

carhartt[®]
WORK IN PROGRESS



Carhartt **Global Initiative**

Team 4: Sam Lehnert, Patrick Sollars, Clayton Nash, Alex Baylon, & Lydia Ellison

TABLE OF CONTENTS

Introduction	Page 3
NEI	3
Company Information	4
Industry Information	9
Country Information	11
Competition Information	13
Target Audience Sweden	16
Target Audience China	17
Chapter Discussions	
Globalization Imperative	18
Economic Environment	20
Global Cultural Environment and Buying Behavior	20
Political and Legal Environment	32
Global Marketing Research	36
Global Segmenting and Positioning	39
Global Market Entry Strategies	40
Global Pricing	43
Communicating with the World Consumer	44
Country Scorecard	48
Executive Summary	49
References	50
Credit	52

INTRODUCTION

Carhartt was originally founded to make work clothing for railroad workers. Their initial growth throughout the 1890s was focused on railroad workers' need for durable and long lasting work overalls. Today, Carhartt "workwear" is commonly found on construction sites, farms and ranches, among other job sites. The company is also highly successful in urban areas as a premium fashion brand. Carhartt owns the most recognizable and powerful brand in the rugged clothing marketplace today, and with a global expansion could pump much needed dollars into the US economy.

NATIONAL EXPORT INITIATIVE PROPOSAL

The office of President Obama aimed to double American Exports over a five year period, and support two million jobs starting in 2010 through the National Export Initiative (NEI). The report to the President on the NEI states that exports by small and medium size enterprises is priority number one. The Bureau of Public Affairs writes in the National Export Initiative: Stimulating Global Economic Growth Through U.S. Exports (2010), "The Initiative will expand U.S. government assistance to small & medium-sized firms by assisting first-time exporters and by working with established exporters to broaden their markets. U.S. agencies will work to ensure that companies take advantage of the federal resources available for export support, including export credits, technical assistance, commercial and political risk insurance, trade missions and advocacy by U.S. government officials."

The Report says, "Exports need to grow from \$1.57 trillion in 2009 to \$3.14 trillion by 2015. This will only happen if U.S. companies, farmers and small and medium-sized enterprises – the base of economic growth – receive the encouragement and support they need as they seek new markets for their goods and services" (p. 1). The government is prepared to help SMEs prepare themselves for initial export efforts and/or increased exporting efforts by offering such support through a training program that will include training teams at both the national and regional levels as described in the Report to the President on the NEI (2010) (p. 26). The Report also outlines five components, one of which is export financing to SMEs, which is also priority 5 (p. 2). This is to ensure that export plans are successful.

Companies within the United States have the products to offer; it is simply a matter of receiving the resources necessary to export and exporting these products to the right customers. The NEI encompasses the tools for companies to do just that.

There are many countries that are investing in construction, and investing in bringing new companies into their country. This is where the Carhartt company could come into play for these countries. Carhartt can provide deals to bring in new retail stores and the clothing materials to help the workers that build them. The exportation of our product will satisfy both the goals of the NEI and will help increase the number of exports from the U.S.

With the exporting of our product, this will help increase jobs at every step of the exporting process. Internally, Carhartt will have to hire more workers due to the increase in product production. With that product increase they will have to hire more means of transportation. When it comes to the actual exporting of our product, this will increase the amount of jobs on the importing side for unloading and transportation of the product to the stores. In our stores, there will need to be training and facilitating done to new employees, and finally we will need to hire sales executives and managers to run the retail stores. Overall, in the U.S. and in the countries of China and Sweden this will increase jobs. We also might want to look into the option of sending U.S. workers to run our stores until the proper training is done for international workers.

The only direct increase in jobs for Carhartt in the US will be for legal team, finance and accounting, website designers, user experience specialists, and information system managers. Although only a handful of jobs will be created in the US, the profits that come back to the US will bring jobs indirectly. Those profits will be spent in the US and primarily Michigan. The increase in spending in the US will increase sales for many businesses and in turn boost the economy.

COMPANY INFORMATION

Hamilton Carhartt began four generations ago, Carhartt will continue to manufacture the most rugged and durable clothing for generations to come. For 120 years, Carhartt has manufactured premium work wear known for exceptional durability, comfort, quality of construction, and fit that you can feel in the fabrics and see in the performance.

Expanding the line from the traditional outerwear pieces, Carhartt now offers a complete product line for warm and cold weather alike that includes jeans and work pants, shirts, sweats, shorts, tee's and accessories. A variety of features such as premium fabrics, rugged construction, and comfortable fit are just some of the hallmarks of Carhartt work wear that fit our customer's needs in the toughest conditions.

As a choice brand of those who work and play outdoors, Carhartt is proud to serve a variety of workers in many industries including construction and manufacturing along with farmers, ranchers and outdoor enthusiasts.

Established in 1889, Carhartt is family owned and operated with more than 3,500 employees dedicated to our mission of providing Best-In-Class apparel for the active worker. As the company continues to grow, so do its facilities. In March 2009, the expansion of its distribution center in Hanson, Kentucky will be complete. When designing the 360,000 square foot expansion, Carhartt used green materials when possible; using FSC certified lumber, recycling 50% of the building material waste, optimizing insulation, reducing water usage, improving the power management system and installing an energy efficient roof.

Carhartt's company vision originally was to go "from mill to millions." Now that they have over 17 plants and three mills in three separate countries. They manufacture in the United States and Mexico as well as outsource some of their manufacturing. The workwear industry involves retailing through stores and chains like MC Sports, Dunham's, Meijer, Wal-Mart, Target, Gander Mountain, Cabela's, etc. With the internet evolution, these products are increasingly sold online through online retailers and Carhartt's own online store. Carhartt remains a **privately held** company even today.

INTERNATIONAL SITUATION

WORKWEAR

In Canada, Carhartt has successfully established themselves. They don't adapt their strategy to Canada due to the similarities between their domestic (US) market and the Canadian market. They primarily rely on Mark's Work Warehouse for retail in Canada.

In 2006, Carhartt went from a multinational

corporation to an international corporation as they entered Europe, the Middle East, and Asia by means of a subsidiary called Carhartt EMEA. Through Carhartt EMEA, a limited selection of workwear is available to all European, Middle Eastern, and Asian countries via an e-commerce website. Workwear is sold to retailers throughout Western Europe, but not in Asia or the Middle East. It is not sold in Sweden.



STREETWEAR (CARHARTT WORK-IN-PROGRESS)

Carhartt has its own retail stores in 13 countries outside the US. These locations include many in Europe and Asia. Although no store is on Swedish soil, the only Denmark store is located in Copenhagen, which is as close to Sweden as Detroit, Michigan is to Windsor, Canada. This is important when considering opening new stores in the Swedish market for standardization purposes. They do, however, they have two stores in Hong Kong. These retail stores carry specifically Carhartt's streetwear called Work in Progress. Carhartt also sells their workwear in Europe to retail stores in various countries, but not to Sweden.



PRODUCTION/MANUFACTURING

With the pressures from competition among apparel manufacturers, Carhartt began to outsource production to Honduras, Guatemala, Dominican Republic, and the Philippines. They also have built facilities of their own in Mexico. To remain competitive in a global economy, Carhartt upholds a balanced approach to manufacturing by own-

ing, operating and sourcing through facilities in the United States, Mexico and globally. Before 2000, most products were manufactured in the US by unionized labor. Although our level of U.S. production is not as high as it once was, Carhartt still maintains sewing, distribution, cutting and administrative facilities in the United States. Carhartt stands behind the quality of their products and continue to manufacture garments that exceed industry standards for durability, comfort and quality of construction.

GLOBAL ECONOMY

To remain competitive in a global economy, Carhartt upholds a balanced approach to manufacturing by owning, operating and sourcing through facilities in the United States, Mexico and globally. Although our level of U.S. production is not as high as it once was, Carhartt still maintains sewing, distribution, cutting and administrative facilities in the United States. Carhartt stands behind the quality of our products and continue to manufacture garments that exceed industry standards for durability, comfort and quality of construction.

COMPANY PERSPECTIVES

Expanding the line from the traditional outerwear pieces, Carhartt now offers a complete product line for warm and cold weather alike that includes jeans and work pants, shirts, sweats, shorts, tee's and accessories. A variety of features such as premium fabrics, rugged construction, and comfortable fit are just some of the hallmarks of Carhartt workwear that fit our customer's needs in the toughest conditions.

KEY DATES

1884: Hamilton Carhartt & Co. is founded as a furniture business.

1889: Business converts to apparel manufacturing.

1925: The company establishes a plant in France.

1960: Sales reach \$2 million.

1965: After several name changes, Carhartt, Inc. becomes the company's official corporate title.

1982: Carhartt launches its first national advertising program.

1991: Carhartt apparel appears in New York City fashion shows for the first time.

1997: Carhartt unveils its first line of apparel designed for women.

2004: Through a partnership with Red Wing Shoe Co., Carhartt begins selling a line of footwear.

PRODUCT INFORMATION

Expanding the line from the traditional outerwear pieces, Carhartt now offers a complete product line for warm and cold weather alike that includes jeans and work pants, shirts, sweats, shorts, tee's and accessories. A variety of features such as premium fabrics, rugged construction, and comfortable fit are just some of the hallmarks of Carhartt workwear that fit our customer's needs in the toughest conditions.

CARHARTT WORKWEAR

Carhartt's workwear lineup consists of outerwear (jackets), bottoms, tops, and accessories for men and women. Accessories include toolbags, gloves, and hats. Carhartt introduced a women's line and an Extremes line. Carhartt Extremes was a line of outdoor clothing designed to withstand the harshest weather conditions in wet and cold environments. After testing the women's line the previous fall, the company rolled out its new line of work wear for women at more than 100 stores. It was the first line of Carhartt garments designed specifically for women. Orders met and then exceeded expectations.

CARHARTT WORK IN PROGRESS (WIP)

Carhartt streetwear, which is produced under license of Work in Progress, is marketed as a more fashionable brand comparable to Stussy or Volcom. Product categories produced under the WIP brand include heritage, pants, jackets, training, shirts, knits, sweats, t-shirts, polos, accessories, and gadgets.

WIP supports affinity groups such as artists, musicians and skateboarders. For almost three years now, Carhartt Radio has been putting out a monthly music show on the

Internet. Carhartt Radio is the station where label makers speak out personally and where musicians and DJs present their art, their work, and their stories themselves thus creating a very personal one-hour trip of sound. Listeners are given an easy, straightforward insight into the featured music as well as the people that stand behind it. Since Carhartt Radio is totally free of any limitations in regards to musical styles and genres, HipHop, Dubstep, House, Techno, Indierock, Downbeat, Disco, Reggae, Jazz, Soul, and Funk stand on equal footing whenever it comes to serving as the soundtrack.

Manufacturing of Carhartt's Streetwear products is generally outsourced to Asian countries. Before 2000, most products were manufactured in the US by expensive unionized labor.

Since its very beginning, Work in Progress has closely involved Carhartt with the European skateboarding and BMX scene, aiding in showcasing the scene's cultural diversity and creativity. Despite other appearances, the scene in Europe is a fiercely independent group wary of being exploited by marketing departments. But Work in Progress' honest engagement to their cause has managed that Carhartt gained deep respect from even the most hardcore skate activists. The brand's support includes lobbying work on various levels. It consists of creating partnerships with many of the main skating and BMX events in Europe as well as supporting local scenes over many years, helping skateparks to develop and persist, and much more.

INDUSTRY INFORMATION

Work wear is clothing worn for work, especially work that involves manual labor. Often those employed within various trade industries elect to be outfitted in various forms of work wear because it is built to provide greater durability and safety.

The work wear clothing industry is growing and consumers have numerous retailers to choose from. Buyers see work wear as the workhorse of the men's apparel business, one currently registering better increases than apparel overall. Chains that have made a commitment to the \$1 billion and rising work wear business report steady 6 percent to 8 percent annual gains in men's work wear.

Mass market retailers are wringing incremental sales out of work wear, making their

stores destination outlets for the category. Well-known retailers of work wear, such as Sears, J.C. Penney and Wal-Mart are very popular among consumers for direct sales.

As of late, other work wear retailers and work wear rental firms such as Work wear Depot, S&H Uniforms, The Working Persons Store, Cintas, Gemplers, G&L Clothing, Snickers Workwear, ImagePlus and Aramark have contributed to the growing number of retail choices available to potential workwear consumers.

Work wear clothing can be seen as a crucial element in providing brand awareness for a company. Adding a brand logo to staff work wear is an effective method of increasing brand visibility and exposure at minimal cost to the organization. The logo is often applied using embroidery, screen-printing or heat sealing. Work wear product lines run a wide gamut, ranging from Career Apparel assortments to flame-resistant clothing to safety footwear.

There are two types of workwear, one that has to be worn (such as Hi Vis clothing) and one that is chosen to be worn, such as polos and fleeces with company logo on.

In the case of Hi Viz clothing there are legal requirements for various industries that mean these type of garments must be worn and dependant on where they are being worn will have different specifications.

In the case of polos and fleeces, there is generally not a legal requirement to wear these type of garments, however they may be a local government requirement in order to do business with them. Generally polos with logos are to make a company employee recognizable to a customer.

In the UK, if workwear is provided to an employee without a logo, it may be subject to income tax being levied on the employee for a “payment in kind” However if company clothing is provided with logos on then the employee may be entitled to a tax rebate to help pay for the up keep.

The textile industry is primarily concerned with the production of yarn, and cloth and the subsequent design or manufacture of clothing and their distribution. The raw material may be natural, or synthetic using products of the chemical industry.

COUNTRY INFORMATION

SWEDEN

Sweden is a Nordic country on the Scandinavian Peninsula in Northern Europe. Sweden is the third largest country in the European Union as they have a total population of 9.4 million people, with 85% of the people living in urban areas. Modern Sweden today is known as one of the most elegant places to live in the world.

Sweden itself is a unitary state, which is broken down into 21 counties, including popular counties like Stockholm, Gotland, Kalmar, and Kronoberg. The political system of Sweden is a Parliament and holds supreme authority in all rulings of the country. This government system is highly supported by the people of Sweden, and on average, they have an 80% turnout to voting polls. Sweden also has their own foreign policy, which is based on the principals of non-alignment in times of peace and neutrality in times of war, and being part of the European Union Sweden plays a more active role in times when security is needed.

So the question remains, why start business in Sweden? After looking at what Sweden is all about, it is attractive to someone looking to expand business internationally. The people of Sweden trust their government, and economically everything is stable in Sweden. Sweden has a solid import and export system, which supports their economy and the people who profit are willing to spend. Carhartt would have to import all of the goods into Sweden, and with low tariffs and barriers it will make it easier on us. With high GDP rates between citizens, and the highest social spending rate, those both are positives and possible profits for Carhartt. We also feel that because Sweden has a high export rate and works with the U.S. that they would be responsive to a foreign business coming into Sweden. With the variety of brands that Carhartt offers, it will be a refreshing taste for the modernistic style of the citizens, and will have a high response rate.

CHINA

Chinese culture is one of the world's oldest and most complex. The area in which the culture is dominant covers a large geographical region in eastern Asia with customs and traditions varying greatly between towns, cities and provinces. Important com-

ponents of Chinese culture include literature, music, visual arts, martial arts, cuisine, etc.

The largest ethnic group is the Han Chinese, who constitute about 91.5% of the total population (2000 census). The remaining 8.5% are Zhuang (16 million), Manchu (10 million), Hui (9 million), Miao (8 million), Uighur (7 million), Yi (7 million), Mongol (5 million), Tibetan (5 million), Buyi (3 million), Korean (2 million), and other ethnic minorities.

There are seven major Chinese dialects and many sub dialects. Mandarin (or Putonghua), the predominant dialect, is spoken by over 70% of the population. It is taught in all schools and is the medium of government. About two-thirds of the Han ethnic group are native speakers of Mandarin; the rest, concentrated in southwest and southeast China, speak one of the six other major Chinese dialects.



THE SINITIC LANGUAGES

- Mandarin - 836 million (worldwide)
- Jin (usu. grouped with Mandarin) - 45 million
- Wu - 77 million
- Hui (usu. grouped with Wu) - 3.2 million
- Gan - 31 million
- Xiang - 36 million
- Min (incl. Taiwanese) - 60 million
- Hakka - 34 million (worldwide)
- Yue - 71 million (worldwide)
- Ping (usu. grouped with Yue) - 2 million

SWEDISH MARKET INFORMATION

The Swedish apparel retail industry grew by 1.8% in 2009 to reach a value of \$8 billion.

Market value forecast: In 2014, the Swedish apparel retail industry is forecast to have a value of \$9.5 billion, an increase of 18.8% since 2009. Womens wear is the largest segment of the apparel retail industry in Sweden, accounting for 52.1% of the

industry's total value. Despite the current global economic downturn, the apparel retail industry continues to grow at a healthy rate and this, coupled with the absence of switching costs for consumers and great product differentiation, means that rivalry within the industry is no more than moderate.

CHINESE MARKET INFORMATION

The Chinese apparel retail industry grew by 5.6% in 2009 to reach a value of \$102.3 billion. Market value forecast: In 2014, the Chinese apparel retail industry is forecast to have a value of \$132.9 billion, an increase of 29.9% since 2009. Menswear is the largest segment of the apparel retail industry in China, accounting for 44.4% of the industry's total value. China accounts for 38.9% of the Asia-Pacific apparel retail industry value. With an industry performance showing quite healthy growth rate despite the crisis and virtually no switching costs for the customers together with huge product differentiation the apparel industry is characterized by no more than moderate rivalry level.

COMPETITION INFORMATION

AMEREX, NEW YORK, NY

The company makes outerwear for men, women, and children. Founded in 1946, it has licensing agreements with brands such as Jones New York, London Fog, OshKosh, Mudd, and Wrangler. Amerex also produces outerwear under its own labels (1 Madison, Weather Tamer) as well as sportswear (Adolfo) and swimwear (Isababies, Bombshell). The manufacturer's products are sold in major department stores and specialty retailers throughout the US and Canada. Chairman and President Ira Ganger bought out retiring partner Fred Shvets in 2006.

FRUIT OF THE LOOM, BOWLING GREEN, KY

Fruit of the Loom products include activewear, casual wear, and children's underwear sold under such labels as Russell, Funpals, Fungals, and Underoos (with licensed characters). Its items are sold primarily in North America through discount and mass merchandisers the likes of Wal-Mart and Target, as well as to department stores, wholesale clubs, and screen printers. It boasts the largest market share for branded men's and boy's underwear and its Russell Athletic unit leads in team uniforms. Fruit of the Loom, owned by Berkshire Hathaway, produces its products in Latin America.

L.L. BEAN, FREEPORT, ME

The outdoor apparel and gear maker mails more than 200 million catalogs per year. L.L. Bean's library includes about 10 specialty catalogs offering products in categories such as children's clothing, fly-fishing, outerwear, sportswear, housewares, footwear, camping and hiking gear, and the Maine hunting shoe upon which the company was built. L.L. Bean also operates about 15 retail stores and an equal number of outlets throughout the Northeast, Illinois, and China. In addition, it sells online through English- and Japanese-language websites. L.L. Bean was founded in 1912 by Leon Leonwood Bean and is controlled by his descendants.

DICKIES, BRYAN, TX

Williamson-Dickie Manufacturing Company, more commonly referred to as the brand Dickies, is an American company headquartered in Fort Worth, Texas that manufactures and sells work-related clothing and other accessories, including back packs, steel-toe boots, and belts. Its major competitors are Ben Davis and Carhartt.

COMPETITION INFORMATION – SWEDEN

WeSC (We are the Superlative Conspiracy) is a Swedish clothing brand, based mainly on skateboarding influences and style. Founded in 1999, it has quickly become one of Sweden's most popular brands, within Sweden as well as internationally. The brand first became famous through sponsoring many Swedish underground artists and musicians with connections to the skating world with clothes, and little to no other marketing. Among the first to sport WESC clothes were Swedish hip-hop acts Looptroop and Timbuktu. This helped WESC to gain an underground, "alternative" image, which turned out to be very popular with many young Swedish consumers, critical of other companies and their perceived "greediness".

COMPETITION INFORMATION – CHINA

Shanghai is hailed as the "Shopping Paradise" and "Oriental Paris." Providing the very best of shopping has become an indispensable part of Shanghai's tourism industry. Shopping areas in Shanghai are divided into "Four Streets and Four Cities." Nanjing Road (including East Nanjing Road and West Nanjing Road), one of the four streets, en-

joys the reputation of No.1 Commercial Street in China. Nanjing Road has clusters of a wide variety of shops from those that are centuries old, to special ones and modern malls. Nanjing Road is not out done by its numerous competitors but becomes more and more prosperous. Huaihai Road, no less famous than Nanjing Road, is celebrated for its elegance. It features top-end designer brands from all over the world. North Sichuan Road offers good inexpensive merchandise and is always the first choice of ordinary people. Food and tourism are well provided for on Middle Tibet Road, one of the Four Streets.

METERSBONWE GROUP

Metersbonwe was created by President and Founder, Zhou Chengjian. He worked every day selling clothes in the daytime and tailoring clothes in the evening. In 1992, he tailored thousands of winter coats for other factories and started to make enough to build his own



brand. By using franchisees and building a strong team of French and local designers, the company grew by more than 30% every year. The brand quickly catered to the needs of a young and increasingly fashion conscious consumer base. By focusing on good quality and reasonable prices, the company gained increasing popularity.

GOELIA

Goelia brand consistently healthy, full of energetic ideas, elements of nature, environmental protection and comfortable fabric, wearing a considerate touch, a variety of combinations to have the mentality of 23-year-old young women to embrace a natural delivery and enjoy the young fashion attitude towards life and value for money, Wumart price shopping experience more beautiful. At present, the song has three different Leia women's apparel clothing series, to meet the young women dress in different occasions, a variety of needs: elegant and romantic Collection series, so that the young OL at work full of self-confidence; easy sweet Relax series, just like in the girl next door as close to Keren; chic handsome Jeans series, allows you to keep up the pace of fashion benefits, vitality.

TARGET AUDIENCE OF SWEDEN

Our target market for Sweden is aimed towards action sports fans in the age range of 18-25. These people are adrenaline junkies and look to push the limits of extreme sports. We will be targeting people in Stockholm because it is a highly populated area with a large following for fashion, and other competitors of Carhartt are already established there. To make sure



that we do not neglect the skateboarding and BMX audience, we will be targeting them in Malmo, Sweden, which is the third largest city in Sweden. It is located in the southern part of Sweden between Copenhagen and Stockholm. Malmo is highly populated with skateboarders and BMX riders; this city holds many competitions there as well. Currently we have two Professional skateboarders on the Carhartt skate team Daniel Hakanson and Pontus Alv who live in Malmo.

From the beginning Carhartt Work In Progress has worked closely with the skateboarding and BMX scene in Europe. Since this group is a very independent group it is important for us to make partnerships with the main skateboarding and BMX events around Europe and supporting the local skate parks as well.

DEMOGRAPHICS

Age: 18-28

Income: \$269404 SEK ~ \$40,000 USD

Resident Status: Urban



PSYCHOGRAPHICS

The Swedish market likes action sports like skateboarding, BMX, and snowboarding.

Since action sports are popular we have a BMX and skateboarding team who wear our clothing. Our target market looks closely to these athletes to see what they are wearing. For snowboarding we are teaming up with Burton and designing snowboarding pants and jackets. They are self-conscious, therefore they care a lot about their image. They like trendy clothing and are first movers when it comes to technology.

TARGET AUDIENCE OF CHINA

The audience we will be targeting in China will be 18-25 year olds who are active in the skateboarding and BMX scene and enjoy action packed sports. The city that we will be focusing on is Shanghai. The skateboarding and BMX scene is getting larger as the years go on in China. Currently the largest skate park in the world is located in Shanghai that attracts thousands of people who love skateboarding and BMX. Shanghai was also chosen because of the great shopping that this city provides to the surrounding areas. Our product line does not only appeal to just skateboarders hip hop artists are known to wear Carhartt as well, this is what makes Shanghai a great city to put a store in.



DEMOGRAPHICS

Age: 18-25 Income: \$254,580CYN ~ \$40,000 USD Lives: Urban

PSYCHOGRAPHICS

The Chinese market likes action sports such as skateboarding, BMX, and snowboarding. They are usually independent people and have creative minds. Since action sports are popular we have a BMX and skateboarding team who wear our clothing. Our target market looks closely to these athletes to see what they are wearing.

CHAPTER DISCUSSIONS

GLOBALIZATION IMPERATIVE

For American companies, the only solution to changing the 9% unemployment and economic slump is to fix the trade deficit. Increasing the amount of exports and foreign investment is the solution to bring Michigan and the entire United States out of recession.

Purchasing behaviors are different and are influenced by culture. Things like social structure, language, religion, and education all have an impact on how the product or service is viewed by the chosen country or region. Per capita income also has a large influence on purchasing behavior. With less than ten thousand dollars per person, most it is spent on food and necessities. When the per capita income reaches twenty thousand or more, much of that income becomes disposable because prices on necessities rise slower than income. The stage of growth a country is in also needs to be considered when promoting products and services in foreign countries. As marketers we have to understand the differences and align them to the nature of our products.

International business has also grown more complex. One reason it has grown more complex is the changing and emerging forms of media for advertising purposes. Another reason is the growing competition that emerges from the growth of the Internet and e-commerce.

One of the major complexities relating with international business are the various forms of media that have emerged. Not only does a company have to consider traditional media (print and broadcast), but they have to deal with a seemingly infinite number of advertising opportunities online through e-mail, news sites, social media sites, search marketing, and many other complex advertising opportunities. Learning how to leverage these opportunities is a very complex task. The network of media that a media buyer bought from 1970 to 1990 most likely didn't change anywhere near as much as the change from 1990 to 2010. This impacted national companies greatly, but global companies were challenged with the online behavior of consumers and businesses in other countries.

Not only does the advertising media buyers have to overcome these international business complexities, but the companies now have to worry about increased global competition. Customers can now purchase products online through e-commerce. Countries with significantly lower labor costs can sell their products directly to customers in the USA, for example, and make a great margin. This increase makes it much more difficult for international companies to effectively monitor and respond as they are now many more competitors.

Japanese consumers now can purchase American brands directly from an online store. This is great for sales, but it also complicates the user experience with online sales. Companies now have to take their online stores (which they didn't have in 1991) and have a separate storefront by region or country. Each storefront now has to be catered toward each specific country in their language and fitting the expectations they have. A whole team might now be allocated towards e-commerce and towards analyzing the website's content structure to meet the needs of customers and drive sales. This doesn't even touch the fact that a company has to balance meeting the needs of customers on a website with integrating their social media and search engine optimization which only complicates things more. This is just a few examples of complexities with international business and business in general that were not present in 1991.

Twenty years ago, the internet wasn't as well established. With the internet, business to consumer industries could sell online directly to customers, sell through online retailers, communicate better, and advertise online. Business to business companies could also leverage some of these new tools and communication channels,. These new opportunities also present a great deal of learning and resources allocated to multi-channel marketing unity.

The marketer and advertiser in 2011 has a lot more information to sort through than in 1991. The complexities today require these professionals to be students the rest of their lives to stay ahead of their competitors as they follow online traffic to get their mix of products in front of the right potential customers.

ECONOMIC ENVIRONMENT

SWEDEN

The economy in Sweden is mixed, export-oriented, and features a modern distribution system. Good external and internal communications along with a skilled workforce help exports Sweden's main resources which are timber, hydropower, and iron ore. Other exports of Sweden include engineering, telecommunications, automotive, pharmaceuticals, and agriculture. A positive that comes from all this is the income in Sweden is evenly distributed with the average income per person being \$50,000 U.S. and has a higher level of social spending to G.D.P. than any other country. Sweden is ranked 2nd in the world in competitiveness, and as known as a "talent magnet" for the world's most purposeful workers.

CHINA

China is an economic powerhouse with annual economic growth averaging close to 9% over the last 25 years. However, as a result of this extremely rapid economic growth, the scale and seriousness of its environmental problems are clearly evident. Consequently, a number of environmental problems, including growing energy consumption, heavy reliance on coal and increasing air pollution are threatening China's sustainable future. For Carhartt's manufacturing purposes we must ensure a clean energy policy, which may be hard to employ with competitive manufacturers already in production.

FINANCIAL ENVIRONMENT

SWEDEN

The exchange rate of the Swedish Krona (SEK) against other currencies has historically been dependent on the monetary policy pursued by Sweden at the time. The SEK is a relatively stable currency, since November 1992 a managed float regime has been upheld.

It is also important to monitor the relationship between Sweden and other European countries using the Euro. Our product is already for sale in these markets, both in

private outlets and retail stores. As we expand into Sweden, our marketing mix will closely resemble what is currently in place in other northern European countries.



The exchange rate has been relatively stable against the Euro (EUR) since its introduction 2002. The exchange rate is currently between 8.5-9.5 (9.12 as of 10/19/11) SEK per EUR. Swedes have a fair amount of disposable income (\$36,500 GDP per capita) and relatively equal purchasing power parity to the US.

By creating a survey and analyzing the purchasing habits of Swedes, we will determine the best way to distribute our products. Currently there are plans for upbeat downtown outlets dedicated to the Carhartt brand. However, quick market expansion may push the brand into retail outlets in a number of cities.

Carhartt's products will remain the most unchanged part of the marketing mix. Currently the same products are sold all over Europe, and have built a "street" reputation. Carhartt's Work in Progress work in progress brand is closely involved the European skateboarding and BMX scene, showcasing cultural diversity and creativity. New fashions and changing styles in Sweden are expected to mirror most trends in Europe.

The price of our brand will be slightly higher in Sweden due to a slightly higher PPP than other European nations. To combat this we will emphasize quality and image in our promotional messages. To wear Carhartt is something unique, it says something about your personality, and what you wear is an expression of you. This type of image

promotion creates a perceived value to the brand, especially in highly individualistic cultures like Sweden.

China

US Dollar (USD) in Chinese Yuan (CNY)

1 USD = 6.3769 CNY -0.00330 (-0.052%)



The Chinese Yuan consistently trended upward in value in relation to the US dollar. In general, this will help the company as products are sold in China and value is added when the revenue comes back to the US. The consistent growth of the Chinese Yuan is good for Carhartt in being able to forecast sales and plan accordingly.

Marketing Mix Effects:

Product: The product itself would only change if currency fluctuations drive costs up in China or Sweden. If the costs are too great, the company has the potential to lower the quality of materials that go into products to save money and keep the price down.

Price: Pricing strategy is greatly influenced by exchange rate fluctuations. With Sweden's volatile exchange rates in the past year, pricing might be higher than the ideal price to minimize the risk of a fluctuation hurting the company significantly.

Place: Place is going to be big. Selling a product online via e-commerce has changed the game for businesses. A combined e-commerce and brick and mortar store effort would be used by Carhartt, but the focus for them is mostly brick and mortar. With retail sales in China or Sweden, exchange rates could significantly effect how much

revenue is returned to the US.

Promotion: Promotion would be the least effected by fluctuations in exchange rates. One example of a promotion changing because of fluctuations is if the fluctuations cause costs to go up and in turn increase prices. Promotion might focus more on the qualities of the clothing to justify the increase in price.

GLOBAL CULTURAL ENVIRONMENT AND BUYING BEHAVIOR

High-context countries like Japan and China use abstract language and attach emotional ties to their words. Less meaning is placed on each individual word because it may be interpreted in a few different ways. This choice of communication styles translates into a culture that will cater to a close group that has similar experiences and expectations. When communicating inferences are drawn from those shared experiences.

Low context culture refers to a culture's tendency not to cater towards in-groups. Much more is explained through words or verbalization, instead of the context. In western, low-context cultures like the U.S. and Sweden, what is said is what is meant; other details about the situation are largely ignored. Language is concrete and conversations are task-oriented, aiming for a desired endpoint.

A person from a low context culture needs to adapt when moving to a higher context culture. Higher context cultures rely on small close-knit groups. A lower context individual may be more likely to try to work things out on their own rather than taking the time to develop relationships needed in such a culture. They may also miss important subtle nuances of meaning when receiving messages. However, a high-context individual moving to a low-context society may be looking for those undertones when they don't actually exist.

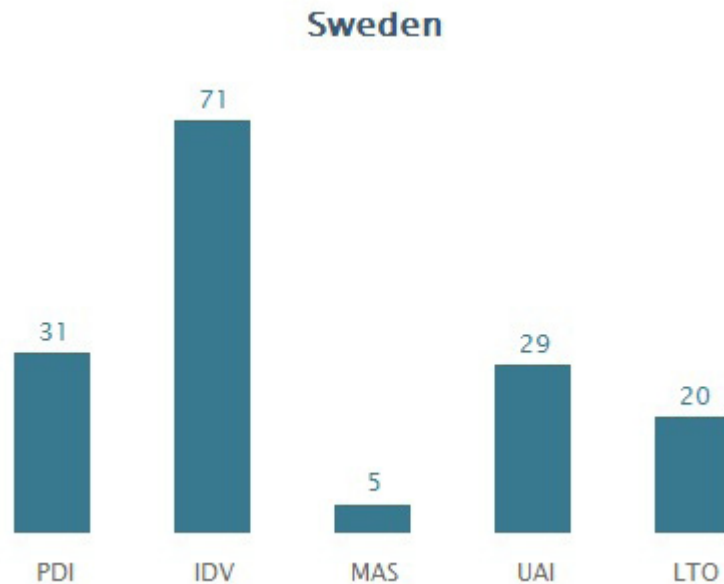
CULTURE OF SWEDEN

POWER DISTANCE

Sweden is a country of relatively small class differences. Many Swedes even consider

the concept of social class outdated since it has become so hard to define. A Swedish manual worker may earn as much as a low-level government official, and his children can choose to study at the same university as those of a company president. The principle of equal opportunity has had a strong position in Swedish society. This is mirrored in Geert Hofstede's culture analysis of Sweden, which shows a relatively low Power Distance Index. It

suggests that a society's level of inequality is endorsed by the followers as much the leaders. Comparably, Swedes pay a very high tax rate however it is supported by a large majority



of their population. An average Swede will give up about 32% of their income for services they deem beneficial to their country. Childcare, healthcare, unemployment, and pensions for the elderly are just some of the securities provided by Sweden's government. The tax rate could near 50%, as long as it is perceived as beneficial, your typical Swede would be happy to pay it.

INDIVIDUALISM VS. COLLECTIVISM

Sweden exhibits high individualism characteristics. In individualistic societies ties between individuals are loose. Everyone is expected to look after him/herself or his/her immediate family. When Swedes are asked to pay taxes they view it as insuring their personal interests.

Masculinity vs. Femininity-Sweden expresses a very feminine culture. Not that men and women are unequal, but that Swede's have shown to be less assertive in their convictions and more modest and caring. Sweden has maintained a neutral stance on both World Wars, and they continue to preserve their neutrality. Heated discussions are rare, the best way to convince somebody in a matter is not to put maximum emotional energy into the discussion, but to give some good arguments.

UNCERTAINTY AVOIDANCE

Uncertainty avoidance in Sweden is actually less than the United States, which is considered to be a country predisposed to risk. Uncertainty avoidance ultimately refers to man's search for Truth. It indicates to what extent members of a culture feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unfamiliar, surprising, and different from usual. People in uncertainty avoiding countries are also more emotional, and motivated by inner nervous energy. Uncertainty accepting cultures, like Sweden, are more tolerant of opinions different from what they are used to; they try to have as few rules as possible. People within these cultures are more undemonstrative and contemplative. Meet a Swede on the street and he will unlikely express emotions if his environment does not expect it. Expect a low-context conversation with explicit, concrete language.

LONGTERMISM

The western aspects of long-term orientation are expressed in Swedish culture. Values associated with Short Term Orientation are respect for tradition, fulfilling social obligations, and protecting one's 'face'. The Swedish people operate on Western oriented monochronic-time. Swedes are process oriented, putting more value on time than people. A Swede will interpret your lateness as if you can't be bothered by their obligations.

If you look at the Swedish landscape from ground level anyone will notice two distinct seasonal attitudes. While the harsh winter includes outdoor activities such as ice fishing, moose hunting, and some of the best skiing in the world; it is paralleled with a hibernation of the Swedish people. Much more time is spent indoors, either alone or with close family members and friends. The contrast of the winter withdrawal is a bright and live summer season. The Swede's true love of nature is shown when the countryside landscape is transformed into a lush green forest, with clear, calm lakes. The setting becomes an ultimate depiction of a Swede. The peak of the summer season is a uniquely Swedish holiday, "Midsommardagen." It is the traditional celebration and the adoration of summer.

A foreigner might view the Swedish people as cool and formal. This element of culture is even often expressed in their language. The Swedish word "lagom" cannot be trans-

lated directly to English but it means something like not too much and not too little.

The Swede's love nature and the scenery environment is even expressed through various laws. "Allemansrätten," literally everyman's right, is a constitutionally granted right for a person to access, walk, cycle, ride, ski, and camp on any land. Even private land is fair game to pick wild flowers, mushrooms and berries, as long as law does not expressly forbid the land. The idea of this "freedom to roam" can be very strange to us Americans. The familiar "trespassers will be prosecuted" sign has no place in Swedish culture.

CHINESE CULTURE

High Context vs. Low Context-High context cultures rest heavily on contextual cues. Little is made explicit as part of the message. What is left unsaid is often as important, if not more, as what is said. Information is either in the physical context or internalized in the person. Behavioral rules are implicit; in other words, the context is supposed to give you the cues you need to behave appropriately. In China, members tend to use a more indirect style of communication.

INDIVIDUALISM VS. COLLECTIVISM

Collectivistic cultures have a great emphasize on groups and think more in terms of "we". Harmony and loyalty within a company is very important and should always be maintained and confrontation should be avoided. In China, it is out of question to disagree with someone's opinion in public. You will do that in a more private and personal atmosphere to protect

a person from the "loss of face". In collectivistic cultures, a direct confrontation will be always avoided. Expressions or phrases are used which describe a disagreement or negative statement instead of saying no. Saying no would mean to destroy the harmo-



ny in the group. The relationship between employer and employee or business partners is based on trust and harmony and a deep understanding of moral values.

POWER DISTANCE

Geert Hofstede has measured the distribution of power and wealth between people in a nation, business or culture. The power-distance index seeks to demonstrate the extent to which subordinates or ordinary citizens submit to authority and the degree on inequality among people that is viewed as being acceptable.

LONGTERMISM

Longtermism refers to the distinction between societies with a pragmatic long-term orientation and those with a short-term focus. China scores high on the long-term dimension. This means the people of China tend to have their values centered on the future. In China, policy priorities are not supposed to shift quickly. Policy priorities really do not shift quickly in the Chinese polity. Longtermism has given China comparative advantages in pursuing economic modernization and may provide advantages in dealing with certain future challenges.

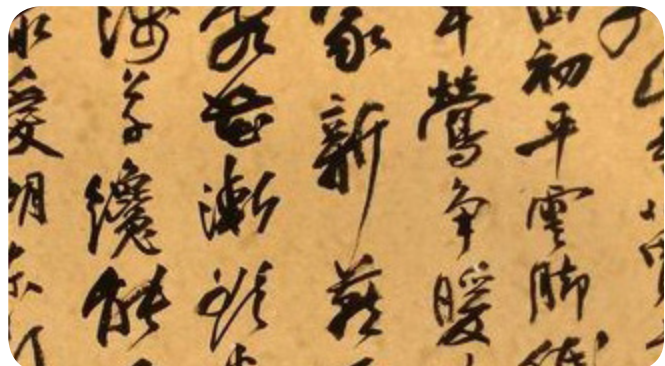
CHINA'S ETHNIC GROUP – THE HAN

Over 90% of China's 1.2 Billion citizens are part of the Han ethnic group. Being such a large ethnic group, one could postulate that there will be some significant sub-groups within the various regions of China.

Unlike the short history of America, the Han Chinese can trace their roots back to the "Yellow Emperor," who is known to be the father of the Chinese civilization in the 2600's BCE. This means that this culture has almost 5,000 years of history.

LANGUAGE

Being that Carhartt's focus for their work wear will be in North and Central China, where the climate gives the people the need for Carhartt's products. As the figure on the right shows, the Mandarin



speaking culture dominates Northern and Central China with Jin being the only other language spoken. Jin is still debated whether it is a dialect of Mandarin or it's own separate language. Either way, it is clear that understanding the culture of the Mandarin speaking Chinese will be important in Carhartt's success. Chinese names are also an interesting part of it's language. Names are usually only a few syllables with surnames being the common way of referring to people. These short surnames are part of China being a high-context culture, meaning less words are needed to say certain things and there is more dependence on interpretation.

RELIGION & CONFUCIANISM

Confucianism is a philosophy that influences much of the Han culture greatly. Confucianism is very similar to what many in the US call altruism and humanism, which are very positive philosophical outlooks. Buddhism also has had a big influence on China. The Chinese folk religion is also a huge part of Chinese Han culture. It involves mythology and the Chinese dragon and the national ancestors like the Yellow Emperor. It is imperative to understand the cultural icons to avoid miscommunication and craft better messages to potential customers.

AESTHETICS

Chinese people dress in Western clothing and are significantly influenced by the US. They only wear traditional clothing for ceremonies and special traditions. Chinese art in modern times includes a blend of western techniques and influence with the traditional Chinese influence and aesthetics. Calligraphy and language is still very influential in the Chinese culture. Color is also extremely important to the Chinese culture. Five colors have been traditional used and have a lot of symbolism. Red was a color the means happiness and brings good fortune. It is forbidden at funerals. It also is seen everywhere in China during their New Year Celebration seen on the right. Red is now symbolic of Communism.

ATHLETICS

Martial Arts and sports are a big part of Chinese culture. Basketball is a growing sport in China, but traditionally martial arts are big. Chinese martial arts are collectively known as Kung Fu. The Chinese people also very prideful about the Olympics.

VALUES

Because of the influence of Taoism and Confucianism, the Chinese are very humanistic, compassionate, and focus on harmony. By being humanistic, they see people are generally good, so it is a positive way of looking at things. They also think relationships in business are more important than rules. Being collectivists, they value families and close groups.

BUSINESS RELATIONSHIPS & ETIQUETTE

When it comes to business relationships, the Chinese Han people interact much differently than Americans. Because of their collectivism, they tend to take more time working with new people because they already have a tight group or family that they trust. Much their communication in business is implied and subtle. Also, a strong relationship with customers and business partners is needed before any deal is made. It isn't about having the best price always, it is a focus on meeting the needs of the customer. The Chinese also have difficulty in enforcing contracts, but because of the trust and respect it takes for them to choose a business partner, both parties must respect contracts. China ranks 16th in the world in contract enforcement according to the World Bank's "Doing Business rankings." See Appendix A for more information on culture in business relationships. Also, business etiquette plays a big factor in relationships with the Chinese. Before meeting with any Chinese suppliers or B2B customers, an American businessman would need to do a lot of preparation. A quick YouTube search for "Chinese Business Etiquette" found great results that can teach Americans how to interact with the Chinese successfully.

Chinese *guanxi* is much more than your typical networking connections. It takes a lot of time to build *guanxi*. This often assumes attending formal and informal events, both business and personal, staying in touch on a regular basis, knowing families of your business partners and paying attention. There is a contradiction. China develops at the highest speed yet relationships are built very slowly. Often starting a relationship like that involves introduction by someone who knows both parties well.

Culture is the complex whole that includes knowledge, belief, art, law, morals, customs, and any other capabilities and habits acquired by humans as members of society." The Chinese culture is one of the oldest and most complex cultures in the

world. It is imperative to understand the social norms, language, icons, and generally how the Chinese interact with one another and how they would use Carhartt's products relative to how the domestic market uses the company's products.

CULTURE SUMMARY

Unfortunately, without more immersion into the Chinese culture, it is hard to get a feel for the context of communication between the Chinese people, both verbal and non-verbal. Surveys and focus groups are also essential in learning more about relationships, spending habits, and how Chinese people behave and interact together.

For Carhartt, the Chinese culture will be crucial in crafting advertising messages to customers. Knowing the symbolism and meaning behind each color is also crucial when creating ad campaigns. Not only are the advertising messages important, but much needs to be known about the Chinese culture to effectively conduct focus groups, interviews, surveys, and other research methods.

Carhartt will also have to communicate directly to retailers to get them on board in selling Carhartt branded product. This will also require great sales and business development specialists who are prepared to interact with business owners and managers. Lastly communication with any suppliers or between procurement teams and businesses will require much knowledge of Chinese culture as the company expands from exporting to China to manufacturing.

A challenging task for global marketers involves overcoming language barriers. These barriers have a significant impact on several parts of the business. Some countries have different languages that people use as well as different dialects of the same language. Slang words, idioms, and cultural references also make it tough for a global marketer to communicate. Another example of language complicating things for global marketers is with customer relationship management and the differences in names and generally how to analyze and organize the collected data. These are just some of the major and minor complications that the global marketer faces.

Most countries that cover a large geographic area tend to have regional dialects or secondary languages. Many of the smaller countries tend to have a mix of different languages from the short distance between countries. These varying languages and

dialects make the global marketer really have to evaluate his messages and copy when communicating to consumers in a business-to-consumer company. In a business-to-business company, a marketer might have to learn as much as possible about his or her customers and the possible dialects or language(s) they might speak. As an example, if a B2B company were calling a potential customer in Switzerland to set up a sales presentation and assumed that the buyer spoke German, he may be in for a rude awakening. That supplier could potentially speak French, Italian, or even a German dialect that could cause an embarrassing miscommunication.

Slang words, idioms, and cultural references also present great challenges for global marketers. Some idioms used in the Chinese language might not be understood by an American who knows Mandarin and vice versa. A couple examples of idioms with the English language is with “nickel and diming” or when “its gonna hit the fan.” Slang words also are a challenge in overcoming. In many counties, different cultures and sub-cultures have different slang words. Some vary by age, life-stage, social class, etc. An example in the US is for people who play or have played hockey. These people use terms like duster which refers to a person who doesn’t play much (they collect dust). For a hockey equipment company, understanding these terms for writing copy will help in catering a message for that group.

Another challenge global marketers face is with names in customer database management. For a company like Carhartt that might consider expanding into the Chinese market, they might use credit card transactional data and online behavior data to better communicate to customers, but the Chinese have multiple ways to say names which could throw that databases off in duplicating the variations. They could be annoying a customer by sending him or her duplicates of the same thing, whether it is direct mail, e-mail blasts, etc. This also adds to costs in advertising and managing the data. This is one of the little examples that might be overlooked with the major communication barriers that differing languages presents.

Non-verbal communication also is important with global marketers. Every culture interprets non-verbal communication differently. Hand shaking is big in the United States, but it not always welcome and accepting in other countries. Some hand gestures have multiple meanings depending on the country. This is especially important in face-to-face communication and in video advertisements, whether online or on television.

Global marketers have to allocate many resources to account for the challenges with language. The challenges with slang, names, and dialects with face-to-face communication and writing copy are only a high level glimpse of the challenges that language barriers present to global marketers. A great deal of resources need to be allocated to understand the culture and language that potential customers have in every market.

High-context countries like Japan and China use abstract language and attach emotional ties to their words. Less meaning is placed on each individual word because it may be interpreted in a few different ways. This choice of communication styles translates into a culture that will cater to a close group that has similar experiences and expectations. When communicating inferences are drawn from those shared experiences.

Low context culture refers to a culture's tendency not to cater towards in-groups. Much more is explained through words or verbalization, instead of the context. In western, low-context cultures like the U.S. and Sweden, what is said is what is meant; other details about the situation are largely ignored. Language is concrete and conversations are task-oriented, aiming for a desired endpoint.

A person from a low context culture needs to adapt when moving to a higher context culture. Higher context cultures rely on small close-knit groups. A lower context individual may be more likely to try to work things out on their own rather than taking the time to develop relationships needed in such a culture. They may also miss important subtle nuances of meaning when receiving messages. However, a high-context individual moving to a low-context society may be looking for those undertones when they don't actually exist.

POLITICAL AND LEGAL ENVIRONMENT

International marketing executives should be concerned about the host government's policies and how they may change in the future. A company's home country is typically friendly to their business so they may take the political environment for granted. Political risks include stability of the government, socioeconomic conditions, and democratic accountability.

The U.S.-China diplomatic relationship was re-established in the 1970s under the

Nixon administration. The Chinese government finally opened its economy to foreign direct investment-mostly through joint ventures- in the 1980s. The U.S. has been openly critical of China's human rights violations and has strived to make its trade policy with China conditional on measurable improvements in human rights policy. These socioeconomic issues increase risk, especially considering the clothing-manufacturing sector that Carhartt falls under. According to the Economist Intelligence Unit China will remain broadly stable politically in 2012-13 however a strong demand for labor may allow workers to step up in pursuit of higher wages.

China's economic structure is highly diversified in most respects, but the policy stimulus that was applied in 2008-10 has increased its reliance on investment to drive growth. Encouraged by reformist leaders, Internet use is growing explosively in China. This opens up a new retail to consumer medium, considering China has been historically strict on Internet censorship.

The European Union consists of 27 European member states (Sweden joined the EU in 1995). The EU is the U.S.'s largest and strongest trading partner. In fact, as a single entity, the EU accounts for 40% of world trade and 60% of the world's gross national product. Sweden is one of the most stable countries in the EU, the only economic risk is that it is somewhat vulnerable to contagion from a euro zone banking crisis. Economic growth is heavily dependent on exports because most Swedish households are cautious about spending. Sweden's government is weakened by not having an overall majority. They use a four party system, with the right-wing Sweden Democrats holding the balance.

Marketing managers must understand the political factors of that country including political stability, ideology toward business, and the roles that institutions have in the country. In some cultures it is very important to follow the business customs of the country that the firm is operating in. They also must consider the economic conditions with regards to growth or recession in their industry.

POLITICAL AND LEGAL TRADE BARRIERS

In the business of international trade and investment, many barriers exist that force marketers to adjust. Many of these barriers are specifically with the political and legal environment of the country a business is looking to expand into. One of the barriers

is with governmental structure. Another is governmental policies and regulations that include tariffs, quotas, incentive programs, anti-trust laws, and intellectual property rights, to name a few. Political stability is a barrier to international and investment as well. International Agreements also present another barrier for expanding companies. These are just some of the major and minor barriers that marketers and business development teams have to overcome to make more informed trade and investment decisions.

Governmental structure plays a large role in international trade, this ranges somewhere on a line from communism to democracy with socialism in the middle. Some countries, however, are still in a monarchy or dictatorship government in which one person makes the important decisions. Non-capitalist countries tend to have poor economic situations as citizens aren't motivated to work knowing the person next to them not working hard will be paid the same. China is one of the exceptions as it's economy is doing well. Capitalist countries tend to be the least risky countries to enter. Political parties have a lot of power as well. In the US, we have a political party wanting less government, less tax, and letting the economy reach equilibrium. If that political party were to have success in elections, a foreign investor would benefit greatly.

Governmental policies and regulations present many barriers for international trade. These policies and regulations include tariffs, incentive programs, quotas, anti-trust laws, and intellectual property rights. Policies and regulations include many other potential barriers, but the mentioned ones are some of the major barriers. Some policies provide for national security. One example of this is with farming. The US subsidizes farming to keep farmers in business when Mexican farms can beat them on price. The US does not want to be in a wartime situation where they are cut-off on food. Also, governmental policies include industry development legislation. This is increasingly popular with sustainable business and clean energy. Lastly, governments also try to protect declining industries.

Tariffs and quotas present simple barriers for international trade. Once a company is aware of the limits on the amount of product they can export a country and the fee for the product to be imported, a financial analysis would simply show whether the investment would be profitable or not. The only other issue is the negotiation of quotas and tariffs between countries, international agreements, and lobbyists. A company can see

an foreign investment as not worthwhile because of tariffs and quotas, but the ability to change tariffs and quotas may be available. A few of the tariff and non-tariff immediate financial barriers are:

- Import and Export Tariffs
- Protective Tariffs
- Customs & Entry Procedures
- Health and Safety Regulations
- Export and Import Quotas
- Currency controls

Incentive programs simply provide businesses in specific industries subsidies or grants for their work as well as some non-cash related influences. For example, to bring the Nissan plant to Tennessee, the state put \$12 million for new roads to the facility, \$7 million in a grant for training new employees, as well as a \$10 million tax break.

Anti-trust laws also are some simple political and legal barriers for businesses and marketers to overcome. As governments struggle with fighting monopolies that abuse their power and dominance in their own country, the last thing a country wants is a foreign company to have a monopoly in their country. This is extremely important in the oil industry as other countries control what we pay for oil. The US's anti-trust laws can't stop foreign companies for driving up oil prices for American companies to purchase and sell.

Political stability is also a major barrier for businesses to overcome. If terrorism and hostility occur regularly in a country, it may not be the best place to expand into. Also, a sign of political instability is the presence of bipartisan hostility, in which one political party or regime is in power and another group of people are violent in their opposition of the ruling party. Once this escalates, it could have a dramatic effect on business. This is most common in third world countries, but is also present in some European nations as well.

Lastly, international agreements can help or hurt a businesses expansion potential into a foreign market. One example is with COCOM (Coordinating Committee for Multilateral Controls) in 1949. This agreement restricted the use of US technology

exports for US business franchises in foreign markets to avoid the technology falling into Soviet hands. Carhartt needs to be aware of the political and legal environments of both China and Sweden. Political stability, foreign investment freedom, and trade barriers were all factors of our country scorecard.

GLOBAL MARKETING RESEARCH

FOCUS GROUPS

The benefits of using focus groups makes them a great tool for marketers to understand customers in international markets on a more qualitative level and to guide quantitative research projects. This can be quite useful for marketers, but they have to tread carefully because of several things could go wrong. One problem involves the recruitment of people to accurately represent the target market. Another major issue involves the moderator selection and execution of focus group. Functional and conceptual equivalence also prove to be an important issue when analyzing focus groups in an international context. Also, collectivist countries tend to not adjust well and have group dynamics, which proves to be another major problem for marketers. These are some of the major issues that marketing researchers must overcome in running focus groups in an international context.

Recruitment proves to be a difficult task for two reasons, not only is it difficult to find ways of getting the right target market to actually agree to and attend focus groups, but making sure that he or she will contribute and work well with the group is tough to predict. It is imperative that careful selection processes are in place to ensure that the group dynamics are achieved.

Moderator selection proves to be one of the most important challenges that marketers face when taking on international focus groups. Moderators need to spot courtesy biases and avoid any questions about income or similar questions that might make participants answer to either lie to impress the moderator or lie to give the moderator what he or she thinks the moderator wants to hear. Also, moderators have to have the ability to stimulate group dynamics, especially with collectivist cultures that aren't comfortable in groups of people they don't know. Moderators also have to know social interaction patterns of the participants' culture.

Lastly, functional and conceptual equivalence have to be covered extensively with the question development and analyzing the verbal and non-verbal results of the focus groups. Functional equivalence refers to the degree that products in one country have the same function in the other country. Conceptual equivalence refers to the degree that concepts have the same meaning in different environments. Focus groups in international context provide great opportunities to understand how the target market uses the company’s products, the activities they use the product in, and the concepts that involve the product in that culture. This quite often can vary in different cultures, so it is even more important when two very different cultures exist between the domestic market and international market. L’Oreal picked up on these differences with great success in the Chinese market with their lineup of hair products. It is imperative that global companies take the time to conduct useful and valid focus groups to gain qualitative research and guide quantitative research. If these focus groups are conducted improperly, a company end up losing a significant amount of money depending on the size of the investment.

SURVEYS

Similar to focus groups, surveys provide useful knowledge to make important marketing decisions. With surveys, conceptual and functional equivalence need to be considered, and back translation of questions can help ensure the right meaning is conveyed with each question. The biggest benefit to using surveys is that they allow for results that are more representative of a large group. Focus groups give qualitative feedback, but it isn’t always representative of the target market’s opinion.

WORK-IN-PROGRESS SURVEY

Survey questions	WIP (Work-in-Progress)	Coding
Major question 1:	Clothing is important to my image	Likert Scale - Not at all (1) – Definitely (7)
Follow up A1:	Clothes help me express my individuality	Likert Scale- Not at all (1) – Definitely (7)
Follow up B1:	I feel good when I buy new clothes	Likert Scale- Not at all (1) – Definitely (7)
Follow up C1:	I like my clothes to be practical	Likert Scale- Not at all (1) – Definitely (7)
Major question 2:	Favorite outdoor activity	Open-ended
Follow up A2:	How many times do you do that activity per month	Likert Scale- 1 or less (1) – Every chance I get (7)
Follow up B2:	Is the style of clothing you wear influenced by that activity	Likert Scale- Not at all (1) – Definitely (7)
Major question 3:	Do you view your environment favorably	Likert Scale- Not at all (1) – Definitely (7)
Follow up A3:	What, if any, changes would you make	Open-ended
Follow up B3:	How would those changes impact your lifestyle	Open-ended

The survey aimed at WIP customers would be distributed using direct mail and buying lists. It is a challenge to reach them any other way. We could also consult with a research firm that operates in China to help find the most economic way of data collection.

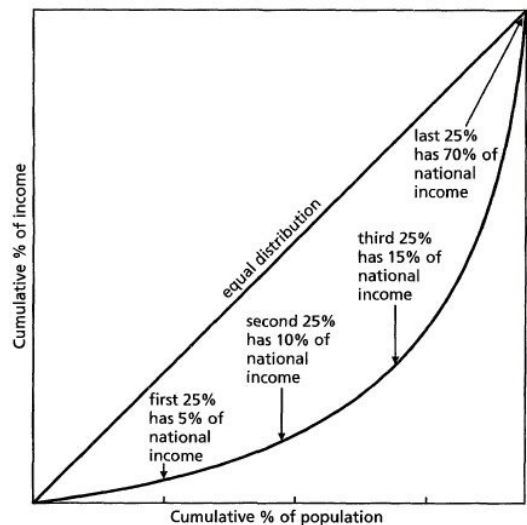
WORK-WEAR SURVEY

Workwear survey questions		Coding depends on individual question therefore consider best scheme for coding data
Major Question 1:	Who makes the decisions to buy clothes, in your family?	Possible Answers: Me, my spouse, my parent(s), other
A1:	What three attributes do you find are most important when purchasing clothing?	List of three grouped by which attributes were mentioned the most
B1:	Do you prefer to purchase the same brand of clothing regularly?	Possible Answers: Yes No Occasionally
C1:	What colors do you prefer in stylish clothing?	Grouped by which colors or patterns that were mentioned the most
Major Question 2: Workwear	How much time do you spend working outdoors in a week?	Possible Answers: 40+ Hours, 25-40 Hours, 10-25 Hours, Less than 10 Hours
A2:	Please list the three activities, including work, you spend the most time doing outdoors. (example: gardening)	Activities will be grouped by which were men
B2:	How long do your work jackets last?	Possible Answers: Less than 6 months, 6-12 months, 12-18 months, 18 months or longer
Major Question 3: Demographics	Demographics	
A3:	Age:	Data will be grouped into under 25, 25-34, 35-44, 45+
B3:	Gender:	Possible Answers: Male or Female
C3:	Income Level:	Split into 5 groupings
D3:	Occupation:	Data will be grouped simply by occupation
E3:	City:	Data will be grouped simply by city and by region (North, North Central.

First, the company would contact retailers that would be interested in the strong Carhartt brand, and then Carhartt would request permission to set-up direct marketing tables in the entrance area of the retail store and allow volunteers to take the survey to enter a sweepstakes to win a prize (free clothing). Since the retail stores chosen will be ones that sell related or complimentary products, the survey takers will be more likely to represent the market of shoppers for Carhartt's workwear.

GLOBAL SEGMENTATION AND POSITIONING

Using per capita GDP or GNP can be a useful measure to help marketers make decisions in country segmentation, but it has some major limitations. The reason this measure is used is to gauge consumer wealth or the country's general level of economic development. To use this measure, all other countries that are being compared need to be all translated or exchanged to the domestic currency, but the exchange rates don't always reflect the true buying power of the currency. One of the problems exists with gray and black areas of the market. The last significant problem



with using per capita GDP or GNP is that the measure does not factor in income inequality. The problems need to be considered carefully before relying to heavy on per capita GDP or GNP to make a huge segmentation decision.

When using per capita GDP or GNP, the measure needs to be translated to the currency of that the business is located in (domestic market). When doing this, current exchange rates would be used. The problem or issue involved is that current exchange rates don't always reflect the actual value of currencies. One example of this is with a currency in a potential foreign market that has a volatile currency (it fluctuates). If you compare that to a currency that has the same value from exchange rates but doesn't fluctuate very much, the more consistent currency might be more valuable because of the value in having consistent, predictable exchange rates. When forecasting sales, this makes for an important factor.

Another huge issue with relying too heavy on per capita GDP or GNP is with countries that have a significant portion of transactions going unreported. This includes exchanges of services (illegal in the US if not reported) or just non-reported transactions on the "black" market. If an accounting firm bills a landscaping company the difference between the exchange of services the two have, only the difference will be added to the GDP. The landscaping company would be mowing the grass at the accounting office, while the accounting office will help with landscaping company with

their books. This happens in the US and significantly more in developing countries.

While exchanges of services and the black market have a significant impact on the reported GDP number, the inequality of the GDP also hurts the ability for marketers to make decisions on per capita GDP alone. Two potential markets might have the same per capita GDP, but they might have significantly different levels of income inequality. In one of the two, 1% of the population might control 80% of the income and the other country have a more equal income distribution. The issue with this is that if 1% of the population has a \$100,000 income or higher, the rest of the population might be living in poverty and could never afford a company's products.

Marketers have to watch their reliance on per capita GDP and GNP. They can look for alternatives like Purchasing Power Parity (PPP) or socio-economic strata (SES) analysis. Per capita GDP can be a useful tool, but a quick check of income inequality, estimates on "black" market size, and currency volatility measures would help marketers get a better picture to make decisions on. Per capita GDP is still a great measure to use segmenting potential customers.

GLOBAL MARKET ENTRY STRATEGIES

There are a variety of global entry strategies that our company could choose from. There are a group of questions that must be answered. First is the Market size and growth. According to Datamonitor the market size of China is 102.3 billion and Sweden is 8 billion. From this we know that China will be a tougher market to enter but we already have a store in Beijing, which will make this process easier. The city of Guangzhou, China is where we are looking to expand too, this is because with our store in Beijing it will be easier from a supply chain standpoint to expand here. Guangzhou is where 4.1 billion dollars of China's total market is located. In Sweden are looking to enter in the three cities of Malmo, Stockholm, and Gothenburg.

As we stand today, the economic and political environment of both countries are stable enough to support our business prospects, and they can support the resources we will need. Both countries offer a competitive environment especially China as it is the number one most populated country in the world.

LICENSING

Licensing provides companies a low risk means of entry. It is a contractual transaction in which the licensor (Carhartt for example) offers their technology or brand for another foreign company, the licensee to use. The licensee will pay the licensor royalty fees in exchange for the trademarks, technology, production process, and/or patents. These royalties are usually a percentage of sales revenue.

Cons of Licensing:

- Revenues coming from licensing agreement could be affected significantly by the potential income that other modes of entry could have generated
- The licensee may not be fully committed to the licensor's product or technology
- The trademark or brand of the licensor could be hurt significantly if the licensee engages in behavior that is misguided or unethical. This is particularly significant if a company uses licensing in their domestic market, as the hurt brand would tarnish their domestic sales, but for a global entry, it would only tarnish potential sales in that market.
- Risk of not getting paid from the licensee
- Lack of control over the licensee for marketing and advertising
- Could help the licensee eventually become a competitor

Carhartt has to protect itself from the risks of licensing if the company were to use it. Patents and trademark protection is huge, as a tarnished image might lead back to the domestic market and hurt sales globally. Careful selection also needs to be taken into consideration for the licensees. Careful rules and brand standards will help the licensee stay within the constraints of a contract that binds them to the brand standards. There is significantly less risk involved with licensing when it comes to losing money in the investment, but there is a smaller reward and a possible future competitor being trained (the licensee).

Carhartt could benefit from licensing brand extensions, but due to the success of the current model of retail stores and product manufacturing, they would not need to leverage licensing.

EXPORTING

Exporting provides a great initial step on the path towards going global. First, customers in China would find Carhartt online and start ordering clothes. This, in-turn, would get Carhartt to ship the clothing to those respective customers. To successfully export, the tariffs of the China and Sweden (part of the EU) will be very important. As you can see, for a mens apparel category, China has significantly higher tariffs than Sweden.

Reporter	Tariff Regime	Year	Average of AV Duties	HS subheading 6-digit description
China	MFN	2008	16.0	Men"s or boys" jackets and blazers of cotton (excl. knitted or crocheted, and wind-jackets and similar articles)
EU	MFN	2011	12.0	Men"s or boys" jackets and blazers of cotton (excl. knitted or crocheted, and wind-jackets and similar articles)

With Carhartt already having stores in Denmark and Hong Kong, it is safe to assume that expanding into China and Sweden would not have a huge financial impact on the supply chain. Carhartt is already past the exporting phase in both potential countries.

FOREIGN DIRECT INVESTMENT

FDI or Foreign Direct Investment refers to the inflows of an investment to eventually acquire a managed interest, which is in a country not of that of the investor. There are two types of foreign direct investment, which are inward and outward. FDI usually involves participation from management, joint ventures, and expertise. The investment can take place of many forms ranging from an individual, related individuals, a public or private company, a government body, or any combination of them all. To obtain power in the potential investments economy the investor has different methods to use. These methods include incorporating a wholly owned subsidiary or company, acquiring shares in an incorporated enterprise, through a merger or acquisition of an unrelated enterprise, or by participating in an equity joint venture. For making this type of investment there are incentives that can be received like, low corporate or income tax rates, preferential tariffs, export processing zones, loan guarantees, job training and employment subsidies, and derogation of regulations, which typically are for larger projects.

For Carhartt where are FDI comes into play, is in the obtaining of real estate for retail, and plants and equipment for manufacturing. When investing to obtain these things we will look for tax-breaks, preferential tariffs, and third party guarantees. It would be cheaper for us to obtain the materials needed to build these structures within the countries that we make the investment in. Exporting building materials from the U.S. would be at too much of a cost, and obtaining them in our prospect countries can bring benefits. The 3rd party that will help us build these structures will need to be certified, and offer discounts for building multiple large projects. With the help of our host country giving us benefits of eventually boosting their economy, we feel that foreign direct investment is the best method for entry when it comes to real estate.

GLOBAL PRICING

International tax arbitrage, as it sometimes is referred to, involves MNCs shifting profits from high to low tax countries to minimize the burden of paying taxes. The answer to the question of should these MNCs always do this is clearly no. With governments cracking down on this, these businesses need to think twice. Many experts recommend that these businesses follow the Basic Arm's Length Standard (BALS).

BALS is now accepted by many governmental tax authorities worldwide as a standard for assessing transfer prices. The three methods involved with BALS are comparable/uncontrollable price, resale price, and cost-plus. Following this standard will help multinational corporations avoid governmental punishments for tax evasion whether it is the domestic or foreign tax authority.

In one of the articles attached, the Argentinian government was fed up with foreign companies policies on transferring money to avoid taxes so they took action. These foreign businesses lost their tax breaks and now have to go through many more hoops to get the correct permits to operate. In another one of the articles, wealthy people in the United Kingdom had transferred their finances into Swiss Banks to avoid the heavy taxation in the UK. Once the UK governments found out, they made the banks pay them over \$500 million and the customers will be taxed when the money comes back into the UK to reimburse the banks.

To hedge against anti-dumping accusations and possible retaliation by the foreign

government, some export marketing strategies might be better than others. Trading-up, service enhancement, and distribution/communication are the three possible strategies to fight anti-dumping issues. It is also important to avoid penetration pricing, price discrimination, or price below cost.

With trading-up, companies move away from low-value to high-value products via product differentiation. This example could be seen with chocolate, for example. European chocolate is never marketed or priced in the US as affordable chocolate. It is always priced at a premium. Also, exporters can differentiate their product by adding support services to the core product. This has the same effect as trading-up.

Lastly, distribution and communication can be used to help hedge anti-dumping accusations. This includes establishing communication or contacting local competitors, forming cooperative agreements with them, or focusing and allocating more resources towards the products less likely to see dumping litigation.



International advertising entails distribution of a commercial message to target audiences in more than one country. Target audiences differ from country to country in terms of how they perceive or interpret symbols; respond to humor or emotional appeals, as well as in levels of literacy and languages spoken. How the advertising function is organized also varies.

In some cases, multinational firms centralize ad decisions and budgets and use the same or a limited number of agencies worldwide. Budgets are decentralized and placed with local subsidiaries, resulting in greater use of local ad agencies.

The world is taking on a trend of homogenization—people are developing the same or similar lifestyles, aesthetics and values. This supplies international advertisers with optimum conditions to standardize advertising campaigns, for such purposes as reducing costs and keeping a consistent brand image. However, cultural differences as well as demographic, geographic, economic and political-legal differences in various markets necessitate specialization to some degree.

The world comprises various nations, each having its own particular culture and even many subcultures, which may construct huge impediments to the effective communication of advertisements. In addition, as the establishment of brands is indicating increasing importance in the global market, brand communication has become a vital subject in the field of international advertising. For the objective of launching the brand into the world market, the international enterprise needs to take cultural differences into full account in the whole advertising campaign.

Due to the presence of a gap in consumer sophistication across different tiers of cities and the rural areas in China, companies have to vary their operations in different markets. Most international clients tend to focus on the top 10 to 15 tier-one cities, where the average population have a higher purchasing power and are more brand conscious. As their operations expand, these companies, typically multi-national companies, steer their activities outwards into the lower tier cities, with the introduction of a portfolio of brands. Companies typically use 'local' brands that are acquired in lower tier cities, while the international brands are marketed to consumers in the higher tier cities. Chinese companies are noted to have a stronger establishment in the lower tier cities where they originate. While foreign companies focus on major Chinese cities, local companies tend to concentrate on lower tier cities, where they market on price rather than quality, and subsequently build their operations in other markets.

There are many steps that international advertisers should take when considering advertising to a global market because of certain regulations. There are many rules and regulations that companies must follow and some countries are more particular than others.

Advertising regulations are the rules and laws that limit the way products can be advertised. The regulators are usually government agencies, like the federal trade

commission in the United States. Many countries have the local advertising industry govern some form of self-regulation. Self-regulation can take the form of local advertisers and agencies jointly agreeing on a set of rules, and these rules although cannot be self enforced, can however be sanctioned on violators. Overall, there are five major types of advertising regulations.

The first major type of regulation is advertising of “vice products” and pharmaceuticals. Outright bans apply to the advertising of pharmaceuticals and so-called vice products in many countries. Some countries prohibit the use of the word “safe” or “safety” when it comes to promoting over-the-counter drugs. The second major type of regulation is comparative advertising. Comparative advertising pertains to advertisers disparage of a competing brand. In the United States this is very common method of advertising, but in other countries this is prohibited.

The next type of regulation pertains to foreign made ads. Some countries protect their local advertising production industry and acting talent by clamping down on foreign-made ads. The only problem with this is at times local talent can be scarce, and the quality of the ads can be worse than normal. Content of advertising messages is the next type of regulation. Content is everything in an advertisement, and if the ad contains dangerous behavior, or illegal practices, or they have indecent or offensive messages the ad might be banned. Finally, the last regulation is advertising targeting children. This is an obvious regulation because we always want to protect children, so anything that is advertised to them needs to be completely safe, friendly, and do not have any sort of offensive messages within them.

When it comes to the Carhartt Company, we are going to need to look into the advertising regulations for Sweden and China. What we advertise in the U.S. may not work for those countries. We need to make sure our advertisements follow all local regulations and that they pertain to the target market we are trying to sell out product too. There are not too many competitors worldwide that we have to worry about, so getting it right on the first time is very important.

INTERNET

When it comes to global marketing and using the internet, it changes from country to country. The different aspects of global internet marketing mostly deals with barriers,

the legal environment, and infrastructure.

The barriers that must be handled for internet marketing are language, cultural, infrastructure, knowledge, access charges, and government regulation. The first thought that comes to mind for language is not everybody speaks English. Carhartt has websites for both of their lines, but it would be in our best interest to invest in a multi-national site where users can select their language and country of origin. To do this we can hire third-party based companies that can alter sites based on the country. Another option we have is to hire somebody internally that can convert our website into a variety of languages, and looks proper. Also, our development team can use software to convert all styles of our online market and customize them properly.

When it comes to customizing the internet for our international users we must keep in mind culture sensitivity. Pictures, videos, or colors might be normal to one country and offensive to another. We must be sensitive to national identities, logos and symbols. We must not overlook cultural alertness when setting up our business online. Another important aspect to look at is Infrastructure. In many countries, IT infrastructure can impose constraints on online opportunities. Infrastructure deals with e-readiness, hardware issues, security of the internet, broadband penetration, and the consumers use and ability of technology, and the extent to which the government encourages the use of technology for daily life.

In the U.S. we are so used to internet availability all the time, we never consider the cost. In numerous countries, the internet charges are higher than that of the U.S. Because of this, users may not spend as much time “browsing” the web. They may find other alternatives to spend their time consuming that do not include technology. On a positive note though, with all the different mediums available that have internet access it has driven the overall cost down. Lastly, government regulations play a big role in entering an international market via the internet. The internet is a global place, but most laws are local. You must look at a countries customs acceptance, charges for penetrating their country, regulations, and security. Most European countries do not feel as safe as U.S. users putting their information out on the web, so it would be vital for us to be as secure as possible.

The good thing for Carhartt whether we expand in China or Sweden, is both countries

are internet ready. The city of Hong Kong and the country of Sweden rank in the top three for e-readiness. Both countries embrace the use of the internet, and understand that e-commerce is going to be a major part of the global economy. What we need to do is breakdown both countries by all aspects and see if it is worth our investment to make our site accessible in these countries. We must ask the questions like will consumers be responsive? Is there any government regulation to hold us back? In addition, do we have the means to customize the website to be attractive to each culture? In the end having internet access to our company is vital, because as stated earlier e-commerce business is growing every day and if we want to maximize profit it is essential we go viral.

COUNTRY SCORECARD

Both countries added up to the low seventies on the scorecard for various reasons. The risk in China is greater than in Sweden, but the potential reward of a Chinese investment balances the scorecard. Almost all of the factors used in the scorecard were scaled compared to all the countries in the world as opposed to scoring the two countries relative to each other. This helps in knowing whether both countries are good or bad investments. If you are comparing two bad investments, does it really make sense to choose the one that is slightly better than the other?

Simplified Country Scorecard (rest of it in .xls file)					
Factor	Importance	China Score	Weighted Score	Sweden Score	Weighted Score
Per Capita Income	10%	37	3.7	88	8.8
Overall GDP Growth	10%	90	9.0	30	3.0
Political Stability	5%	65	3.3	100	5.0
Foreign Investment Confidence Index	23%	100	23.0	40	9.2
Climate	12%	70	8.4	100	12.0
Trade Barrier Index	15%	71.6	10.7	87.6	13.1
Foreign Investment Freedom	10%	85	8.5	85	8.5
Financial Freedom (Includes Currency Volatility of Gov't)	3%	30	0.9	84	2.5
Product Adaptation to Culture	5%	50	2.5	90	4.5
Property Rights (Intellectual and Physical)	7%	20	1.4	95	6.7
	100%		71.4		73.3

EXECUTIVE SUMMARY

After examining the above factors our team has decided to expand the reach of Carhartt's multi-national campaign by entering Sweden. Carhartt EMEA was formed in 2006 in order to provide clothing to the European market, which makes Sweden a safer choice to develop our growth. Current uncertainty in a world market adds to the factors.

The team agrees that a focused market-by-market expansion would be the best option. First, retail stores open in Malmo and Stockholm. Once they succeed, Gothenburg is the next logical option. China would be a great place to enter once the focused efforts in Sweden have been successful. The scorecard shows just how close the two countries are and that Sweden has less risk, but less reward, while China is just the opposite. Carhartt has two great opportunities to expand and should move forward quickly to capitalize on the Swedish markets.



REFERENCES

Aiken, C.F. (1908). Confucianism. In *The Catholic Encyclopedia*. New York: Robert Appleton Company. Retrieved December 6, 2011 from New Advent:

<http://www.newadvent.org/cathen/04223b.htm>. Kazlev, M. A. (1999). Wu xing: The five states of change. Retrieved from <http://www.kheper.net/topics/eastern/wuxing.html>.

Qinfa, Y. Sports History of China . About.com. Retrieved from <http://chineseculture.about.com/library/weekly/aa032301a.htm>.

Legacee Management Systems Inc. (2011). *The Global Leader: Understanding Chinese Business Culture and Business Practices*. Retrieved October 20, 2011. <http://www.legacee.com/Culture/CultureOverview.html>.

Lazemperor. (Producer) (2007). Chinese business etiquette instructional video [Web]. Available from <http://www.youtube.com/watch?v=7XHioryoMes>

National Bureau of Statistics of China. (2011). Retrieved from National Bureau of Statistics of People website: http://www.stats.gov.cn/english/newsandcomingevents/t20110428_402722244.htm.

(2010). *Menswear in sweden industry profile* (Reference Code: 0181-2250). London, England: Datamonitor Europe.

(2011). 2010 population census. Retrieved from National Bureau of Statistics of People's Republic of China website: http://www.stats.gov.cn/english/newsandcomingevents/t20110428_402722244.htm

(2010). *Menswear in china industry profile* (Reference Code: 0099-2250). London, England: Datamonitor Asia Pacific.

Hofstede, G. (1973). Geert hofstede cultural dimensions. Retrieved from ITIM International website: http://www.geert-hofstede.com/hofstede_sweden.shtml

Hofstede, G. (1973). Geert hofstede cultural dimensions. Retrieved from ITIM International website: http://www.geert-hofstede.com/hofstede_china.shtml

(2010). World economic outlook database. Retrieved from International Monetary Fund website: <http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/weorept.aspx?sy=2007&ey=2010&scsm=1&ssd=1&sort=country&ds=.&br=1&c=144&s=NGDPD,NGDPDPC,PPPGDP,PPPPC,LP&grp=0&a=&pr.x=10&pr.y=12>

Exchange rates graph. (2011, December 02). Retrieved from <http://www.x-rates.com/d/SEK/USD/graph120.html>

(2010). World economic outlook database. Retrieved from International Monetary Fund website: <http://www.imf.org/external/pubs/ft/weo/2011/02/weodata/weorept.aspx?sy=2009&ey=2016&scsm=1&ssd=1&sort=country&ds=.&br=1&c=924&s=NGDPD%2CNGDPDPC%2CPPPGDP%2CPPPPC%2CLP&grp=0&a=&pr1.x=80&pr1.y=12>

Exchange rates graph. (2011, December 02). Retrieved from <http://www.x-rates.com/d/CNY/USD/graph120.html>

(2011). Amb country risk report. Retrieved from A.M. Best Company, Inc website: <http://www3.ambest.com/ratings/cr/reports/Sweden.pdf>

(2011). Ease of doing business in china. Retrieved from The World Bank Group website: <http://www.doingbusiness.org/data/exploreeconomies/china/>

CREDITS

SAM LEHNERT: Design/Layout, Proposal (last two paragraphs), company information, country scorecard, Global Marketing Research, Financial Environment, Globalization Imperative, Segmentation and Positioning, Market Entry Strategies, Culture, Pricing

LYDIA ELLISON: Chinese Competition, NEI, Culture, Global Marketing Research, Editing, Industry Information, Background Research, Product Information,

CLAYTON NASH: Economic Environment, Global Market Entry Strategies, Swedish Country Information, Chinese Country Information, Global Pricing, Internet

ALEX BAYLON: Target Market Sweden, Target Market China, Globalization Imperative, Hofstede's Culture, Background Research, Product Information, Country Scorecard

PATRICK SOLLARS: Country Scorecard, Compiling Sections, Domestic Competition, Global Marketing Research, Communicating with the World Consumer, Editing, Internet