicated more time. This may also have lead to achieving more respondents.

Finally, during this process the authors have learned how to work in a team, pulling towards the same goal and creating a comprehensive report which have given the group both academic and personal development. It has provided the authors with both depth and relevance which will be highly appreciated for a future career.

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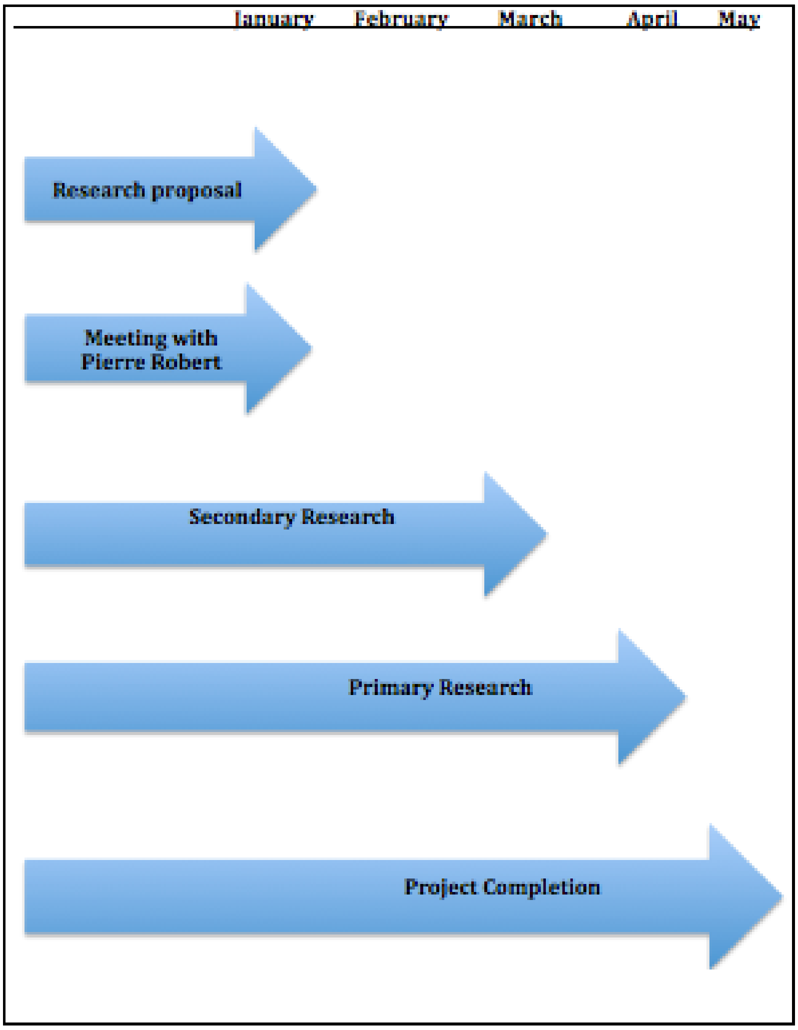
Appendices

Appendix 1

Time Plan

Appendix 2


January
February
March
April
May
Research proposal
Meeting with
Pierre Robert
Secondary Research
Primary Research
Project Completion

We are four international students From Leeds Metropolitan University, working on our International Marketing Consultancy Project, and we were wondering if you could help us by answering some questions.

- Please circle around your age bracket:

15-20 21-25 26-30 35-40 41-45

- Please circle around what suites your annual income best:

£ 0-5000 £ 5000-10000 £ 11000- 15000 £ 16000- 20000

£ 21000- 25000 £ 26000- 30000 £ 31000- 35000 £ 36000 – higher

Sports

When you look at the pictures of the sports collection:

1) In which store would you expect to find these sports products? ____________

2) Where do you buy your similar products? ____________

3) Are these products that you would consider buying?

Yes ☐ No ☐ Maybe ☐

If yes, which item(s)? ____________

If not, why?

4) Would you consider buying these products if they were available in a convenience store?

Yes ☐ No ☐ Maybe ☐

If not, why?

5) How much would you pay for this sports underwear (£)?

Top:	1-5	6-15	16-20	21-25
Hipster:	1-5	6-15	16-20	21-25
String:	1-5	6-15	16-20	21-25
Socks:	1-5	6-15	16-20	21-25

6) Which other brand(s) do you associate with these products?

Lingerie

When you look at the pictures of the Lingerie collection:

1) In which store would you expect to find these lingerie products?

2) Where do you buy your similar products?

3) Are these products something that you would consider buying?

Yes ☐ No ☐ Maybe ☐

If yes, which item (s)?

If not, why?

4) Would you consider buying these products if they were available in a convenience store?

Yes ☐ No ☐ Maybe ☐

If not, why?

---

5) How much would you pay for this underwear (£)?

Top:	1-5	6-15	16-20	21-25
Briefs:	1-5	6-15	16-20	21-25
Hipster:	1-5	6-15	16-20	21-25
String:	1-5	6-15	16-20	21-25
Exclusive string:	1-5	6-15	16-20	21-25
Exclusive hipster:	1-5	6-15	16-20	21-25

6) Which other brand(s) do you associate with these products?

Hosiery and Tights

When you looked at the pictures of the hosiery and tights collection:

1) In which store would you expect to find these products? __________________

2) Where do you buy your similar products? ________________________

3) Are these products something that you would consider buying?

Yes ☐ No ☐ Maybe ☐

If yes, which item(s)? ____________________________________

If not, why? ____

4) Would you consider buying these products if they were available in a convenience store?

Yes☐ No ☐ Maybe ☐

If not, why? ____

5) How much would you pay for this underwear (£)?

Nylon firming hosiery:	1-5	6-15	16-20	21-25
Cotton tights:	1-5	6-15	16-20	21-25
Knee joggings:	1-5	6-15	16-20	21-25
Microfiber tights:	1-5	6-15	16-20	21-25

6) Which other brand(s) do you associate with these products?

Wool Underwear

When you look at the pictures of the wool underwear collection:

1) In which store would you expect to find these wool products? ______________

______

2) Where do you buy your similar products? ______________________________

3) Are these products something that you would consider buying?

Yes ☐ No ☐ Maybe ☐

If yes, which item? ____

If not, why?

____

4) Would you consider buying these products if they were available in a convenience store?

Yes☐ No ☐ Maybe ☐

If not, why?

____

5) How much would you pay for this wool underwear (£)?

Long sleeve wool top:	1-5	6-15	16-20	21-25
Wool Top:	1-5	6-15	16-20	21-25
Wool T-shirt:	1-5	6-15	16-20	21-25
Wool tights:	1-5	6-15	16-20	21-25
Wool over knee:	1-5	6-15	16-20	21-25
Wool Socks:	1-5	6-15	16-20	21-25

6) Which other brand(s) do you associate with these products?

____

Thank you for your participation!

Appendix 3

Sport

Sports Top

Sport Hipster





String and socks





Lingerie

Top  String 

Briefs

Hipster 

Exclusive string

Exclusive hipster

Hosiery and tights

Nylon firming hosiery

Cotton

Tights

Knee jogings

Microfiber tights

Wool underwear

Long sleeve


Top


T-shirt

Tights

Over Knee

Socks

Appendix 4

Further Research

Head Office Contact information:

Debenhams:

Head office: 1 Welbeck Street, London, W1G 0AA, GBR

Telephone: 44 20 7408 4444

Website: www.debenhamsplc.com

Financial year-end: August

Ticker: DEB

Stock exchange: London

Marks & Spencer:

Head office: Marks and Spencer Group plc. Waterside House, 35 North Wharf Road, London, W2 1NW, GBR

Telephone: 44 20 7935 4422

Fax: 44 20 7487 2679

Website: www.marksandspencer.com

Financial year-end: April

Ticker: MKS

Stock exchange: London

Morrison's:

Head Office is located in Bradford:

Wm Morrison Supermarkets PLC

Hilmore House

Gain Lane

Bradford

BD3 7DL

Telephone: 0845 611 5000

Website: www.morrisons.com

La Senza:

La Senza Limited is a company registered in England and Wales.

Company Number 2924472

VAT Reg. No. 648759673

Registered Office Address.

La Senza Ltd

Unit 5

Swallowfield Way

Hayes, Middlesex

UB3 1DQ

Telephone: 0800 612 9644

Website: www.Lasenza.com

Appendix 5)

Topic Guide for semi-structured interviews

Briefly introduce ourselves and reassure that Pierre Robert not will try to contact the participants later on for any selling purposes.

Questions:

1. Which items do you have within the sports underwear, lingerie and wool underwear for woman?

2. Which brand is the most popular?

3. And what is your price range on these products?

4. What is your target market?

5. Which communication channel do you use to reach them?

6. What is your present market position?

7. Who do you see as your strongest competitors?

8. How do you see the market situation for these product groups?

Show the participants Pierre Robert's products, and ask following questions:

9. What is your first impression of these products?

10. How suitable are Pierre Robert's products for the UK market?

11. Which of these products could fit your current product line?
12. If none, which other suitable stores would you recommend for Pierre Robert?

13. Who do you see as Pierre Robert's strongest competitors?

14. What do you think about the name Pierre Robert? And what do you associate with it?

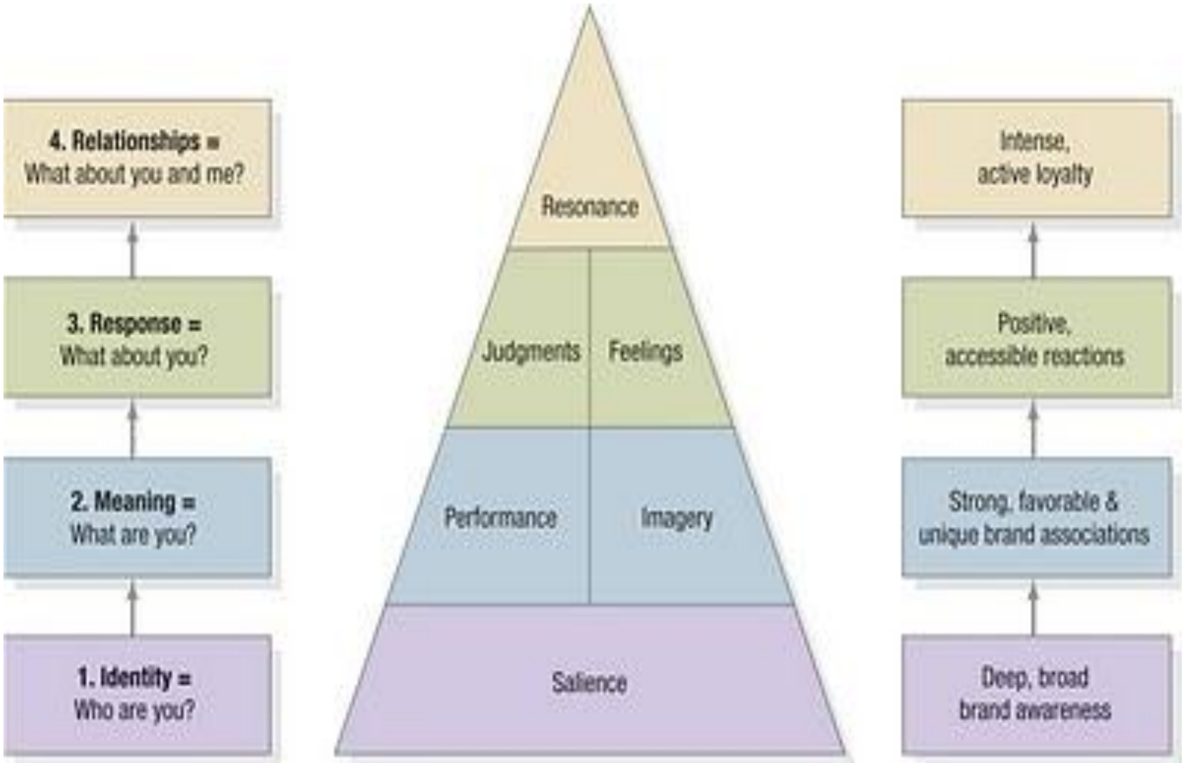
15. What do you believe is the most appropriate communication channel for Pierre Robert?

16. What do you believe would be the main critical success factors, if Pierre Robert were to enter the market?

Appendix 6

Appendix...

Brand Resonance



Appendix 7)

Points of considerations when selecting foreign country intermediaries

Designating an agent or wholesaler will depend on the nature of the product, the estimated sales quantity and the risks involved. Besides the regular financial and risk factors, Bradley (2005) argues that there are several points the company must consider when approaching an agent or distributor.

- geographical areas and the market segments covered – the need to avoid domain conflict among agents or distributors;

- range of products and companies already represented – complementary or competitive;

- customer served and trade application experience;

- serving and after – sale service capability;

- level and form of commission or margins required

(Bradley, 2005. p 309).

Appendix 8)

The roles of international channel intermediaries

A clear outline of channel roles can reduce the potential of a channel conflict between the involving parties. When roles are established it is easier for all participant to know what to expect from others and to operate in a way that enhances the performance of the distribution channel. Bradley (2005) has identified five important roles for intermediaries in international markets:

- coordinate and assemble international buyer demand and product availability; reduce bargaining asymmetry between buyers and sellers in different countries and cultures;

- protect buyers and sellers from opportunistic behavior; to serve as agents of trust in cross – cultural context;

- reduce market transaction costs;

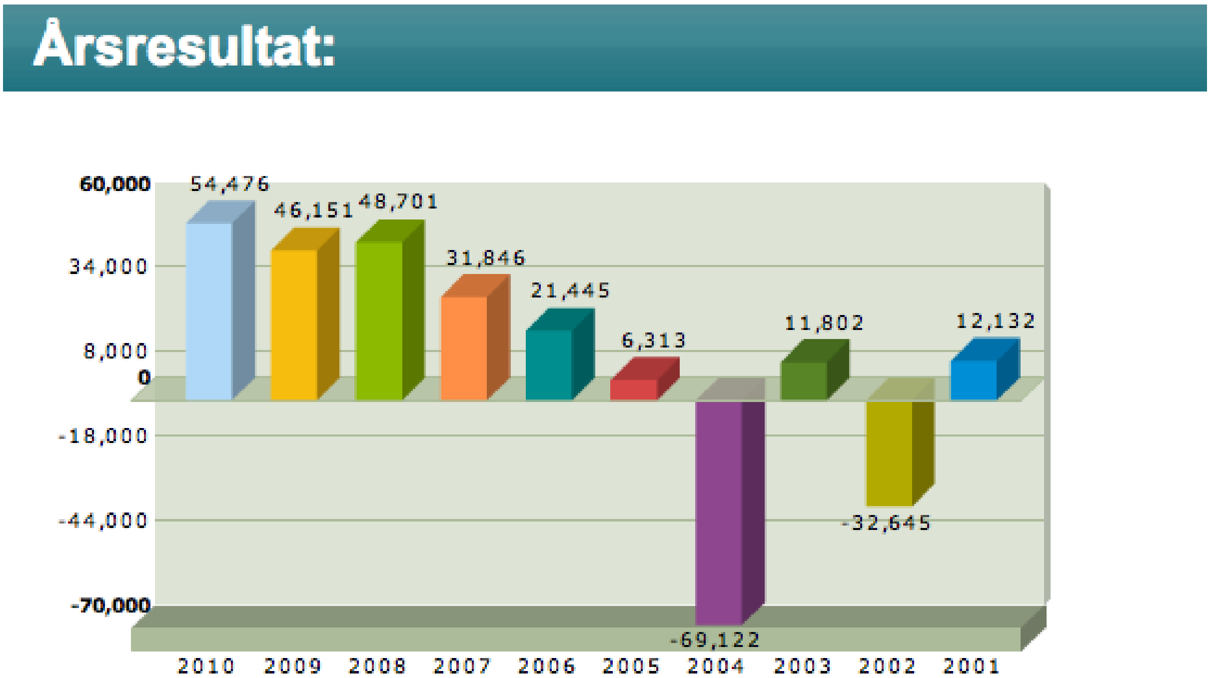
- match buyers and sellers in different countries – establish contacts and customer relation in selected markets;

Appendix 9)

Pierre Robert Critical Success Factors

- Identify opportunities for growth in textile category
- Get important consumer and commercial insight
- Identify "category language" for prestigious brands
- A strong concept with Scandinavian appeal
- Good quality and appealing design of products and packaging
- Basic range, but offer simultaneous renewal linked to the season
- Advertising that arouses interest and creates trial

Appendix 10



Appendix, 11 Main players

Main Players in the underwear market

M&S

Marks & Spencer is seen as the most successful distributor of woman underwear in the UK market and is considered to be a market leader within lingerie. The lingerie collection is assumed to cover 25.9% of the whole UK underwear market, in terms of value. (Key Note, 2010- B)The retailer has also experienced an increase in popularity among woman and has now a share of 54% of woman purchasing at M&S. (Mintel, 2011)

- With 54% of women purchasing from M&S in 2010, the organization has experienced an increase of 5% since 2009. (Mintel, 2011- D)

- Marks and Spencer is a group that is concerned in the retail of food, clothing and footwear (for women, men and children) and home products. Within the lingerie products, they have their own brand. (key note, 2011- A)

- M&S have a diverse pricing scheme and have both value products as well as more expensive products. (Keynote, 2011) focuses on quality and therefore their prices are beyond low-price retailers. However, they have additional sale offers, both in store and online. Keynote:

La Senza

La Senza operates in the specialist market, and have a market share on 7.5% of the lingerie UK market. With this, they are also the largest lingerie retailer in the UK. (Key note, 2011- C)

- In Europe and the UK, La Senza Ltd is the owner of the La Senza brand. (La senza. co.uk, 2011)

- Their product range consists of bras, DD+ bras, knickers, nightwear, babydolls, swimwear, bra solutions, hosiery and accessories. (http://www.lasenza.co.uk)

- La Senza focuses on providing affordable, but high quality lingerie in which is romantic, sensual and comfortable. (www.lioncapital.com, 2006) (Mintel- 2011) However, they are expanding and have become a competitive priced player on the high street. (keynote, 2010)

- La Senza is a favorite among 15-24s. (mintel 2011- Q)

- In recent days, La Senza is changing their strategy, and is aiming at the older consumers to become more competitive (especially towards M&S) by capture more markets shares and building a stronger brand. (key note, 2011- H)

Primark

Primark has established itself as a leading value retailer in the UK market and is a top performer in the clothing market because of its fashion and low prices. They have also become a threat to M&S as they are considered to be a second placed player in the underwear market. (Key note, 2011- C) (Mintel, 2010- D)

- Primark have a low price strategy, which has been able to attract a quarter of underwear shoppers. The fashion is seen to attract the younger segment, while the low price also attracts the older segment. (Mintel, 2010-P)

- Even though Primark has low prices, it is never on the expense of the quality on their products. (Mintel, 2010-D)

- Their underwear range has seen a growth in both market shares and sales. Primark`s own brands and now introducing more fashion and bigger sizes. (Mintel, 2010 underwear)

Debenhams

In the UK, Debenhams is a leading department store chain, which concentrates on fashion and beauty. It has also had the fastest growth. Of the traditional non-food department stores, Debenhams attracts most customers, corresponding 36%. Considering the underwear sales, Debenhams are important because of their depth and breadth of its range. (Mintel, 2010)

- Debenhams have a broad mass of apparel with strong portfolio on private labels (and also a high profile Designers at Debenhams ranges. (Mintel, 2010-G)

- Debenhams strategy is to provide quality product. They see quality as just as important as design. (www.investis, 2009)

- Debenhams base has become younger. From 2009 to 2010 there was a bias from 35-44s (their main target market) to 25-34s in their customer base. (Mintel, 2011- H)

- "Debenhams targets the middle mass market and aims to provide a wide choice of fashionable items at affordable prices." (Mintel, 2011- H)

Appendix 12)

Table 2.1: Top Ten Supermarket' Market Share (%), 12 Weeks to 6th September 2009 and 5th September 2010

	2009	2010
Tesco	30.9	30.8
ASDA	17.4	17.2
Sainsbury's	15.8	16.0
Morrisons	11.3	11.4
Co-operative	5.5	6.7
Waitrose	3.9	4.1
Aldi	3.0	2.9
Lidl	2.3	2.4
Iceland	1.7	1.8
Somerfield	2.7	1.0
Netto	0.8	0.7

Source: Kantar Worldpanel, September 2010

Appendix 13)

Sport:

			could buy	top	hipster	string	sock	convenience	price top	hipster	string	sock	brands
London	most expected	current	total	total	total	total	total	total	total	total	total		Brands
	JD 24 times	JD 15	yes 44	46	14	3	12	yes :29	1-5: 0	1-5: 2	1-5: 12	1-5:32	Nike : 39
	Nike 17 times	Nike 12	maybe 17					maybe :15	6-15: 32	6-15: 34	6-15: 29	6-15: 18	Adidas: 26
	sports deirect 6 times	Sports Direct 4	no 13					No :27	16-20: 19	16-20: 12	16-20: 2	16-20: 1	Reebok: 7
	debenhams : 4 times	M&S 5 times							21-25: 9	21-25: 2	21-25: 0	21-25: 0	Swetty Betty: 4
	John Lewis: 4	Don`t buy: 7											Puma : 2
	Sports Shops: 11												Speedo: 2
	JJB :3												
Manchester	expected	current	total	total	total	total	total	total	total	total	total	total	Brands
	JD: 9	JD:4	Yes:14	19	7	4	9	yes:11	1-5: 2	1-5: 4	1-5:8	1-5: 17	Nike :15
	Nike: 2	Nike:2	Maybe: 11					maybe:9	6-15: 17	6-15:15	6-15: 18	6-15: 9	Adidas: 16
	JJB:12	JJB:6	No: 8					No:11	16-20: 9	16-20: 7	16-20: 0	16-20: 0	Reebok:3
	sports deirect: 1	Sports Direct:3							21-25: 1	21-25: 0	21-25: 0	21-25: 0	Swetty Betty
	debenhams : 3 times	Debenhams											Speedo:0
	John Lewis: 1	John Lewis											Puma: 2
	Sports Shops: 7	Sports Shops:3											
	M&S: 1	M&S: 4											
		Don`t buy: 10											
Leeds	expected	curent	total	total	total	total	total	total	total	total	total	total	Brands
	JD: 11	JD: 7	yes: 18	20	6	0	9	yes: 16	1-5: 1	1-5: 2	1-5: 7	1-5: 15	Nike : 19
	Nike: 1	Nike: 0	maybe:7					maybe: 8	6-15: 13	6-15:16	6-15:,11	6-15:;11	Adidas: 13
	JJB: 11	JJB: 9	no: 10					no: 9	16-20: 14	16-20:8	16-20:2	16-20:0	Reebok:4
	sports deirect: 7	sports deirect: 9							21-25: 4	21-25:1	21-25: 0	21-25:0	Swetty Betty 2
	debenhams : 1	debenhams : 0											Speedo:1
	John Lewis: 1	John Lewis: 0											Puma: 3
	Sports Shops: 3	Sports Shops: 1											
	M&S: 3	M&S: 3											
		Don`t use/buy:5											
Totalt	expected	curent	total	total	total	total	total	total	total	total	total	total	Brands
	JD: 44	JD:26	yes: 76	85	27	7	30	yes: 57	1-5:3	1-5: 8	1-5: 27	1-5: 64	Nike : 54
	Nike: 20	Nike: 13	maybe: 35					maybe: 32	6-15: 62	6-15: 57	6-15:58	6-15: 38	Adidas: 55
	JJB: 26	JJB:15	no: 31					no: 44	16-20: 42	16-20: 27	16-20:4	16-20: 10	Reebok:14
	sports deirect: 13	Sports Direct: 15							21-25:14	21-25:3	21-25:0	21-25: 0	Swetty Betty:6
	debenhams : 7	Debenhams: 0											Speedo:4
	John Lewis: 6	John Lewis: 0											Puma: 7
	Sports Shops: 21	Sports Shops:4											
	M&S: 4	M&S: 12											
		Don`t buy: 22											

Lingerie:

London																	
Lingerie																	
	expected stores	current store	could buy	top	Briefs	hipster	string	Ex. String	Ex Hipster	Convenience	price: top	Briefs	hipster	string	Ex string	Ex hipster	brand
	la senza = 25	la senza =20	Yes= 57	16 stk	18 stk	33 stk	13 stk	28 stk	35 stk	Yes= 38	£1-5 = 7	£1-5= 19	£1-5= 19	£1-5= 21	£1-5= 14	£1-5=11	H&M=3
	M&S = 15	M&S =15	Maybe= 9							Maybe= 9	£6-15= 32	£6-15= 26	£6-15= 34	£6-15= 21	£6-15= 26	£6-15= 32	M&S=4
	debenhams = 8	topshop = 6	No= 7							No= 22	£16-20= 9	£16-20= 1	£16-20= 2	£16-20= 3	£16-20= 12	£16-20=12	La senza=5
	intimissi = 4	debenhams =4									£21-25=1	£21-25= 0	£21-25= 0	£21-25=0	£21-25=0	£21-25=1	
	topshop = 4	intimissi=4										£30 + = 1	£30+= 1				
	john lewis = 4	dept. st./any store= 7															
	dep.st/lingerie/any																
	clothing store=12																
Manchester																	
Lingerie																	
	expected stores	current store	total	total	total	total	total	total	total	total	total	total	total	total	total	total	brand
	dep. St = 6	dep.st/lingerie shop=8	Yes= 26	13 stk	8 stk	13 stk	8 stk	14 stk	20 stk	Yes= 15	£1-5=5	£1-5=12	£1-5=9	£1-5=15	£1-5=12	£1-5=8	la senza= 4
	la senza=9	la senza= 9	No= 4							No= 13	£6-15=16	£6-15=13	£6-15=16	£6-15=10	£6-15=12	£6-15=15	M&S= 5
	M&S=10	top shop= 4	Maybe= 2							Maybe= 4	£16-20=5	£16-20=1	£16-20=2	£16-20=1	£16-20=3	£16-20=4	
	topshop= 3	M&S=9									£21-25=0	£21-25=0	£21-25=0	£21-25=0	£21-25=1	£21-25=1	
	debenhams= 4	ann summers=4															
Leeds																	
Lingerie																	
	expected stores	current store	total	total	total	total	total	total	total	total	total	total	total	total	total	total	brand
	la senza=15	dep.st/lingerie=4	Yes= 29	12 stk	10 stk	19 stk	9 stk	14 stk	22 stk	Yes= 21	£1-5=2	£1-5=9	£1-5=10	£1-5=13	£1-5=10	£1-5=8	la senza =3
	dep.st/lingerieshops=6	la senza=10	No= 3							No= 9	£6-15=20	£6-15=17	£6-15=17	£6-15=11	£6-15=11	£6-15=18	ann summers=3
	M&S=10	topshop=4	Maybe= 3							Maybe= 5	£16-20=2	£16-20=0	£16-20=1	£16-20=0	£16-20=4	£16-20=4	M&S=7
	debenhams=4	primark=4									£21-25=1	£21-25=0	£21-25=0	£21-25=0	£21-25=0	£21-25=0	
		M&S=8															
Totalt																	
Lingerie																	
	expected stores	current store	total	total	total	total	total	total	total	total	total	total	total	total	total	total	brand
	La Senza= 49	La Senza= 39	Yes= 112	42 stk	36 stk	65 stk	30 stk	56 stk	77 stk	Yes= 74	£1-5= 14	£1-5= 40	£1-5= 38	£1-5= 49	£1-5= 36	£1-5= 27	La Senza= 12
	M&S= 35	M&S= 32	No= 14							No= 44	£6-15= 68	£6-15= 56	£6-15= 67	£6-15= 42	£6-15= 49	£6-15= 65	M&S= 16
	Debenhams= 16	Top shop= 14	Maybe= 14							Maybe= 27	£16-20= 16	£16-20= 2	£16-20= 5	£16-20= 4	£16-20= 19	£16-20= 20	
	Dep. St/lingerie = 24	dep.st/lingerie= 19									£21-25= 2	£21-25= 0	£21-25= 0	£21-25= 0	£21-25= 1	£21-25= 2	
												£30+= 1	£30+= 1				

Hoisery and Tights:

	Hosiery/tights														
	age	income	expected stores	current store	could buy	Ny.firming hos	cotton tight	knee jogins	microfiber tigh	convenience	Price Ny firm	Cotton tight	knee jogings	microfiber t	Brands
LONDON															
			top shop 9	M&S 12	56 yes	16	26	13	25	53 yes	1-5 = 23	28	29	23	m&s 7
			debenhams 5	Primark 9	8 maybe					6 no	6-15= 23	27	17	28	
			m&S 18	top shop 8	2 no					8 maybe	16-20= 6	3	2	4	
			john lewis 5	h&m 5	2 blank						21-25 = 1	0	0	2	
			primark 5												
			h&m 7												
MANCHESTER															
			topshop 7	5	26 yes	15	25	13	19	21 yes	1-5 = 13	20	20	14	m&s 4
			m&S 9	8	5 no					4 no	6-15= 13	9	6	12	
			h&m 6	2	1 maybe					6 maybe	16-20 = 2	1	0	1	
			tesco 3	3							21-25= 0	0	0	0	
LEEDS															
			M&S 9	9	27 yes	13	23	10	24	26 yes	1-5 = 14	18	16	15	M&S 6
			primark 7	10	2 no					3 no	6-15= 13	13	9	16	pretty polly: 4
			debenhams 3	2	5 maybe					5 maybe	16-20= 1	0	0	0	
			topshop 2	topshop 7							21-25= 0	0	0	0	
			primark 5	4											
TOTAL			M&S 32	27	109 yes	44	74	36	68	100 yes	1-5=50	66	65	52	m&s 17
			topshop 18	20	14 maybe					13 no	6-15= 49	49	32	56	
			Debenhams 8		9 no					17 maybe	16-20= 9	4	2	5	
			primark 17	14							21-25=1	0	0	2	

Wool:

wool																	
London																	
	expected stores	current store	could buy	Long sleeve	wool top	Wool tshirt	wool tights	wool over	wool socks	Convenien	Price Long sleeve	wool top	Wool thirt	Wool tights	Wool over	Wool socks	Brands
	M&S: 27	M&S: 16	yes : 45	Total	Total	Total	Total	Total	Total	yes: 40	1-5: 6	1-5: 6	1-5: 5	1-5: 18	1-5: 21	1-5: 34	M&S: 5
	Debenhams: 8	Debenhams: 4	maybe: 14	10	11	15	35	17	22	no:13	6-15: 21	6-15: 25	6-15: 28	6-15: 33	6-15: 22	6-15: 15	H&M: 2
	Primark: 7	Primark: 3	no: 9							maybe:8	16-20:13	16-20: 11	16-20: 7	16-20: 3	16-20: 3	16-20: 0	PP:1
	John Lewis:5	John Lewis: 2									21-25: 3	21-25: 5	21-25: 3	21-25: 3	21-25: 1	21-25: 0	Debenhams: 1
	Top Shop:5	Top Shop:6									Blank: 31	blank: 27	blank: 30	blank: 18	Blank : 28	Blank 26	Primark: 0
	Dep. Stores: 6	Dep. Stores:3															
Manchester																	
	expected stores	current store	could buy	Long sleeve	wool top	Wool tshirt	wool tights	wool over	wool socks	Convenien	Price Long sleeve	wool top	Wool thirt	Wool tights	Wool over	Wool socks	Brands
	M&S: 7	M&S: 2	yes:19	Total	Total	Total	Total	Total	Total	yes:16	1-5:2	1-5:2	1-5: 3	1-5: 10	1-5: 11	1-5: 17	M&S: 4
	Primark: 3	Primark: 2	no : 6	7	4	7	16	6	10	no:8	6-15:13	6-15:14	6-15: 13	6-15: 13	6-15: 8	6-15: 5	H&M: 2
	Dep. Stores: 5	H&M:2	maybe: 3							maybe:5	16-20: 3	16-20:4	16-20: 5	16-20: 2	16-20: 3	16-20: 2	PP:0
	H&M: 3	Dep. Stores:2									21-25:3	21-25:1	21-25:1	21-25: 1	21-25: 0	21-25:0	Debenhams: 2
											blank:12	Blank: 12	blank: 11	blank: 7	blank : 11	blank 9	
Leeds																	
	expected stores	current store	could buy	Long sleeve	wool top	Wool tshirt	wool tights	wool over	wool socks	Convenien	Price Long sleeve	wool top	Wool thirt	Wool tights	Wool over	Wool socks	Brands
	M&S: 14	M&S: 9	yes: 19	6	8	7	17	5	13	yes: 17	1-5: 4	1-5: 3	1-5: 3	1-5: 11	1-5: 13	1-5: 21	M&S: 5
	BHS: 4	Primark: 7	no : 8							no :10	6-15: 12	6-15:17	6-15: 18	6-15: 16	6-15: 11	6-15: 6	H&M: 0
	Dep. Stores: 6		maybe: 7							maybe:5	16-20: 8	16-20:6	16-20: 4	16-20: 0	16-20: 0	16-20:0	BHS: 1
											21-25:1	21-25: 0	21-25: 1	21-25: 0	21-25: 0	21-25:0	
											blank:10	blank: 9	blank: 9	blank:8	blank: 11	blank: 9	
Total																	
	expected stores	current store	could buy	Long sleeve	wool top	Wool tshirt	wool tights	wool over	wool socks	Convenien	Price Long sleeve	wool top	Wool thirt	Wool tights	Wool over	Wool socks	Brands
	M&S: 49	M&S: 27	yes: 83	23	23	29	68	28	45	yes: 74	1-5: 12	1-5: 11	1-5: 11	1-5: 39	1-5: 45	1-5: 72	M&S: 14
	Primark: 10	Primark: 12	no: 23							no: 31	6-15: 46	6-15: 56	6-15: 59	6-15: 59	6-15: 41	6-15: 26	H&M: 2
	Debenhams: 8	Debenhams: 4	maybe: 24							maybe: 18	16-20: 24	16-20: 21	16-20: 16	16-20: 5	16-20: 6	16-20: 2	PP:1
	Dep.Stores: 17	Dep. Store 5									21-25: 7	21-25: 6	21-25: 5	21-25: 4	21-25: 1	21-25: 0	Debenhams: 3
																	Primark: 0

Sports collection
" People who would buy Pierre Robert Products"

London

Crosstab

Count

		Would you buy PR products?				Total
		yes	no	maybe	blank	
Youre age?	15-20	8	6	4	1	19
	21-25	18	5	6	0	29
	26-30	13	1	4	0	18
	31-35	2	1	3	0	6
	36-40	1	0	0	0	1
	40+	2	0	0	0	2
Total		44	13	17	1	75

Manchester

Crosstab

		Would you PR Products?			Total
		yes	no	maybe	
Youre age?	15-20	6	4	6	16
	21-25	6	1	2	9
	26-30	0	1	1	2
	31-35	0	0	1	1
	36-40	0	1	1	2
	40+	2	1	0	3
Total		14	8	11	33

Leeds

Count

		Would you buy PR Products			Total
		yes	no	maybe	
Youre age?	15-20	1	3	3	7
	21-25	7	2	2	11
	26-30	3	2	2	7
	31-35	3	1	0	4
	40+	3	2	0	5

Leeds

Count

		Would you buy PR Products			
		yes	no	maybe	Total
Youre age?	15-20	1	3	3	7
	21-25	7	2	2	11
	26-30	3	2	2	7
	31-35	3	1	0	4
	40+	3	2	0	5
Total		17	10	7	34

Wool Collection

"People who would buy Pierre Robert products"

London

Crosstab

Count

		would you buy Pr products				
		yes	no	maybe	blank	Total
Youre age?	15-20	14	1	2	2	19
	21-25	17	3	8	0	28
	26-30	10	3	3	2	18
	31-35	3	1	1	0	5
	36-40	0	0	0	1	1
	40+	1	1	0	0	2
Total		45	9	14	5	73

Manchester

		Would you buy PR Products?				
		yes	no	maybe	blank	Total
Youre age?	15-20	8	3	1	2	14
	21-25	6	2	0	1	9
	26-30	1	1	0	0	2
	31-35	1	0	0	0	1
	36-40	0	0	2	0	2
	40+	3	0	0	0	3
Total		19	6	3	3	31

Leeds

		Would you buy PR Products?			Total
		yes	no	maybe	
Youre age?	15-20	4	3	0	7
	21-25	6	3	1	10
	26-30	3	2	2	7
	31-35	3	0	1	4
	40+	3	0	3	6
Total		19	8	7	34

Appendix 14)

M&S	**Primark**	**Debenhams**	**JD Sport**

1. ***Which items do you have within the sports underwear/lingerie/wool underwear for women?***

A This is a supplementary question to the sports section for M&S

Sport: Sport bras; non-wired, wired, impact dependent on the activity, high, medium and light impact, push-up bras, bras with extra shoulder paddings. ***1A: Which of these is the best seller?*** **Push-up**, the padded models and high impact bras. Black and white is the most favoured colours. **Socks;** with both high and low cut, comes in 2 and 3-packs. Impact and non-impact socks	**Sport:** Only have sport bras.	**Sport:** Sport bras are the only item offered.	**Sport:** Don't sell a lot of socks. Offers socks in multiple packs. When it comes to sport bras, JD Sport has crop tops from Nike.
Lingerie: Bras; non-wired, wired bras, t-shirt bras, push-up,	**Lingerie:** Regular lingerie, hosiery,	**Lingerie:** Lot within bras, panties, tights and	

strapless, both regular bras and exclusive; the Autograph collection (bras and panties) is more revealing and sophisticated. All types of bras, and also offers a bra fitting service, due to focus on comfort and fit. <u>Panties;</u> string, briefs, hipster. All types of panties with silk, cotton, lace, regular etc. The 5-pack panties is very popular **<u>Hosiery/tights/socks;</u>** Shapers, fresh colours, lace, high and low-cut socks (sold in multiple packs), cooling-down tights. Offer all types for all sizes. **Wool:** Don't have wool, but have thermal underwear with a mix with cotton and cashmere.	firming/shape wear, tights. Offer a very broad range. **Wool:** *"We don't have any wool underwear in the Primark here in Leeds, and I don't think any of the other Primark has it either, but I'm not sure. We had thermal underwear during the winter season."* ***Which items did you offer?*** *"We only had tights."* ***She told us to take a look in the store***	underwear in general. Both multipacks and more exclusive single packs when it comes to briefs, socks and tights. Also do a bridal collection and nightwear. Shape wear has become very popular. Offer a bra fitting service. **Wool:** "*We don't have any wool underwear.*" ***She told us to take a look in the store after interview to get a better.***	

	after interview to get a better.		

What is your policy regarding products/brands from other suppliers?

"We only do our labels." ***Do you use external producers and label the products under the M&S brand?*** *"No, because we want internal control, so we have our own manufacturer and designers implemented in the chain."*	Only have Primark's own labels, and don't take in products from other distributors, to remain low prices. However, in the future, Primark is thinking of changing its policy.	Debenhams has its own labels, but also take in products from other suppliers.	JD Sport has its own label, McKenzie, which is popular when it comes to regular clothing. Also take in other products and brands from other suppliers.

What is your price range on these products?

Sport: Approximately £14-22 on the sports tops. On the socks we sell in multiple packs from £6 **Lingerie:** 5-pack panties from £6-12 are very popular. **Thermal:** The price range is about £5-14	The price range on bras stretches from approximately £4-14. Cheap products, from 1- 15 pounds. ***She didn't have any overview of the price ranges and advised us to take a look after the interview.***	***She didn't have any overview of the price ranges and advised us to take a look after the interview.***	***We did not ask her this question, due to time limitation. We therefor focused most on the questions regarding PR's products.***

What is your target market?

"We target all ages. We offer different brands to different ages and peoples."	Primark's main target group reach from 18-35	Debenhams offer young fashion, from the age of 14. *"We have products for daughters, mothers and grandmothers."*	JD Sports' target group is 16- 24

Which communication channel do you use to reach them?

M&S use television adverts with celebrities, regular newspapers, text messages and emails to M&S cardholders, female magazines, etc. The webpage has caused a big interest for M&S's online distribution, which now is a bigger part of the business. *"We have a good reputation which creates positive Word-of-Mouth."*	Don't use any commercial, but depends on Word-of-Mouth. When magazines dress up models, they often use some of Primark's products, which have been very positive for the sales.	Television ads, promotional windows and graphics. Also have different events and adverts in female magazines, such as OK! Magazine, Hello and Look for the younger fashion.	The webpage is the most important channel to reach the target group.

What is your present market position?

"We have a high position in the market." At the moment M&S are markets leader within the lingerie market.	Not sure, but Primark as a whole does it very well.	*"I think we are second best when it comes to bras."*	***Due to the time limit we didn't ask this question.***

Who do you see as your strongest competitors?

John Lewis, La Senza and Primark can maybe be mentioned as the main competitors; however, M&S have experienced more competition the last year, so really M&S can say that everybody is a competitor. Therefore M&S need to continuously improve ourselves.	*"Everybody is our competitors. As long as they can take one customer away from Primark, they are our competitor."*	*"M&S is a great competitor, Bravissimo for fuller bust, and La Senza."*	***Due to the time limit we didn't ask this question.***

How do you see the market situation for these product groups?

It is a high competition in the market, especially in the lingerie market. Consumers are more	Due to the economic situation, quality is important, and	*"Debenhams in Leeds does it exceptionally well, better than expected, but we*	***Due to the time limit we didn't ask this question.***

quality conscious and are willing to pay for good quality.	people tend to buy one item, instead of two or three with poorer quality. The lingerie market is a tough market.	*experiences that the consumers evaluate more options now, then before."* There are a lot of operators in both the lingerie and sports underwear market, so quality is very important.	

What is your first impression of these products?

Sport: Product: *"Good with set"* and nice material. Good that it's breathable. The socks are similar to M&S. Good with labelling inside of the product. *"Good support of the bra, but probably not for the bigger breast woman"* because it's a crop top- Need to adapt to UK bra sizes.	**Sport:** Product: Good quality and fabrics.	**Sport:** Product: Nice fabric	Product: Seems like good quality.
Design: Clear and very nice design, looks like a sport thing. Nice colours, however, black and white tend to sell most.	Design: Nice and simply design, nice colours.	Design: Nice, *"Looks good and funky."* *"Look like it does the job and you can wear it as it is"*.	Design: Looks like a sports product. *"Looks like something JD would sell,"* much like Nike. *"We find it hard to sell socks."*
Packaging: Nice first impression - no doubt what kind of product it is. Good that it's in plastic- not broken that easily and it is see-through. Clean design- good details which provide the customer with enough	Packaging: The packaging is nice and bright, *"shows the purpose of the item, and shows the label well."* Like that you can touch the fabrics.	Packaging: Good to feel the product. *"It looks premium like a quality brand."* Prominent labelling and nice the picture shows what it is inside. Could have more colours that *"shouts out"*.	Packaging: The see through is good, and the packaging is good displayed. Good that you can feel the product and the information is sufficient.

information without making it look too much (shows size, colour and which item). *"It is very good that we can feel the material without opening the package."* *"Good with the note inside showing the whole collection."* Good with the woman in front – being active.		However the plastic hanger may fall easily off and lie around in the store.	
Lingerie: <u>Product:</u> Nice fabric, nice feel. <u>Design:</u> Nice design on the exclusive collection. *"The design on hosiery/tights is similar to ours."* <u>Packaging:</u> Pretty and inviting packaging on the exclusive, however, needs to be more accessible because people want to feel them. Maybe have them on hangers. Since it is a single packaging, it could probably be sold for £4-5, like Debenhams. **Wool:** <u>Product:</u> *"Like the material and that it has merino wool."* This type of vest is popular to use under other clothes.	**Lingerie:** <u>Product:</u> The lingerie collection is good quality. <u>Design:</u> *"Will appeal to everybody."* <u>Packaging:</u> The packaging is good, clearly labelled, good picture and label, look expensive. **Wool:** <u>Product:</u> *"Good stretch and good quality."* The material is good, helps with the silk and makes it soft. It practical as you can use it under	**Lingerie:** <u>Product:</u> Nice touch <u>Design:</u> Exclusive collection looks exclusive and discrete. <u>Packaging:</u> Nice look but not accessible. *"Should have the lingerie on hangers, so the package doesn't get destroyed that easily."* **Wool:** <u>Product:</u> Nice touch on the fabric, but it looks like the tights will get nubs.	

<u>Design:</u> Nice colour and good design. The collection is fine, looks like M&S's Autograph collection. The front on the top with the lace is pretty.	other clothes as well as just use it as a singlet. <u>Design:</u> *"Good and feminine design."* Feminine form/simple.	<u>Design:</u> Standard design.	
<u>Packaging:</u> Good and looks expensive. The packaging helps the products. *"The more info on the package, the better."* The packaging on the wool tights is similar to M&S and standard. *"It is good that you can feel the fabric on the back side, however, need to make the product more accessible because the paper packaging gets easily damaged."*	<u>Packaging:</u> Nice and clear packaging shows how it fit to the body. Look expensive. *"Tell you everything you need to know."*	<u>Packaging:</u> *"Not particularly fancy and not that premium."* This also needs to be more accessible	

How suitable are PR's product for the UK market?

They will suite the market well; however it's important to *"get across the brand."*	The products will be suitable for the UK market.	They would fit in fine, but it's a great competition for non – established.	They will suite the market and it would probably be best to launce the products in a January/February boost.

Which of these products could fit your current product lines?

We did not ask this question due to their private label policy.	***We did not ask this question due to their private label policy.***	*"The sport could definitely do it at Debenhams"*	All of the items would fit into JD Sport.

Which other stores than your own would you recommend for PR?

Which stores would you recommend for PR? *"House or Fraser and Debenhams where they sell brands."* ***They asked where the products are sold in Norway, and was told that they are sold through convenience stores. They said that convenience stores like Tesco would ruin the brand.***	***Which stores would you recommend for PR?*** *"H&M, M&S and Debenhams"*	The sports would probably be better in a sport store; however it may have a trial in a department store. ***She asked where PR's products are sold in Norway. When we said convenience stores, she saw this as a problem in the UK, because she saw the products as quality products and that the price in a convenience store would damage the brand.***	Up and running, Sports Direct. *"But also non-sports retailers like Debenhams or House of Fraser."* Not fashion stores.

Who do you see as PR's strongest competitors?

Not sure.	M&S: they have a great range, but everybody is PR's competitors.	M&S, La Senza, everybody will be a competitor	Nike

What do you think about the name Pierre Robert? And what do you associate with it?

"Looks like a sports person which is branded." Receive some French associations. French up-market product. ***What do you think about communicating Norwegian products with French associations?*** *"It was a surprise that it is a Norwegian brand, but it doesn't matter at all."* It depends on the communication and how much they would focus on that it is Norwegian.	Good name, more H&M and Zara, very continental. ***What do you think about communicating Norwegian products with French associations?*** Don't think the French association will be any problem. *"Did not even think about it."*	French touch, it sounds exclusive and pricy. The French association makes it look expensive and exclusive, so if they have the wrong price or packaging, it can ruin the brand. ***What do you think about communicating Norwegian products with French associations?*** *"It's not a problem, but it might be*	Get association to a designer. *"Looks like a designer brand."*

"Don't know enough about Norwegian names to say if it would fit or not." It might be an idea to play in the Norwegian aspect when it comes to the wool because of the colder climate. It might increase the reliability.		*dangerous if PR is trying to be exclusive, but not hitting it right".*	

What do you believe is the most appropriate communication channel for Pierre Robert?

Store marketing and stands. Market the sports collection trough a gym.	Magazines like look and vogue would be good. GM TV, commercial on TV will work well. High-street commercial.	Glossy magazines such as OK! Magazine and Hello. Use Look to reach the younger segments. TV ads are good but might not be good in the beginning if you try to reach a narrow segment.	Female magazine, gym posters on the street

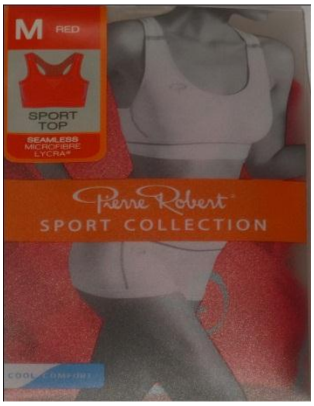
What do you believe would be the main critical success factors, if Pierre Robert were to enter the market?

The brand and to get people to understand it. *"Focus on point of difference and quality."* Different material with the wool, harder to differentiate with the lingerie. *"Price is important and people are prepared to pay for quality."* *"The package is important."*	*"Because of the economic situation and competition, quality is important."* People tend to spend more on quality.	Better packaging. The lingerie packaging is nice to look at, but would just blend in as one of the crowd. The sport packaging was nice, but could be even better. The wool would also blend in. *"They have to focus more on design when it comes to the packaging."* *"Good quality is important."* *"Need to have the*	*"Price and quality"* *"Brand is getting more and more important."*

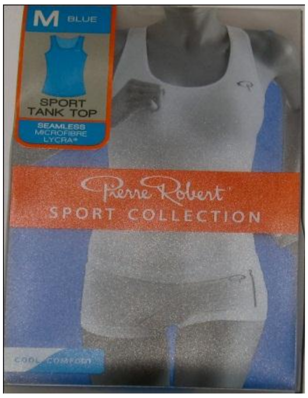
		right price on the products, so you don't ruin the brand. You don't want to end up in TKmax."	

Appendix 15)

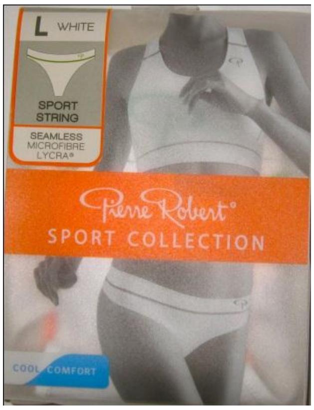
Sports Top



Sports Tank Top

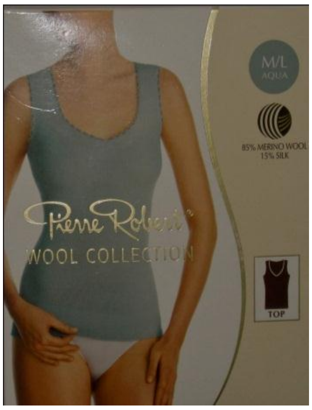


Sports String

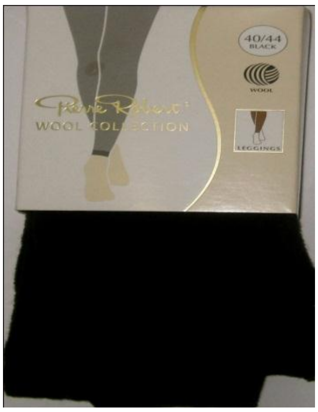


Sports Socks

Wool Top



Wool Leggings



Soft tights, (Microfibre)

Exclusive String