



MÄLARDALEN UNIVERSITY

School of Business  
MIMA – International Marketing



# Fris & Company in Bangkok

The Case Study for Entrepreneur

FRIIS & COMPANY

## COURSE

Master Thesis International Marketing  
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## **Abstract**

|                       |   |   |
|-----------------------|---|---|
| <b>Date</b>           | 29th May 2008   |   |
| <b>Title</b>          | Friis & Company in Thailand: the case study for entrepreneur  |   |
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| <b>Tutors</b>         | Tobias Eltebrandt   |   |
| <b>Problem</b>        | Which factors should an entrepreneur consider when establishing Friis and Company in Bangkok.   |   |
| <b>Purpose</b>        | The main purpose of the thesis is to study Friis & Co's overall business and analyze Bangkok in order to find out the critical factors for the entrepreneurs who want to establish Friis and Company in Bangkok. Afterward, the authors will provide a business plan as a recommendation for any entrepreneur who wants to establish Friis and Company in Bangkok.  |   |
| <b>Method</b>         | Primary data was collected through questionnaires sent to Thai women who live in Bangkok as well as interview with Friis and Company franchise department and branch owner in Västerås, Sweden. Secondary data was gathered through books, article and internet.  |   |
| <b>Conclusion</b>     | There are many factors that the entrepreneurs should consider when establishing Friis and Company in Bangkok. Entrepreneurs can gain benefit from Friis and Company strengths and opportunities. However, they also need to find the solution to their weaknesses and threats. After that target group need to be determined in order to find the target customer of the products. Then the marketing mixes are designed to suit and match with the preference of the target group. |   |
| <b>Recommendation</b> | Business plan has been generated in order to give a practical guideline for entrepreneurs who want to establish Friis and Company in Bangkok.   |   |

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Lastly, the authors hope that the reader will gain some benefit from this thesis and if any entrepreneurs can apply the knowledge and generate the real business plan and establish Friis and company in Bangkok, the author would like to wish them the best of luck.

Best of wishes

Sitichai and Tharinat



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# **1 Introduction**

Entrepreneurship is the pursuit of activity that involves the discovery, evaluation and exploitation of opportunities to launch new goods and services that previously had not existed in the market. (Shane 2003, p.4) Entrepreneurs are the people who see the opportunities and exploit them. (Shane 2003, p.7) The ultimate goal of the entrepreneurs is to be able to match the attitude, value need and expectation with the business opportunity. Entrepreneurs are the risk takers who can predict or sense the needs of the customer and market. Most entrepreneurs tend to start out their businesses as small or medium sized companies as they are easier to manage and the capital investment is not as high as establishing a global company. They are willing to invest their money, time and abilities in order to pursue the achievement of profit and be in control of their own destiny. (Moorman & Halloran 2006, p.21)

In order to become successful as entrepreneurs in the business, well-developed plan and extensive business research need to be conducted to find out the potential and the possibility of the proposed business. In this thesis, the authors will portray ourselves as the entrepreneurs who see the opportunity of the Danish fashion contributor Friis and Company to expand their market into Bangkok. Many factors have to be considered before investing into a new business.

## **1.1 Background**

### **1.1.1 Friis and Company background**

Friis & Company was founded by Lone Friis in 1997 in the city of Copenhagen Denmark. Friis and Company is a family owned business managed by married couple Lone Friis and Claus Dalgaard. The first shop of Friis and Company was opened in 2002 in Osterbro, Copenhagen and the retail department was established in 2004. The company started out with 4 employees and now employs more than 100 workers. The head office is situated in a 1,500 square meter building in the city center of Copenhagen.

The company has adopted Denmark's royal emblem, the fleur-de-lis, which is a stylized design of an iris flower as the company symbol. All crowns symbols are Friis and company original and exclusive designs which have been approved by the Danish Royal houses. The symbols have been integrated into many collections of Friis and Company and are widely recognized in the Scandinavian region.

Friis & Company's concept is to provide the customer with luxurious products that are affordable corresponded with the slogan "Luxury for everyday". In 2002, Friis & Company was awarded the coveted prize from Super brands in the 'Shoes' category. In 2007, Friis and company was selected as the official apparel supporter of Miss Denmark, Line Kruise for her final Miss world pageant in China.

Friis & Company wholesale distributions are established in 11 countries within the Nordic region and Western Europe. In addition, there are more than 20 representatives in different part of the world, including Canada and the Middle East.





Currently, Friis and company also has 52 retail concept stores and is planning to expand the business worldwide. (*Friis & Co, 2007*)

### **1.1.2 Friis & Company product line**

Friis and Company founder and creative director, Lone Friis stated that the company's collection is the key to the company's success. She also said that the collections are built on a solid foundation of creativity, trends, and commercial awareness. She concluded that the Friis collections come from the idea to be "the best at what we do in all we do" and this is considered to be the strength and passion of the company. (*Friis and Company Autumn winter '08 2008*)

Friis & Company products are launched in six different collections each year. In addition, there are also four compilation collections which are called Gold Drops. These compilations offer the customer alternative products for the niche boutiques. Every Friis & Company collection is quite extensive and consists of bags, shoes, jewelry, hair accessories, scarves, sunglasses, lingerie, and loungewear as well as many other items however the main product is handbags. According to the interview the authors conducted with the Västerås branch owner, Ms. Mia Bulldra, products in each collection can be divided into three categories. Fast and Fabulous targets young customers and concentrates on the fashionable and vivid designs at reasonable prices. The second one is a re-runner which is the classic design in black and brown color with the Friis and Company trademark logo on the items. The last one is the designer's section which offers posh designs and a price that is a bit more expensive than the normal line. With the variety of products that Friis and Company provide to their customers, the product can be mixed and matched to suit every customers' preference. (*Friis & Company 2002*)

In 2002, Friis & Company also launched a menswear line called F by Friis. The collection is divided into three themes; Essential, Super Styling and Urban. F by Friis produces four seasonal collections and available in ten countries worldwide. (*F by Friis 2007*)

### **1.1.3 The Overall Thai market**

The Fiscal policy office stated that the economy in 2007 saw a bright future in import of goods and services and an improved value of good is expected to grow at a rate of 9.6 – 11.6 percent to be in line with improved domestic demand in the country. (*Thailand Economic Projection 2006-2007 2006*) As for the fashion industry, the future also looks very promising. The government helps support establish Thailand as the "Tropical fashion hub" by working together with the Thai embassy to promote Bangkok as well as allocates the budget to help boost the fashion industry in the country. The government expects Bangkok to become one of the centers of Fashion in 2012 (*Bangkok city fashion 2005*) Harvard Business School Professor, Michael Porter said that Thailand has a good potential to become the fashion hub in Asia. (*Porter suggests Thailand should become the island of Asia 2003*)

Overall Thai fashion market can be divided in to 5 segments.

| <b>Segment</b>    | <b>Approximate price range</b>                            |
|-------------------|---|
| Exclusive         | International brands like Burberry, Chanel above 260 Euro |
| High-end          | 200 – 260 Euro  |
| Higher-middle-end | 100 – 160 Euro  |
| Middle-end        | 31- 50 Euro   |
| Low-end           | 5 – 10 Euro   |

Table 1: Overall Thai fashion market segment.  
Source: (*Thailand Fashion Market Segments* 2006)

The Thai fashion import is divided into different segments which are helpful for new companies trying to position themselves. In addition, the Thai consumer characteristics in buying fashion items are essential elements. Thai people consider shopping as a weekend activity. They consume fast fashion and receive a strong influence from celebrities. The main customers who purchase fashion regularly are young customers (*Thailand fashion market* 2006)

#### **1.1.4 Bangkok, The capital city**

Bangkok is the capital city and the commercial center of Thailand. Bangkok has always been more cosmopolitan than other provinces in the country as most of the development from the government and private sector is initiated here. (*Economy* n.d.) Bangkok is a highly populated city with a population that reached 5,716,248 in 2006. (*Demographic, population and housing statistic* 2006) The population in Bangkok is much higher than any other province in the country. In addition, the middle-class people which have a strong purchasing power in Thailand have increased their preference of name branded products to show their identity and lifestyles. Most of them live in the capital city of Thailand, Bangkok. The National Statistical Office showed that the Bangkok average income in 2004 is approximately 587 Euro per month while the average income of the whole country accounted for 174 Euro per month in the same year. This indicates the higher purchasing power of the people in the capital city as compared to the rest of the country. (*Statistics of household income and expenditure and their distribution* 2006)

Bangkok's location is also an important factor that attracts many business people to invest here. It is easy to access for trade by sea with many available ports as just as easy by air through Suvanaphum international airport and Don Muang airport. (*Department of Traffic and Transportation is another department responsible for infrastructure development projects* n.d)

There are plenty of activities in commerce, construction manufacturing, industries, and various kinds of services including banking and other financial services in Bangkok. The Bangkok metropolitan administration has aimed to increase its role in urban economic development by supporting investors in many ways such as provision of information about potential projects, contact persons and related legislation. (*Economy* n.d.) After much research, the authors see the opportunities of Friis and Company to be able to expand the business into Bangkok therefore the authors have come up with the problem statement and purpose of the paper.



## **1.2 Problem Statement**

Which factors should an entrepreneur consider when establishing Friis and Company in Bangkok?

## **1.3 Purpose**

The main purpose of the thesis is to study Friis and Company overall business and analyze consumer behaviors of Thai women in terms of fashion in Bangkok in order to find out the critical factors for the entrepreneurs who want to establish Friis and Company in Bangkok. Afterward, the authors will provide a business plan as a recommendation for any entrepreneur who wants to establish Friis and Company in Bangkok.

## **1.4 Target audience**

This master's thesis will be beneficial and useful for entrepreneurs who are interested in Friis and Company's brand and would like to expand the products to Bangkok. Moreover, the authors also consider that this thesis can give useful guidance for any investors who want to gather the information in order to simulate a similar business plan and/or collect the knowledge about how to enter into Thai market.

## **1.5 Disposition**

This thesis begins with the introduction that provides overall company background and a general idea about their history and product line. Also, the authors provide the problem statement and the purpose of the study and limitation. Then, in the methodology chapter, the authors provide choice of the topic, chosen theories, data collection, research model and the information analysis. For the conceptual framework, the authors come up with the PESTLE analysis, STP, SWOT analysis 4Ps and Business Plan.

In the empirical finding chapter, the authors provide useful information of both the Thai market, focusing on Bangkok in terms of environmental influences, and the Friis and Company in terms of business process by using the interviewing method. Moreover, it includes information from a questionnaire, randomly sent to Thai people living in Bangkok, in order to provide a reliable and valid analysis. Next, the analysis chapter provides analysis according to chosen theories in order to come up with a conclusion that is able to answer the strategic question of this thesis. In the recommendation chapter, the authors provide the guiding business plan for the readers. Last, the references in text and any source of information such as the list of questions from the interview and questionnaires are provided in the reference list chapter and appendix.

## **1.6 Limitation**

Due to the fact that Friis and Company was originated in Denmark, a lot of information related to Friis and Company is printed in Danish. However, the authors can only gathered the secondary data from English source due to the language barrier. Besides the questionnaires that the authors sent were designed in English language and translated to Thai language in order to deliver the meaning of the message correctly. In addition, some of the factors of the PESTLE theory such as technology and environment will be omitted as they are un-related to this study. There is also a limitation in terms of information for the cost of sale of the product of Friis and Company as it is considered to be internal and confidential information of the company and in order to obtain this information, legal contracts have to be signed. The authors can only provide the estimate price of the product for the finding and analysis part. Furthermore, for the selection of competitors, there is a limitation in terms of the lack of handbag market share information in Bangkok thus after much research and consideration of various factors in term of price and style, the authors had to use ours judgment to select the three main potential competitors.

## 2 Methodology

In order to study the case of Friis and Company's entrance into Bangkok, both primary and secondary data have been studied carefully. The primary data came from a semi-structure interview (Fisher 2004, p.143) with Friis and Company and the questionnaire has been distributed to help evaluate consumer behavior in Bangkok. The secondary information has been applied from the theories of the PESTLE, STP, SWOT analyses, 4Ps and Business Plan. In this chapter, the authors provide information about how to conduct this thesis by including, choice of topic, choice of collecting information, chosen theory, and information analysis.

### 2.1 Choice of topic

The reason that the authors chose this topic consists of many factors. Firstly, the authors would like to apply their knowledge from international marketing and apply it in a very practical way. The authors notice that there are hardly any Scandinavian fashion related brands in the Asia region, even though, the designs and prices are not much different from the products from the United States, or Australia. After having spent some time in Sweden, the authors saw the potential of the Friis and Company products because of the uniqueness in design and the affordable price. The products carry with them, the uniqueness of a Scandinavian brand which helps differentiate itself from other brands in the already existing Bangkok fashion market.

As both of the authors come from Bangkok, the capital city of Thailand, we have a strong background in terms of the culture and economy of the country. Moreover the authors conducted the preliminary interview with 7 Thai students from Bangkok who are now studying in Västerås, Sweden as of 02/04/2008. (See appendix1) They have purchased Friis and Company products such as bags and shoes regularly. The interviewees were selected as they have firsthand experience with the products and they are the target group of the company. They revealed that at first when they saw the products and the shop, they thought that it would be very expensive. However, when they noticed the price, it was not different from the good quality bags that they purchase in the department store in Bangkok. Moreover, they also saw that the bags had a unique style and the crown logo was very attractive. The interviewees not only purchase the products for themselves but they also bought several bags for their mothers and sisters and sent them back to Bangkok. This preliminary interview have inspired the authors to study furthers into the real Bangkok market through a questionnaire on how Friis and Company can establish the brand and become successful in Bangkok.

In addition, the authors conducted an interview with Friis and Company's Västerås branch owner, Ms. Mia Bulldra who stated that Friis and Company is very active about expanding their business into different countries. They have the Franchise department which directly responsible for this issue. Many entrepreneurs have already succeeded in establishing their branches in different countries such as Denmark, Norway, Belgium and Germany. This means that Friis and Company has a strong support for the franchise business and it would be possible for the entrepreneurs to apply the franchise policy in Thailand.(M Bulldra 2008, pers. comm., 26 April)

With this information, the authors decided to study the overall Friis & Company business and analyze Bangkok in order to find out the critical factors in terms of marketing mix as well as market segmentation, market targeting and product positioning for the entrepreneur who wants to establish Friis and Company in Bangkok. The authors will apply all the information in order to generate a practical business plan.

## 2.2 The choice of collecting information

The authors divided data collection into two sections which are primary data and secondary data. The primary data came from the interview and questionnaire. To legitimate this thesis, first hand information is essential. Thus the authors had to use an interview in order to gain in-depth knowledge about the company and its business process and a questionnaire was used for collecting data from women who live in Bangkok in order to understand consumer behavior in Bangkok.

### 2.2.1 Primary data

#### Interview

For the interview, the authors chose the semi-structure interview (Fisher 2004, p.143) with the Friis and Company, Västerås Branch owner on April 12, 2008, Ms. Mia Bulldra in order to come up with a general idea about Friis and Company. The interview provided the information regarding the marketing mix of the Friis and Company products (product, price, place, promotion) and the adaptation made in each branch. The table below shows the questions asked as well as the purpose of each question.

| Question   | Purpose   |
|--|---|
| 1. What kind of product Friis and company offer to the customer?   | To gain expert information into Friis and Company product                         |
| 2. What is the price range of the products?                        | To gain expert information into Friis and Company price                           |
| 3. What is the pricing policy for this branch?                     | To gain expert information into Friis and Company franchise concept               |
| 4. What is the requirement for choosing the location of the store? | To gain expert information into Friis and company place and franchise requirement |
| 5. How often does the branch launch the special promotion?         | To gain expert information into Friis and company promotion                       |
| 6. Who is the target group of Friis and Company?                   | To gain expert information into Friis and company target segment                  |

Table 2: List of questions with Friis and Company at Västerås branch

Afterward, the authors decided to conduct the further interview by directly contacting to the head office of Friis and Company in order to collect in depth information and knowledge about the company and business process such as requirements about establishing a new branch. The authors had an interview on April 26, 2008 with Mr. Jesper Frederickson, an Area Sales Manager for the Overseas division of Friis and Company and prepared for this area with an arranged script in order to ensure that all

required information was collected. The interviewee provided the information regarding Friis and Company franchise policy and any requirements for establishing a new branch. The table below shows the questions asked as well as the purpose of each question.

| Question  | Purpose   |
|---|---|
| 1. Can you please give details regarding the franchise policy of Friis and company                                  | To gain expert information into Friis and company place and franchise requirement   |
| 2. Can you explain the buying process of the Friis and company products?  | To gain expert information into Friis and Company buying process  |
| 3. What is the minimum order for each buying time?  | To gain expert information into Friis and Company buying process and be able to estimate the preliminary financial investment |
| 4. Can you tell us the latest franchise that Friis and Company has recently approved and planed to open the branch? | To gain expert information into Friis and Company franchise location  |
| 5. Where is Friis and company product manufactured?   | To gain expert information into Friis and company product   |

Table 3: List of questions with Friis and Company at Head Office

### Questionnaire

As for the questionnaire portion, the authors have designed the questionnaire into four parts: personal information, consumer behavior, marketing mix and general information. The data collection from the questionnaire was used to help evaluate consumer behaviors of women who live in Bangkok as well as to find out the suitable segmentation of the consumer for Friis and Company in Bangkok. The questionnaire will also look for the position of Friis and Company in Bangkok. The target respondents are women who live in Bangkok in a different shopping area.

### Population and Sampling techniques.

In order to derive the reliable information from gathered primary data, the authors closely considered many factors. The authors decided to apply the pre-segment technique by narrowing down the sampling size group to focus only on women in Bangkok as many of the products of Friis and Company such as handbags, shoes and accessories are made for women. In addition, the authors saw the potential location to establish the first branch of Friis and Company should be in capital metropolitan city like Bangkok. The criteria for dividing the age group of the pre-segment are listed below.

#### Under 15 years old

This group is categorized as tween. They are in their secondary school or high school. They do not have their own income and relying 100% financially from their family. Many marketers referred to this group as “Born to be consumer”. However, they are constantly changing and unpredictable. They are not attached to any specific brand. (*Tween.. Born to be consumer* 2004)

#### 16 – 20 years old

This group is mostly high school or university students. They like to be the center of attention therefore they like products that can distinct themselves from the rest of the group. They have a high purchasing power and like to try new thing. They like new technology and update themselves with the latest trend. (*Characteristic of people according to age group n.d.*)

#### 21-25

The people in this group are newly graduates or young office workers. They do not have a lot of responsibility and only work to support themselves. They are able to buy products that satisfy and fulfill their needs. They tend to follow fashion and have preference for brand name products. (*Characteristic of people according to age group n.d.*)

#### 26 – 30

They are office workers who have been working for a certain time. They are not fashion conscious and do not follow the trend compare to other younger group. They can support themselves and they start to have expense in terms of housing or vehicles. The purchasing power for luxury products is decreasing from previous time. (*Characteristic of people according to age group n.d.*)

#### 30 – 35

People in this group are the age to start up a family. They have plenty of monthly expense occurred such as housing or vehicles. They are in the potential phase to have children which can have a strong affect on their purchasing power. They start to save up for the family or invest the money in the funding or other investment projects. (*Characteristic of people according to age group n.d.*)

#### More than 35 years old

The people in this group already have a stable job. They also have lots of responsibilities and high expenses. Most of them have family or children to support. The purchasing power for luxury or unnecessary items is lower than other younger group. (*Characteristic of people according to age group n.d.*)

According to the National Statistical Office of Thailand showed that there are 2.9 million women living in Bangkok The authors decided to use this figure as the representative number of the sampling size group. (*Statistical survey n.d*) Fisher (2004, p.159) stated that in order to achieve the estimated 5 % margin of error for the sampling size of 2.9 million, the rate of return has to be at least 384 responses. Moreover, the expected return rate of a general questionnaire is 30% which means that it is a very good result. Therefore, the authors decided to distribute the questionnaire in the amount of 1,280 copies to the pre-segment group in order to meet the minimum expected return rate of general questionnaire. The questionnaires were sent through the authors' network and Thai fashion related web board. In order to deliver the meaning of the message correctly, the authors decided to send questionnaire in Thai language. The details of the questionnaire are listed below.



|                                   |   |
|-----------------------------------|---|
| 1. Pre-segment group              | Thai women who live in Bangkok  |
| 2. Distribution of questionnaires | Questionnaires were sent through e-mail   |
| 3. Questionnaires duration        | May 1 <sup>st</sup> , 2008 – May 17 <sup>th</sup> , 2008  |
| 4. The questionnaire questions    | The questionnaire was divided into four parts:<br>part 1: personal information of respondent<br>part 2: consumer behavior<br>part 3: marketing mix<br>part 4: general questions |

Table 4: The process of questionnaire

The authors chose the website [www.surveymonkey.com](http://www.surveymonkey.com) to generate the survey. The result that the authors received has guaranteed the reliability of the information as the website has an option to remember the IP address of the computer that was used in filling in the survey. As a result, it can be assured in some level that one respondent can only answer the questionnaire once. Moreover, the website also generates the result of the information based on the raw information directly from the answer of the respondents, which prevents the authors from adjusting any of the result received from the website.

The questionnaire consists of four parts. The first part is a question about personal information. This part is designed to collect the general data about the individual's personal information in order to use as a basis to find out the suitable segmentation for Friis and Company in Bangkok. The second part is a question about consumer behavior. This part is designed to collect general shopping behavior data and shopping behavior for handbag data of women who live in Bangkok in order to use as supporting data for classifying segmentation of the company and also to use as a tool to evaluate targeting of the company. The third part is a question about marketing mix. This part is designed to collect data about the marketing mix which consist of product, price, place and promotion of Friis and company in order to use as supporting data for analysis 4Ps of the Friis and Company and assessing the positioning of Friis and Company. The forth part is a general question. This part is designed to collect data about the company in order to conduct a preliminary evaluation of the brand's reputation in a new market. The formats of questionnaires include Dichotomous questions, multiple choice questions, Likert scales and ordinal question. The dichotomous questions and multiple choice questions were used in every part of the questionnaires in order to reduce time consumed for the respondents. Dichotomous questions were used in the issues that had clear cut answers and multiple choices with a final 'other (please specify)' option were used for the issues that a respondent might have answers other than our pre-determined categories.

The Likert scales and ordinal question were used to gain data about consumer attitudes toward general shopping behavior and shopping behavior for handbag in part two and three of the questionnaires. For the Likert scales, the authors allocated 5 points for a 'Strongly agree' answer and 1 point for a 'Strongly disagree' answer in order to acquire the magnitude of respondents' feelings towards each issue. Then, we used respondents' overall scores to calculate mean in order to come up with the

conclusion for each issue. For ordinal questions, the authors provided a number for respondents to rank order their preferences starting from number one till a number was provided for each choice. The higher number is the higher preference that respondents gave. List of questionnaire is displayed in appendix 3.

### **2.2.2 Secondary data**

The secondary data was derived from books, articles and the internet. There is a lot of information that the authors had to read, filter and evaluate in order to find out the appropriate theories and reliable and validity data for the thesis. The authors decided to apply a great deal of information from the book Marketing Management of Phillip Kotler and The Market Segmentation Workbook: Target Marketing For Marketing Management by Sally Dibb and Lyndon Simkin into this thesis as the theory can be generated into the practical use of the business. Also the knowledge from the book “Successful Business Planning for Entrepreneurs” by Moorman and Halloran and “Starting Up: Achieving Success with Professional Business Planning by Kubr, Marchesi, Llar and Kienhuis have been applied in order to generate the recommendation for the thesis.

The official website of Friis and Company was accessed regularly to gain insightful information into the company. For other data from internet that the authors used in this thesis, the authors were very concerned about the reliability of the secondary information so we tried to use only the most reliable sources. For example when the authors used statistical related information, the authors only selected the information from the National Statistical Office of Thailand website (National Statistical Office 2007).

### **2.3 The chosen theories**

In order to investigate into the case of Friis and Company entering Thailand, the authors have gathered both primary and secondary data from Friis and Company through their official website, general website, interviews and questionnaire and analyzed this information through the theories of PESTLE, SWOT, STP, 4Ps and Business Plan.

First, the theory of the PESTLE analysis which is a business measurement tool used to analyze the external factors of the organization, has been chosen to apply to the case. The PESTLE analysis consists of Political, Economic, Social and Legal factors. These factors are essential for a company to consider as a strategic option when entering into a new country or launching a new products (Morrison 2008). This made the authors decided to choose this theory as all of the mentioned factors are important for entrepreneurs who want to establish Friis and Company in a new market, especially in Bangkok, Thailand.

After a thorough considerate about the external factors from the PESTLE analysis, the SWOT analysis has been applied in order to investigate the strengths and weaknesses, opportunities and threats of the brand and products of Friis and Company to help generate the marketing mix.

In addition, the authors decided to apply the segmentation theory (STP) in order to find out the customer's segment in a diverse group of people, specifically Bangkok. The process begins by grouping the customers with the same buying characteristics and requirements and then designing the marketing program to attract them. (Dibb & Simkin 1996, p.17) After the segment has been identified, an appropriate targeting strategy is applied relative to the customer group the company will be targeting as well as to apply an appropriate targeting strategy. (Dibb & Simkin 1996, p.15) Lastly, Positioning has also been considered as its goal is to effectively appeal specifically to the market and targeted customers' needs. (Dibb & Simkin 1996, p.17). The author considered that it is important for Friis and Company to be positioned within the target segment and initiate the marketing program to facilitate this positioning. (Dibb & Simkin 1996, p.17)

The authors also chose the 4ps marketing mixes to excavate the preferred response from the target market.(Koter 2001) Marketing mix is the set of tools the 4Ps analysis uses to help adjust the Friis and Company products to correspond with customers' preferences in terms of product, price, place and promotion. Lastly, the authors generate the Business Plan in which any entrepreneurs can adopt and apply to the real situation.

#### **2.4 Information analysis**

The authors would use the SWOT analysis theory in order to analyze and identify the key internal and external factors that are important in achieving the objective for Friis and Company's expansion to Bangkok, by dividing the analysis into two parts, internal and external factors. The internal factors included strengths and weaknesses of Friis and Company, while external factors mean the current situation in Bangkok including political, economic, social, legal and competitive market environments in Bangkok. The information that, the authors, used in analysis came from the findings where the PESTLE factors were used as a framework. Moreover, the authors also included the data about our target market in Bangkok that the authors collected from distributed questionnaires in analyzing opportunities and threats of Friis and Company.

Then, the authors used the STP analysis, in order to analyze the segmentation, targeting and positioning of Friis and company. When analyzing the STP, the authors used data about personal information and consumer behavior from our distributed questionnaire that is classified into six parts by using the age of respondent as a preliminary parameter in order to create the clearer picture for analyzing. This information from the questionnaire helped select the potential segment that matched with the target customer of Friis and Company. Finally, the authors would use the outcome that generated from both the SWOT and the STP analysis in order to come up with the effective marketing mix for Friis and Company so as to enter Bangkok. The information gathered was sufficient to allow the development of a practical business plan base on Entrepreneurship textbook which the authors divided into eight sections: executive summary, industry analysis, description of venture, production and operational plan, marketing plan, organizational plan, financial plan, and assessment of risks. (Hisrich, Peters & Shepherd 2006, p. 210) Therefore, the model of this project is as following;

### 2.4.1 The Thesis research model

The picture which shows below is a step of our thesis research

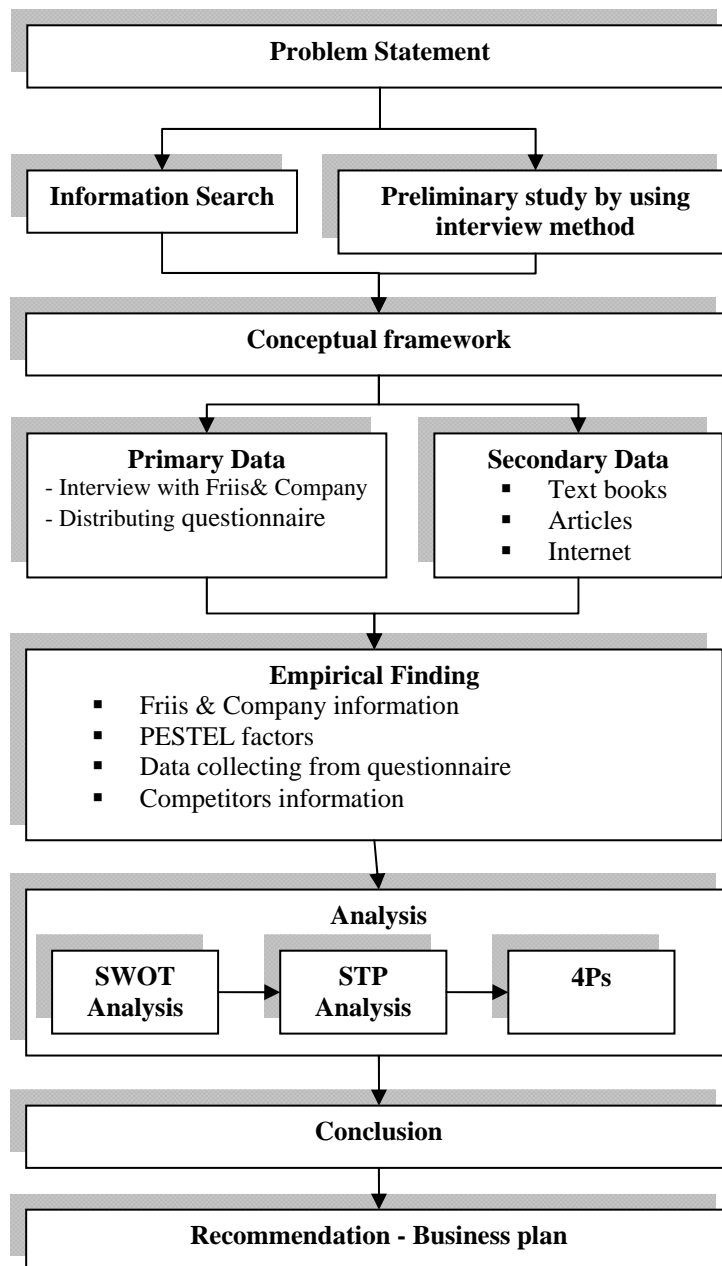


Figure1: The research model  
Source: The authors

## 2.4.2 The currency

In order to create consistency in the thesis, the authors chose to use Euro currency which is a stable currency and widely use in the world (*The euro* n.d.) The exchange rate that the authors used came from the Bank of Thailand website which provided monthly average exchange rates. Thus the authors gathered the data for twelve months spanning from May 2007 to April 2008 and calculated the average in order to find the mean of exchange rate for converting. The average exchange rate for twelve months is 47.97 Baht per 1 Euro. The chart below displays the monthly average exchange rate.

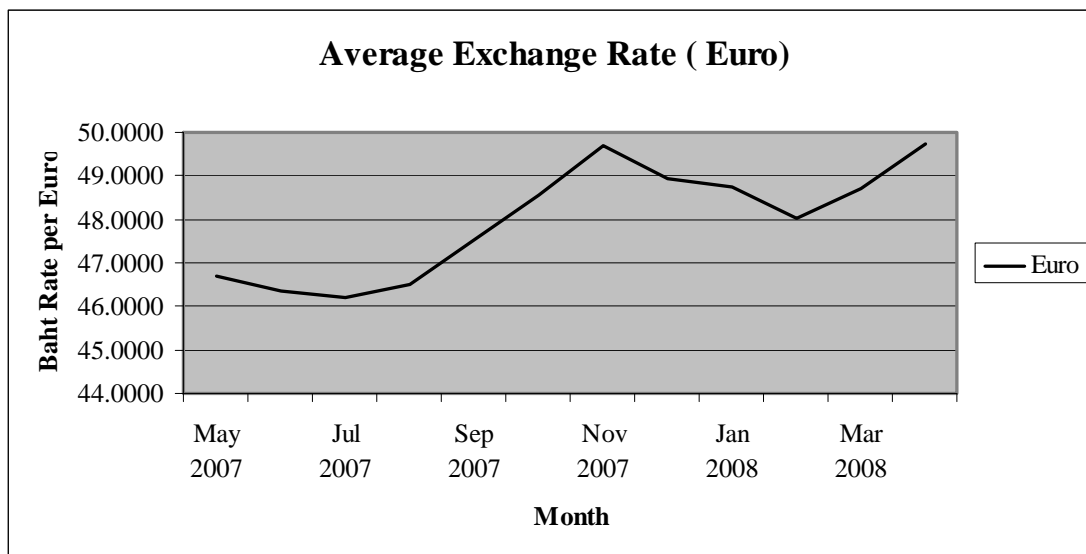


Figure2: Average Exchange Rate

Source: *Average Exchange Rate from Siam Commercial Bank (2002-2008) 2008*

## 2.4.3 The competitors

Due to the fact that the authors could not find information about market share of handbags in Bangkok, the authors decided to choose main competitors by considering a similar range in the price and product style of the handbags sold in Bangkok. After the authors searched the information about handbags brand sold in Bangkok, the authors found that there were plenty of potential competitors for Friis and Company in Bangkok. However the authors have tailored down to brands that focused on selling handbags only. The three main competitors that the authors chose were Juicy Couture, LeSportsac and Kipling. In order to gain more information about marketing mixes (product, price, place and promotion) of each brand, the authors have conducted the phone interview with sale officers of each brand. See index 2 for the list of question asked.

### **3 Conceptual framework**

This chapter provides the definition of theories that the authors selected which are PESTLE, SWOT Analysis, STP Analysis, Marketing mix (4Ps) and Business Plan.

#### **3.1 PESTLE**

PESTLE is derived from Political, Economic, Social and Legal factors. The model provides the external information that has an effect to the company when entering a new market. PESTLE also provides an overview of the different macro environmental factors that the company has to take into consideration.

It is also a strategic tool applied in order to understand the market growth or decline, business position, potential and direction for operations. (Cartwright 2000 p, 217) These elements help form a framework to help assess a situation, and review a strategy or position, company's direction and marketing proposition or idea. (*PESTLE analysis*, 2008)

Political aspect include the government policy as well as the policy of the international organization, tax policy, employment laws, environmental regulations, trade restrictions and reform, tariffs and political stability. (*PESTLE analysis*, 2008)

Economic is a factors that focus on the home economy situation and home economy trends. (*PESTLE analysis*, 2008)

Social factors include the consumer attitudes and opinions, consumer buying patterns, media views, brand image and lifestyles. (*PESTLE analysis*, 2008)

Legal aspects help one to understand the changes to legislation which can make an impact on the employment, access to materials, quotas, resources, imports/exports and taxation. (*PESTLE analysis*, 2008)

#### **3.2 SWOT Analysis**

SWOT analysis is a tool used to evaluate the external and internal environment of the company. The external analysis can be gathered from opportunities and threats while the internal analysis is derived from strength and weakness. Strength is the outstanding element of the company especially viewing against their competitors, while the company's weakness is the area which is not as distinct as the competitors. In addition, opportunities are the factors in which the company can make use of the strength to surpass their competitors. Threat is the external factors in which the company has to endure because of its weakness. (Cartwright 2000 p, 214)

#### **3.3 STP Analysis**

In general, every customer has varying needs and requirement so the company has to understand and satisfy the customer's need in order to become successful in its business. Market segmentation is a marketing tool that can help the company to



satisfy its diverse customer needs while maintaining certain scale economies. (Dibb & Simkin 1996, p.10-11)

### The segmentation process

The process starts with grouping similar purchasing characteristic and requirement of customer together. Then the organization can choose the group of customer in order to target its sale and marketing. Afterward, the marketing program will be designed in order to offer the specific requirement and characteristics of the target group. The marketing program intends to position the product directly at the targeted customer. (Dibb & Simkin 1996, p.10-11) The market segmentation process consists of three stages which show below:



Figure3: Segmentation process

Source: “Segmentation process” (Dibb & Simkin 1996, p.12)

### Segmentation

Segmentation is a beginning stage that is used to divide a homogeneous group of customer on the basis of characteristics, needs and behavior. (*STP Market segmentation* n.d.) There are two basic steps for categorizing customers into specific groups.

#### Step one

In order to choose an appropriate segmentation base, there are segmentation variables (also called base variables) that are used to group together homogeneous customers. The segmentation variables have two characteristics which are basic customer characteristics and product-related behavioral characteristics. Either a single base variable or several in combination can be applied. For basic customer characteristics, it consists of four variables. First are demographics which include age, family, race, family life-cycle, sex, marital status and religion. Second are socio-economics which include income, education, occupation and social class. Third is geographic location which includes country, type of urban area, region and type of housing. Last is personality, motives and lifestyle which include consumer’s personality, motive for purchasing/consuming and consumer’s lifestyle and aspirations. For product-related behavioral characteristic, it consists of five variables. First is purchase behavior regarding brand loyalty versus triggers for switching. Next is purchase occasion regarding novelty, event, frequency and dealer location. Then, it is perhaps the most popular customer segmentation base. The benefits sought by the customer buying, consuming or having the product or service. Fourth is consumption behavior and user status concerning about heavy users versus light and non-users. Last is attitude to product/service regarding different consumers’ perceptions. (Dibb & Simkin 1996, p.12-15)

## Step two

After segments have been identified by using the base variables from step one, the understanding regarding the characteristics of the customers in the chosen segment must be done in order to design a marketing program to segment those targeted. Then building up a fuller picture of the segment is called profiling by using descriptor variables. The descriptor variables which can include variables relating to customer characteristics or product related behavioral variables are used to complete identified segmentation. (Dibb & Simkin 1996, p.12-15)

### Criteria for effective segment

Before implementing a segmentation scheme, the segment must be measurable, substantial, accessible and stable. (Dibb & Simkin 1996, p.12-15)

### Targeting

Since the segments have been identified, the decision about which and how many segments should be targeted. The options of strategies are as follows:

- Mass marketing strategy: it offers one product concept to almost of the market in order to meet scale economies. There is a risk that few consumers may be sufficiently satisfied.
- Single segment strategy: it is focused on a single segment with one product concept. This strategy will help lessen the resource, but there is a risk that the organization may fail in a segment from focusing on the inappropriate segment.
- Multi-segment strategy: it targets on a different product concept at each of a number of segments. Even though this strategy can reduce the risk of over-committal in one area, it will require a huge resource.

Before selecting the target segment strategy, there are some important factors to consider: existing market share, product homogeneity, nature of competitive environment, market trend and marketing environment, customer needs and company resource. (Dibb & Simkin 1996, p.15-16)

### Positioning

Since the segment and targeting have been identified, positioning, how and where the product should be positioned, is the next step to consider. Product position focuses on the decision and activities used to generate and maintain product concept of a company in the customer's mind. Market positioning is arranging for a product to occupy a clear, distinctive and desirable place in the minds of target customers. (Dibb & Simkin 1996, p.17)

The process of positioning begins with understanding customer perceptions and then the organization has to positioning its product in the mind of customers. Next, a developed positioning for each target segment is required. Last, the organization has to design an appropriate marketing mix to broadcast positioning. (*STP Market segmentation* n.d.)

### 3.4 Marketing Mix

#### Product

Product is the heart of the marketing exchange and serves the customer's need in terms of functional and psychological satisfaction. The product is vital as it is the ultimate test of how the company understands and takes advantage of customers' needs. (Brassinton & Pettitt 2005, p. 173) Kotler explained that products dimensions include product variety, quality, design, brand name, packaging and services (Kotler 2000, p.15) These factors give a product its character which creates an attractiveness to the customers. (Brassinton & Pettitt 2005 p. 173)

#### Price

Price is the controllable variables that help generate revenue for the company. It can also being used as a communicator, bargaining tool or competitive element. It is important that the company price the product corresponded with the value that the customer's perceive. (Brassinton & Pettitt 2005, p.212) Product pricing involves with many issues that relate to the product's current market situation and the financial objective of its manufacturer. (Clemente 1992, p. 266)

#### Place

Place or channel of distribution is the channel that helps serve the product to be available to the customer. Place also includes the physical handling and distribution of the products – i.e, mode of transportation, packaging and the number of retail outlets. (Clemente 1992, p 259) There are many kinds of marketing channels. One of the most prominent choices of channels of distribution is the department store as it is usually occupy the prime location within the town center. Most of the department stores are large and organized into different sections and departments according to the nature of products. (Brassinton & Pettitt 2005, p.258)

#### Promotion

Promotion is the activities designed to enhance product's feature, benefits and availability of the market. (Clemente 1992, p. 280) Kotler also stated that the promotion includes sales promotion, advertising, sales force, public relation and direct marketing. (Kotler 2000, p. 15) It is an ideal idea that the markets would like to invest in all of the elements, however with the limited resources, marketers have to decide which element of promotion is cost effective and suitable with the products. (Brassinton & Pettitt 2005, p.279)



### 3.5 Business plan

The business plan is the document that described all the relevant and essential external and internal elements involved in starting a new business. It usually includes marketing, finance, manufacturing and human resources. Business plan helps provide guideline to entrepreneurs in organizing or planning the business as well as determines the viability of the business in the chosen market. (Hisrich, Peters & Shepherd 2006, p. 199)

In order to come up with the well round business plan, three perspectives need to be considered. First is the perspective of the entrepreneurs that clearly show the overall picture of the business. Second is the marketing perspective. The entrepreneurs need to consider how to lure the customer to buy the products. Third is the investor perspective. The entrepreneurs need to provide the sound financial projection for the business plan. (Hisrich, Peters & Shepherd 2006, p.201)

The outline of business plan are listed below

1. Executive Summary
2. Industry analysis
  - Analysis of competitors
  - Market segmentation
  - Industry and market forecasts
3. Description of venture
  - Products(s)
  - Service(s)
  - Size of business
  - Background of entrepreneurs
4. Production and operational Plan
  - Description of company's operation
  - Flow of orders for goods and or/service
5. Marketing Plan
  - Product forecasts
  - Pricing
  - Distribution
  - Promotion
6. Organization Plan
  - Management team background
  - Roles and responsibilities of members of organization
7. Financial Plan
  - Pro forma income statement
  - Cash flow projections
  - Pro forma balance sheet
  - Break-even analysis
  - Sources and Application of funds
8. Assessment of Risk
  - Evaluate the weakness of business
  - Contingency plan

( Hisrich, Peters & Shepherd 2006, p.210)

## **4 Empirical Finding**

### **4.1 Friis and company**

The franchise business process information comes from the interview that the authors conducted with Mr. Jesper Frederickson who is an Area Sale Manager for the Oversea of Friis and company on April 26th, 2008.

#### **4.1.1 Business Process**

Friis and Company has a franchise policy that every potential franchise candidate needs to follow accordingly. First, the potential franchise candidate needs to write an e-mail to introduce themselves to the company as well as present a preliminary business plan in terms of marketing and finances to the franchise department of Friis and Company's head office. After a thorough evaluation into the plan, Friis and Company will send out the franchising policy and requirement to the potential franchise candidate and then the legal contract will be signed between Friis and Company and the potential franchise candidate. After the contract is signed, the franchisee will receive a log in and password code. This will give the franchise access to the online ordering section on the Friis and Company website. The website provides the franchisee with the picture and price of each Friis and Company collection. The franchisee can order the collection online and the ordered products will be delivered through UPS service at the expense of the franchisee. The head office also arranges the purchasing season for the franchisee who wants to have a touch and trial with the product before buying them. Many franchisees from European countries will fly to the head office in Copenhagen and select the products by themselves. Friis and Company also gives the support in terms of information technology. All of the stores will use the same program for billing and inventory. Friis and Company's head office will also be able to see the sale volume and check upon the inventory stock for all shops. As for the packaging of Friis and Company such as bags with the Friis and Company logo; wrapping paper and ribbon, all of the franchisee has to order from the head office along with the products. All of the expenses will be billed to the franchisee. (J Frederickson 2008, pers. comm., 26 April)

#### **4.1.2 Product**

“Luxury for everyday” has always been used as the slogan for Friis and Company along with the concept to provide the customer with luxurious products that are affordable for women of all ages. (J Frederickson 2008, pers. comm., 26 April)

The main product of the company is handbags. The products of Friis and Company are launched in 6 collections per year. Each collection is comprised of different types of products such as bags, shoes, jewelry, belts and lingerie. Within each collection, three categories of products are produced to attract different customer segments. The first category is “Fast and fabulous” which focuses on the young customers with budget prices. The second category is “the re-runner – classic items”, with the black and brown colors come with Friis and Company crown. The last category is the “Designer's item” which is more expensive than the normal product line and

produced in limited amount. The franchisees have to select the products by themselves to put in the stores. (J Frederickson 2008, pers. comm., 26 April)

If the franchisees want to have men’s line F by Friis, they need to have a separate shop as the head office does not want to confuse the customer by putting the men’s and women’s lines in the same shop. (J Frederickson 2008, pers. comm., 26 April)



Fast and fabulous      The re-runner – classic items      Designer’s item

Figure 4: Three categories of Friis and Company’s products

#### 4.1.3 Price

The franchisees need to buy at least 2,500 Euro worth of Friis and Company products from each collection. After purchasing the product from the head office, the franchisee can mark up and set the prices by themselves. Ms. Bulldra has revealed the selling price of Friis and Company products in the Västerås shop as listed below.

(M Bulldra 2008, pers. comm., 26 April) (J Frederickson 2008, pers. comm., 26 April)

| Products            | Price        |
|---------------------|--------------|
| Pencil Case         | 15 – 20 Euro |
| Small Size Handbag  | 25 -35 Euro  |
| Medium Size Handbag | 45 – 50 Euro |
| Large Size Handbag  | 50-75 Euro   |
| Shoes               | 40 - 94 Euro |
| Jewelry             | 5 - 21 Euro  |

Table5: Price of Friis and Company’s products

Friis and company has policy to give each shop 10% discount in their first year of establishment. The head office will provide consultation upon request. Ms. Bulldra stated that the franchisees can set the selling price by themselves so the price is differ in each shop. She also stated that in Stockholm, the selling price is 5-10 Euro more expensive in each items than in Västerås. (M Bulldra 2008, pers. comm., 26 April) (J Frederickson 2008, pers. comm., 26 April)



#### **4.1.4 Place**

The franchisees need to propose an attractive location for a Friis and Company shop in each country. The head office will evaluate the potential location and will be the one who makes the decision. The layout of the stores has to be the same in every country. The minimum space required for each shop is approximately 50 square meters. The shop decoration can also be customized to suit with the space. For an example, Ms. Bulldra explained that the shop in Västerås has 4 glass windows surrounding them so they have to put stickers of Friis and Company logo on the glass wall. This is the customized design of the shop which is different from other shops of Friis and company. Moreover, the renovation of the shop can only be made under the approval of the head office. The head office will send a consultant to give some advice for the decoration part. Friis and Company also have specific store decorations that look expensive from the outside to correspond with their slogan “Luxury for everyday life”. (M Bulldra 2008, pers. comm., 26 April) (J Frederickson 2008, pers. comm., 26 April)

#### **4.1.5 Promotion**

The franchisees will be responsible for their own sale promotion. In Sweden, there are two annual sale periods - in mid June and after Christmas. However, the head office will give the technical support for the promotional activity. On the official website of the company, there is a Club Friis section where the customer can register for a special promotion and event. The head office and the franchisees will work together to spread the news to the customers. The franchisees will submit the information about their sale promotion to the head office. After that the head office will send out this information via short text message to the customers through the database information that they have in the website. However, the franchisee is responsible for all the costs of this short text message. At the moment, there is no international celebrity endorsement of the product Friis and Company. However, Friis and Company has sponsored Miss Denmark, Line Kruise for her final Miss world pageant in China. (J Frederickson 2008, pers. comm., 26 April)

### **4.2 PESTLE : Information about Thailand**

#### **4.2.1 Political**

##### Background Information

Thailand is a constitutional monarchy ruled by King Bhumibol Adulyadej who is considered to be the head of the state whereby the Prime Minister is the head of government and runs the country. Thailand is a democratic country and the political situation has long been in a stable condition until 2006 when a bloodless coup d'etat occurred. The military removed former Prime Minister Thaksin Shinawatra from his position on the charge of alleged abuse of power and corruption. The general election was held in December 2007 and the People Power Party won the majority of seats in the parliament. Mr. Samak Sundaravej has been appointed as the prime minister. The opposition side led by Mr. Abhisit Vejjajiva from the Democrat party. (*The Political Climate*, n.d.)

## 4.2.2 Economic

The overall economy of Thailand in 2008

Thailand underwent a slowdown of the economic growth in 2007 due to the political instability. In first half of 2007, the economy showed a 4.3% rate of economic growth, down from 5.6 % in 2006. However in 2008, the country is now passing the post-crisis period and continues to generate a healthy net export with a slightly increased consumption and investment expansion. (*Thailand's economy in 2008...back on track amid uncertainties*, n.d)

The Bank of Thailand has stated that private investment will be an important economic drive for this year. It started to show a positive sign in the middle of 2007 and is expected to contribute to the overall economy this year. The Bank of Thailand also predicts that the country's economic growth in 2008 and 2009 will be between 4.5 - 6 %. (*A Call for the Continuation of Thailand's Economic Drive in 2008* 2008)

The reasons behind these positive signs are derived from the improved confidence in Thailand's political stability among investors both domestic and international, and the growing in the domestic consumption. The baht currency is now in the state of appreciating due to the American's economic recession and the continued trade surplus for the country. (*Current State of the Baht, 2008*) Moreover, the lower of the interest rate also attracts investors to invest new business into the country. More investments are seen from small and medium-sized enterprises and will continue to expand as a result of larger public spending and local investment. Unemployment rate is decreasing and the government encourages people to spend their money in order to boost up the overall economic. (*Thai land's economy in 2008...back on track amid uncertainties*, n.d)

Moreover, new regulations will be established to make sure that Thailand will benefit from free trade agreements (FTAs) at both bilateral and multilateral levels. Although the overall economic condition in the country is expected to be improving, Thailand still faces many risk factors, such as higher oil prices and a slowdown in the global economy. (*A Call for the Continuation of Thailand's Economic Drive in 2008* 2008) It could not be denied that Thailand has faced with counterfeit products problem, this caused the lost in sale worth for 400 billion Euro a year. Experts revealed that Thailand is the first target for putting out counterfeit products produced in China, where up to 90 percent of the world's counterfeit products are made. (Sheban 2007)

## 4.2.3 Social

### 4.2.3.1 Thai consumers' behavior

Thai consumers prefer to do shopping or window shopping on weekend. This considered to be a weekend activity for the whole family. Most of the fashion markets in Thailand targeting women especially in the age of 19-39 years old. This segment has a high spending power and eagerness to spend. Thai women have a strong preference for brightly-colored, sharp patterns, feminine, shiny decorative designs and accessory details. (Sung 2006)

In addition, fast fashion collections which always update and changing throughout the year represent a growing global trend targeting customers in their 20s-30s. Luxury accessorize companies are putting more efforts on the lower-priced collections to capture the younger target group. Celebrities including Japanese/ Korean/Hollywood stars featured in popular TV soap dramas and movies also have huge influence over Thai consumers' fashion preference. (Sung 2006)

#### 4.2.3.2 Thai fashion market

Thai fashion market can be divided into five segments- exclusive, high-end, higher-middle, middle-end, and low-end. (Sung 2006)

Products in the exclusive segment consist of the international and global brands such as Chanel, Hermès, Celine, Louis Vuitton, MaxMara, DKNY, Burberry. This segment targets the customer with a monthly income of 417 -834 Euro. (Sung 2006)

The high-end segment comprises of Thai and other Asian designer brand, U.S and European brands such as Shanghai Tang (HK), Miss Sixty, Sisley and local brand such as Kai Boutique, Pichitra, and Jim Thompson. (Sung 2006)

The higher-middle segment comprise of brand like Esprit, Guess and local brands such as Soda, Jaspal. (Sung 2006)

The middle-end segment aims at high school and university students, newly graduate student and young office worker earning 250 - 500 Euro. This segment comprise of brands like Esprit, edc, Kipling, Juicy Couture, LeSportsac, Bossini, U2, G2000, Giordano, Crocodile and some Thai brands such as AIIZ, FlyNow and Chaps. (Sung 2006)

The low-end segment comprises of local made and non-branded products which imports from China. (Sung 2006)

#### 4.2.3.3 Fashion distribution channels in Thailand

As for the exclusive and high-end fashions segments, most of the distribution channels are department stores and hotel shopping section in the heart of Bangkok such as Gaysorn Plaza, Erawan Bangkok, The Emporium. (Sung 2006)

Distribution channels for the higher-middle segment also comprise of department stores, shopping malls such as Central Chidlom, Siam square, Siam Centre and The Mall. (Sung 2006)

Middle-end fashion distributions are mostly located at department stores and shopping malls such as Central Lardprao, Robinson Department Stores, Siam Square, Siam Centre. (Sung 2006)

As for the low end fashion distributions, the shops are located at, Suanlum Night Bazaar and Chatuchak Weekend Market along with flea markets. (Sung 2006)

#### 4.2.3.4 Media

In Thailand, the media available is equal to that of most any major metropolitan city - television, radio, press, print media, and etc. The media is able to give constructive criticism in different aspects such as human rights, corruption, and government policies however, the media is also responsible for censoring sensitive issues such as the royal family, the military and other topic deemed controversial. In 2006, TV commercials were media form in the country covering around 60 percent of the media expenditure - newspapers 18%, magazine 8 %, radio 6 %, outdoor billboards 5 %. Below is the total amount of advertising expenditure of all media in Thailand, between, 2006 and 2007(*Media 2007*),(*Country Commercial Guide for Thailand 2007 2007*).

| MEDIA        | YTD 07        | SOV%         | YTD 06        | SOV%         | DIFF         | % Change    |
|--------------|---------------|--------------|---------------|--------------|--------------|-------------|
| TV           | 44,049        | 58.40        | 44,697        | 60.16        | -(648)       | -(1.45)     |
| RADIO        | 5,205         | 6.90         | 5,445         | 7.33         | -(240)       | -(4.41)     |
| NEWSPAPERS   | 12,710        | 16.85        | 12,661        | 17.04        | 49           | 0.39        |
| MAGAZINES    | 4,830         | 6.40         | 5,088         | 6.85         | -(258)       | -(5.07)     |
| CINEMA       | 3,650         | 4.84         | 1,484         | 2.00         | 2,166        | 145.96      |
| OUTDOOR      | 3,733         | 4.95         | 3,882         | 5.22         | -(149)       | -(3.84)     |
| TRANSIT      | 781           | 1.04         | 807           | 1.09         | -(26)        | -(3.22)     |
| IN STORE     | 473           | 0.63         | 237           | 0.32         | 236          | 99.58       |
| <b>TOTAL</b> | <b>75,430</b> | <b>100.0</b> | <b>74,302</b> | <b>100.0</b> | <b>1,128</b> | <b>1.52</b> |

Total Industry - Exclude Section : Classified, House ads.

Figure5: Estimated Total Ad Expenditure of Nov 2007 VS 2006  
(Source: *Estimated Total Ad Expenditure by medium Nov 2007 VS 2006 2007*)

#### Television

Television is the major media format used for advertising in Thailand. There are six free television channels that are controlled by 3 different organizations, the Mass Communications Organization of Thailand (MCOT), the Public Relations Department of Thailand (PRD), and the Royal Thai Army Radio and Television (RTA). Advertising expenditures are mostly spent in television. Below is a list of the six free channels (*Country Commercial Guide for Thailand 2007 2007*).

- Thai TV3 - operated by the Mass Communications Organization of Thailand (MCOT), a government agency
- TV5 - owned by Royal Thai Army
- BBTV (Channel 7) - owned by Royal Thai Army
- Modern nine (Channel 9) - operated by government agency MCOT
- PBS - government-run
- Television of Thailand (TVT) Channel 11 - operated by National Broadcasting Services of Thailand (NBT), part of government Public Relations Department which do not allow to air commercial.

The advertising expense rate varies and depends on the on- air time. Advertising fees range from 604.5 to 9,380 Euro per minute. (*Country Commercial Guide for Thailand 2007 2007*).

## **Radio**

The radio market in Bangkok, Thailand, in particular maintains strong competition as there are more than 60 radio stations in Bangkok. Most of them are controlled by government organizations such as the Public Relations Department (PRD), the Mass Communication Organization of Thailand (MCOT), the Thai Military and state universities. The Public Relations Department has 147 radio stations under control, followed by the Royal Thai Army with 127 stations and the Mass Communication Organization of Thailand with 62 stations. Some of these radio stations are operated directly by these organizations and some are leased out to private sectors. Intense competition occurs between the radio stations in these private sectors, especially in terms of gaining listeners and filling the air time with the sponsorship. Four major competitors in private sectors radio operators are the A-time company (FM 91.5 Hotwave, FM106.5 Green wave), MCOT (FM 97.5 seed FM), Virgin Radio (FM 95.5 Virgin hitz, Fm 103 Virgin Soft, FM 105.5 Easy FM) and Click radio (103.5 BKK radio, 104.5 fat radio) (*Country Commercial Guide for Thailand 2007 2007*).

## **Press**

Most of the print media in Thailand is owned by the private sectors. Most of the contents contain political issues, global situations, business issues and entertainment. The price for each print media such as a newspaper is 0.20 – 0.30 Euro per issue. Below are list of major newspapers in Thailand (*Country Commercial Guide for Thailand 2007 2007*).

- Thairath – The no.1 most selling newspaper in Thailand.
- Daily News - Thai-language daily
- Kom Chud Leuk -Thai-language daily
- Khao sod - Thai-language daily
- Matichon- Thai-language daily focusing on politic

The range of advertising expense starts from 521 to 5,211 Euro per page depending on the size and position printed. (*Country Commercial Guide for Thailand 2007, 2007*).

## **Magazine**

Most of the magazines in Thailand target women as their main readers. There are a variety of local and international magazines available in the market. The featured content is typically fashion, current events, articles and short stories. Below is a list of major magazines in Thailand (*Directory 2007*).

- Image – Thai language, local brand
- Lips – Thai language, local brand
- Praew weekend – Thai language, local brand
- Cosmopolitan – Thai language, international brand

- Cleo – The no.1 most selling fashion magazine -Thai language, international brand
- Hi - Thai language, local brand

The range of advertising expense is start from 521 to 5,211 euro per page depend on size and position (*Media 2007*).

#### Outdoor billboards

Outdoor billboards are scattered around the center area and skyscraper building in Bangkok, 1,323 billboards to be specific. The business itself has a value of 208 million Euro, 90% is in Bangkok district (*Variety zone 2007*).

#### 4.2.4 Legal

To operate international business in Thailand, corporate companies are regulated by paying tax at a rate of 30% of their net profits, while foundations and associations are incur tax charges at a rate of 10% of their gross business income based on the business activities. However, tax payment regulations for incorporate firms in Thailand are also varied from one industry to another. International transportation companies, as an instance, have to pay taxes based on their gross ticket receipts and gross freight income at a rate of 3% each. Size of business also plays an important role on tax mandatory; for those whose registered capital are 104,231 Euro or below, they will be taxed based on the first 20,846 Euro of their profit by 20% or 417 Euro as initial rate, then profits falling under the range of 20,846 -62,539 Euro will be charged at a rate of 25%, and what else beyond 62,539 Euro will be applied with 30% for tax rate consecutively. (*Taxation in Thailand, n.d*)

In terms of business registration, if a firm registers a business entity under Thai law, it will be applied with a Revenue Code where income tax will be calculated based on overall sources of income. On the other hand, if one registers as a foreign company with its location is outside of Thailand, it will be taxed based on income from sources within the kingdom. Other allowances, such as normal business expenses and depreciation costs will be varied between 5 and 100% in weight as deduction from its gross income. The applicable rate depends upon the type of allowance and reasonable methodology of depreciation calculation. However, it is noticeable that for limited companies and partnerships, the depreciation must be actual cost-based and legally permitted at the different rates within a range of 5-20 years. (*Taxation in Thailand, n.d*)

To determine value of inventory, a company may declare at actual inventory cost as long as it is lower than the market price, otherwise, the firm needs to come up with the market price instead. There are also some items that could be exempt from a firm's income tax, such as interest payments in regard to some foreign loans which are to be allowed at a rate of 100% waiver, while inter-corporate dividends can be waived at 50% of the money rewards received. Moreover, total cost of gifts and donations which is not exceeding 4% of net profit can be declared for additional allowance depending on categories of the contribution; 2% for charities to public, 2% for donation to educational or sports bodies. (*Taxation in Thailand, n.d*)



Nonetheless, some sorts of expenditures could not be exempted, For example, bonuses paid based on net profit or any rewards paid at the end of an accounting period. (*Taxation in Thailand, n.d*)

Also some expense categories have limitations of allowance for deduction, i.e. entertainment and representation expenses which are allowed as deductibles at maximum at a percentage of gross sales unless paid-up capital at the closing date of the accounting period is greater. Tax payment is normally scheduled to be made on a half-year basis, in the period of 150 days before the 6 month accounting period ends. By the tax due date, companies must withhold all of their employees' personal income taxes. (*Taxation in Thailand, n.d*)

For those incorporated firms which are newly established, instead of defined as 6 month, an accounting period will be determined as 12 months long, whereas financial auditors are required to involve in returns as declared on financial statements and the companies have to prepare tax filing as half-year return paying 50% of the overall yearly income tax by estimation within month eight of the accounting period. (*Taxation in Thailand, n.d*)

There is also a penalty scheme for those who fail to pay the sufficient amount of corporate tax in time. Underpayment by more than 25% of the actual amount will cause a fine at 20% of the discrepancy, where failure to file tax return or late filing or filing with some information missing may cause a various other types of penalties to the taxpayer Those who fail to file a tax return may be subjected to a penalty at double of the actual amount of tax to be paid. All penalties are scheduled for payment within 30 days of estimation. (*Taxation in Thailand, n.d*)

## 2. Value Added Taxes

In 1992, Thailand first adopted VAT (Value-added tax), in replace of the old business tax system, bringing on every stage of production process-involving manufacturer, service providers, wholesale and retail networks, and export/import agents- to come up with a rate of 7% VAT to be paid on monthly basis. (*Taxation in Thailand, n.d*)

Calculation formula of VAT is: Output tax – Input tax

While Output tax is the VAT paid by purchaser to operator upon a sale made, Input tax is the VAT the operator pays to its seller in the business. (*Taxation in Thailand, n.d*)

If the Output tax is greater than the Input tax, the operator will need to pay additional tax to the Revenue Department within the first 15 days of he consecutive month, so as to make the two amounts maintain a zero balance. In another way around, if Input tax is greater, then the operator will be allocated a refund either in cash or tax credit and the refund payment will be done within the following month. (*Taxation in Thailand, n.d*)

## 2.1 Zero Rate

A company with estimated sales between 12,508 to 25,016 Euro per year can choose to pay tax by normal VAT or gross turnover tax of 1.5%. However the company can not choose to pay gross turnover tax and try to offset this expense and charge VAT to the customers in the production process. (*Taxation in Thailand, n.d*)

## 2.2 Special exemption from VAT

Businesses with total sales less than 37,523 Euro can ask for Special exemption from VAT as well as the sale or import of agricultural products, livestock, and agricultural inputs, such as fertilizer and feed as well as the domestic transport (excluding airlines) and international transport (excluding air and sea lines). (*Taxation in Thailand, n.d*)

## 3. Customs Duties

The Customs Tariff Decree of 1987 controls the Customs duties under the amendment of previous tariff codes. Tariff duties on goods are charged on an add value or a specific rate basis. Mostly, the goods imported are subject to charge with the tariff rates of 0 % to 80 %. Tariff duty and VAT are two taxes charged for the imported goods. Tariff duty is calculated by multiplying the CIF<sup>1</sup> value of the goods by the duty rate. The tariff duty for handbags and other accessories are charged at 40% of the value of the goods. The duty determined is added to the value of the goods determined with reference to the CIF price. Then, VAT is charged on the total amount of the CIF value, duty, and excise tax, if any. Goods imported for re-export are normally exempted from import duty and VAT. The Minister of Finance can order to lower the tariff duties on imported goods. (*Taxation in Thailand, n.d*)

## 4.3 Competitors

Below is information of the three main competitors.

### 4.3.1 Juicy Couture Company

About Juicy Couture, Inc.

Juicy Couture was founded by Gela Taylor and Pamela Skaist-Levy. They have forged a unique style based on their own tastes and often ignored other fashion trends. The colors used in the products contrast with the trends from other major designers. The colors used in Juicy Couture products are bright and feminine exhibiting the concepts of fun, playful and girly. (*Juicy Couture, Inc. - Company Profile, Information, Business Description, History, Background Information on Juicy Couture, Inc n.d.*)

#### Product

The 5 product lines offered by Juicy Couture are Juicy Couture, Couture Couture, Juicy for men, Juicy for kids and Doggy. (*Collection n.d.*) All of Juicy Couture

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<sup>1</sup> CIF - Cost, Insurance and Freight

products are attached with the signature logo, two highland terriers holding a shield bearing three hearts and “Love P&G” (Pat and Gela) Juicy Couture’s creators.(Leadwell 2008) In Bangkok, the products available by Juicy Couture are handbags (Juicy Couture) and watches.

#### Price

According to the phone interview with Ms. Kanchana Siroj, a Juicy couture sales officer, she has revealed the price ranges of the products as listed below. (K Siroj 2008, pers. comm., 5 May)

| Product                                  | Price (Euro) |
|--|--------------|
| Juicy Couture Handbags (S,M,L)           | ~35,50,70    |
| Juicy Couture Handbags (Leather)         | ~55 – 65     |
| Juicy Couture Handbags (Limited edition) | ~85          |
| Juicy Couture watch (Plastic)            | ~75 -85      |
| Juicy Couture watch (Leather)            | ~85-95       |

Table6: Price of Juicy Couture’s products

#### Channel of Distribution

Juicy Couture has 50 stores throughout the world from the United States of America to Japan.(*Our stores* n.d) There are two retail stores of Juicy Couture in Bangkok. Central Retail Corporation which is the distributor of Juicy Couture in Thailand has opened the retail shop in Central Chidlom and Zen. (*Only@Central* n.d.)

#### Promotion

Ms. Siroj also said that Juicy Couture normally has the sale promotions according to the sale promotions of the Central department store. Normally, they will give 20-30% discount in each sale promotion. However, if the customers are Central card holders, they will receive an extra 5-10% discount. At the moment, there is no membership for the Juicy Couture brand. (K Siroj 2008, pers. comm., 5 May)

Juicy Couture’s success was founded on celebrity relationships. In the early year of the company, the designers hosted a suite at the Chateau Marmont in Hollywood and invited young celebrities to stop by for free products. Regular visitors are Cameron Diaz , Madonna and Jennifer Lopez. As for the men's clothing line, celebrities like Billy Bob Thornton and famous singer Lenny Kravitz each reportedly placed large orders for Juicy's menswear. Celebrity endorsement played an important part in the growing popularity of the line. The celebrities had their picture taken with the products and this concept increased the label to the current elite status of the Juicy Couture brand. . (*Juicy Couture, Inc. - Company Profile, Information, Business Description, History, Background Information on Juicy Couture, Inc* n.d.)

### 4.3.2 Lesportsac Company

#### About Lesportsac

LeSportsac was established in 1974. The company is famous for its colorful design and the use of parachute nylon as the main material of the products. They received

popularity throughout the 70's and 80's but mellowed out for a while until the company made it comeback in the early 2000's when the co-owner of LeSportsac, Timothy Schifter, announced that he would began to focus on the younger crowd as the main target for the company. (Owen 2008)

#### Products

LeSportsac has many products lines including handbags, travel bags, totes, messenger bags, backpacks, attaches and accessories. There is also a new product made special for the men's collection which includes travel kits, briefcases and duffel bags. As for the Thailand branch, some of the collection to be sold in the shop is selected by the buyers. Currently, there are 3 categories of products in Bangkok which are Tokidoki for LeSportsac, Boutique and Classic. There is also an exclusive limited edition by well known designers offered in a limited time such as the latest collection by Stella McCartney which were put on the market in April, 2008 in Bangkok. (Owen 2008)

#### Price

According to the phone interview with Ms. Aree Pumpong, Kipling sale officer, she has revealed the price ranges of the products as listed below. (A Pumpong 2008, pers. comm., 4 May)

| Product                        | Price (Euro) |
|--------------------------------|--------------|
| LeSportsac coin bag            | ~16          |
| LeSportsac pencil bag          | ~19          |
| LeSportsac cosmetic bag        | ~23          |
| LeSportsac purse               | ~54          |
| LeSportsac handbags S,M,L      | ~ 35,55,75   |
| LeSportsac travel bags L, XL   | ~115 – 145   |
| LeSportsac Designer Collection | ~145 – 177   |

Table7: Price of LeSportsac's products

#### Channel of Distribution

LeSportsac is distributed to more than 20 countries worldwide in North America, South America, Europe, and the Middle East. Most of the retail shops are located in the most sought-after location such as Beverly hill in the United States of America and Harajuku in Japan. (Owen 2008) As for Bangkok, there are two LeSportsac shops - in Gaysorn Plaza and Siam Discovery situated in the heart of the shopping center area.

#### Promotion

Ms. Pumpong stated that for the promotion in Bangkok, there are two times for sale promotions which are the midyear sale and the end of the year sale. Normally, the shop will give a 10% discount for the new arrival collection and a 30-50% discount for the classic and boutique collection. There is no membership promotion for LeSportsac at the moment. Julianne Applegate, Director of Product Development for LeSportsac, and Elizabeth Kiester, Chief Creative Director has come up with a special promotion by collaborating with the T.V. drama the O.C to launch the O.C collection.

This collection has been featured in the show and used by the famous actresses such as Mischa Barton. President of LeSportsac, Steve Jacaruso stated that this collection is LeSportsac's most successful collaboration to date. ( *LeSportsac Moves Into "The O.C."* n.d.) The O.C has been broadcasted in more than 50 countries around the world including Thailand. (*All of TV.net - The OC* n.d.)

### 4.3.3 Kipling Company

#### About Kipling

Kipling's website quoted that "23 Kipling bags are sold every minute." The brand Kipling was established in 1987 and evolved beyond its original roots of producing backpacks suitable for the adventures activities to a brand that offers a wide range of carryalls bags for a mixture of a different lifestyles and people. Kipling's brand name derived from the last name of the authors of "The Jungle Book" Rudyard Kipling and every Kipling bags come with a monkey keychain. The monkey has become a collector's item for Kipling customers. (*About Kipling* n.d.)

#### Products

In Bangkok, there are 8 collections of handbags available including G\*rilla Girlz, Hip, City, Club, Vintage Leather, Vintage, Basic and If. In each collection there will also features accessories (key chains and wallets), apparel (T shirts, hats, belts and bikinis) travel bags and backpacks. (*Collection* , n.d.)

#### Price

According to the phone interview with Ms. Dara Suhidamrong, Kipling sale officer, she has revealed the price ranges of the products as listed below (D Suhidamrong 2008, pers. comm., 6 May)

| Product                                | Price (Euro) |
|--|--------------|
| Kipling coin bag                       | ~16          |
| Kipling pencil case                    | ~19          |
| Kipling purse                          | ~24          |
| Kipling cosmetic bag                   | ~36          |
| Kipling handbag (Classic)(S,M,L)       | ~60,75,85    |
| Kipling handbag (IF collection)(S,M,L) | ~95,105,115  |

Table8: Price of Kipling's products

#### Channel of distribution

Kipling is distributed in 55 countries throughout Africa, Asia, Australia, Europe, the Middle East, South America and the USA. The Company has it own 17 retail shops in Belgium, Holland and the U.K. and approximately 120 shops managed by distributors mainly in Asia. In Bangkok, there are 8 Kipling stores and 14 shops in department stores, through out the city center area of Bangkok. There is also 1 kipping store in Phuket province a popular tourist destination in the southern part of the country. (*Store locator* n.d)

## Promotion

A Kipling store sales person at Siam Discovery, Ms. Suhidamrong reported that a membership system will be offered to customers who purchase products with a total worth in excess of 105 Euro in one receipt. The membership offers a regular 10% discount in every time they buy a product and 20% discount on their birthday.

Kipling has been collaborated with the three time Grammy winning artist Fergie, from the band, Black Eyed Peas, to design three collections of handbags under the name of “Fergie for Kipling” The three collection include “ The Dutchess which target the chic and glamorous look, the “Nice Scout” for the nature girl and “The Naughty Scout” suitable for the going out and party girl.(*Get a Bagful of Fergie* 2007) Fergie promoted the line throughout the United State of America for Fall 2007 and Spring 2008. (*Fergie the Scout* 2007)

### 4.4 The summary of result from questionnaire

#### 4.4.1 Primary data

On May 1st, 2008, the authors have sent out the questionnaires via e-mail to the target respondents who are Thai women and live in Bangkok with the expected return rate of general questionnaire at 30%. The total amount of the complete questionnaires as of 17th May, 2008 was 386 which exceeded the number of 384 as required. All of the results of the survey are shown below.

#### Part 1: Characteristics of the respondents

The first part of the questionnaire showed the general information of the respondents. The author had pre-segmented the target group of the respondents as women who live in Bangkok therefore all the respondents who answered the questionnaires were women. Among the respondents, 3.7% were younger than 15 years old, 7.1% were between 16-20 years old, 26.7% were between 21-25 years old, 46.8% were between 26- 30 years, 9.7% were between 31-35 years old and the remaining 6% were older than 35 years old. 9.9% of the respondents were married while 90.1% remain single. As for the respondents who answered married, 87.5 % of them have no children, 5.6% have one child, 5 % have two children, 0.9% have three children while 0.2% have four children.

As for the question related to educational background, 8.2% graduated from high school or a lower degree, 44.8 % graduated with a bachelor’s degree, 46.8% graduated with a master’s degree or PhD.

As for the question related to occupation, 31.5% of the respondents were students while 47.6 % were working for a private company. 7.8 % were government officials, 7.5% were self-employed and 0.2% were house wives.

As for the question related to the members of household, 24.6% have 1-3 members, 50.6% have 4-5 members while 23.7% have 5 members or more in the family.



As for the question related to household incomes per month, 5.6 % of the respondents earned less than 417 Euro for the household incomes each month, 11.9% earned 417 – 834 Euro, 12.7% earned 835 – 1,250 Euro, 12.3% earned 1,251– 1,667 Euro, 14.2% earned 1,668– 2,084 Euro and 43.1 % earned more than 2,084 Euro per month.

## Part 2: consumer behavior

The second part of the questionnaire focused on the consumer behavior. This part illustrated how the respondents thought and behaved in their buying behavior as well as their attitudes toward shopping.

According to the statement “I like to go shopping whenever I have time”, most of the respondent answered agree (34.7%), (29.9%) answered neither agree nor disagree, (21.5%) answered strongly agree, (11.8%) answered disagree and (2.5%) answered strongly disagree respectively. As for the statement “I am not as concerned about fashion as I am about modest price and wearability” Most of the respondents answered agree (37.2%) , (31.4%) answered neither agree nor disagree ,(19.1%) answered strongly agree, (10.5%) answered disagree and (1.9%) answered strongly disagree respectively.

As for the statement “I am the first to try new brand so everybody considered me as being a trendsetter”, Most of the respondents answered disagree, (36%), (30%) answered neither agree nor disagree, (13.5%) answered strongly disagree, (11.9%) answered agree and (8.6%) answered strongly agree.

As for the statement “I prefer imported products.” Most of the respondents answered neither agree nor disagree (39.4%), (24.6%) answered disagree, (17.6%) answered agree, (11.1%) answered strongly agree and (7.6%) answered strongly disagree respectively.

As for the statement “Me and my friends like to talk about fashion and we always keep update with the latest fashion trend.” Most of the respondents answered neither agree nor disagree (34.2%) while (25.3%) answered disagree, (18.4%) answered agree (11.2%) answered strongly agree and (10.9%) answered strongly disagree respectively

As for the statement “I always update myself with the latest fashion through fashion magazine, TV and internet”, most of the respondents answered neither agree nor disagree (28.8%) and (28.8%) answered agree in an equal amount, (16.2%) answered strongly agree, (17.6 %) answered disagree and (8.6%) answered strongly disagree.

For the statement, “Where do you usually go for shopping handbags?”, most of the respondents answered shopping center (60.9%), the second choice was Department Store (51.2%), followed by flea market (Jatujak and Suan lum night bazaar)(37.3%) and Shopping Mall(37.3%). The respondents also answered places like duty free, shop online, and second hand shop in the other section (13%)

As for the statement, “When do you usually go for shopping handbags?” Most of the respondents answered according to need (56.9%), (49.3%) answered anytime and (34.3%) answered during sale season, (10.2%) answered special occasion



and (2.1%) of the respondents answered in other section and elaborated their answer that they bought new bags when the old one was ruined or torn apart.

As for the statement, “How many handbags do you typically purchase in one year?” most of the respondents answered 2 handbags (26.9%) while (22.9%) answered 3 handbags, (19.4%) answered 1 handbag and (19%) answered 4 handbags. Some of the respondents also answered more than 4 or more than 10 in the other section (12.7%)

As for the statement, “Who influence you in your purchasing decision?”, the most popular answer was decision made by you (78.9%), followed by friend (29.2%), celebrity (15%), family (11.3%), and some of the respondents answered in other section that boyfriend also had influenced their buying decision (2.5%)

As for the statement, “How much do you usually spend on shopping for handbags in a year?” most of the respondents answered less than 31 Euro (44.2%). Followed by between 32 – 62 Euro (25.5%) and (13.4%) answered more than 125 euro, (7.9 %) spent between 63 – 93 Euro and (4.9%) spent 94 – 124 Euro (4.2 %) answered others and revealed that they spent from 10 Euro to 1,043 Euro for shopping handbags in one year.

This part is focusing on the customer’s attitude toward brand and the customers’ shopping behavior toward handbags.

As for the statement “I tend to buy more handbags when I am the club member of the brand”, most of the respondents answered neither agree nor disagree (28.1%), (27.8%) answered disagree, (17.6%) answered agree (10%) answered strongly agree and (16.5%) answered strongly disagree.

As for the statement “I buy handbags that I like regardless of latest fashion”, most of the respondents answered agree (40.5%), (23%) answered strongly agree, (20.5%) answered neither agree nor disagree, (13.3%) answered agree and (2.8%) answered strongly disagree.

As for the statement” My handbag has to be unique with the design and I don't like when I see people carry the same kind of handbags” most of the respondents answered agree (35.4%), (27.3%) answered neither agree nor disagree, (22.2%) answered strongly agree, (11.8%) answered disagree and (3.2%) answered strongly disagree.

As for the statement “I like it when people notice and give compliment about my new handbags”, most of the respondents answered agree (40.9%), (28.6%) answered strongly agree, (22.1%) answered neither agree nor disagree, (5.6%) answered disagree and (2.8%) answered strongly disagree.

As for the statement ”I prefer to buy the handbag from the stand alone shop rather than in a department store due to the variety of the products”, most of the respondents answered neither agree nor disagree (47.2%) while (24.4%) answered agree, (13%) answered strongly agree, (11.6%) answered disagree and (3.7%) answered strongly disagree.

As for the statement “I prefer to buy the handbags from department store because there are a lot of brand to choose in one place” most of the respondents answered neither agree nor disagree (41.4%) while (32.1%) answered agree, (12.3%) answered strongly agree, (10.5%) answered disagree and (3.7%) answered strongly disagree.

As for the statement “I always stick with the brand that I like and only buy the handbags from this brand”, most of the respondent answered disagree (31.6%). (30.9 %) answered neither agree nor disagree, (15.3 %) answered agree (13.5%) answered strongly disagree and (8.6%) answered strongly agree.

### Part 3: Marketing mix

For this part, the authors want to investigate into each factor of Marketing mix (product, price, place and promotion) that have strong influence over customer purchasing decision of handbags.

For the question “what are other accessories that do you usually buy when purchasing handbags?” most of the respondent answered shoe (61%) followed by wallet(39.5%),earrings (11.5%),belt (11.3%), necklace(5.6%) and bracelet (4.4%).

For the question “ How much do you usually spend for each handbags?”, most of the respondents answered less than 20 Euro (29.5%), (27.2%) answered that they spent between 21 -42 Euro, while (16.2 %) spent between 43- 63 Euro, (14.9%) answered that they spent more than 85 Euro, and (7.4%) said that they spent between 64 -83 Euro.

For the question “What kind of program do you usually watch?” the most popular answer was soap opera (64.9%), followed by news (55.1%), music video (45.4%) and variety show (33.8%). Some of the respondents who answered other (11.5%) stated that they like to watch documentaries, cooking shows and movies.

The next set of questions let the respondents rank their preferences for TV channel, radio newspaper and website in order to study the customer behavior and the media that has influenced and affected the customers’ buying decisions. In order to evaluate the ranking of the answer, the authors considered both the vertical and horizon percentage of the answer.

For the question, “Please rank where is the place that you usually go shopping for handbag?” the most popular answered was 1.) Siam Square 2) Central Ladpraw 3) Siam Paragon 4) Central World Plaza 5) Central Chidlom 6) The Emporium

For the question “Please rank what kind of media that is the most attractive and provides valuable information to you?” the most answered choice was 1) TV commercial 2) magazine 3) newspaper 4) billboard and 5) internet

For question “Please rank what is the TV channel that you usually watch and affects your buying decision?”, most of the respondents answered 1) channel 3 2) channel 7 3) channel 5 4) channel 9 5) PBS (ITV)

For question, “Please rank what radio channel that you usually listen and affects your buying decision?”, the most popular answer was 1) 106.5 Green wave followed by 2) 95.5 virgin hitz 3) 103 Virgin Soft 4) 97.5 seed FM 5) 104.5 Fat radio 6) 105.5 Easy fm 7)103.5 BKK radio 8) 91.5 Hot wave

For question, “Please rank what magazine that you usually read and affect your buying decision?”, most of the respondents answered 1) Cleo followed by 2) Seventeen 3) Praew weekend 4) Cosmopolitan 5) Image and 6) HI!

For question, “Please rank what newspaper that you usually read and affects your buying decision” most of the respondents answered 1) Thairath 2) Daily news 3). Kom Chad Luek 4) Khaosod and 5) Matichon

As for question, “Please rank what are the website that you usually surf and affects your buying decision?” most of the respondents answered 1) pantip.com, followed by 2) sanook.com 3) kapook.com and 4) Hunsa.com

The question for this section of the questionnaire derived from 4Ps Marketing Mix. The answer will give insight information into the customer’s preference toward each factor in the Marketing mix (product, price, place and promotion) when it comes to purchasing handbags.

The respondents were asked to rank the degree of importance for each category of questions. The first one is the factor that related with the product of the handbags. (49.4%) answered that design is very important as well as the design of the product (49%). In addition, (49.9%) answered that function is important followed by variety (46%) of the product. (32.5%) answered that brand reputation has a moderate degree when it comes to the factor related to product of the handbags.

In the category of price of the handbag, (62.1%) answered that reasonable price with the quality was very important while (46%) answered that reasonable price with the design was important, followed by (39.2%) who considered the wide range of price and (37%) the luxury image reflects the price.

As for the factor that related with place/distribution channel for handbag, most of the respondents revealed that well-organized shelf display (55.5%) was important. The following answers were easy access by public transportation (50.9%), attractive store decoration (42.8%) and parking facilities (40.3%).

In the category of handbag promotion, the respondents answered sale promotion as most important (48.8%), followed by advertisement (46%), special discount for membership (45.2%), special event from the company for membership (44.3%), and direct marketing (40.1%). The respondents also answered in-store advertisement as moderate (41.6%).

#### Part 4: Question about Friis and Company

Most of the respondents (79.3%) never heard of the brand Friis and Company before while (20.7%) have heard about the brand.

The respondents who know about the brand answered the next question on how they know the brand. Most of them answered that they know the brand through a friend (36%), (22%) used to buy this brand, (11%) from a fashion magazine (8%) from internet. As for the respondents who answered other (18%), they mentioned that they had never heard about the brand before.

For the last question, “How likely for you to buy Friis and Company products if there is a shop in Bangkok? most of the respondent answered need to consider ( 49.7%) whether they will buy the product or not if there is a shop in Bangkok. (22.5%) answered absolutely, (13%) answered maybe, (7.7%) answered no, and (7.1%) answered probably.

Below are the data collected from the questionnaires and classify by age of respondents.

**Below is the list of questionnaires from those whose ages are under 15 years old.**

100 % of the respondents are single. All of the respondents do not have any child (100%) All of them are high school or university students with 1 to 3 family members per household. (52.9%) The average household income is under 417 Euro (35.3%)

This part was the set of questions regarding the consumer behavior. Most of the respondents answered strongly agreed with the statement “I like to go shopping whenever I have time” (47.1%). Most of them also stated that they strongly agreed with the statement (47.1%) “I am not as concerned about fashion as modest price and wearability”. They also answered strongly agree for the statement “I am the first to try new brand so everybody considered me as being a trendsetter”(52.9%). As for the statement, “I prefer imported products.” most of the respondents answered strongly agree (47.1%). They also answered strongly agree for the statement “Me and my friends like to talk about fashion and we always keep update with the latest fashion trend.”(41.2%) Lastly, most of the respondents also said strongly agree with the statement “I always update myself with the latest fashion through fashion magazine, TV and internet.”(47.1%)

They liked to go shopping at shopping center (94.1%) and department store (88.2%). They bought handbags whenever they wanted (70.6%) and during on-sale season (64.7%). They mostly bought 1 handbag in a year (35.3%) and celebrities were the most influential factor for them to consider when it came to purchasing handbag. (94.1%) Most of them spent more than 125 Euro for shopping handbags each time.

This part was the questions regarding the respondents’ handbag shopping behavior. For the first statement “I tend to buy more handbags when I am the club member of the brand” Most of the respondent answered agreed for this statement (47.1%). As for the second statement “I buy handbags that I like regardless of latest fashion”, most of them answered strongly agree (52.9%). Most of the respondents answered strongly agree with the statement “my handbag has to be unique with the design and I don’t like when I see people carrying the same kind of handbags” (35.3%). As for the statement “I like it when people notice and give compliment about my new handbags” most of the respondents answered strongly agree (52.9%) while for the statement “I prefer to buy the handbag from the stand alone shop rather than in a department store due to the variety of the products”, most of the respondents answered strongly agree (41.2%). For the statement “I prefer to buy the handbags from department store because there are a lot of brands to choose in one place”, most of the respondents answered strongly agree (52.9%). The last statement is “I always stick with the brand

that I like and only buy the handbags from this brand”, most of the respondents answered strongly agree with this statement (52.9%).

As for the question “what are other accessories that you usually buy when purchasing handbags?” 82.4 % of the respondents answered wallet followed by shoes (41.2%) and necklace (41.2%) respectively. They also answered that they spent between 64 to 83 Euro and more than 84 Euro for purchasing each handbag. The respondents in this target group revealed that they liked to watch soap opera (86.2%) and variety show (64.7%). They also liked to go shopping at Siam Square and Central Ladpraw. They also answered that T.V. commercial was the most influential media that had an affect on their buying decision. They liked to watch channel 3, listened to F.M. 97.5 Seed F.M., read Cleo magazine and Thairath newspaper. They also liked to surf at Thai local website pantip.com.

As for the question regarding marketing mix, below was the further information for this section.

The people in this group answered that they considered quality as the most important choice for product factor (82.4%), followed by design and variety of product (both 64.7%) and function and brand reputation(both 52.9%) As for price factor, they considered reasonable price with design (82.4%) and reasonable price with the quality (76.5%).They also liked the store that was well decorated with well-organized shelf display (52.9%). They also paid attention at the sale promotion, special discount for membership and special event (76.5%) Most of the respondents never heard about the brand before (58.8%) however they answered that they will buy Friis and Company if there is a store established in Bangkok.

#### **As for the age group of 16-20 years old.**

All of the respondents are single and none of them have children. They are high school and university students. They have around 3-5 members in the family. All of the family earned more than 2,084 Euro.

This part was the set of questions regarding the consumer behavior. Most of the respondents answered strongly agreed for the statement “I like to go shopping whenever I have time” (100%). On the other hand, most of them revealed that they strongly disagreed with the statement of “I am not as concerned about fashion as I am about modest price and wearability” (37.5%). They also answered strongly agreed for the statement “I am the first to try new brand so everybody considered me as being a trendsetter” (75 %). As for the statement “I prefer imported products.”, most of the respondents answered strongly agreed 87.5 %). They also answered strongly agreed for the statement “Me and my friends like to talk about fashion and we always keep update with the latest fashion trend.”(87.5%) Lastly, most of the respondents also answered strongly agreed with the statement “I always update myself with the latest fashion through fashion magazine, TV and internet” (87.5%).

They liked to go shopping at shopping center (62.5%) followed by department store (50%) and shopping mall (50%) equally. All of them said that they bought handbags whenever they wanted (100 %) and most of the respondent answered that they bought 4 handbags per years. Celebrities were the most influential factor for them to consider



when it came to purchasing handbag.(75%) Most of them spent more than 125 Euro (37.5%) and between 94 – 124 Euro (37.5%) for shopping in each time.

This part is the question regarding the respondents' handbags shopping behavior. For the first statement "I tend to buy more handbags when I am the club member of the brand" Most of the respondent answered strongly agreed for the statement (87.5%) As for the second statement "I buy handbags that I like regardless of latest fashion", most of them answered strongly agreed (50%). Most of the respondents answered strongly agreed with the statement "my handbag has to be unique with the design and I don't like when I see people carry the same kind of handbags" (62.5%). As for the statement "I like it when people notice and give compliment about my new handbags" most of the respondents answered strongly agreed (87.5%) while for the statement "I prefer to buy the handbag from the stand alone shop rather than in a department store due to the variety of the products", most of the respondents answered strongly agreed (87.5%). For the statement "I prefer to buy the handbags from department store because there are a lot of brand to choose in one place", most of the respondents answered strongly agreed (50%). The last statement was "I always stick with the brand that I like and only buy the handbags from this brand", most of the respondents answered strongly agreed for this statement (50 %).

The respondents were likely to buy wallets (75%) and shoes (75%) along with handbags. They also spent more than 85 Euro for shopping handbag per items. The respondents also answered that they liked to watch variety show (87.5%) and soap opera (75%). They also liked to go shopping at Siam Square (50%) and Central Ladpraw (50%). They also answered that T.V. commercial and internet were the influential media that have an affect on their buying decision. They like to watch channel 3 and PBS (ITV) and listen to F.M. 106.5 Green wave and read Cleo magazine and Thairath and Matichon newspapers. Their favorite website is pantip.com.

As for the questions regarding marketing mix, below was the further information for this section.

The people in this group answered that they considered quality, function and design as the most important factor for product (100%), followed by brand reputation and product variety (62.5% and 50% respectively). As for price factor, they considered reasonable price with design (100%) as the most important factor, followed by reasonable price with quality (87.5%) and luxury image reflecting the price (87.5%). They also liked the store that was well decorated (87.5%) with well-organized shelf display (62.5%). All of them paid much attention to the sale promotion, special discount for membership and special event (100%) Most of the respondents heard about the brand before (62.5%) as they have used this brand before. 71.4 % of the respondents also answered that they would buy Friis and Company if there is a store established in Bangkok.

#### **As for the age group of 21 - 25years old.**

99.2 % of the respondents are single and 96% of them have no child. They are well-educated group who are either students or office workers. They have around 3-5 members in the family. Most of the families earned more than 2,084 Euro per month.

This part was the set of questions regarding the consumer behavior. Most of the respondents answered agree for the statement “I like to go shopping whenever I have time” (41.5%). On the other hand, most of them revealed that they felt neutral with the statement of “I am not as concerned about fashion as I am about modest price and wearability” (36.4%). They also answered disagree for the statement “I am the first to try new brand so everybody considered me as being a trendsetter” (44%). As for the statement “I prefer imported products.” most of the respondents answered neutral (42.4 %). They also answered neutral for the statement “Me and my friends like to talk about fashion and we always keep update with the latest fashion trend.”(39%) Lastly, most of the respondents also said strongly agreed with the statement “I always update myself with the latest fashion through fashion magazine, TV and internet” (38.1%).

They liked to go shopping at shopping center (69.5%), department store (47.5 %) and flea market respectively (46.6%).

Half of them said that they bought handbags whenever they wanted (55.1%) and other half said that they bought handbags when they needed it. They bought 3 to 4 bags per year. 84.7% of the respondents answered that they made decisions by themselves when they wanted to purchase handbags. Most of them spent 32-62 Euro for shopping handbag in each time.

This part was the questions regarding the respondents’ handbags shopping behavior. For the first statement “I tend to buy more handbags when I am the club member of the brand” Most of the respondents answered neutral for the statement (34.2%) As for the second statement “I buy handbags that I like regardless of latest fashion”, most of them answered agree (51.7%). Most of the respondents answered agree with the statement “my handbag has to be unique with the design and I don't like when I see people carry the same kind of handbags” (39 %). As for the statement “I like it when people notice and give compliment about my new handbags” most of the respondents answered agree (41.5%) while for the statement “I prefer to buy the handbag from the stand alone shop rather than in a department store due to the variety of the products”, most of the respondents answered neutral (55.9%). For the statement “I prefer to buy the handbags from department store because there are a lot of brands to choose in one place”, most of the respondents answered neutral (43.2%). The last statement is “I always stick with the brand that I like and only buy the handbags from this brand”, most of the respondents answered that they felt neutral with this statement (36.4 %).

The respondents were likely to buy shoes (67%) and wallets (31.3%) along with handbags. They also spent 21 to 42 Euro for shopping each handbag. The respondents also answered that they liked to watch soap opera (61.6%) and music video (55.4%). They also liked to go shopping at Siam Square (41.7%) and Central Ladpraw( 29.7%). They also answered that T.V. commercial and magazines were the influential media that had an affect on their buying decisions. They liked to watch channel 3 and 7, listened to F.M. 95.5 Virgin Hitz and read Cleo magazine and Thairath newspaper. Their favorite Thai website is pantip.com.





As for the question regarding marketing mix, below was the further information for this section.

The people in this group answered that they considered design as the most important factor for product (52.7%), followed by quality (52.7%) As for price factor, they considered reasonable price with quality (57.1%) as the most important factor, followed by reasonable price with design (44.6%) As for location, they considered places with easy accesses to public transportation (55.4%) as the most important factor. All of them considered sale promotion, special discount for membership and special event, advertisement and direct marketing as important. Most of the respondents never heard about the brand before (75.5%) The respondents also answered that they had to consider first whether to buy the product, if there is a store established in Bangkok.

#### **As for the age group of 26 – 30 years old.**

94% of the respondents are single and 95.9% of them have no child. They are bachelor or master degree graduates. They have around 3-5 members in the family. Most of the family earned more than 2,084 Euro (44.2%).

This part was the set of questions regarding the consumer behavior. Most of the respondents answered agree for the statement “I like to go shopping whenever I have time” (35.5%). For the second statement, most of them revealed that they agreed with the statement of “I am not as concerned about fashion as I am about modest price and wearability” (40 %). They felt neutral and disagree for the statement “I am the first to try new brand so everybody considered me as being a trendsetter” (both 37%). As for the statement “I prefer imported products.” most of the respondents answered neutral (43 %). They also answered neutral for the statement “Me and my friends like to talk about fashion and we always keep update with the latest fashion trend.”(36.2%) Lastly, most of the respondents also said they agreed with the statement “I always update myself with the latest fashion through fashion magazine, TV and internet” (29.5%).

They liked to go shopping at shopping center (58%), followed by department store (49%) and shopping mall (36.5%). Most of them said that they bought handbags according to need (60.5%) and bought 2 handbags per years. They made decisions by themselves when they wanted to purchase handbags. (87%) Most of them spend less than 20 Euro (45.5%) for shopping handbag each time.

This part was the set of questions regarding the respondents’ handbags shopping behavior. For the first statement “I tend to buy more handbags when I am the club member of the brand” Most of the respondent answered disagree for the statement (31%) As for the second statement “I buy handbags that I like regardless of latest fashion”, most of them answered agree (41.4%) Most of the respondents answered agree with the statement “my handbag has to be unique with the design and I don't like when I see people carrying the same kind of handbags” (39.5%). As for the statement “I like it when people notice and give compliment about my new handbags” most of the respondents answered agree (42.2%) while for the statement “I prefer to buy the handbag from the stand alone shop rather than in a department store due to the variety of the products”, most of the respondents answered neutral



(45.7%). For the statement “I prefer to buy the handbags from department store because there are a lot of brands to choose in one place”, most of the respondents answered neutral (45.5%). The last statement was “I always stick with the brand that I like and only buy the handbags from this brand”, most of the respondents answered that they disagreed with this statement (34.8%).

The respondents were likely to buy shoes (59.7%) and wallets (35.8%) along with handbags. They also spent less than 20 Euro for shopping each handbag. The respondents also answered that they liked to watch soap opera (59.7%) and news (55%). They also liked to go shopping at Siam Square (41.6%). and Siam Paragon (22.2%). They also answered that Magazine and T.V. commercial were the influential media that had an affect on their buying decisions. They liked to watch channel 3 and 7, listen to F.M. 106.5 Green Wave, Cleo magazine and Thairath and Matichon newspaper. Their favorite local Thai website is pantip.com.

As for the questions regarding marketing mix, below was the further information for this section.

The people in this group answered that they considered function, design quality and variety as important factors for product. As for price factor, they considered reasonable price with quality (60.6%) as the most important factor, followed by reasonable price with quality (51.7%) and luxury image reflect on the price (37.1%). They also liked the stores with well shelf display (55.7%) and good decoration (44.9%) They also considered sale promotion, special discount for membership, special event, advertisement and direct marketing as important. Most of the respondents never heard about the brand before (88%) 70 % of the respondents answered that they had to consider first whether to buy the product if there is a store established in Bangkok.

#### **As for the age group of 31 – 35 years old.**

Most of the respondents are single (82.2%) and (77.8 %) of them have no child. They are bachelor or master degree graduates. They have around 1-3 members in the family. Most of the family earned more than 2,084 Euro (40 %).

This part was the set of questions regarding the consumer behavior. Most of the respondents answered agree for the statement “I like to go shopping whenever I have time” (33.3%). For the second statement, most of them revealed that they agreed with the statement of “I am not as concerned about fashion as I am about modest price and wearability” (44.7 %). They answered disagree for the statement “I am the first to try new brand so everybody considered me as being a trendsetter”(43.6%). As for the statement “I prefer imported products.”, most of the respondents answered disagree (35.9 %). They also answered neutral for the statement “Me and my friends like to talk about fashion and we always keep update with the latest fashion trend.”(41%) Lastly, most of the respondents also said they felt neutral with the statement “I always update myself with the latest fashion through fashion magazine, TV and internet” (36.8%).

They liked to go shopping at department store (53.8%) followed by shopping center (43.6%) and flea market (38.5%). Most of them said that they bought handbags

according to need (56.4%) and also bought 2 handbags per years. They made decisions by themselves when they wanted to purchase handbags.(84.6%) Most of them spend less than 20 Euro (41%) for shopping handbag each time.

This part was the question regarding the respondents' handbags shopping behavior. For the first statement "I tend to buy more handbags when I am the club member of the brand" Most of the respondents answered agree for this statement (33.3%) As for the second statement "I buy handbags that I like regardless of latest fashion", most of them answered disagree (37%). Most of the respondents answered disagree with the statement "my handbag has to be unique with the design and I don't like when I see people carrying the same kind of handbags" (37%). As for the statement "I like it when people notice and give compliment about my new handbags" most of the respondents answered neutral (30.8%) while for the statement "I prefer to buy handbag from the stand alone shop rather than in a department store due to the variety of the products", most of the respondents answered neutral (66.7%). For the statement "I prefer to buy the handbags from department store because there are a lot of brand to choose in one place", most of the respondents answered neutral (51.9%). The last statement is " I always stick with the brand that I like and only buy the handbags from this brand", most of the respondents answered that they were neutral, disagreed and strongly disagreed with this statement in the same percentage.(29.6%)

The respondents are likely to buy shoes (72.7%) and wallets (59.1%) along with handbags. They also spent between 43-63 Euro for shopping each handbag. The respondents also answered that they liked to watch news (81.8%) and soap opera (63.6%). They also liked to go shopping at Central Ladpraw (45.5 %) and Central Chidlom(33.3%). They answered that T.V. commercial and internet were the influential media that had an affect on their buying decisions. They liked to watch channel 3 and 7, listen to F.M. 106.5 Green wave and read Praw Weekend magazine and Matichon newspaper. They liked to surf at the website sanook.com.

As for the questions regarding marketing mix, below was the further information for this section.

The people in this group answered that they considered quality, function and design as the most important factors for product. As for price factor, they considered reasonable price with quality as the most important factors (68.2%) They also liked the store that have well decorated store (66.7%) and good shelf display (59.1%) They also considered advertisement as the most important factor for promotion.(59.1%) Most of the respondents never heard about the brand before (77.3%) Most of the answers from the respondents showed that they will definitely buy (37.5%) and maybe they might buy Friis and Company products (37.5%) if there is a store established in Bangkok.

#### **As for the age group of more than 35 years old.**

Most of the respondents are married (82.1%) Most of them have no children.(39.3 % ) They are bachelor or master degree graduates. They have around 3-5 members in the family. Most of the family earned more than 2,084 Euro(42.9 %).

This part was the set of questions regarding the consumer behavior. Most of the respondents answered neutral for the statement “I like to go shopping whenever I have time” (40.7%). For the second statement, most of them revealed that they agreed with the statement of “I am not as concerned about fashion as I am about modest price and wearability” (38.5 %). They answered strongly disagree for the statement “I am the first to try new brand so everybody considered me as being a trendsetter”(33.3%). As for the statement “I prefer imported products.”, most of the respondents answered neutral (44.4 %). They also answered disagree for the statement “Me and my friends like to talk about fashion and we always keep update with the latest fashion trend.”(34.6%) Lastly, most of the respondents also said they felt neutral with the statement “I always update myself with the latest fashion through fashion magazine, TV and internet.”(33.3%)

They liked to go shopping at department store (59.3%) followed by shopping mall (51.9%) and shopping center (25.9%). Most of them said that they bought handbags according to need (63%) and also bought 2 handbags per years. They made a decision by themselves when they wanted to purchase handbags.(81.5%) Most of them spent less than 20 Euro (37%) for shopping handbags each time.

This part was the set of questions regarding the respondents’ handbags shopping behavior. For the first statement “I tend to buy more handbags when I am the club member of the brand” Most of the respondents answered disagree for the statement (35.9%) As for the second statement “I buy handbags that I like regardless of latest fashion”, most of them answered neutral (30.8%). Most of the respondents answered neutral with the statement “my handbag has to be unique with the design and I don't like when I see people carry the same kind of handbags” (33.3%). As for the statement “I like it when people notice and give compliment about my new handbags” most of the respondents answered agree (51.3%) while for the statement “I prefer to buy the handbag from the stand alone shop rather than in a department store due to the variety of the products”, most of the respondents answered neutral (55.3%). For the statement “I prefer to buy the handbags from department store because there are a lot of brand to choose in one place”, most of the respondents answered neutral (43.6%). The last statement is” I always stick with the brand that I like and only buy the handbags from this brand”, most of the respondents answered that they were disagreed with this statement (35.9%).

The respondents were likely to buy wallets (52.9%) and shoes (44.1%) along with handbags. They also spent less than 20 Euro and between 21-42 Euro for shopping each handbag. The respondents also answered that they liked to watch soap opera (67.6%) and news (67.6%). They also liked to go shopping at Central Ladpraw (51.6 %) and Siam Square (26.7%). They answered that T.V. commercial were the most influential media that had an affect on their buying decisions. They liked to watch channel 3 and 7, listened to F.M. 106.5 Green wave and read Cleo magazine and Thairath newspaper. They liked to surf at the favorite local Thai website pantip.com.

As for the questions regarding marketing mix, below was the further information for this section.

The people in this group answered that they considered function, variety, design and quality as important factors for product. As for price factor, they considered reasonable price with quality as the most important factor (69.7%) followed by luxury image reflect on the price (56.3 %) and reasonable price with quality (54.5%) as the important factors. They also liked the stores with well shelf display (72.7%) and well decorated store (63.6%) They also considered sale promotion as the most important factor for promotion. (50%) Most of the respondents never heard about the brand before (93.9%) 81.3 % of the respondents answered that they had to consider first whether to buy the product if there is a store established in Bangkok.



## 5 Analysis

In this chapter, the authors provide the analysis for Friis and Company in order to provide critical factors contribution for the establishment of Friis and Company in Bangkok. First the authors will provide SWOT analysis for the evaluation of internal and external factors. Then the authors will apply STP analysis to identify the appropriate segmentation, targeting and position of Friis and company. Finally, the authors will create a marketing mix for the suitable identification of the targeting segment.

### 5.1 SWOT Analysis

#### Strengths

- **New brand with unique style**

Friis and Company is a newly established brand which offers a unique trademark logo of Denmark Royal emblem, the fleur-de-lis is also attached in every handbag. This would create distinctions with existing competitors' handbags; as well as catching the attention of shoppers with the newly attractive logo. The logo itself reflects the luxury image and help uplift the brand image as it is the logo of the Royal emblem. Moreover, Thai people have strong feelings connecting them with the royal family, in which this new unique style will help create superiority to the brand.

- **The variety of product**

The annual launching of 6 new varieties of collection will help fulfill the fast consumption of Thai women. This frequent change of the products will satisfy the constant changing needs of this target group. Moreover, Friis and Company products – handbags -- have three different categories which are Fast and Fabulous, Re-runner, and Designer's item. These different product categories create more choices for the customers as well as create better selling opportunity for the company. In addition, Friis and Company also have different types of products which are offer to customers such as shoes, belts, lingerie, accessories, , sunglasses and many other items. These different types of products reflect the brand's strength and appeal to customers' consumption of the more products.

- **Luxury brand image with affordable price**

Friis and Company's slogan is "Luxury for everyday life" and the price are wide range and affordable for women. According to the questionnaire, Thai women usually spend an estimate of 63 Euro in purchasing a handbag in which Friis and Company offered products that are in this price range. Moreover, Thai women will also spend a reasonable amount of money for products with good designs and quality in which Friis and Company can satisfied and fulfilled this need

- **Franchise Policy**

Friis and Company have a strong franchise policy which helps control the image of the brand. The head office considers every relevant aspects from the franchise before giving permission to become a franchisee. There are also many services provide for franchisee from the head office. The online ordering process provides franchisee a convenient way to purchase the products without having to travel to the head office. Friis and Company also provide consultation whenever the



franchisee wants to renovate their stores as well as provide the support in terms of information technology and inventory. With the franchise business policy, they can start up business with professional guidelines.

### Weaknesses

#### ▪ **Friis and Company is not very well known at the moment**

At the moment, Friis and Company brand reputation is not very well known in Bangkok. According to the questionnaire, only 21% are familiar with the brand while 79% has never heard of this brand before. Most of the Friis and Company branch is established in Europe therefore the brand is not well known in Asia nor Bangkok in particular.

#### ▪ **Friis and Company minimum purchase requirement**

The Friis and Company franchise requirement has prevented the entrepreneurs from reaping the full benefit. The entrepreneurs need to purchase at least 2,500 Euro worth of Friis and Company products in each collection. By doing this the entrepreneurs have to take responsibility for the sinking cost that could happen when the products are obsolete. For this case, the entrepreneurs have to put the obsolete stock on sale which means that the profit will be decreasing.

### Opportunities

#### ▪ **Government Support along with the country's economic drive**

The Thai government has given priority in promoting the country to become a "Tropical Fashion Hub" by allocating budget to the program. Moreover, Thai economy is now improving and showing a positive sign. The country is gaining back its confidence given its political stability Investments are pouring into the country and more people are now employed. The government tries to boost the economic of the country and encourage people to spend more money. This is considered as good opportunities for entrepreneurs to establish Friis and Company in Bangkok.

#### ▪ **Thai women do not attached to the brand**

According to the result of the questionnaire, the author asked the question on topic of brand loyalty "*I always stick with the brand that I like and only buy the handbags from this brand*" in which most of the respondent answered disagree (39.3%). With this information, the authors noticed that Thai people do not have strong attached to specific brand which helps newly brand to easily enter Thai market.

#### ▪ **Thai women consume fast fashion**

Thai women like to consume fast fashions that are constantly changing through out the year. In addition, almost 50% of women who answered the questionnaire replied that they would buy a handbag whenever they want. This showed that Thai women have a good potential to spend money with the changing of the new collection and are an impulsive buyer. This behavior can create selling opportunities for Friis and Company to capture this target group and offered the products according to their needs.





### Threats

#### ▪ **Counterfeit products problem**

Due to argue cases of counterfeiting products in Thailand, this might create problems for Friis and Company in the long term. In the introduction stage of Friis and Company, this problem may not be a problem for the newly product in the short terms, but in the long term when the brand is well-known, the counterfeit problem will increase and could create loss to the company's revenue.

#### ▪ **The fluctuation of Baht currency**

The fluctuation of baht currency can create risks for franchisees as they have to use Euro when purchasing the products from Friis and Company. There is no fix converting rate from Thai baht to Euro in each transaction. So the franchisee needs to be responsible for the transaction cost.

#### ▪ **Intense competitors**

In Bangkok, there are intense competitors for different types of brands for handbags. There are many segments offered for customers from high end to low end segment. Customers can choose many different types of brand that are available in the market. With the Thai government's policy in establishing Bangkok as the "Tropical Fashion Hub", new brand can easily entered the country. Moreover, some of the already existing brands have started membership strategy such as Kipling offer 20 % discount for its membership. As for Juicy Couture and LeSportsac, both brands also have sale promotion with the major distribution channels such as Central department stores. Every brand has to come up with new strategies to dominate the market share in handbags market.

## **5.2 STP Analysis**

### Segmentation

Based on the data from the questionnaire, it showed that there are a lot of segmentation variables and the authors chose the homogeneous group base on several factors such as basic customer characteristics and product-related behavioral characteristics. In addition, the authors classified the collected data by age in order to make it clearer for analysis. Below is the list of pre-segment classified by age.

#### Below 15 years old

The characteristic of respondents showed that this group of people like to go shopping and are very fashion conscious, and always update themselves with the latest fashion trend. Celebrity is the most influential factor for them to consider when it comes to purchasing a handbag. However, they are very price conscious and like to purchase handbags during sale season. They tend to buy expensive bags and hardly change or buy a new one in a year.

#### 16 – 20 years old

As for this group, the respondents have a strong preference for import product and they like to be fashion trendsetter and willing to try new brand. They always update themselves with the latest fashion trend through internet. They also preferred luxury products with the reasonable price. They have high purchasing power as they spend more than 85 Euro per item. They always change new handbags as refer to the number of handbags that they purchase in one year.

#### 21 – 25 years old

For this group of people, they like to go shopping and have preference toward import product. They like to update themselves with the latest trend and like unique style of product. They tend to buy handbag whenever they want to and they would spend between 21-42 Euro per each handbag.

#### 26 – 30 years old

The characteristic of the respondents showed that they are not concern about fashion trend as it does not have any affect on their purchasing decision. They pay more attention at function and price and only buy handbags according to the need in which they would make a decision by themselves. They hardly change new handbags in a year and the amount that they spend in each handbag is less than 20 Euro. They feel neutral toward import products.

#### 31 – 35 years old

This group shows that they are not concern about fashion and they do not follow fashion trend. They do not think that being a fashion trendsetter is important and will make a decision by themselves when they want to purchase a handbags. This group of people will buy handbags only when they need them. They spend less than 31 Euro for each item. The attitude toward import products is not important to them.

#### More than 35 years old

Shopping is not their activity preference and fashion is not important to them. When it comes to purchasing a handbag, they can decide to buy the product by themselves. They do not like to try new brand and feel neutral toward import products. They do not attach themselves to any specific brand.

The authors found that the appropriate homogenous segments for Friis and Company are women age between 16 to 20 years old and 21-25 years old. As both of the characteristics of the people in this segment matches well with the products of Friis and Company. This segment also has a strong potential to become Friis and Company's future customers as they have high purchasing power for handbags. This segment is the determination factor for the buying of offered products. For the other segment, the authors consider their characteristic and consumer behavior and found that they do not fit well with the Friis and Company products.

## Targeting

After the segmentation is selected, targeting is the next issue to be identified. According to the empirical finding's data, handbag is the main product of Friis and Company. Thus the targeting strategy that Friis and Company should concentrate is multi-segment strategy. As Friis and Company have three categories in their product line and this product line matches well with both of the segment. Also, the appropriate target market should be the middle-end segment because the brand image and price range of Friis and Company suit well with this market. Moreover, all of the main competitors are in this segment. The targeting segment is women aged between 16 to 25 years old with good financial background who live with small to big family in Bangkok. This segment comprises of high school, university students and young office workers. This is due to the fact that this market segment matched with Friis and Company, which captured young customers and concentrate on the fashionable and posh design with reasonable price. In addition, this market segment also fit well with Friis and Company concept of luxurious products that are affordable and corresponded with the slogan "Luxury for everyday" because this segment use hand bag to distinct themselves. Moreover, the price range that this segment usually spends for a handbag is in the same price range for Friis and Company's handbag. Furthermore, the quality and variety of handbags that Friis and Company offers suit with the requirement of this targeted group. Finally, some of the respondents knew Friis and Company and they have had experience with this brand before. From the above information, the authors see opportunities for Friis and Company to target this segment.

## Positioning

Positioning is the last step of STP analysis after the authors chose the appropriate targeted segment. According to the characteristic of the selected segment, Friis and Company should position itself as trendy and luxury products which corresponded with the Friis and Company world wide slogan of "Luxury for everyday". In addition, the price should also be set to be affordable. Moreover, country of origin seems to give favor to the brand. The result from the questionnaire showed that the target group prefers imported brand and Friis and Company is originated from European region, Denmark in particular. This can be beneficial for the brand to gain favor from this segment.

As a result, Friis and Company should position itself as a trendy and luxury European product with affordable price in middle-end market. This will help Friis and Company kept the international brand image and could easily approach to the segment group.

## **5.3 Marketing Mix (4Ps)**

### Product

According to franchise policies in empirical finding chapter, the products have to be ordered via online catalogs from head quarter. There are six collections throughout the year comprising of three categories which are Fast and Fabulous, the Re-Runner – Classic items, and Designer's item. This will offer the target group with the variety of products. Each collection comprises of different types of products such as bags, shoes, jewelries, belts and lingerie but the main product is handbag. The franchisee has to

select the existing products by themselves to put in the stores. Thus in choosing the product, the franchise has to be more considerate because there is no responsibility from the head quarter for the left over stock. Since the authors identified target group and brand positioning for Friis and Company in Bangkok, we found that the target group like trendy and luxury product with reasonable price. Moreover Thai women like the products that are feminine and have shiny decorative design along with the accessory detail. Thus the Fast and Fabulous category which are products that offered the fashionable and vivid style and aimed at teenagers should be a suitable product for Friis and Company's target group. Moreover, if consider about the main competitors of Friis and Company, it will show that they offer the unique style as well. For Kipling, the monkey key chain is the famous symbol that comes with the bag. LeSportsac is famous for the colorful design and the use of parachute nylon. For Juicy Couture, the use of contrast colors that is bright and feminine. But for Friis and Company, it also has a shiny decorative style resemble with the Denmark royal emblem, fleur-de-lis. The logo itself is outstanding in terms of unique style and suit with the preference of Thai women. Thus every chosen product should have this logo in order to create brand recognition since the brand is not well-known in Bangkok yet. Furthermore, according to the questionnaire in the part of the consumer behavior for handbag, shoes and wallets are accessories that target group usually buy along with the handbag. So these accessories should be selected to be sold and displayed in the store as well. The packaging is also very important as it helps add value to the product. The packaging items such as bags and ribbons with Friis and Company logo need to be ordered along with the handbags product from the head office.

### Price

According to the questionnaire, the target group usually spends approximately between 43 -62 Euro for purchasing a handbag. The selling price of Friis and Company in Västerås branch ranges between 25 to 75 Euro as shown from the finding chapter. By comparing this two price range, the authors found that Friis and Company product are affordable for this target group. The reason that the authors use the selling price in Sweden to compare with the average handbags' spending of the target group is due to the fact that the cost of sale of Friis and Company's products are strictly confidential. Therefore, the selling price of Friis and Company should be in the same range with the Västerås branch. By doing this, Friis and Company will create more business opportunities to penetrate into the market as this price range is affordable by the target group.

### Place

The target group always buys handbags at the shopping centers such as Siam Square and department stores like Central Lad Prawn. They considered store decoration as well as product displayed on the shelf to be the most important thing when it comes to determining the place factor. Friis and Company have the requirement that all the stores need to have which is the same standard level and be able to convey the message "Luxury for every day life" to this target customer. Every Friis and Company store needs to look expensive and luxurious from the outside and this has corresponded with the preference of this target group. Moreover, easy access to the public transportation to the store location is also very important for this group therefore the place should be established near subway or sky train. As a result, the

store location should be located at Siam Square with stand alone shop due to the fact that target group preferred pre-stand alone shop. The store is required to use the theme for decorating as a standard requirement from the head office which can reflect the identity of the brand. Also the theme for decorating inside the store and the display shelf should be match with concept of Friis and Company in order to create the connection between product and customer.

### Promotion

The target group has a strong preference for sale promotion, special discount for membership, special event and direct marketing. They tend to buy more when they are member of a specific brand. With the customer preference and intense competition in Bangkok, the promotion offered by competitors at the moment is quite attractive. As for Kipling, 20% special discount will be given for membership on their birthday. For Juicy Couture, 20-30% discount are offered during the sale promotion and LeSportsac will give 30-50% discount for the non-arrival items during the sale season. As for Friis and Company, the sale promotion is entirely up to the franchisee to decide the sale percentage in each sale promotion. Thus Friis and Company should also has the same kind of promotion as the competitors and sale season according to need of target group's consumer behavior in order to persuade the customer as well.

The target group also likes to update themselves with the latest fashion through internet and television. More over the internet is considered to be an influenced media for the target group.

This is a good chance for Friis and Company who already has its own official website as a representative through internet distribution channel. In addition, Friis and Company can also add little ads or the short cut ads in the Pantip and Kapook website since these websites have influence through the target group. Television commercial which is overlooked at this moment, should cooperate with the head office as international ads. Celebrity is also influential factor for the target group when deciding on their purchase, therefore many fashion brands try to capture this target group through media such as TV and internet or launch campaign with famous celebrity.

All of the mentioned competitors have already launched their campaign that would help create the brand awareness for instance Kipling working with the famous singer Fergie; LeSportsac have collaborated with famous series The O.C and Juicy Couture has been given away free products to celebrities like Madonna, Jennifer Lopez and Cameron Diaz. In this target group, celebrity endorsements play an important role and have a huge influence on their buying decision. But for Bangkok, the company can also promote the brand by sending bags to listed celebrities in order to create brand awareness to the market. As for Friis and Company, the promotion has been endorsed only in local level such as giving sponsorship to Miss Denmark. This can also help explain that 37.5 % of the questionnaire respondents never heard about the brand Friis and Company before because of the lack of international promotion level.

## 6 Conclusion

After the information has been gathered from finding and analysis part, the authors found that there were many critical factors in terms of SWOT analysis, STP analysis and Marketing Mix for entrepreneurs to consider in order to establish Friis and Company in Bangkok. Below the authors will describe the critical factors for each facet.

### SWOT

In terms of SWOT, the entrepreneurs need to apply the strengths and opportunities factors of Friis and Company to benefit the marketing in Bangkok. However, the factors related to weaknesses and threats also need to be closely considered. As for strength factors, Friis and Company products have unique designs and luxury image that can attract the customers' needs. Friis and Company also offered a wide range of products to suit with the constantly change of customers' preferences. In addition, the franchisee policy also helps control brand image and provides guideline for establishment of the store in each country. The government also gives support to fashion products and the economy of the country is gradually improving. The customer behavior also gives favor to the new brand as those customers are not attached to any specific brand and they consume fast-fashion, and these will help create selling opportunities for Friis and Company products. However the restrict purchasing requirement as well as the unfamiliarity of the brand in the market are considered as weaknesses. The intense competition in the market, counterfeited problem as well as the unstable baht currency is considered to be threat factor that the entrepreneurs need to consider and deal with this problem.

### STP Analysis

In terms of STP analysis, the entrepreneurs need to find the appropriate targeted segment that suit well with the Friis and Company products. There are 6 pre-segment groups that the authors categorized by age. The information from finding showed that the suitable targeted segments are the 16-20 years old group and the 21 – 25 years old group. They are fast fashion consumers and have strong preferences for imported product. They purchase handbags more frequently and have high purchasing power than the rest of the segment groups. After considering about the targeted segments, positioning is next critical factor that should be concerned. The products should be positioned in the middle-end market and representing themselves to be corresponded with the slogan "Luxury for everyday" with the affordable price.

### Marketing mix

After SWOT analysis and STP analysis were done, Marketing Mixes are also next essential factors that the entrepreneurs should be closely considered. As for Product, the entrepreneurs should select most of the Friis and Company products in Fast and Fabulous category which suit well with the preferences of the target groups. Other categories such as Re-runner and Designer's items will also be available in the shop but not as much as the Fast and Fabulous category. The competitors in the market are very unique in their products and designs. Therefore, Friis and Company needs to stress the uniqueness of their fleur-de-lis logo to be able to compete with the rest of the competitors in the market. The price range should also be in the same range with



Friis and Company Västerås branch and the store location should be in the crowded shopping center such as Siam square.

These are the vital factors for entrepreneur to consider when they want to establish Friis and Company in Bangkok. In addition, from the information the authors received from finding and analysis part, business plan will be generated in order to give an in dept detail and practical guideline for entrepreneurs who want to establish Friis and Company in Bangkok in the recommendation part.



## 7 Recommendation

After the authors provided the analysis and conclusion about the critical factors that entrepreneurs should concern when establishing Friis and Company in Bangkok. The authors will generate a business plan for any entrepreneurs as a preliminary guideline for setting up Friis and Company business in Bangkok. The business plan is composed of eight sections which are executive summary, industry analysis, description of venture, production and operational plan, marketing plan, organizational plan, financial plan, and assessment of risks.

### 7.1 Business plan

- Executive summary

The fashion market in Bangkok is becoming more attractive to entrepreneurs after seeing the potential of the Thai customers and their growing demands. Also the Thai customers have a tendency to be fast fashion consumers and they tend to change their accessory products constantly. In addition, they also have a preference for import products. After seeing this opportunity, the business idea to open new fashion accessory company such as Friis and Company in Thailand seem to be an interesting proposal. Friis and Company has unique style and vast varieties of products to offer. The price is set in an affordable range and the country of origin is from European region. The products' strength seems to match well with the customer preference in Bangkok. With an explicit business plan, the entrepreneurs will be able to generate more practical idea and obtain more information about the process of establishing Friis and Company in Bangkok.

#### Type of Business

Friis and Company is fashion accessory company with the slogan "Luxury for Everyday" providing the customer with varieties of products such as handbags, shoes, belt, and lingerie.

#### Aim and Goal

To establishing Friis and Company in Bangkok and generate the return on investment within three years.

- Industrial analysis

The overall market for handbags in Thailand seems to be very promising for the new investors. Thai government pushing Thailand to become "Tropical Fashion Hub" will help lower the barrier of entry for the new fashion brand. New brand can emerge all the time and this will create more intense competition in the market. Currently, there are 5 market segments which are exclusive, high-end, higher-middle, middle-end and low end segments. Within each segment, there are many international and local brands competing with each other intensively in terms of products and promotions offered to their target customers.

- Description of venture

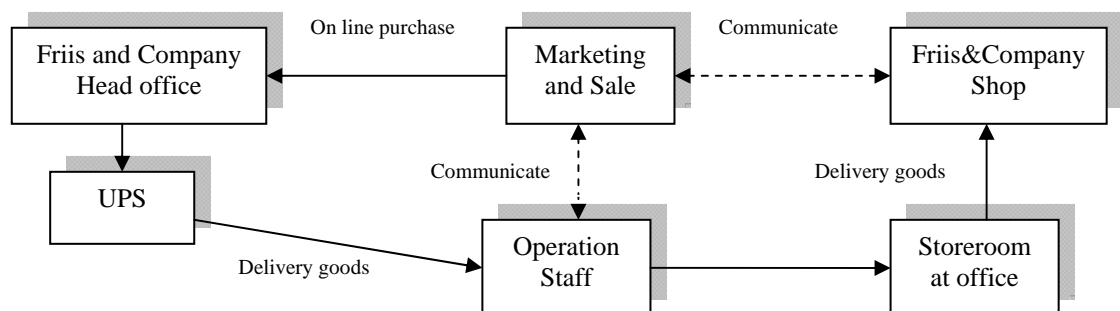
Franchise is the business method that Friis and Company offers to any entrepreneur. A Franchise is easy to implement. As a franchisee, the entrepreneurs have to follow the requirements but in terms of business management, it is depend on their judgment. The entrepreneurs do not have to pay for franchise fee but there are some other requirements that they have to follow. For an example, they are required to purchase Friis and Company product for the minimum of 2,500 Euro per each collection. There is also requirement in terms of space (minimum 50 Square Meter.) and decoration of the store to meet with the standard of Friis and Company.

- Production and Operational plan

For the production plan, as a franchisee, the entrepreneurs do not have to concentrate about the production. On the other hand, the entrepreneurs have to focus on how to select the appropriate products to sell in the store as the product ordered can not be returned and the entrepreneurs have to be responsible for all the sink cost.

#### Flow chart of business

Below is roughly flow chart of the operation of Friis and Company in Bangkok



First, the order will take place via the internet as online purchasing by decision of Marketing and Sale staffs cooperate with managing director. Payment is transferred via bank and the entrepreneurs have to use UPS as shipping company to delivery the products to operation department in Bangkok. The operation staffs will send products to shop according to inventory list or customers' need or special order. The inventory will be kept at the office and the store. Moreover, the Marketing and Sale department have to keep communicate with sale officials at the Friis and Company shop in order to keep update with the market trend and customer preference.

- Marketing plan

### Customer analysis

#### Target group

|             |   |
|-------------|---|
| Geographic  | Bangkok, The capital city   |
| Demographic | Women aged between 16 to 25 years old with good financial background who live with small to big family in Bangkok. This segment comprises of high school, university students and young office workers. |
| Behavioral  | Fashion conscious, prefer imported product, fast fashion consumer   |
| Positioning | Trendy and luxury product with affordable price in middle-end market.   |

### Marketing Mix

#### Product

In the first step of opening shop, handbags which are the main products should be ordered in all 3 categories. The first category is “Fast and fabulous” which focus on the young customers with budget price. The second category is “the re-runner – classic items” with the black and brown color come with Friis and Company crown. The last category is the “Designer’s item” which is more expensive than the normal product line and produced in limited amount. With this variety of products, the store can attract multi-segment group of customer. As for wallet and shoes, they will also be ordered to sell in the shop as supplementary products.

#### Price

Friis and Company should set the reasonable and affordable price to be corresponded with its positioning. At this stage, cost of sale is still strictly confidential because there is no signing contract with Friis and Company head office. To setting up the price, however; the entrepreneurs have to take into consideration about the custom duties (40%) and VAT (7%) as well. Therefore, the roughly selling price of Friis and Company should be in the range of 25-75 Euro or increasing slightly.

#### Place

Siam square should be the first stand alone shop in Bangkok. The store should have 50 meter square at least in order to create adequate space for product display shelf. The sign of the store should be big enough for people to notice and the front of the store should be built with glass wall and put sticker of Friis and company logo on the glass wall in order to present the brand. Moreover, the entrepreneurs should consult with Friis and Company head office regarding the store decoration in order to obtain professional recommendation and suggestion.

#### Promotion

To approach the target group, sale promotion, membership program should be implemented. For sale promotion, the entrepreneurs should also initiate this

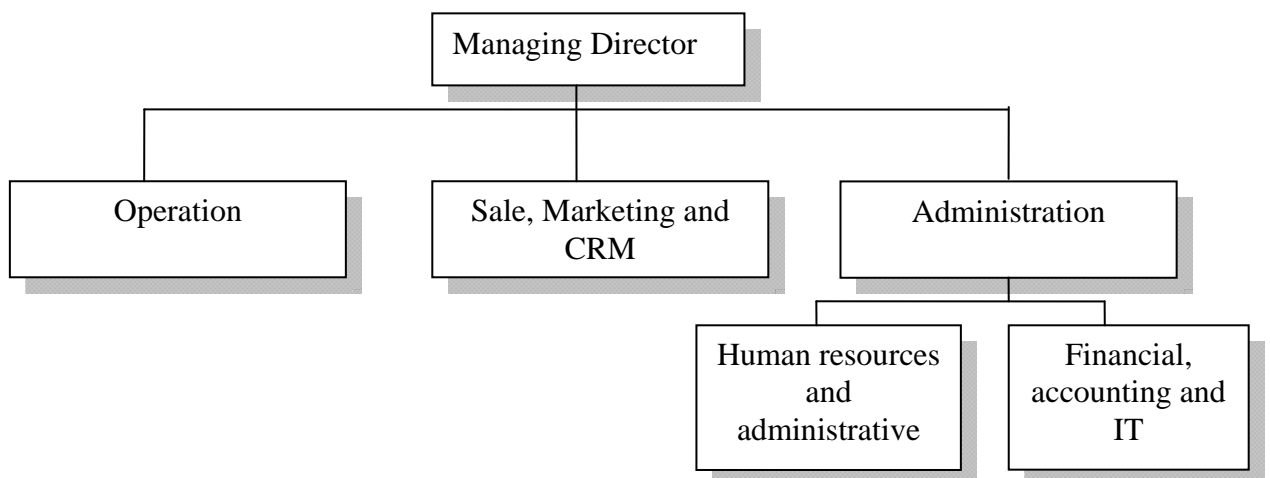
strategy just like other competitors. By doing this, the old inventory or unsold products will be cleared and new collection will be ordered to replace them. For membership program, customer data base will be collect through the membership registration at the shop. The promotion will be created by collecting the customer data base and then create promotion that suit with their preference such as special discount, special event, direct marketing and new collection catalog. Moreover the entrepreneurs should create brand awareness by advertise Friis and Company via famous fashion magazine such as Cleo magazine and/or Seventeen magazine and famous website like pantip.com. The cost spent in advertisement like press and website are much cheaper than advertise via television or newspaper and it is suitable for budget for the startup phase.

- Organizational plan

#### Legal structure

The company will be registered as the Limited company in Thailand. Due to the fact that registering as Limited Company will give more reliability when dealing with suppliers and build better trust from customers; Moreover, inherent risk to be sued from customers can occurred, therefore registering as Limited Company will help protect the entrepreneurs from any legal binding.

#### Startup phase: Organization chart



At the start up phase, the company will be divided into 3 main departments.

First is Operational Department which is mainly responsible for inventory management. The tasks are controlling, maintenance and distributing the stock.

Second department is Sale and Marketing which is responsible for boost up the sale, launching effective advertisement and sale promotion within limited budget In addition, this department will also supervise activities relating to customer relationship management area such as membership as well.

Third department is Administration which is responsible for human resources, financial, accounting and information technology. Human resources responsible for recruiting the suitable employees, manage the proper workforce, create employee's satisfaction, reduce turnover rate and ensure that company's regulation is comply with Labor law. Finance, accounting and IT areas are responsible for proper internal control, prepare financial statement along with useful information for making decision, cash flow, cost control and fixed assets management. Furthermore, this department also works to ensure that company implements proper imply tax law and other regulations.

Management team will perform all main functions during the start up phase. Management team can organize all the main functions as it is still a small and medium size company. Another main task is to perform close monitoring within the organization which helps to minimize the lack of information and communication.

- Financing

For establishing the Friis and Company business, approximately 50,000 Euro is the minimum requirement for initial investment with consideration about the expenditures such as startup business's expense, cost of inventory, rental fee and etc. 70% source of fund comes from the entrepreneurs personal financing and another 30% is the loan from domestic bank with the consideration about the interest rate as a main factor. To be clearer, the authors would propose to provide forecast financial plan for Friis and Company

Below is a forecast sale volume in the first three years.

**First year** Unit : Euro

| Friis & Company  | Estimate sale per year |               |           |
|------------------|------------------------|---------------|-----------|
|                  | Sale                   | Cost of sale  | Margin %  |
| Pessimistic      | 100,000                | 25,000        | 75        |
| <b>Realistic</b> | <b>140,000</b>         | <b>35,000</b> | <b>75</b> |
| Optimistic       | 180,000                | 45,000        | 75        |

**Second year** Unit : Euro

| Friis & Company  | Estimate sale per year |               |           |
|------------------|------------------------|---------------|-----------|
|                  | Sale                   | Cost of sale  | Margin %  |
| Pessimistic      | 140,000                | 35,000        | 75        |
| <b>Realistic</b> | <b>180,000</b>         | <b>45,000</b> | <b>75</b> |
| Optimistic       | 220,000                | 55,000        | 75        |

Third year

Unit : Euro

| Friis & Company  | Estimate sale per year |               |           |
|------------------|------------------------|---------------|-----------|
|                  | Sale                   | Cost of sale  | Margin %  |
| Pessimistic      | 180,000                | 45,000        | 75        |
| <b>Realistic</b> | <b>220,000</b>         | <b>55,000</b> | <b>75</b> |
| Optimistic       | 260,000                | 65,000        | 75        |

Pro forma Balance sheet as of 31 Dec 2009- 2011, pro forma income statement for the year then ended for period 31 Dec 2009- 2011 are shown per bellows:

**Pro forma balance sheet**  
**Friis and Company**  
**As of 31st Dec 2009-2011**

| <u>Assets</u>                                     | <u>2009</u>    | <u>2010</u>    | <u>2011</u>    |
|---|----------------|----------------|----------------|
| Unit : Euro                                       |                |                |                |
| <b>Current assets</b>                             |                |                |                |
| Cash and banks                                    | 90,900         | 142,825        | 211,230        |
| Inventory   | 35,000         | 45,000         | 55,000         |
| Rental deposit                                    | 2,000          | 2,000          | 2,000          |
| <b>Non-current assets</b>                         |                |                |                |
| Fixed asset                                       | 6,000          | 4,800          | 3,600          |
| <b>Total assets</b>                               | <b>133,900</b> | <b>194,625</b> | <b>271,830</b> |
| <b><u>Liability and shareholders' equity</u></b>  |                |                |                |
| <b>Liabilities</b>                                |                |                |                |
| Account payable                                   | 21,000         | 27,000         | 33,000         |
| Short term loan                                   | 15,000         | 10,000         | 5,000          |
| Custom Duty Payable                               | 8,400          | 10,800         | 13,200         |
| Corporate Tax payable                             | 10,125         | 20,535         | 28,602         |
| <b>Total Liabilities</b>                          | <b>54,525</b>  | <b>68,335</b>  | <b>79,802</b>  |
| <b>Shareholders' equity</b>                       |                |                |                |
| Paid -in Capital                                  | 50,000         | 50,000         | 50,000         |
| Retain earning                                    | 29,375         | 76,290         | 142,028        |
| <b>Total Shareholders' equity</b>                 | <b>79,375</b>  | <b>126,290</b> | <b>192,028</b> |
| <b>Total Liabilities and Shareholders' equity</b> | <b>133,900</b> | <b>194,625</b> | <b>271,830</b> |





**Pro forma Income Statement**  
**Friis and Company**  
**For the year ended 31st Dec 2009-2011**

|  | <u>2009</u>    | <u>2010</u>    | Unit : Euro<br><u>2011</u> |
|--|----------------|----------------|----------------------------|
| Sale revenue                           | 140,000        | 180,000        | 220,000                    |
| Less : cost of goods sold              | (35,000)       | (45,000)       | (55,000)                   |
| <b>Gross profit margin</b>             | <b>105,000</b> | <b>135,000</b> | <b>165,000</b>             |
| <b><u>Operating expenses</u></b>       |                |                |                            |
| Salary and wages                       | 36,000         | 37,800         | 39,600                     |
| Rental fee                             | 25,000         | 26,250         | 27,560                     |
| Depreciation expenses                  | 1,200          | 1,200          | 1,200                      |
| Office and administrative expenses     | 500            | 500            | 500                        |
| Other fixed cost                       | 800            | 800            | 800                        |
| Setting up business expense            | 1,000          | -              | -                          |
| <b>Total operating expenses</b>        | <b>64,500</b>  | <b>66,550</b>  | <b>69,660</b>              |
| <b>Earning before tax and interest</b> | <b>40,500</b>  | <b>68,450</b>  | <b>95,340</b>              |
| Interest expense                       | 1,000          | 1,000          | 1,000                      |
| Corporate income tax (25%,30%,30%)     | 10,125         | 20,535         | 28,602                     |
| <b>Net income</b>                      | <b>29,375</b>  | <b>46,915</b>  | <b>65,738</b>              |
| % NI                                   | 21%            | 26%            | 30%                        |

Pro forma income statement shows 21% net income which is relatively satisfies in the first year and balance sheet do not show any negative concern.

▪ **Risks**

Entrepreneurs might face a lot of risk factors when establishing Friis and Company in Bangkok. Below is the list of potential risk factors

Counterfeited products

One of the most important risk factors that the entrepreneurs need to consider is the abundant of counterfeited products in Bangkok market. Once the products are being introduced to the market and become popular, the counterfeited process will followed immediately. The counterfeited process is done in a very quick and short period of time. The brand products are being copied openly and sell in a lower price compare to the actual selling price in the shop. All of the already existing competitors in Thailand have already faced this problem – Kipling, LeSportsac and Juicy Couture. The counterfeited products are being sold openly in flea market as Thailand is the main market to put out counterfeited product that produced in China. However, the Thai government is well-aware of this problem

and tries to come up with the way to solve this problem. In addition, the company should aim at different target group and not to focus on the group that has a tendency to buy counterfeited products.

#### Overstock products

The entrepreneurs have to be responsible for all the products imported to the store. If the products can not be sold, the entrepreneurs will be responsible for all the sink cost and expense. This is considered to be very risky as the entrepreneurs need to be able to predict the customer preference toward the products. The contingency plan for this issue is discount promotion. The company will give the discount at the end of the season which can not exceed 70% off which is the equal cost of sale.

#### The fluctuation of currency

The fluctuation of currency is also considered to be one of the risk factor for the entrepreneurs. The billing need to be done in Euro and the exchange rate between Baht and Euro is constantly changing. The entrepreneurs might face with the problem when the Baht currency is depreciated. They will be able to buy less products with the same amount of money. This can also have an affect with the pricing strategy for each collection as the amount spent is different each time. The contingency plan for this issue is buying the forward contract that can guarantee the exchange rate with fix value.

#### Intense rivalry

The already existing handbags market in Bangkok is filled with intense competitions. New brand can emerge in any minutes followed the government support and the improving economy of the country. To deal with this issue, the company has to focus on branding and differentiate itself from the rest of the market.

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## 9 Appendix

### Appendix 1: Preliminary interview

The authors conducted focus group interview with the individuals who are the representative of the target market in an informal setting. The discussion focuses mainly about the feeling, attitudes and perception relating to the topic being studied and in centering the interchange on relevant issues. (Craig & Douglas 1999 p, 191)  
The participants include 7 Thai students from Mälardalen University.

The aim of the interview is to gather ideas from Thai students who are staying in Sweden. The open-questions have been asked and below are the list of the question.

Mälardalen University

Interviewee: Questions and Answers

1. How often do you go shopping in Sweden?

Answer: Three of them said once a week, two of them said twice a week and two of them said once a month

2. Can you give us the suggestion about some of the brand of the products in Sweden that does not exist in Thailand?

Answer: Axcent, Friis and Company, Vera moda, Gina Tricott, H&M, ICA and Coop

3. How do you know about the suggested brand?

Answer: All of them said when they know this brand from shopping.

4. Do you know the brand Friis and Company?

Answer: Five of them said yes and two of them said not sure.

5. Have you ever buy the products from this brand?

Answer: Five of them said yes and two of them said no.

6. In your own opinion, do you think there is a good potential for this brand to establish their branch in Bangkok?

Answer: Seven of them said yes.

### Appendix 2: Interview questions

#### 2.1 Question with Friis and Company at Västerås branch.

The semi-structure interview (Fisher 2004, p.143) was conducted in English by the authors in order to collect the general information about Friis and Company. Below are name and address of interviewees and the list of questions and area of discussion.

Interview with Västerås branch owner of Friis and Company

Interviewee: Ms. Mia Bulldra, owner

Date/Place: April 12, 2008, Västerås

List of questions:

- What kind of product Friis and company offer to the customer?
- What is the price range of the products?
- What is the pricing policy for this branch?
- What is the requirement for choosing the location of the store?
- How often does the branch launch the special promotion?
- Who is the target group of Friis and Company?



## **2.2 Question with Friis and Company at Head office.**

The interview was conducted in English via telephone by the authors in order to collect the in depth information and knowledge about the company and business process. Below are name and address of interviewee and the list of questions and area of discussion.

Interview with head office of Friis and Company

Interviewee: Mr. Jesper Frederickson, Area Sales Manager of the overseas division

Date/Place: April 26, 2008, Copenhagen Denmark

List of questions:

- Can you please give details regarding the franchise policy of Friis and company?
- Can you explain the buying process of the Friis and company products?
- What is the minimum order for each buying time?
- Can you tell us the latest franchise that Friis and Company has recently approved and planed to open the branch?
- Where is Friis and company product manufactured?

## **2.3 Question with other company.**

The interview was conducted in Thai via telephone by the authors in order to collect the information about the selected competitor's product, price and promotion. Below are name and address of interviewees and the list of questions and area of discussion.

Phone Interview with Juicy Couture sale officer in Bangkok branch

Interviewee: Kanchana Siroj, sale officer

Date/Place: May 5, 2008, Central Chidlom

Telephone: +662 2793 7400.

List of questions:

- What kind of products do you have in Juicy Couture shop?
- What is the price range of the products?
- What is the promotion offer for the customer?
- Is there membership offer for the customer?

Phone Interview with Kipling sale officer in Bangkok branch

Interviewee: Dara suhidamrong , sale officer

Date/Place: May 6, 2008, Siam Discovery Center

Telephone: +662 658 02 30 / + 662 658 02 31

List of questions:

- What kind of products do you have in Kipling shop?
- What is the price range of the products?
- What is the promotion offer for the customer?
- Is there membership offer for the customer?

Phone Interview with Le Sportsac sale officer in Bangkok branch

Interviewee: Aree Pumpong , sale officer

Date/Place: May 4, 2008, Central Chidlom

Telephone: +662 2793 7400.

List of questions:

- What kind of products do you have in Le Sportsac shop?

- What is the price range of the products?
- What is the promotion offer for the customer?
- Is there membership offer for the customer?

### Appendix 3: Lists of questionnaires

The authors designed and distributed questionnaire to Thai women who live in Bangkok via e-mail in order to collect data regarding personal information, consumer behavior and general question. Below are lists of questions in both English and Thai language that was distributed.

#### Part1: Personal information

List below are statement about characteristic of respondents which provide background information of respondents in order to use as a parameter to divide each segment. Please mark “X” on the number which most appropriate to your response of each question.

Age

- Below 15
- 16 - 20
- 21 - 25
- 26 – 30
- 31 - 35
- 35 years old up

Marital status

- Single
- Married

How many children do you have?

- None
- 1
- 2
- 3
- 4
- Other ..... (Please specify)

Educational Background

- High School and lower
- Bachelor Degree
- Master degree or PHD
- Other ..... (Please specify)

Occupations

- Students
- Public Company
- Government official
- Self-employment
- House-wife

Others .....(Please specify)

Member of Household

- 1-3 people
- 3-5 people
- More than 5 people
- Others .....(Please specify)

Household Incomes per month

- Less than 20,000 THB
- 20,001 - 40,000 THB
- 40,001 – 60,000 THB
- 60,001 – 80,000 THB
- 80,001 – 100,000 THB
- More than 100,000 THB

**Part 2: Consumer behavior**

List below are statement about shopping behavior of respondents and shopping behavior of respondents for handbag. The authors divide this part into two sections. First section is consumer behavior section which consists of attitude test. Second section is consumer behavior for handbag which consists of multiple choices and attitude test. Please mark “X” on the number which most appropriate to your response of each question.

2.1 Consumer Behavior

|   | Strongly Agree | Agree | Neither Agree Nor Disagree | Disagree | Strongly Disagree |
|---|----------------|-------|----------------------------|----------|-------------------|
| I like to go shopping whenever I have time  |                |       |                            |          |                   |
| I am not as concerned about fashion as I am about modest price and wearability.                       |                |       |                            |          |                   |
| I am the first to try new brand so everybody considered me as being a trendsetter                     |                |       |                            |          |                   |
| I prefer imported products.   |                |       |                            |          |                   |
| Me and my friends like to talk about fashion and we always keep update with the latest fashion trend. |                |       |                            |          |                   |

I always update myself with the latest fashion through fashion magazine, TV and internet.

## 2.2 Consumer Behavior for handbag

Where do you usually go for shopping handbags? (More than one answer is possible)

- Department store
- Shopping Mall (e.g. Central world plaza, Secon square)
- Shopping center (e.g. Siam square)
- Flea market (Jatujak and Suan lum night bazaar)
- Others .....(Please specify)

When do you usually go for shopping handbags? (More than one answer is possible)

- Anytime
- According to need
- During sale season
- Special occasion
- Other ..... (Please specify)

How many handbags do you typically purchase in one year?

- 1
- 2
- 3
- 4
- Others ..... (Please specify)

Who influence you in your purchasing decision? (more than one answer is possible)

- friend
- family
- celebrity
- decision made by you
- Other ..... (Please specify)

How much do you usually spend on shopping for handbags in a year?

- Less than 1,500 THB
- 1,501 – 3,000 THB
- 3,001 - 4,500 THB
- 4,501 – 6,000 THB
- More than 6,000 THB

|  | Strongly Agree | Agree | Neither Agree Nor Disagree | Disagree | Strongly Disagree |
|--|----------------|-------|----------------------------|----------|-------------------|
| I tend to buy more handbags when I am the club member of the brand.  |                |       |                            |          |                   |
| I buy handbags that I like regardless of latest fashion  |                |       |                            |          |                   |
| My handbag has to be unique with the design and I don't like when I see people carry the same kind of handbags             |                |       |                            |          |                   |
| I like it when people notice and give compliment about my new handbags   |                |       |                            |          |                   |
| I prefer to buy the handbag from the stand alone shop rather than in a department store due to the variety of the products |                |       |                            |          |                   |
| I prefer to buy the handbags from department store because there are a lot of brand to choose in one place                 |                |       |                            |          |                   |
| I always stick with the brand that I like and only buy the handbags from this brand.                                       |                |       |                            |          |                   |

### Part 3: Marketing Mix

List below are statement about marketing mix that affect your buying decision. The authors divide this part into three categories. First is multiple choices section. Second is ranking section. Third is attitude test section.

Please mark "X" on the number which most appropriate to your response of each question.

What are other accessories that do you usually buy when purchasing handbags?

- wallet
- necklace
- bracelet
- ear ring
- belt
- shoes
- Other ..... (Please specify)

How much do you usually spend for each handbag?

- less than 1,000 THB
- 1,000-2,000 THB
- 2,001-3,000 THB
- 3,001-4,000 THB
- More than 4,000 THB

What kind of program do you usually watch?

- Soap opera
- Variety show
- News
- Music video
- Other ..... (Please specify)

Please rank order according to your preference starting from number 1 is the lowest point and so on respectively.

Where is the place that you usually go shopping for handbag?

**From 1-7**

- Siam square \_\_
- Siam paragon \_\_
- The emporium \_\_
- Central World Plaza \_\_
- Central Chidlom \_\_
- Central Ladprao \_\_
- Jatujak \_\_

What kind of media that is the most attractive and provides valuable information to you?

**Please rank from 1-6**

- T.V. commercial \_\_
- Newspaper \_\_
- Magazine \_\_
- Radio \_\_
- Billboard \_\_
- Internet \_\_



What is the TV channel that you usually watch and affects your buying decision?

**Please rank from 1-5**

Channel 3 \_\_

Channel 5 \_\_

Channel 7 \_\_

Channel 9 \_\_

PBS (ITV) \_\_

What radio channel that you usually listen and affects your buying decision?

**Please rank from 1-9**

FM.91.5 Hot Wave \_\_

FM.95.5 Virgin Hitz \_\_

FM.97.5 Speed FM \_\_

FM.103 Virgin Soft \_\_

FM.103.75 BKK Radio \_\_

FM.104.5 Fat Radio \_\_

FM.105.5 Easy FM \_\_

FM.106.5 Green Wave \_\_

What magazine that you usually read and affect your buying decision?

**Please rank from 1-7**

Cleo \_\_

Seventeen \_\_

Praew weekend \_\_

Cosmopolitan \_\_

HI! \_\_

Image \_\_

What newspaper that you usually read and affect your buying decision?

**Please rank from 1-6**

Thairath \_\_

Daily News \_\_

Kom Chad Luek \_\_

Khaosod \_\_

Matichon \_\_

What are the website that you usually surf and affects your buying decision?

**Please rank from 1-5**

Pantip.com \_\_

Hunsa.com \_\_

Sanook.com \_\_

Kapook.com \_\_

| <b>Handbag product</b>                        | Very important | Important | Moderate | Less important | Not important |
|---|----------------|-----------|----------|----------------|---------------|
| Quality                                       |                |           |          |                |               |
| Design (fashion and color)                    |                |           |          |                |               |
| Variety                                       |                |           |          |                |               |
| Function                                      |                |           |          |                |               |
| Brand reputation                              |                |           |          |                |               |
| <b>Handbag price</b>                          | Very important | Important | Moderate | Less important | Not important |
| Reasonable price with the design              |                |           |          |                |               |
| Reasonable price with the quality             |                |           |          |                |               |
| Wide range of price                           |                |           |          |                |               |
| Luxury image reflect on the price             |                |           |          |                |               |
| <b>Handbag store</b>                          | Very Important | Important | Moderate | Less important | Not important |
| Attractive store decoration                   |                |           |          |                |               |
| Well-organized shelf display                  |                |           |          |                |               |
| Easy access by public transportation          |                |           |          |                |               |
| Parking facilities                            |                |           |          |                |               |
| <b>Handbag promotion</b>                      | Very Important | Important | Moderate | Less important | Not important |
| Sale promotion                                |                |           |          |                |               |
| Special discount for membership               |                |           |          |                |               |
| Special event from the company for membership |                |           |          |                |               |
| In-store advertisement                        |                |           |          |                |               |
| Advertisement ( e.g. TV, Magazine, Radio)     |                |           |          |                |               |
| Direct marketing (e.g. mailing catalogue)     |                |           |          |                |               |

#### Part 4: General question

List below are statement about the company which showed the attitude of respondents toward the company. Please mark “X” on the number which most appropriate to your response of each question.

Have you ever heard of the brand Friis and Company? (If the answer is yes, please do the next question. If the answer is no, please skip the next one and do the last question)

- Yes
- No

How do you know this brand?

- I used to buy it
- From a friend
- From a family
- From Fashion magazine
- From Internet
- Other ..... (Please specify)

How likely for you to buy Friis and Company products if there is a shop in Bangkok?

- Absolutely
- Probably
- Maybe
- Considering
- No

Below are the lists of questionnaires in Thai

ส่วนที่ 1 : ข้อมูลส่วนบุคคล

โปรดตอบคำถามต่อไปนี้ เพื่อเป็นข้อมูลในการแบ่งกลุ่มผู้บริโภค  
กรุณาเขียนเครื่องหมาย “X” หน้าข้อความที่ตรงกับข้อมูลของท่าน

อายุ

- ต่ำกว่า 15 ปี
- 16 – 20 ปี
- 21 – 25 ปี
- 26 – 30 ปี
- 31 - 35
- 35 ปีขึ้นไป

สถานะสมรส

- โสด
- แต่งงาน

คุณมีบุตรทั้งหมดกี่คน

- ไม่มี
- 1 คน
- 2 คน
- 3 คน
- 4 คน
- อื่น ๆ ..... (กรุณาระบุ)

พื้นฐานการศึกษา

- มัธยมศึกษา หรือ ต่ำกว่า
- ปริญญาตรี
- ปริญญาโท หรือ ปริญญาเอก
- อื่น ๆ ..... (กรุณาระบุ)

อาชีพ

- นักศึกษา
- พนักงานบริษัทเอกชน
- รับราชการ
- ทำธุรกิจส่วนตัว
- แม่บ้าน
- อื่น ๆ ..... (กรุณาระบุ)

จำนวนสมาชิกในครัวเรือน

- 1-3 คน
- 3-5 คน
- 5 คนขึ้นไป
- อื่น ๆ ..... (กรุณาระบุ)

รายได้ครัวเรือนต่อเดือน

- ต่ำกว่า 20,000 บาท
- 20,000 – 40,000 บาท
- 40,001 – 60,000 บาท
- 60,001 – 80,000 บาท
- 80,001 – 100,000 บาท
- มากกว่า 100,000 บาท

## ส่วนที่ 2 : พฤติกรรมผู้บริโภค

กรุณาตอบคำถามเกี่ยวกับพฤติกรรมผู้บริโภคและพฤติกรรมการซื้อกระเป๋าถือของผู้บริโภค  
คำถามจะถูกแบ่งออกเป็นสองส่วน ส่วนแรกคือคำถามเกี่ยวกับพฤติกรรมผู้บริโภคซึ่งประกอบไปด้วย  
แบบทดสอบทัศนคติของผู้บริโภคส่วนที่สองคือคำถามเกี่ยวกับพฤติกรรมผู้บริโภคและพฤติกรรมการ  
ซื้อกระเป๋าถือของผู้บริโภคซึ่งประกอบไปด้วยคำถามตัวเลือกและทัศนคติของผู้บริโภค

กรุณาเขียนเครื่องหมาย “X” หน้าข้อความที่ตรงกับท่าน

2.1 พฤติกรรมผู้บริโภค

ทัศนคติของผู้บริโภค

|  | เห็นด้วยอย่างมาก | เห็นด้วย | เป็นกลาง | ไม่เห็นด้วย | ไม่เห็นด้วยอย่างมาก |
|--|------------------|----------|----------|-------------|---------------------|
| ฉันชอบที่จะไปออกไปจับจ่ายใช้สอย<br>ทุกครั้งที่มีเวลา   |                  |          |          |             |                     |
| ฉันไม่ค่อยคำนึงเกี่ยวกับแฟชั่น<br>แต่จะคำนึงถึงเรื่องราคาและการใช้งาน                                      |                  |          |          |             |                     |
| ฉันมักจะเป็นคนแรกที่จะลองสินค้ายี่ห้อ<br>ใหม่ๆและคนส่วนใหญ่มักจะเรียกฉันว่า<br>เป็นผู้นำแฟชั่น             |                  |          |          |             |                     |
| ฉันชอบสินค้าที่นำเข้าจากประเทศ   |                  |          |          |             |                     |
| ฉันและเพื่อนชอบที่พูดคุยเรื่องเกี่ยวกับ<br>แฟชั่น<br>และเรายังจะติดตามข่าวสารล่าสุด<br>เกี่ยวกับแฟชั่นเสมอ |                  |          |          |             |                     |
| ฉันมักจะติดตามข่าวสารเกี่ยวกับ<br>แฟชั่นผ่านทางนิตยสาร<br>โทรทัศน์และอินเทอร์เน็ต                          |                  |          |          |             |                     |

2.2 พฤติกรรมการซื้อกระเป๋าถือของผู้บริโภค

**ตัวเลือก**

โดยปกติคุณไปซื้อกระเป๋าถือที่ไหน? (สามารถเลือกตอบได้มากกว่าหนึ่งข้อ)

- ห้างสรรพสินค้า
- ศูนย์การค้า (เช่น เซ็นทรัลเวิร์ลพลาซ่า ซีคอนสแควร์)
- แหล่งช้อปปิ้ง(สยามสแควร์)
- จตุจักรหรือสวนลุมไนท์บาร์ซาร์
- อื่น ๆ .....

โดยปกติคุณจะซื้อกระเป๋าดูเมื่อไร (สามารถเลือกตอบได้มากกว่าหนึ่งข้อ)

- ไม่จำกัดเวลา เมื่อไรก็ได้
- เมื่อต้องการ
- ช่วงลดราคา
- โอกาสพิเศษ
- อื่น ๆ ..... (กรุณาระบุ)

คุณซื้อกระเป๋าดูกี่ใบภายในหนึ่งปี

- 1 ใบ
- 2 ใบ
- 3 ใบ
- 4 ใบ
- อื่น ๆ ..... (กรุณาระบุ)

ใครมีอิทธิพลต่อการเลือกซื้อกระเป๋าดูของคุณ(สามารถตอบได้มากกว่าหนึ่งข้อ)

- เพื่อน
- ครอบครัว
- บุคคลที่มีชื่อเสียง
- ตัดสินใจด้วยตัวเอง
- อื่น ๆ ..... (กรุณาระบุ)

คุณมักจะใช้จ่ายเท่าไรในการซื้อกระเป๋าดูแต่ละครั้ง

- ต่ำกว่า 1,500 บาท
- 1,501 – 3,000 บาท
- 3,001 - 4,500 บาท
- 4,501 – 6,000 บาท
- มากกว่า 6,000 บาท

ทัศนคติของผู้บริโภค

|   | เห็นด้วยอย่างมาก | เห็นด้วย | เป็นกลาง | ไม่เห็นด้วย | ไม่เห็นด้วยอย่างมาก |
|---|------------------|----------|----------|-------------|---------------------|
| ฉันมักจะซื้อกระเป๋าดูมากกว่าปกติเมื่อฉันได้เป็นสมาชิกของกระเป๋าดูยี่ห้ออื่น |                  |          |          |             |                     |
| ฉันซื้อกระเป๋าดูที่ฉันชอบโดยไม่สนใจเรื่องแฟชั่น                             |                  |          |          |             |                     |
| กระเป๋าดูของฉันต้องมีลักษณะโดดเด่นไม่เหมือนใครและฉันไม่ชอบเวลาที่มี         |                  |          |          |             |                     |



|   |  |  |  |  |  |
|---|--|--|--|--|--|
| ใครใช้กระเป๋าถือเหมือนฉัน   |  |  |  |  |  |
| ฉันชอบเวลาที่มีคน<br>สังเกตเห็นและ<br>ชมกระเป๋ายี่ห้อใหม่<br>ของฉัน   |  |  |  |  |  |
| ฉันชอบที่จะซื้อ<br>กระเป๋าถือในร้านตัวแทน<br>จำหน่ายมากกว่าในห้าง<br>สรรพสินค้าเพราะ<br>ในร้านตัวแทนจำหน่าย<br>โดยเฉพาะจะมีความ<br>หลากหลายของสินค้า<br>มากกว่า |  |  |  |  |  |
| ฉันชอบที่จะซื้อ<br>กระเป๋าถือในห้างสรรพ<br>สินค้าเพราะมียี่ห้อ<br>หลากหลายให้เลือกในที่เดียว  |  |  |  |  |  |
| ฉันมักจะซัดคิดกับยี่ห้อ<br>ที่ฉันชอบและมักจะซื้อแต่<br>ยี่ห้อนี้เท่านั้น  |  |  |  |  |  |

### ส่วนที่ 3: ส่วนประสมทางการตลาด

คำถามส่วนนี้เกี่ยวข้องกับส่วนประสมทางการตลาดซึ่งมีผลต่อการตัดสินใจในการซื้อของท่าน.

คำถามส่วนนี้จะแยกออกเป็น 3 ประเภท ประเภทแรก คือตัวเลือกประเภทที่สอง คือการจัดอันดับและประเภทสุดท้าย คือทัศนคติของผู้บริโภค

กรุณาเขียนเครื่องหมาย "X" หน้าข้อความที่ตรงกับข้อมูลของท่าน

#### ตัวเลือก

สินค้าชนิดใดที่คุณมักจะซื้อเมื่อคุณซื้อกระเป๋าถือ

- กระเป๋าตังค์
- สร้อยคอ
- สร้อยข้อมือ
- ต่างหู
- เข็มขัด
- รองเท้า
- อื่น ๆ ..... (กรุณาระบุ)

คุณมักจะใช้จ่ายเท่าไรในการซื้อกระเป๋าถือแต่ละชิ้น

- ต่ำกว่า 1,000 บาท
- 1,000-2,000 บาท
- 2,001-3,000 บาท
- 3,001-4,000 บาท
- มากกว่า 4,000 บาท

คุณมักจะเลือกชมรายการโทรทัศน์ประเภทไหน

- ละคร
- เกมโชว์
- ข่าว
- เพลง
- อื่น ๆ ..... (กรุณาระบุ)

การจัดอันดับ

โปรดจัดอันดับสถานที่ที่คุณมักจะไปจับจ่ายใช้สอย

จากอันดับ 1-7

- สยามสแควร์ \_\_
- สยาม พารากอน \_\_
- เอ็มโพเรียม \_\_
- เซ็นทรัล เวิลด์ พลาซ่า \_\_
- เซ็นทรัล ชิดลม \_\_
- เซ็นทรัล ลาดพร้าว \_\_
- จตุจักร \_\_

โปรดจัดอันดับสื่อที่คุณคิดว่ามีอิทธิพลและให้ข้อมูลที่เป็นประโยชน์ต่อคุณ

จากอันดับ 1-6

- โฆษณาทีวี \_\_
- หนังสือพิมพ์ \_\_
- นิตรสาร \_\_
- ป้ายโฆษณา \_\_
- อินเทอร์เน็ต \_\_

โปรดจัดอันดับสถานีโทรทัศน์ที่คุณมักจะชมและมีอิทธิพลต่อการตัดสินใจในการซื้อสินค้าของท่าน

จากอันดับ 1-5

- สถานีโทรทัศน์ช่อง 3 \_\_
- สถานีโทรทัศน์ช่อง 5 \_\_
- สถานีโทรทัศน์ช่อง 7 \_\_
- สถานีโทรทัศน์ช่อง 9 \_\_
- สถานีโทรทัศน์PBS(ITV) \_\_



โปรดจัดอันดับสถานีวิทยุที่คุณชอบฟังและมีอิทธิพลต่อการ การตัดสินใจในการซื้อสินค้าของท่าน

จากอันดับ1-9

FM.91.5 Hot Wave \_\_

FM.95.5 Virgin Hitz \_\_

FM.97.5 Seed FM \_\_

FM.103 Virgin Soft \_\_

FM.103.5 BKK Radio \_\_

FM.104.5 Fat Radio \_\_

FM.105.5 Easy FM \_\_

FM.106.5 Green Wave \_\_

โปรดจัดอันดับนิตยสารที่คุณมักจะอ่านและมีอิทธิพลต่อการ การตัดสินใจในการซื้อสินค้าของท่าน

จากอันดับ1-6

Cleo \_\_

Seventeen \_\_

แพรวสุดสัปดาห์\_\_

Cosmopolitan \_\_

HI! \_\_

Image \_\_

โปรดจัดอันดับหนังสือพิมพ์ที่คุณมักจะอ่านและมีอิทธิพลต่อการ การตัดสินใจในการซื้อสินค้าของท่าน

จากอันดับ1-6

ไทยรัฐ \_\_

เดลินิวส์ \_\_

คม ชัด ลึก \_\_

ข่าวสด \_\_

มติชน \_\_

อื่น ๆ ..... (กรุณาระบุ)

โปรดจัดอันดับเว็บไซต์ที่คุณมักจะเข้าไปชมและมีอิทธิพลต่อการ การตัดสินใจในการซื้อสินค้าของท่าน

จากอันดับ1-5

Pantip.com \_\_

Hunsa.com \_\_

Sanook.com \_\_

Kapook .com\_\_

ทัศนคติของผู้บริโภค

| กระเป๋าถือ  | สำคัญที่สุด | สำคัญ | เป็นกลาง | ไม่สำคัญ | ไม่สำคัญแม้แต่น้อย |
|---|-------------|-------|----------|----------|--------------------|
| คุณภาพ  |             |       |          |          |                    |
| ดีไซน์ (รูปแบบทันสมัยและ<br>สีทันสมัย)                  |             |       |          |          |                    |
| ความหลากหลาย  |             |       |          |          |                    |
| การใช้งาน   |             |       |          |          |                    |
| ชื่อเสียงของแบรนด์                                      |             |       |          |          |                    |
| ราคา กระเป๋าถือ   | สำคัญที่สุด | สำคัญ | เป็นกลาง | ไม่สำคัญ | ไม่สำคัญแม้แต่น้อย |
| ราคาที่เหมาะสมกับรูปแบบ                                 |             |       |          |          |                    |
| ราคาที่เหมาะสมกับคุณภาพ                                 |             |       |          |          |                    |
| ราคาที่หลากหลาย   |             |       |          |          |                    |
| ความหรูหราสมราคา  |             |       |          |          |                    |
| ร้านกระเป๋าถือ  | สำคัญที่สุด | สำคัญ | เป็นกลาง | ไม่สำคัญ | ไม่สำคัญแม้แต่น้อย |
| การตกแต่งร้านที่สวยงาม                                  |             |       |          |          |                    |
| ชั้นวางสินค้าที่เป็นระเบียบ                             |             |       |          |          |                    |
| ง่ายต่อการเดินทางโดยรถ<br>โดยสาร<br>สาธารณะ             |             |       |          |          |                    |
| ที่จอดรถ  |             |       |          |          |                    |
| รายการส่งเสริมการขายของ<br>กระเป๋าถือ                   | สำคัญที่สุด | สำคัญ | เป็นกลาง | ไม่สำคัญ | ไม่สำคัญแม้แต่น้อย |
| รายการส่งเสริมการขาย                                    |             |       |          |          |                    |
| ราคาพิเศษสำหรับสมาชิก                                   |             |       |          |          |                    |
| กิจกรรมพิเศษส่งเสริมการขาย                              |             |       |          |          |                    |
| สื่อโฆษณาภายในร้าน                                      |             |       |          |          |                    |
| สื่อโฆษณา (เช่น โทรทัศน์,<br>นิตยสาร, วิทยุ)            |             |       |          |          |                    |
| สื่อการตลาดโดยตรง (เช่น<br>แคตตาล็อกที่ส่งตรงไปที่บ้าน) |             |       |          |          |                    |

#### ส่วนที่ 4 : คำถามทั่วไป

คำถามส่วนนี้เกี่ยวข้องกับบริษัทเพื่อต้องการรับรู้ถึงความรู้สึกของผู้ตอบแบบสอบถามที่มีต่อบริษัท  
กรุณาเขียนเครื่องหมาย "X" หน้าข้อความที่ตรงกับข้อมูลของท่าน

คุณเคยได้ยินชื่อของยี่ห้อ Friis & Company หรือไม่ (ถ้าคุณตอบว่า ใช่ กรุณาตอบข้อถัดไป ถ้าคุณตอบว่าไม่ใช่ จะเป็นการจบแบบสอบถาม)

- เคย
- ไม่เคย

คุณรู้จักแบรนด์นี้ได้อย่างไร?

- เคยใช้กระเป๋าแบรนด์นี้มาก่อน
- จากเพื่อน
- จากครอบครัว
- จากนิตยสารแฟชั่น
- จากอินเทอร์เน็ต
- อื่น ๆ ..... (กรุณาระบุ)

คุณจะซื้อสินค้ายี่ห้อนี้ไหมถ้ามีร้านในเมืองไทย

- ซื้อแน่นอน
- ค่อนข้างแน่นอน
- บางทีอาจจะซื้อ
- ต้องพิจารณาดูก่อน
- ไม่ซื้อ