International Business Economics

Fourth semester 2017

Master Thesis

"Whether it is feasible to open a cashmere customized clothes shop in Aalborg?"

Written by:

Donghui Wang
Victoria Donets

Supervisor: **Svetla Trifonova Marinova**

Professor Aalborg University

Submitted: 09.08.2017

Words   (41810)

Executive Summary

This thesis is aiming to find out whether it is feasible to open a cashmere customized clothes here in Aalborg. The authors used the theories of business model, value, and buying behavior to analysis the advantages and disadvantages to open the cashmere customized clothes shop. According to the 1000 pieces of survey and analyzing, authors forecast that it is feasible to open this kind of customized clothes shop here in Aalborg. however, in order to reduce the risk of opening this kind of clothes shop, there are many things need to be considered, such as, how to reduce the cost, how to promote the brand, how to transfer value to customers better, and how to keep the customers being satisfied ect. All these parts have been talked about in this thesis. The reason why authors want to write this kind of thesis is because that it becomes more and more popular to buying clothes in customized clothes shop in China, and authors have the resources of producing cashmere clothes. The authors believe that the personalized customization should become more and more popular in the future, because the level of aesthetical standards of people are becoming more and more higher, the general clothes which are sold in the shopping mall could not meet the need of some customers, there should be demand of customized clothes in the clothes market. Conventional customized clothes shops are ignored by people as the time pass by here in Europe, because of many reasons. Authors want to investigate that if manager could change the way to make customized clothes compared with the conventional customize clothes shop, whether it could be possible to success. The labor cost here in Europe is much higher than the labor cost in China, so if customized clothes been produced in China and shipped to Aalborg, the price could be lower. If the price is lower than traditional customized clothes, will people be interested? With many questions in mind, authors decided to do this thesis. From this thesis, authors also got much more knowledge about how to running a good business, and what need to be considered when running a business. The authors hope this thesis could give those people who want to make own business some useful information as well.

Table of Contents

Table of figures

Table of charts

Table of tables

CHAPTER I   Introduction

The researchers are interested in this type of way to do the garments business, and do not know whether this kind of way to do the garments business is suitable for Aalborg market or not.

The researchers want to combine the business model theory and the actual survey to answer the research question. The researchers believe that from writing this thesis, the researchers could get a deeply understanding about the business model using in the real life. Next the researchers are going to talk about the definition about the business model and how we use this model.

It is not only a thesis which could only be used for analyzing one store. From this thesis, the researchers want to find a way which could be easily used for estimating a business model for ahead.

Figure 1: "*Framework of the project*"

Introduction   Methodology   Analysis

Literature review   Conceptual framework   Conclusion & Suggestions
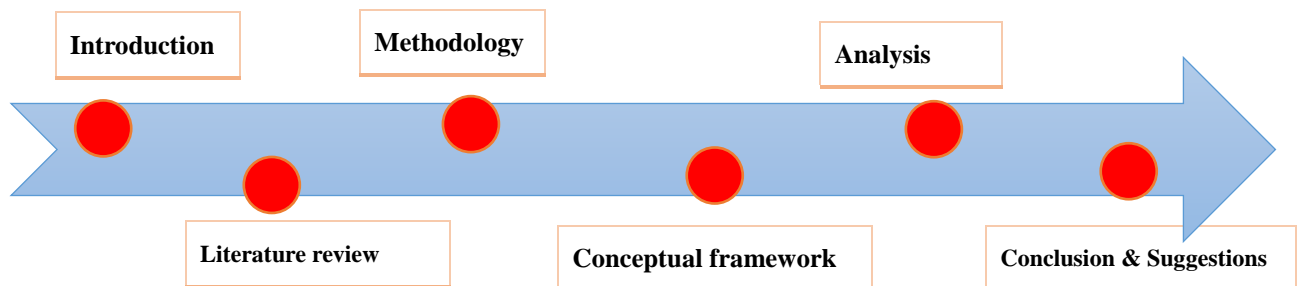
Sources: own creation, 29.03.2017

Introduction: The project is structured into 6 chapters as illustrated in Figure 1 above. The first chapter introduces the reader to the context of the research, followed by a description of the background and reason for choosing the subject. The problem

formulation is stated and the research question posed.

Literature Review: In the second chapter, theories relevant to   business model approach, the value to start up the company   and   brand image   in the research are presented. The increased understanding of the concepts will contribute   to the literature and the theories.

Methodology: In the method chapter the choice of research approach is presented followed by a description of the data collection method, data analysis and issues related to credibility of the research.

Conceptual framework: In this chapter descrips the reasons why the authors choose this topic to write. And why do the authors have the idea to running a customized cashmere clothes shop in Aalborg.

Analysis: These chapters discusses the study findings from the questionnaire. Further it describes the main   implications for practice and suggests the focus for future.

Conclusion & Suggestions: The project ends with concluding remarks while also outlining the main contribution of the research as a whole. In the end the suggestion will be given.

1.1. Problem formulation

Now days a good business model could bring many benefits to a company. It is also very important for a newly start-up company to find out a suitable business model to compete in the competitive market. Because of the development of IT industry and internet, customer to business model gets more conditions to develop. The researchers want the final thesis to be both practical and theoretical. Therefore, the decisions made based on to find out whether it is feasible or not to open a customized cashmere garment store here in Aalborg. Because the researchers produce the cashmere productions in China, and the factory wants to explore the cashmere market in Denmark, but it does

not know the business environment of Denmark, so the researches want to find out whether it is a good way to use the C to B Business model to explore the cashmere garments market here in Denmark through this thesis.

The customized cashmere garment experience store is a store which can provide the people a series of cashmere productions, like sweaters, coats, scarfs and hats. The feature of the store is that the store can offer the customer the clothes according to their own ideas. There is no cashmere garment customized store in Aalborg, and after our research we want to find out whether it is feasible or not to open a store like were mentioned above. The researchers think the idea just like the C to B Business model. How to apply this business model into the realistic is also a problem for authors. Thus, the research is based on the business model theory. The researchers want to do a questionnaire to find out the customer buying habit of the cashmere knitwear or garments, and also through the questionnaire the researchers wish to get some knowledge about the people`s acceptance to this way of buying their clothes. The researchers will also do some research about the rent, the salary, the tax, the policy and the transport fee from China to Denmark. After finding out the cost we can know how much turnover is needed to keep the store running. Through this thesis, the researchers wish to create own business model to successfully sell the cashmere productions here in Denmark.

Investigate how to use C2B business model in selling the cashmere knitwear and garments in Aalborg, Denmark.

Research questions:

Whether it is feasible to open a cashmere customized clothes shop in Aalborg?

Sub-questions:
- *What is the buying behavior of people here in Aalborg regarding to the cashmere clothes, and customized clothes?*
- *How to use business model to create a new business?*

1.2.Structure of the thesis

1.2.1. How to process the thesis

Firstly, researchers will do a research about the market acceptability on the made-to-measure store to see how many percent of people like this way of buying woolen textile garments. If there are at least 40% people who can say they will be pleasure to buy clothes in this kind of store, then the researchers could say that this kind of business model is production-market fit enough. Admittedly this threshold is a bit arbitrary, but comparing results across nearly 100 startups. Those that struggle for traction are always under 40%, while most that gain strong traction exceed 40%. (Sean Ellis 2013)

Secondly the researcher will do estimation about the cost and do a forecast about the revenue. Regarding to the cost, it will include the logistics, the labor cost, the producing and the sales. There are also several cost relating sales, such as the rent, the tax, and the fee of electricity ect. The researchers will do a research on all of these factors and get an estimation of the total cost per month. But now we do not know how to forecast the revenue, because it is quite difficult to forecast the market. However, after estimating the cost, the researcher could get an around revenue which has be made by the store. Then the researcher could deduce that whether it is possible or not to open a made-to-measure store in Aalborg.

CHAPTER II   Literature review

2.1. Introduction

In this thesis, the authors are going to talking about   5   theories which are significant. These theories are business model, value, the effect of place of origin, the buying behavior and the branding.

Because the authors are going to make this thesis into real practice, and hope to start-up a real business in the end, these theories are important for authors to take into

consideration.

2.2. Value

The definition of value

In the dictionary, it says that value is the regard that something is held to deserve and the importance, worth, or usefulness of something. The second explanation says value are the principles or standards of behavior and one's judgement of what is important in life.

In the book of *value creation*, the scholars have some definitions on the value. In the general meaning, the value is associated with the usefulness and merit of something, be it an activity or its output. Thus, value is about what is important, whether in life in general, in human action, or in the operations of an organization, and as such it can be associated with judgment. Consequently, value attains a universalist and a relativist meaning. The most common universal meaning of value is benefit or worth. In its narrow meaning, the value is ordinarily related to a process in which it is either created or co-created. Most commonly, this is the process of the exchange of tangible and intangible goods and services, resulting in a view that value can be seen as synonymous to gain and profit. This interpretation of "value" is rooted in Adam Smith`s *An Inquiry into the Nature and Causes of the Wealth of Nations* (Paul Simister,2011), in which he explored the importance of "exchange value" when he argued that the national wealth depends on the production and exchange (export) of surplus tangible products. In doing so, Smith used exchange value to provide a common sense universal measure of wealth and in that logic as a proxy for the overall benefit to a party, that is "the value-in-use" or "real value." The exchange process itself, though, brings the requirement that a party should perceive a product or service as worthy and beneficial to acquire, that is of value, meeting the needs, wants, and preferences of that party, generally a customer, who would be willing to enter into the exchange for that benefit. This is the traditional production-consumption view of value.

From the firm level, the value has two major positions, one looks at the value that is at the foundation, is the central pillar, of the business model of the companies, and another looks at the value embedded in products and services delivered to the customers, that is exchange value and value-in-use.

The first decision in starting business is about choice of the needs and problems, which company will solve, hence the value, which will be offered to the customer. The value satisfies customer needs and solving his problems.

Now the authors are going to talking about the value in a more visual way. For example, the customers base their buying decisions on two criteria: the benefits of a particular product or service and its price. The benefits can be reduced to a single number: the most the customer would be willing to pay for that product or service. This number minus the price, which will get a result that represents the product's value to the customers. More visually, if you are willing to pay up to $2 for something and its price is $1.50, buying it nets you 50 cents' worth of value. In general, customers will purchase the good or service, among competing alternatives, that creates the most value for them. In this way, the author could assume that if a company wants to thrive, it must deliver superior value to its customers. It has also been said that behind any winning strategy must stand a superior value proposition—a clear, simple statement of the benefits, both tangible and intangible, that the company will provide, along with the approximate price it will charge each customer segment for those benefits. All of the company's customers should see significantly more benefit from the transaction than they are being asked to pay. (David J. Teece,2010).

There are many scholars believe that value creation is important to the company. If the company could supply their customers more value in lower price than their competitors they can have more advantages to survive in today`s serious competition. If a product provides more value for money than competitors, it is likely to gain market share. If it provides less value for money than competitors, then it is likely to lose market share. (Dennis Consorte,2015).

Value proposition is a very important part in the business model, and a good business model would have a clear understanding on the value the company is going to provide to their customers. The relationship between the value proposition with the business model will be talked about in the next part of this literature review. Value proposition could influence the customer segment, and then because of different segments, the marketing strategy will be also different. The customer segment could affect the "4Ps" price, promotion, place, and production. For instance, if the customer segment is children, the shampoo will be designed without harmful chemicals. This shows that the segment influence the productions. If the segment which is high-end customers, then the price could be higher but the quality and service should be also higher than normal productions. Different segments would also affect the way of promotion and the place to sell the productions or services. Form this view of point, if companies want to be a need-oriented company, it would be important for them to knowing their value proposition.

At the supplier level, value is created when the buyer receives greater benefits from information on new technology, higher quality products, or cutting-edge production. (Paul Simister, 2011) than it would have received from other rival suppliers. And it is also very important for the company delivering value to the customers in reasonable price. Previous research has shown that if customers are aware that they are paying more than another customer for a similar transaction, then they may perceive the price to be unfair. (Kathleen Steffey,2011)

The authors know that value is an important component to a successful business, but how can the company deliver superior value to customers? There are some opinions from other scholars. When talking about the superior value, authors are not talking about vague benefits, such as "good quality." The superior value means concrete, observable features of the product or service, such as short waiting times, fast rewind speeds, and so on. Understanding customer preferences at this level of detail almost always calls for a great deal of management time and attention. Usually, it would

involve some quantitative market research as well as other diagnostics: systematically listening to customers and distributors about customer preferences, analyzing actual marketplace behavior, and test-marketing new benefit or price concepts.

Knowing exactly what customers value enables the company to divide potential buyers into segments—groups of potential customers who desire more or less the same product benefits and are willing to pay more or less the same amount of money for them. Once you have a map of all the relevant customer segments, you can assess the opportunities for your business unit to deliver superior value to each. (Harvey Golub el, 2000)

Traditionally, managers break down their business systems in production terms. "Step one: create the product. Step two: make the product. Step three: sell the product." This may be useful for production-side projects such as cost cutting. But if you are trying to deliver a compelling value proposition, it makes more sense to divide up the business system into customer-oriented stages: choosing the value, providing the value, and communicating the value to the customer. (Harvey Golub el, 2000) If you pay attention only to your competitors, you compete only on the features that they, perhaps wrongly, and it could be more important for the company to consider about what are the customer's fundamental needs, and what is this product really about?" then the companies may find themselves winning heroic battles in an irrelevant war. (Harvey Golub el, 2000) In many cases the customer-not the competition-is the key to a company's prospects. (Harvey Golub el, 2000) Thus, when authors want to make own business (opening a customized clothes shop), it could be important for authors to consider about the basic needs of customers when they are buying clothes for themselves. Some of them is for good looking, some of them is for good material and comfortable, some of them might be for exactly fitness. After knowing their basic needs, the authors could provide the value to the customers in a more efficient and directly way.

Some scholars believe it is also important for the company to add value to the productions or services. In terms of added value, it always related to the brand and quality, easier purchase (access to distribution), as well as values after purchasing

(service). The combination of price and quality is always a matter of course, but in the comparison of the past, it is well complemented by the need to adapt to the needs of each customer. When the company wants to added value to its products or services, it could pay some more attention on those parts.

Value added is also a tool for companies to differentiate themselves from each other and thus create a competitive advantage. Value added can be connected to the product itself (quality, brand), can be formed directly in the purchase (accessibility, cost) or customer experiences it after buying (cost reduction, risk reduction). One of the most important value added, which companies emphasize and which also creates differentiation among them, is the price. Companies look for value added to differ from the competitors. In the majority, companies use 2-3 main values, which help them to create competitive advantage. Most firms use combination of quality and price adjustment.

Now the authors are going to talk about ten ways which could add value to products or services. The concept of value-added selling has already been a popular topic for a number of years.

 (1) Providing expert advice and a tremendously high level of professionalism.

In order for the company to be able to provide value, they have to provide a level of advice that is significantly higher, more sophisticated and a lot more valuable than their competitors. What this means is a higher level of sophistication, wisdom and understanding about what it is that companies do. For instance, the business the authors are going to do is making good quality cashmere sweaters and coats for the customers. Some of the customers do not know why this kind of material cashmere is better than other kind of material, and why this kind of material is luxury. In order to let people to know, the company should give some knowledge about the productions to the customers, thus the customers would know that they are paying for a valuable products. Some customers do not know how to wash and keep this kind of material garments, and will think it is not convenient to wash this kind of clothes, but when we tell them how

to wash it and how to keep it, as well as how to wear this kind of clothes in usually day, they will get much more benefits from this kind of material clothes. When they used to this material, they would like it and think this material is the best material to wear in the cold day. In order to let the customers to feel the benefit from the productions, the company should Providing expert advice and a tremendously high level of professionalism.

(2) Bundling and packaging.

In Denmark, many stores are providing packaging service for their customers. And many Dansk are very care about the packaging when they shopping. The customers in Denmark think that good quality and high value products should have good packaging as well. So if the company want to add value to their productions, it would be a good idea for them to pay more attention to their productions` packaging.

(3) Service levels.

High level of services is also value-added. It is possible for the company to differentiate not itself only by providing a higher level of service but by adding different levels of service based upon someone's size, frequency or amount of purchase. For example, the customers may want a membership for them to have a discount when they buying productions in the store.

(4) Frequent buyer programs.

This is tried into the concept that the more someone buys from you the more valuable service, pricing, benefits and related items they receive. It is somewhat like frequent flyer miles with an airline. There are some customers who actually fly thousands of miles out of their way and only stay on one particular airline because they want to build up the miles.

(5) Transition and education.

This is more or less the same as the first advice. When new customers come to the stores or organizations, they may want to get the help for them to utilize the products or services which the company is sell to them. The more education they have related to those products or services, the more capable they will be at utilizing them.

(6) Recognition and reward levels.

This is somewhat different from frequent buyer programs in that with this particular concept behind value-added you actually provide recognition to clients or customers based upon their ability to utilize your product or service, maximize its potential, buy certain levels from you, etc. What this means is that the customers are recognized for being outstanding customers.

(7) Qualitative preference.

Based upon someone's level of purchase, involvement or interaction, companies provide higher quality of products, perhaps a more sophisticated level of service, dedicated personnel, dedicated phone lines, fax lines, or the like, which could give them a greater opportunity to be treated better than the run of the mill customer happens to be. Companies could even use this for introductory customers as a value-added component.

(8) Dedicated personnel.

This works particularly well if companies have a technical product or service or one that requires support. It is not difficult to understand that the more someone is familiar with another person's account, products, machinery, equipment or way of doing business, it is far easier to do business with that organization.

(9) Speed of service or delivery.

One of the ways to differentiate productions and services served by companies is to guarantee some sort of on time or faster delivery. It is very well known and accepted

that on time delivery is a key component for charging full or maximum pricing. It is also a component as it relates to providing value-added services and products.

(10)   Insider information.

This is very common when companies are selling information which relates to stocks, bonds, financial information or anything related to information or time specific data. Utilizing this process companies may want to consider a regular newsletter (electronic or printed) which updates customers on a regular basis as it relates to very key and important information that they have to have.

Above the 10 ways to add value to the productions and services could be used in different business industries. It depends on what kind of value and benefits the company want to give to their customers. If the company is doing a cost-oriented business, then the price should be a sensitive component to their customers, but if the company is doing a business which is value-oriented, then the price and the discount maybe not very important for their customers. In a word, these ten ways are more like a business strategy, and it more or less depends on the customer segmentations when companies are choosing the different kinds of business strategies. For examples, the authors are going to open a clothes store and make the cashmere sweaters and coats to measurement of the customers. And the measurement will be take in Aalborg, Denmark. However, because the labor costs are lower in China, and the material resources is also only produced in China. Thus, the producing processes will be operated in China. Then if the authors want to add value to their productions, fast delivery of the productions could be an important component. However, because the author want to give the customers good services and good price, the interested maybe become less. Thus, the company could not use the recognition and reward way to add value to its products.

Everyone knows what is meant by the "price" of a product. But just as important for strategic purposes is a product's value to the customer, something that is far less

conspicuous because it often depends on the customer's subjective assessments. A product's value to customers is, simply, the greatest amount of money they would pay for it. In other words, a product will rarely be purchased when its price exceeds its value to the customer. Conversely, whenever the value of a product exceeds its price, customers can improve their lot by buying it. (Harvey Golub el, 2000). From a strategic perspective, price and value are the only parameters that really matter to the customer, so it is important for managers to understand the interaction between them. Now the authors want to talk about a model which could help people to understand why it is important for the company to understand the relationship between the price and value, and how this deep understanding could help the company to find its own value proposition.

Chart 1: *"Price-value Model"*
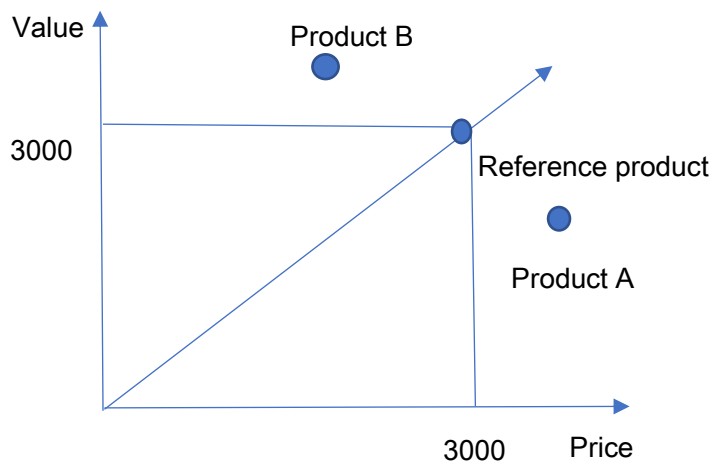
Sources: *Value-price model made by authors in 15th April 15, 2017*

To apply the model, start by choosing a reference product or reference service—usually the one with the biggest market share in the industry. Chart 1 shows that if companies plot the product according to their price and value to their average buyer and define that

point at (100,100), companies could then plot all other products in the market against the reference product. For instance, if a product sells for 180 percent of the price of the reference but gives customers only 150 percent of the value, the product should be plotted at (180,150), like Product A in the chart which does not have competitive advantages in this industry. However, the product B provide the customers more value with lower price, which means that the product B have the competitive advantages.

As a general rule, products below the line lose market share over time, and those above it would gain market share over time, because buyers always steer themselves toward products which could give them more value for their money. To reveal particular segments that are being over- or undercharged for the value they are receiving, it is sometimes useful to represent customer segments with different bubbles on the same chart.

The price-value model can help a company overlook its current competitive position in the market and assess all available options: changing the price of the product (to some or all customers), changing its value (again, to some or all customers), and any combination of the two. For instance, a product far to the left of the indifference line for a particular market segment is likely to be underpriced. Its producer might want to hold its value constant and raise its price or hold its price constant and lower costs in a way that sacrifices some value. A large gap along the indifference line often represents a market opportunity, since a company that creates a product or service to fill that gap has no close competitors.

When the authors use this chart to analysis the business they are going to do, they could recognize that the same quality and the same material clothes which are sold in the shopping mall are much more expensive than the authors going to provide. Thus, the author could know that this could be the value proposition the company is going to deliver to the customers.

2.2.1. The Transaction Value

Last but not least, authors want to talk about the transaction value. What is average transaction value and why it is important for the company. How to increase average transaction value will be also mentioned (Dennis Consorte, 2015).

Average transaction value is the average dollar amount that a consumer spends with you, within a single transaction. The way to calculate the average transaction value is taking the total value of each of company transactions from a specific time period and divide that number by the total number of transactions companies had during the same timeframe. This could show company an average of how much each transaction was worth during that period. Generally, the higher the ATV is, the more income your company generated on each customer who made a purchase. (Dennis Consorte,2015)

Why Is ATV Important to companies?

Companies retail ATV is very important when evaluating the total success of their business. Attracting customers is no easy feat, and it costs you money to secure each customer's business. If companies could increase their ATV with each customer, they would end up with a higher return on investment (ROI) on their sales and marketing costs. (Dennis Consorte,2015)

The way to increase the average transaction value of the company

There are several ways to increase companies` ATV.

The first involves *upselling products.* This requires knowledge of the customer's product selection, and of other items that are similar but more expensive. The idea is to show a customer that by spending a little more on a higher quality item, they will get a lot more value out of their purchase and a better product.

Another option to increase ATV in *ecommerce and retail*, is to offer flexible payment solutions. Individual customers have a budget, just like a business does, but it is often tighter and has less wiggle room. If companies could provide their customers with a way to pay for larger purchases in phases or installments, then they could be more likely

to buy more items or larger quantities of items in a single purchase. For instance, a bank in America could offer installment payments on an existing MasterCard or Visa without extending a new line of credit or requiring the merchant to become a financier on top of running a business. This lets their customers to buy what they need and pay for it over the course of several months instead of having to put the entire amount up at the beginning of the process or pay high interest fees until the debt is paid off. (Dennis Consorte,2015)

Get to know the numbers of your business on an intimate level. Make sure you keep track of your ATV and speak with your sales and finance teams to figure out ways of boosting the amount your customers are spending in a single transaction. If you cater to your customers and their needs, they will be more able to fulfill yours. (Dennis Consorte,2015)

All the ideas above could give the authors some inspiration on how to create and increase the value they would transfer to their customers during they operate the business. Creating, increasing and delivering properite value to customers could be viewed as an very important part when doing the business, and if a company want to survive and succeed in today`s competitive market, it would be a good idea for them to clear and definite the value that they are going to provide.

2.3. Business Model

A business model describes the rationale of how an organization creates, delivers, and captures value, in economic, social, cultural or other contexts. The process of business model construction is part of business strategy.

Business models are necessary features of market economies where there is consumer choice, transaction costs, and heterogeneity amongst consumers and producers, and

competition. Profit seeking firms in competitive environments will endeavor to meet variegated consumer wants through the constant invention and presentation to the consumer of new value propositions. Business models are often necessitated by technological innovation which creates both the need to bring discoveries to market and the opportunity to satisfy unrequited customer needs. At the same time, as indicated earlier, new business models can themselves represent a form of innovation. There is a plethora of business model possibilities: some will be much better adapted to customer needs and business environments than others. Selecting, adjusting and/or improving business models is a complex art. Good designs are likely to be highly situational, and the design process is likely to involve iterative processes. New business models can both facilitate and represent innovation e as history demonstrates (David J. Teece 2010).

A business model describes the design of the value creation, delivery and capture mechanisms employed. The essence of a business model is that it crystallizes customer needs and ability to pay, defines the manner by which the business enterprise responds to and delivers value to customers, entices customers to pay for value, and converts those payments to profit through the proper design and operation of the various elements of the value chain. Put differently, a business model reflects management's hypothesis about what customers want, how they want it and what they will pay, and how an enterprise can organize to best meet customer needs, and get paid well for doing so. Good business model design and implementation involves assessing such internal factors as well as external factors concerned with customers, suppliers, and the broader business environment.

In this part, the authors are going to talk about what is business model, why business model matters, and how to use it in reality. The Business Model Canvas will be an important part to be talked about in this part.

As far as authors concerned, the business model is the way companies use to make money. There is not any concept of a business model has no established theoretical grounding in economics or in business studies. (David J. Teece 2010) In essence, a

business model [is] a conceptual, rather than financial, model of a business. (Ramon Casadesus-Masanell el. 2009) Whenever a business enterprise is established, it either explicitly or implicitly employs a particular business model that describes the design or architecture of the value creation, delivery, and capture mechanisms it employs. The essence of a business model is in defining the manner by which the enterprise delivers value to customers, entices customers to pay for value, and converts those payments to profit. It thus reflects management's hypothesis about what customers want, how they want it, and how the enterprise can organize to best meet those needs, get paid for doing so, and make a profit. (Slávik Štefan el,2014)

A business model articulates the logic and provides data and other evidence that demonstrates how a business creates and delivers value to customers. It also outlines the architecture of revenues, costs, and profits associated with the business enterprise delivering that value. (Slávik Štefan el,2014)

A business model isn't the same thing as a strategy, even though many people use the terms interchangeably today. Every viable organization is built on a sound business model, whether or not its founders or its managers conceive of what they do in those terms. But a business model isn't the same thing as a strategy, even though many people use the terms interchangeably today. Business models describe, as a system, how the pieces of a business fit together. But they don't factor in one critical dimension of performance: competition. Sooner or later—and it is usually sooner—every enterprise runs into competitors. Dealing with that reality is strategy's job. (Slávik Štefan el,2014)

A good business model answers Peter Drucker's age-old questions: Who is the customer? And what does the customer value? It also answers the fundamental questions every manager must ask: How do we make money in this business? What is the underlying economic logic that explains how we can deliver value to customers at an appropriate cost? (Joan Magretta, 2002)

Similarly, all new business models are variations on the generic value chain underlying all businesses. Broadly speaking, this chain has two parts. Part one includes all the activities associated with making something: designing it, purchasing raw materials, manufacturing, and so on. Part two includes all the activities associated with selling something: finding and reaching customers, transacting a sale, distributing the product or delivering the service. (Joan Magretta, 2002)

There are some scholars having different definitions on the business model, which could be set apart into two different view of points. One is from the economic business model of view, another is from the value and economic business model of view.

From the economic view of point, several authors define the business model as a system for making money. In their opinion, business model is an economic concept, which produces revenues and costs. It is a set of activities, which create profit due to the cooperation of processes and technologies. Table 1 shows the authors who see the business model as economic concept.

Table 1: *"Business model in economic concept"*

Author	Definition
Itami a Noshino	"Business model is a profit formula, system of business and learning system."
John Mullins Randy Komisar	"Business model is the pattern of economic activity – cash flowing into and out of your business for various purposes and the timing thereof – that dictates whether or not you run out of cash and whether or not you deliver

	attractive returns to your investors. In short, your business model is the economic underpinning of your business, in all of its facets"
Henry Chesbrough	"The business model is a useful framework to link ideas and technologies to economic outcomes."

Source: *Made by the author on 16ᵗʰ April, 2017*

Purely economic view of the business model does not represent a complex view on the company. The business model should except of production revenues and costs capture also the other side of the business because it is also creating value. The definitions in table 2 present opinions, which see business model as a combination of economic and value view.

Table 2: *"Business model in economic and value view"*

Author	Definition
David Watson	"A business model describes operations of company, including all of its components, functions and processes, which result in costs for itself and value for customer."
David J. Teece	"Business model defines how a company provide value to customer and transfer payments to profit."
Michael Rappa	"Business model is the method of doing business by which a company can

	sustain itself – that is generating revenue. The business model spells-out how a company makes money by specifying where it is positioned in the value chain."
Alexander Osterwalder Yves Pigneur	"A business model describes the logic of how an organization creates, delivers and control value and how money are earned in a company."

Source: Made by the author on 16th April, 2017

It has been thought that the business model is a system of resources and activities, which create a value that is useful to the customer and the sale of this value makes money for the company. The purpose of the analysis of business models is to deepen and broaden the knowledge about basic components of a business model. (Slávik Štefan el,2014)

From the above concept of business mode, the authors could have a general understanding about the business model. Next the authors are going to talk about why it is important for company to create the business model, and how it is matters.

A good business model yields value propositions that are compelling to customers, achieves advantageous cost and risk structures, and enables significant value capture by the business that generates and delivers products and services. 'Designing' a business correctly, and figuring out, then implementing and then refining e commercially viable architectures for revenues and for costs are critical to enterprise success. (Aziz, 2015)

Business models are necessary features of market economies where there is consumer choice, transaction costs, and heterogeneity amongst consumers and producers, and competition. Profit seeking firms in competitive environments will endeavor to meet variegated consumer wants through the constant invention and presentation to the consumer of new value propositions.

Selecting, adjusting and improving business models is a complex art. Good designs are likely to be highly situational, and the design process is likely to involve iterative processes. New business models can both facilitate and represent innovation.

Good business model could ensure the enterprises competitiveness and ensure them to survive in this competitive market. There are some real examples which could show this opinion. Such as the retail giant Wal-Mart, and the Dell company. Their innovative business model brings them much competitive advantages in their competitive market. Wal-Mart's everyday low prices business model and establishing itself as cost leader in the retail industry have been a strong source of growth for the company in the past and also in now days. The premise of this business model is through keeping both costs and prices low.

2.3.1. Business Model Canvas

The Business Model Canvas is a strategic management and lean startup template for developing new or documenting existing business models. It is a visual chart with elements describing a firm's or product's value proposition, infrastructure, customers, and finance. It assists firms in aligning their activities by illustrating potential trade-offs.

The Business Model Canvas was initially proposed by Alexander Osterwalder based on his earlier work on Business Model Ontology. Since the release of Osterwalder's work in 2008, new canvases for specific niches have appeared.

As far as the authors concerned, the business model canvas like a map which is constituted by nine components. If a company or a start-up company want to operate a business, they have to as least think about these nine components and build their own business model.

The business model is a way to describe the way which is used by companies to create value, deliver value, and acquire value. And the business model canvas could give a

visualized description on that. Concept of authors Alexander Osterwalder and Yves Pigneur, called Canvas, defines business model using nine components: customer segments, customer relationships, distribution channels, value proposition, key resources, key activities, partners, cost structure and revenue streams. Canvas is a powerful visualization tool and clearly shows all the components and their interconnections. (Slávik Štefan el, 2014)

2.3.2. Value Proposition

Because authors think that the value proposition is the most important part in this business model canvas, firstly authors are going to talk about the value propositions. Different articles have different explanation on this.

Gorky said:" We will be much happier if we always giving than always acquiring." All the products or services would provide the customers some value. Companies could make money from the processes of creating value for their customers. Just like working, because we like work, we make money, but not because we want to make money, we work. If you just work for money, you would not be happy. The value proposition tells the company the reason why customers choose the productions or service you provide, but not choose the products or services from your rivals. Companies always tell their customers about their productions and services which they are going to give to the customers at the beginning of their doing the business. For instance, the Uber-the most convenient way to go out. It has its own value proposition. You just need a click, and you will get the service. The drivers know where are you and where are you going to. You do not have to pay by cash, and you can just get off the car when you arrive the destination. All the payment will be done automatically. Uber dose not describe its value proposition directly, but its shows the imperfections that the traditional way of traveling has. Compared with the traditional way of traveling, Uber could show their convenience when traveling. Making traveling to be convenient is the value proposition of Uber. Just like their advertisement: "Gently, limousine service for you."

Value propositions is the collection of products and services a business offers to meet the needs of its customers. According to Osterwalder, a company's value proposition is what distinguishes itself from its competitors. The value proposition provides value through various elements such as newness, performance, customization, "getting the job done", design, brand/status, price, cost reduction, risk reduction, accessibility, and convenience/usability.

The value propositions may be:

- ✓ Quantitative – price and efficiency

- ✓ Qualitative – overall customer experience and outcome (analysis of the business model)

2.3.3. Customer Segments

After knowing what kind of value do companies want to create and deliver to their customers, they have to know how is their customers. Customer Segments: To build an effective business model, a company must identify which customers it tries to serve. Various sets of customers can be segmented based on the different needs and attributes to ensure appropriate implementation of corporate strategy meets the characteristics of selected group of clients. (Constantinos C. el, 2015)

Customer segments are defined by five types of market:

1. Mass

2. Segmented

3. Niche

4. Diversified

5. Multi-sided

Mass market represents a large group of customers with similar needs and problems.

Segmented type divides customers into groups based on the same characteristics. There are the products and services tailored to the customer in niche markets. Diversified markets are located in two or more industries with different needs and problems. Multi-sided type uses interdependent segments and connects them. For example, provider of credit cards VISA creates a relationship between three groups - banks, cardholders and merchants.

More samples could show what is customer segmentation. For instance, an electronic company could segment their customer according to whether the customer is sensitive to the price. A garment company could segment their customers according to whether its customers are care about the brand. Through the segmentation, companies could change the single catalog of marketing into multiple catalogs of marketing. For the customers who care about the price, companies could use the discount promotion way to attract the customers. For those people who care about the brand, fashions, and quality, companies could not use discount promotion, because this kind of promotion way could give customers the image that the production is not good enough, and not elegant enough. The design of the productions is also related to the customer segmentation. Complicated products and services do not allow the use mass market, and therefore companies must group customers into segments. The solution is to create a product that customers will be able to adapt by them, or to innovate according to their needs.

2.3.4. Key Activities

Key activities are the most important activities in executing a company's value proposition. It describes the most important activities involved in value creating. It can be production, delivery of product, designing, marketing and selling. (Constantinos C. el, 2015) For instance, the key activity of the Facebook is their social network. The key activity of the Amazon is their e-business, and the key activity of the Google is their searching.

Regarding to authors` idea of opening a customized clothes shop, the main activity is selling the clothes to the customers. It involves taking measurement of the customers, producing the clothes according to the measurement and importing the clothes from China to Denmark. Most of these activities are related to the cost structure of companies.

The business model is built on the key activities, which are sales, marketing, production operation and is supported by human resource management, infrastructure and procurement.

2.3.5. Channels

After knowing who are the customers, companies need to know how to get to those customers, and let the customers to know their productions and services. In the same time, companies have to estimate which channel is the efficient channel to get to their potential customers. For example, some take-away restaurants will distribute the flyers near the business buildings. The workers who work in those buildings are the target customers of the take-away restaurants.

Distribution channels, can choose between selling through its own sales network (direct sales: store, salesman, website, application in smartphones, telephone) or outsource the sale (indirect: intermediator). There are some advantages and disadvantages in both the direct distribute channel and the indirect distribute channel. Now the authors are going to talk about each of these two kind of distribution way.

Distribution channel is material or information connection between clients and company. Channel is used for value supplying. Companies look for channels that could deliver product or service to the customer in good quality, efficiently and at reasonable cost. The channels are divided into two groups – direct, when a company owns the channel or indirect, when the channel is outsourced. The most frequently used type is direct channel such as stores, sales representatives, hotline and online sales. The main advantages of this type are control over the whole sale process and having direct feedback from the client. The disadvantages are the high costs, less possibility of

geographic dispersion and the lack of knowledge about market in expansion abroad. The indirect channel is less used, but in many companies still preferred because of low costs, bigger geographic dispersion and using of intermediaries` experience. The main disadvantages are little control over the sales process, the absence of direct interaction with customers and often unreasonable amount of commission. There are also some Companies using the combination of both two types. (Ossi Luoma,2014) Enterprises regarded as the most effective distribution that of, which are based on personal contact with the client (salesman, store, agent), because it is the most obvious trend to be as much close to client as it is possible. Sales via the website, although significantly minimizes the cost for place and staff, but it is mostly used as a supplement to personal selling.

2.3.6. Customer Relationship

Customer relationship is the processing of the communicating between customers and suppliers, and from the communication, companies know the needs and requirements of their customers. After knowing the dynamic and changing needs of the customers, companies will improve and innovate their productions and services. All these processes are included in the customer relationship. For example, Apple has an internet forum which could be used by the customers to solve the problems which they meet during using the App. Starbucks has the membership card which could help Starbucks to interact with its customers. Customer relationship could be divided into two parts. One is focusing on how to build relationships with customers, another is focusing on how to keep contact with customers.

There are several types of customer relationship, they are personal assistance, dedicated personal assistance, self-service type, automated services, and co-creation customer relationship. Relationship with customers is personal assistance, which is based on human interaction. Customer communicates directly with the salesman during the whole sale process. Modification of this type is dedicated personal assistance, when

client has got the only agent, who takes care of him. In self-service type, the company has no contact with the customer, and just provides the service or product. For example, some gas stations are the self-service, and people just get the service and gas by themselves. Automated services connect sophisticated customer service with automated processes (internet) and use CRM system that recognizes client and can recommend him the suitable product or service. For example, when you go to Amazon to shop, the website can always promote some productions which you usually buy or looking for. Enterprises are increasingly using communities to improve connections with customers. This type of relationship provides free quality database of observations directly from the customer. The modern type of relationship is co-creation, which makes relationship beyond the standard and client becomes co-creator of product or service.

2.3.7. Key Resources

The key resources could help the company to improve its competitiveness. For example, the capital, the human resources, the goodwill and the reputation is all included in the key resources.

Key resources include tangible resources (production facilities, buildings, vehicles, and equipment) and intellectual resources (brand, knowledge, patents, copyrights, partnerships, customer databases and human resources - staff and managers).

The key resources that are necessary to create value for the customer. They are considered an asset to a company, which are needed in order to sustain and support the business. These resources could be human, financial, physical and intellectual. (analysis of the business model)

2.3.8. Key Partners

Who are companies` key partners? Who are companies` suppliers? What kind of key resources companies are going to get from their partners? What kind of key activities

do the key partners do? When thinking about the key partners, the companies have to think about those questions. For instance, the insurance is sold in airline companies, so the airline companies and the insurance companies are the key partners.

In order to optimize operations and reduce risks of a business model, organization usually cultivate buyer-supplier relationships so they can focus on their core activity. Complementary business alliances also can be considered through joint ventures, strategic alliances between competitors or non-competitors.

Key partner describes the most important companies, authority or people cooperating with the company. Optimization and economies of scale lead to partnerships that serve for cost reducing. Sharing of know-how, finance or technology motivates companies to join the activities in a partnership. Another example is the Blue-ray technology, which was developed by a group of the world's leading manufacturers of electronic, and after research and development they started to sell their Blue-ray products individually. Acquisition of resources and activities also encourages companies to search for partners, because companies do not own all the necessary resources or do not execute all the necessary activities for their business. For example, insurance companies have brokers who sale products and insurance company can deal with the core business.

2.3.9. Cost Structure

It is very easy to be understood. All the places which need companies to pay for that are belong to the cost structure. For example, the producing processes, the rent, the labor, the promotion, the storage, the logistics, the import cost all could be included in the cost structures. Costs represent a monetary award of production.

Among the largest costs companies include investments in equipment and technology, which are directly related to production and investment to workers.

2.3.10. Revenue Streams

All the companies need revenues to keep moving. Investors need revenues as well. When thinking about the revenue stream, companies need to think about several questions. Such as, what kind of value could attract the customers to pay? What do customers want to get when they pay for the products or the services? What kind of payment way do customers usually use? What kind of payment way do customers like to use? How many percentage does each revenue occupy in the total revenue?

Revenue stream describes cash flows. Among the most used, authors include the sale of goods and services. For instance, rental and leasing generate income from the providing exclusive rights to use certain assets. Licensing generates money from giving customers permission to use protected intellectual property in exchange for licensing fees. Brokers earn from each deal. Advertising generates revenue from providing medial areas.

Revenues represent one of the most important blocks of the business models and their generating is the main reason and aim for existing business. There are many ways to create a revenue stream. The range of income is from renting, through sales to licensing. Enterprises could select a maximum of three key revenue streams.

Almost half of the models use multi-source revenue streams, the most frequently combinations are sales + rental, sale + advertisement, sale + license (or fees of use). Another way to multisource streams is selling the basic product in combination with complementary product or service. Most companies use non-cash payments. Cash is seen rather as a supplement. (Constantinos C el, 2015) For example, the store that the authors are going to opening could sell the measurement clothes, as the same time the store could also sell the clothes in stock, and other kind of productions. Such as clothes with bags, or with accessories.

To sum up the above theories (value, business model), the authors think that all the business start from the value proposition. The value proposition is depended on the resources of the company and the needs of the customers. If putting the value

proposition in the middle side of the whole business, each end side will be the cost structure and the revenue streams. Good business should have a good value proposition. If companies want to describe a good value proposition, they have to analysis the needs of customers. Companies need to know what do customers want, and what do customers are thinking in their mind. For a better understanding about the customers, the authors are going to talk about the next theory, which is related to the branding, and the place of origin.

2.4. The Country of Origin Effect

The country-of-origin effect (COE), also known as the made-in image and the nationality bias, is a psychological effect describing how consumers' attitudes, perceptions and purchasing decisions are influenced by products' country of origin labeling. Since 1965, it has been extensively studied by researchers (Wikipidia)

Research suggests that country of origin (COO) serves as a cue from which consumers make inferences about product and product attributes. The COO cue triggers a global evaluation of quality, performance, or specific product attributes. Consumers infer attributes to the product based on country stereotype and experiences with products from that country. Hence, a COO cue has become an important information cue for consumers who are exposed to far more internationalized product selection and multinational marketing than ever before. Thereby, the country of origin may even affect consumers' perceptions beyond their conscious control. (Wikipidia)

Research into COO has focused on various issues linking COO with other marketing variables, including consumer nationalism, demographics, hybrid products, brand effects, product quality, price, consumer perceptions, technology sophistication, product features, advertising images, and country images, to measure consumer

perceptions and purchasing behavior. (Wikipidia)

As far as the authors concerned, the country of origin effect is the reasons why people have different perspective on the productions from different countries, and how it influences the people`s buying behavior. Many researchers have done some investigations on the COO, and want to find some relationship between the people`s buying behavior with the COO, but the findings are always not the same, sometimes the findings are totally converse. Now the authors are going to talking about their findings which relate to the COO.

The country of origin effect is strongest on older consumers and those who don't know much about the product or product type, and weakest on consumers who are well-informed. Sensitivity to country of origin varies by product category. It is strongest for durable goods and luxury goods and weakest for "low involvement" product categories such as shampoo, candy, light bulbs, toilet paper and athletic shoes. When the countries of design, manufacture and the parent brand are different, research suggests all three matter to consumers, but the country of manufacture may matter most. (Wikipidia)

In some countries consumers tend to prefer products made in their own country (also known as consumer ethnocentrism) and in others foreign-made products tend to be impreferred. A preference for locally-made products has been linked to a collectivist culture, and a preference for foreign-made products is associated with a more individualistic, competitive culture, and also with countries that are less economically developed. (Wikipia)

Research in international marketing has proven that country associations do lead to customer bias and this bias depends on how a customer views the image of a country. French wine, German cars, Japanese robots, Colombian coffee, Italian fashion, Singaporean efficiency, Swiss chocolate. Somewhere in our minds, these products and services are associated with particular countries owing to their legacy or culture or lifestyle, which automatically leads us to perceive them as 'premium'. Countries that

are less economically developed tend to have a negative country image and a negative country-of-origin effect. (Wikipida) Many studies have also concluded that consumers typically view products made in developing countries are not as well as products form developed countries. (Anca Tamas,2015)

In past research, many factors have been revealed to impact consumers' reliance on COO, such as consumer expertise, product category, product familiarity, and product experience. Other studies also suggested that COO effect could be weaker if other information or extrinsic cues are available. For example, COO effect can be contingent upon the availability of brand, price, and store name information. Among all these moderating factors, brand has been one of the most intensively researched. (Anca Tamas,2015)

Hui and Zhou reported that negative COO effect is significantly weaker for high equity brands than for low equity brands when there is incongruence between brand origin and country of manufacture. The fact that main effects of Brand and COO of the study are significant suggests that both brand and COO are important determinants of consumers' perceptions of quality and favorability. The importance of brand in product evaluation process has long been acknowledged in consumer behavior literature. Conceivably, when information about brands is present, customers would tend to rely less on COO when evaluating a product. Numerous studies have examined whether brand could moderate the COO effect on product evaluation, but the results were inconsistent. Some studies have suggested that strong brand can help alleviate negative COO effects. (Anca Tamas,2015)

Different kind of people have different view of opinion on the COO. They conclude many variables which could lead to COO effect. Authors think that variables are the reasons why COO effects would happen.

The salesmen ranked COO as the least important cue for a product comparing to brand, price and warranty and brand reputation seems to be the most important in buying decision from salesmen point of view. The correlation between the buying decision and

the COO image is direct and positive, so consumers have strong purchase intentions for products from countries about they have favorable country images. Products made in developing countries, which are associated with unfavorable images, attempt to disguise the "made in" information by hiding the COO information. The impact of COO on purchase intention depends on the nature of products: COO has a significant impact on purchase intention. for luxury or public consumed products, yet COO is not significant at all for necessities or private products. In 2002, Baker and Bellington said that COO beliefs become more important when the consumers don't have enough knowledge to reduce the risk of purchase behavior.

Knowing this could help authors to make marketing strategy for own business. Authors are going to sell Chinese productions in Denmark, which people might think not good enough quality, but when the authors tell the customers that China is the only place in the world where produce cashmere and give them the knowledge that Chinses cashmere is the best cashmere in the world, then the country of origin effect could become weaker to customers.

The moderators of COO effect on buying decisions: COO economic and political maturity, levels of economic and technological development, traditions and historical relationships. The value of COO effect is moderated by variables such are technical complexity, consumer involvement, familiarity and prior experience with the product. Four COO antecedents were identified: familiarity with the products, beliefs regarding products, ethnocentric tendencies and affective feelings toward COO in order to predict willingness to buy. (Anca Tamas,2015)

Here are some statistics. In 1986, Hugstad and Durr finded out how important is COM (country of manufacturer) for consumers and proved that 70% of US consumers consider of no or little importance the COM of the product they bought, yet 74% of the consumers consider COO important when buying cars comparing to only 20% when buying T-shirts. A year later, Hester and Yuen assessed how aware were US and Canadian consumers of the COM of the clothes they just bought. They found out that

only 20% of Americans and 25% of Canadians were aware of the COM and even more 52% of Americans and 65% of Canadians have no idea of COM and no interest to find out. In 2002, Usunier found out that, among the French consumers, only 35% knew the COO of the electronics they just have bought and only 16% have a favorite COM.

From these statistics, the authors assume that the COO effect is stronger on the productions which are expensive and need to be used for long time to the customers. However, the daily necessities or consumables will be less cared by customers regarding to COO. As far as the authors concerned, the most important factor which could impact on the buying activities of customers is that the needs of customers. Most of the customers want to find and buy reasonable productions. If companies could let customers feel that they are buying reasonable productions, customers will be less care about the COO. For instance, HuaWei, the Chinese phone brand, is becoming more and more popular in Europe markets. Not because HuaWei using a special marketing strategy, but because it gives its customers good buying experience, and good experience during the using. Because of the good customers` experience, Europe customers think that HuaWei is a reasonable brand in phone market. Even though the brand is made in China, it also obtains the recognition of customers in Europe. From this example, authors could say that if companies want to reduce the negative effect of COO, they have to improve their own overall quality.

Customers` experience is more important that the brand and OCC. The brand image can act as a protective shield against the negative COO evaluations, so, associating a brand with a strong positive image with a country with low quality reputation will improve the COO evaluation. If the products of a brand cannot transfer its promises as customers expected from its COO image, negative attitudes and feelings towards the brand may result.

The COO effect on different national people and on different countries differently. Case studies conducted in 2001 by De Wet G, De Wet M and Pothas found that COO effect is different within country, depending if consumers were Black South Africans or not.

In 2005, a case study was made in Canada by Laroche, Papadopoulos, Heslop and Mourali, who found out that COO effect depends if the consumers were French speakers or English speakers. Country stereotypes significantly influenced COO evaluations and that country stereotypes are spontaneously activated by the presence of COO information. In 1972, Anderson and Cunningham found out that COO effect is much stronger among the less educated consumers, as well as an inverse relationship between consumers' dogmatism and their preference for foreign products. Young consumers or consumers with a low income are more favorable to foreign products comparing to other consumer classes. European consumers tend to rank foreign goods as higher quality than domestic ones and this tendency affect consumers' preference, perception and purchase intention. Scholars also found out that the COO effect is much stronger among the elderly. (Anca Tamas,2015)

Shimp and Sharma demonstrated that consumer ethnocentrism is a moderator of consumers' beliefs, attitudes, purchase intentions and purchase in 1987. Because Consumers with high ethnocentrism would like to protect the domestic products and economy and might refuse to accept the products imported from other countries. However, an interesting experiment on COO moderators made in 1991 by Cordell. COO, price and financial risks were manipulated and the results were that when financial risk was high, consumers are skeptical toward products from less developed countries and, for the same category of products, there was no interaction between COO and price.

The reason why customers think that the quality of products from developed countries are better is because that they think the workers from the developed countries are more technological sophisticated and therefore, more able to make quality products. Actually because of this, Products made in developing countries which are associated with unfavorable images attempt to disguise the "made in" information by choosing a foreign brand name, which sounds like being from a developed country. Thus, authors could see that the COO has negative effect on the developing country productions. But

it has also the positive effect on the productions which are produced in developed countries. In order to reduce the negative effect which the COO puts on the developing countries , some researchers also give some suggestions. Next the authors are going to talk about those suggestions more or less.

For marketers in a multi-national enterprise, formulating an effective strategy to deal with the potential negative COO effect on consumer product evaluation is a critical issue. (C. Min Han el,1985)

Firstly, it is important for companies who come from developing countries have a better understand on the COE. Producers from developing countries should strive to offset negative suppositions toward their country when introducing a new brand on a foreign market and, therefore, they need to better understand the COO effect. ((Anca Tamas,2015)

Customers from different countries have different view of point on COO, so it is important for us to make a survey on this element before doing the business in Denmark. Authors are going to make a research before make the business in to reality. When doing the questionnaire, authors will ask at least one questions related to COO effect.

Country of design could reduce the effect of country of origin. Thus, companies could find developed countries to design the products for them.

The suggestions for marketers is that they should avoid having products made in less developed countries be compared directly with those made in more advanced countries.

When displaying a product with a less favorable COO, marketers should create an environment facilitating separate evaluation mode if possible. For weak brands in advanced countries, a positive COO attribute could serve as a point of differentiation and source of competitive advantage when competing with the strong brands. For example, a recent survey in US indicates consumers are willing to pay a 19 percent premium for a steak carrying the "Guaranteed USA" label. Food brands in US market that manufacturing locally could take this advantage in order to compete with strong

brands. (Countering negative country-of-origin effects the role of evaluation model)

To sum up, it is difficult to make a final answer on how deeply the effect of COO could have on the customers buying behavior and buying activities. The factors which lead to the COO effect is also different in different countries. Because everything is changing, and people`s mind is changing also, it is difficult to conclude a logical regulation on the COE. As far as authors concerned, COO effect is a complex structure, highly sensitive to initial conditions. Why the COO experiments cannot lead to similar results even though the conditions are similar? Supposing the same people will conduct similar research, using the same methodology, the same questionnaires, on the similar sample of respondents, like in the longitudinal studies, the results won't be the same, because, meanwhile, time passed for the respondents, their beliefs and attitudes toward the product or the COO of the product had already changed. (Anca Tamas,2015).

2.5. Buying Behavior

This part presents a review of the literature, in the field of consumer buying behavior. In the very beginning describes, the importance of various factors including lifestyle and its impact on the consumer buying behavior. The second step described the dominant, positivistic consumer perspectives. The methodological and analytical overview of the traditional perspectives are presented as well.
The main purpose of this chapter is to identify different streams of thought that could help and guide for future consumer researchers.

A consumer`s buying behavior has been always of great interest to marketers. The knowledge of consumer behavior helps the marketer to understand how consumers think, feel and select from alternatives like products, brands and the like and how the consumers are influenced by their environment, the reference groups, family, and

salespersons and so on (Brosekhan A. 2016). A consumers buying behavior is influenced by cultural, social, personal and psychological factors. Most of these factors are uncontrollable but they have to be considered while trying to understand the complex behavior of the consumers. According Solomon 1995, Consumer is the study "of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires".

Consumer buying behavior refers to the buying behavior of the ultimate consumer. The small and large business company needs to analyze buying behavior for buyers` reactions to a firms marketing strategy has a great impact on the companies during business success. The marketing concept stresses that a firm should create a Marketing Mix (MM) that satisfies customers, therefore need to analyze the what, where, when and how consumers buy. (http://www.learnmarketing.net/consumer.htm). If we looking at the consumer buying behavior of the 21st century, we have to acknowledge that consumerism is playing a major role in the consumers decision making. A consumer takes decisions based on many criteria.

The authors going to research these factors in that part.

Although, the influence of the psychological inputs on behavior has acknowledged by many   authors, not many studies have been done in a retailing context, and so far no study can provide a framework to determine how   customer   buying process and satisfaction   might impact on successful business doing. One of the objective of this part is to explore the relationship between buying process and customers satisfaction. In the very beginning the authors   start from the definition   of the buying behavior.

The definition of the buying behavior

The collective actions, including the searching, evaluation, selection, purchasing, consuming, disposing of products, taken by consumers in determining which goods and services hold the most value for meeting their wants and needs. Marketers   study   consumer buying behavior   to determine the   influence   of

psychological, sociological, demographical, and cultural factors have on buying decisions.

(http://www.investorwords.com/19033/consumer_buying_behavior.html#ixzz4gWIx09 bh)

Buying Behavior is the decision processes and acts of people involved in buying and using products.

To do the successful business it is need to understand:

✓ why consumers make the purchases that they make?

✓ what factors influence consumer purchases?

✓ the changing factors in our society.

When talking about the reason why consumers make the purchase that they make, we have to talk into consideration many factors which are influence on consumer's buying decision.

Figure 2: *"Factors of consumer buying behavior"*

Source:

https://www.google.dk/search?q=is+the+Disconfirmation+of+expectations+model

The relationship between the buyer and the seller exists through a phenomenon called a market exchange. The exchange process allows the parties to assess the relative trade-offs they must make to satisfy their respective needs and wants (John Burnett). The buyers are essential partners in the exchange process. Without them, exchanges would stop. They are the focus of successful marketing; their needs and wants are the reason for marketing. Without an understanding of buyer behavior, the market offering cannot possibly be tailored to the demands of loyal buyers. If they are not satisfied, exchange falters and the goals of the marketer cannot be met. As long as buyers have free choice and competitive offerings from which to choose, they are ultimately in control of the marketplace.

The understanding of how the buyers arrive at a decision making helps company to build an offering that will attract buyers. There are two of the key questions are company needs to answer relative to buyer behavior:

1. *How do potential buyers go about making purchase decisions?*

2. *What factors influence their decision process and in what way?*

Answering these questions correctly impacts the success of any product.

The consumer buying process is a complex matter as many internal and external factors have an impact on the buying decisions of consumers (Brosekhan   A.A). That is fact, consumers do not spend much time to thinking about the purchasing of low value products which are bought on impulse. Manufacturers of such products implemented strategies that encourage consumers to buy on impulse (for example attractive packaging, suitable price). When consumers purchase high value products they often go through a set process. This process is discussed below.

The first step in consumer buying behavior is - How do consumer decide which particular product to purchase? Is it the problem with old product or it is a new need?

This is often identified as the most important step in the customer's decision process. A purchase cannot take place without the recognition of the need. The need may have been triggered by internal stimuli (such as hunger or thirst) or external stimuli (such as advertising or promotions). How the buyers act to resolve a particular problem depends on two factors: (1) the magnitude of the discrepancy between what they have and what they need, and (2) the importance of the problem. Once the problem is recognized, it must be defined in such a way that the buyer can actually initiate the action that will bring about a relevant problem solution.

The second step - Information search to help buyers choose their product.   The sources of information are different: family, friends, experts who contains information about a product, personal observation, or other sources, such as sales people, or mass media or may involving a visit to a retail store. There buyers may also acquire and store information for future purchases. The promotional component of the sellers` offering provides the information to help the buyers in their problem-solving process. In some cases, the buyers already have the needed information based on past purchasing and experience. Bad experiences and lack of satisfaction are reasons that may destroy repeat purchases. Information search can also identify new needs. Information search involves mental and the physical activities that buyers must perform in order to make decisions and accomplish desired goals in the marketplace. It takes time, energy, money, and can often involve foregoing more desirable activities. For example, engaging in a thorough information search may save money or improve quality of selection.

Perceived fit is an attitudinal measure of how appropriate a certain channel of distribution is for a specific product. Morrison and Roberts (1998) found that consumer's perception of the fit between a service/product and a channel is very influential in determining whether they will consider using that channel for a specific service. In fact, perceived fit was found to be more important than consumers preferences for the distribution method or service.

Evaluation of different purchase options - *is the third step*. When the search actually occurs, what do people do with the information?   In other words, how do they process

information? This broad topic is important for understanding buyer behavior. The evaluation system is particularly useful when there is a large number of options. There are many marketing strategies which could have influence on this stage of the process. Attractive product features might be emphasized on promotional materials, product packaging, and the websites.

Often observation has served as the basis. Yet there are many theories regarding to how the process takes place.

One widely accepted theory proposes a five step: (according John Burnett).

(1) *Exposure*. Information processing starts with the exposure of consumers to some source of stimulation such as watching television, going to the supermarket, or receiving direct mail advertisements at home. In order to start the process, sellers must attract consumers to the stimulus or put it squarely in the path of people in the target market.

(2) *Attention.* Exposure alone does little unless people pay attention to the stimulus. At the moment, people are bombarded by all sorts of stimuli, but they have a limited capacity to process this input. They must devote mental resources to stimuli in order to process them; in other words, they must pay attention.

(3) *Perception*. Perception involves the different incoming signals into meaningful categories, forming patterns, and assigning names or images to them. Perception is the assignment of meaning to stimuli received through the senses.

(4) *Retention.* Storage of information for later reference, or retention, is the fourth step of the information-processing sequence, memory stores information for future and long-term relationships.

(5) *Retrieval and Application*. The process by which information is recovered from the memory storehouse. If the buyer can retrieve relevant information about a product, brand, or store, the buyer will apply it to solve a problem or meet a need in the future.

The last step is *purchase decision making*. After the evaluation process buyer will select the product he would like to buy. Philip Kotler (2009) states that the final purchase

decision may be "disrupted" by two factors: negative feedback from other customers and the level of motivation to accept the feedback. In this stage is important for seller to ensure buyer the simple and effective purchase process. Even at this stage the buyer could change his mind and choose the competitors` products or cancel the purchasing. Therefore, sellers need to make the buying process as simple and enjoyable as possible to safety this and future purchases. Research shows that it is a common post purchase behavior when buyer have doubts feeling about the products after his purchased. Sellers of products clearly want buyers to feel proud of their purchase, so that they will purchase from them again and recommend them to friends. It is important to make a promotional process which should make the buyers feel that they have bought their product from a strong and reputable store.

After much searching and evaluating, or perhaps very little, consumers at some point have to decide whether they are going to buy. Anything sellers can do to simplify purchasing will be attractive to buyers. Sometimes several decision situations can be combined and marketed as one package. For example, travel agents often offer travel tours.

To do a better marketing job at this stage of the buying process, a seller needs to know answering to many questions about consumers' shopping behavior. For instance, how much effort is the consumer willing to spend in shopping for the product? What factors influence when the consumer will actually purchase? Are there any conditions that would prohibit or delay purchase? Providing basic product, price, and location information through labels, advertising and personal selling, is an obvious starting point. Rebates may also provide an extra incentive to buy.

Actually, determining how a consumer goes through the decision-making process is a difficult research task, there are new research methods to better assess this behavior.

Post-purchase behavior - is the next stage of process of buying behavior.

Here the buyers will compare products with their previous expectations and will be either satisfied or dissatisfied. Therefore, these stages are critical in retaining customers. If the buyer is satisfied, this will result in brand loyalty, and the information search and

evaluation of information will often be fast-tracked or skipped in the future during the next purchases.

On the basis of being either satisfied or dissatisfied, the customers usually distribute their positive or negative feedback about the purchased product. This may be through reviews on website, social media networks or word of mouth.   It is very important to take in more detail this stage into consideration, as the sellers should be very careful to create a positive post-purchase communication, in order to engage customers and make the process as efficient as possible.

Keeping the customer happy is what marketing is all about. This anxiety reflects a phenomenon called *cognitive dissonance.* According to this theory, people strive for consistency among their cognitions (knowledge, attitudes, beliefs, values) (Brosekhan A.A.).   When there are inconsistencies, dissonance exists, which people will try to eliminate. In some cases, the consumer makes the decision to buy a particular brand already aware of dissonant elements. The sellers may take specific steps to reduce post purchase dissonance. Advertising that stresses the many positive attributes or confirms the popularity of the product can be helpful.

Figure 3*: "The Consumer Buying Process"*

Source: https://www.google.dk/search?q=The+Consumer+Buying+Process

(last accessed 07.03.2017)

According to Fineman (1999) "marketing as an ethically neutral system or management tool serving an unequivocal market good". Fineman (1999) states that the act of

purchase and exchange is what interests marketing. Thus marketing becomes unhinged from "its imperial position in contributing to the apparent good life and becomes quality of contributing to the destructive side of consumerist society. Past research suggest that negative information influences consumer attitudes more than does positive information (Amine 1996; Carrigan , Attalla 2001). Creyer and Ross (1997) found that a company's level of ethical behavior is an important consideration during the purchase decision; in the USA consumers expect ethical behavior from companies and they were willing to pay higher prices and reward ethical behavior. Researches show that consumers would still buy products from unethical firms, but only at a lower price – the cost of poor ethics (Carrigan, Attalla 2001). A study by Boulstridge and Carrigan (2000) investigated the response of consumers to ethical and unethical marketing behavior. Most responds argued that the lack of information did mean that social responsibility was not high on their purchasing agenda. If they liked and regularly bought a product they would find it hard to boycott over unethical behavior. The most important purchasing criteria were price, value, quality and brand familiarity; consumers bought for personal reasons rather than societal ones (Carrigan , Attalla 2001).

For some buyers, additional information would help, but in the same time for other buyers it would be the confusion and makes buying become difficult. This suggests a problem for the so-called sophisticated consumer. Today having so much knowledge on consumer products can actually detract from, rather than enhance choice. Perhaps it is not that consumers do not care, but rather they care more about price, quality and value (Boulstridge and Carrigan, 2000).

2.5.1. Influencing Factors of Consumer Behavior
According to John Burnett it is impossible for sellers to react to the particular profile of a single consumer, it is possible to identify factors that tend to influence most consumers in predictable ways. The factors that influence on the consumer problem-solving process are numerous and complex. For example, the needs of men and women are

different; the approach to information search with a low-income person is different compared to high-income person; the buyer with great past purchasing experience might approach the problem differently from buyers without experience. Such influences must be understood and take into consideration to draw realistic conclusions about consumer behavior.

Figure 4 focuses on the specific criteria that influence on the consumer's decision making to purchase and evaluate products and services.

Figure 4: *"The Model of consumer behavior"*

Source: http://globaltext.terry.uga.edu/userfiles/pdf/Core%20Concepts%20of%20Marketing.pdf
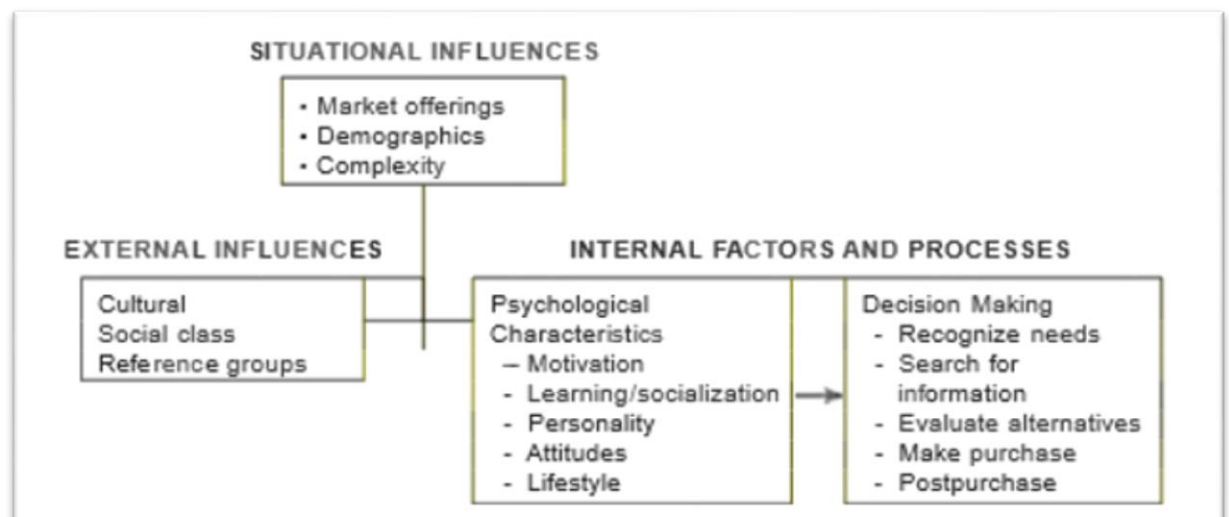
(*last accessed 17.03.2017)*

The model shows situational, external, and internal influences as having an impact on the consumer problem solving process. *Situation influences* include the consumer's immediate buying task, the market offerings that are available to the consumer, and demographic traits. *External influences* deal with factors outside the individual that have a strong bearing on personal behaviors. *Internal influences* relate to the consumer's learning and socialization, motivation, personality, and lifestyle.

Let's analyze all influence more in detail.

Situation Influences:

The nature of the buying task has considerable impact on a customer's approach to solving a particular problem. When a decision involves a low-cost product that is frequently purchased (for example every day's food: milk, bread), the buying process is typically quick. A decision concerning a new car or new computer is quite different. This decision involves some financial risk to the buyer, his ego, life style, and psychological risk (it can be wrong decision makes). A complex process of decision making is therefore more likely for high-involvement purchases. Low-involvement decisions are easier and require a little risk they are not very important to the consumers. Financial, social, and psychological risks are not as big as in high-involvement decisions. When a customer is a brand-loyal, that is a simple decision-making process for subsequent purchases. The consumer now buys the product through habit, which means making a decision without the use of additional information search or the evaluation of alternative choices.

Market Offerings is another relevant set of situational influences on consumer problem solving. The more variety the product and brand choices available to the consumer, the more complex the purchase decision process is likely to be. From the customer's point of view, a wider selection of market offerings is better, because it allows them to tailor their purchases to their specific needs. However, it may confuse them and make difficult for them to make a purchase decision.

Demographic Influences is an important set of factors that should be also take into consideration. Such variables as age, sex, income, education, marital status, and mobility can all have significant influence on consumer behavior. People in different income brackets also tend to buy different types of products and different qualities. This means that income can be an important variable in defining the target group.

External Influences

External factors, such as culture, social class, reference groups, and family. These factors could influence on consumer behavior (according to John Burnett).

Culture. The culture of person is represented by a large group of people with a similar heritage. For example, traditional American culture values include hard work, thrift, achievement and security. Marketing strategies targeted to those cultural aspects, should show the product or service as confirm these traditional values.

Social class, which is determined by such factors as occupation, wealth, income, education, power, and prestige is another factor that can affect consumer behavior (John Burnett). The best-known classification system includes upper-upper, lower-upper, upper middle, lower-middle, upper-lower, and lower-lower class. Lower-middle and upper-lower classes comprise the mass market. The *upper-upper* class and *lower-upper* class consist of people from wealthy families. They tend to live in large homes and tend to shop at exclusive retailers. The *upper-middle* class is made up of professionals, managers, 2nd business owners. They are ambitious, future-oriented people who have succeeded economically and now seek to enhance their quality of life. Material goods often take on major symbolic meaning for this group. The *lower-middle* class consists of mid-level white-collar workers. These are office workers, teachers, small business people and the they are family-oriented and hard-working individuals. The *upper-lower* class is a production line workers and services people. Many have incomes that exceed those of the lower-middle class, but their values are often very different. They are less future-oriented than the middle classes. The *lower-lower* class consists of unskilled workers with low incomes. They are more concerned with necessities than with status. People in the same social class tend to have similar attitudes, live in similar neighborhoods, dress and shop at the same type stores. If a marketer wishes to target efforts toward the upper classes, then the market offering must be designed to meet their expectations in terms of quality, service, and atmosphere. For example, differences in leisure concerts are favored by members of the middle and upper classes, while fishing, bowling, pool, and drive-in movies are more likely to involve members of the lower social classes.

A reference group helps shape a person's attitudes and behaviors. Such groups can be either formal or informal. Churches, clubs, schools, notable individuals, and friends can

all be reference groups. Reference groups are characterized as having individuals who are opinion leaders for the group.

One of the aspect of understanding the impact of the family on buying behavior is the family lifecycle. Most families pass through an orderly sequence of stages. These stages can be defined by a combination of factors such as age and marital status. Each of these stages is characterized by different buying behaviors. For example, a children's clothing manufacturer would target its efforts primarily at the families. Thus, the family cycle can be helpful in defining the target customers.

Internal Influences:

Each customer is in some degree a unique problem-solving unit. In order to fully appreciate the totality of the buying process, a seller needs to examine the internal forces (learning/socialization, motivation, personality and lifestyle) that influence consumers (John Burnett).

Learning and socialization factors are influencing a person's perceptions. The learning is an ongoing process that is dynamic, adaptive, and subject to change. Also, learning is an experience and practice that actually brings about changes in behavior. As new information is processed a consumer learning takes place. There are several theories of learning: one of the most popular is that of socialization. Socialization refers so lite process by which persons acquire the knowledge, skills, and dispositions that make them more or less able members of their society. The assumption made is that behavior is acquired and modified over the person's lifecycle. These variables can influence learning through their impact on the relationship between the consumer and others.

Motivation is a concept that is difficult to define. In fact, the difficulty of defining motives and dealing with motivation in consumer research accounts for its limited application. For the most part, the research in motivation involves benefit segmentation and patronage motives. To be motivated is to be a goal-oriented individual. For motivation to be useful in marketing practice, a manager must understand what motives and behaviors are influenced by the specific situation in which consumers engage in

goal-directed, problem-solving behavior.

Various *personality* types, like people with various motives, are likely to respond in different ways to different market offerings. For example, an extrovert may enjoy the shopping experience. Thus, in store promotion would become an important communication tool. Knowing the basic personality traits of target customers can be useful information for selling different products.

Lifestyle has been generally defined as the attitudes, interests, and opinions of the potential customer. Such variables as interest in opinion on the importance of dressing well can be used to better understand the market and its behavior. Different customers approach shopping in very different ways. They have different attitudes and opinions about shopping and different levels of interest in shopping.

2.5.2. Sub Conclusion

Simple observation provides limited insight into the complex nature of consumer choice. Researchers search the more methods in order to understand, predict, and possibly control consumer behavior more effectively. Understanding buyer behavior is a complicated process, with many factors influencing the process. Why and what products purchased better has to be taken into consideration before selling the willing products. That is the same sellers must have understanding why certain products are not purchased. Ultimately, understanding the buyer behavior influences the marketing mix used for a product.

In material above was a discussion of the factors that influence the decision-making process.

A consumer, making a purchase decision will be affected by the following three factors:

Personal factors: *a person's interests and opinions.* (These will be affected by demographics such as age, gender, culture, profession, background and so on).

Psychological factors: motive, perception, attitudes and life styles.   (A motive is an internal force that orients a person's activities toward achieving a goal.   If marketers can identify the buyers` motives, then they can better develop a marketing strategy. A

perception is the process we choose for info the buyers pay attention to. An attitude, such as knowledge, positive and negative feelings about the product. Consumer attitudes toward a firm and its products greatly influence the success or failure of the firm's marketing strategy.).

Social factors: consumer wants, learning, influenced by opinion leaders, person's family, reference groups, social class and culture. (Individual identifies with the group to the extent that he takes on many of the values, attitudes or behaviors of the group members. Social class influences many aspects of our lives and determined to some extent, the types, quality, and quantity of products that a person is buying. The cultural factors determine what people wear, eat, reside and travel. In other words, the culture affects what people buy, how they buy and when they buy).

The marketers must be aware of these factors in order to develop a strategy for its target market.

The situational influences consist of the complexity, market offerings, and demographics. *External influences* include the culture, social class, reference groups, and the family. Finally, the *internal influences* identified were learning/socialization, motivation, personality, lifestyles, and attitudes.

Different customers approach shopping in very different ways. They have different attitudes and opinions about shopping and different levels of interest in shopping. For buyers` motivation to be useful in marketing practice, a manager must understand what motives and behaviors are influenced in the specific situation.

Types of consumer buying behavior are determined by:

- Level of involvement in purchase decision.
- Importance of interest in a product in a particular situation.

Buyers level of involvement determines why buyer is motivated to seek information about a certain products and brands but in the same time ignores others.

While considerable research about consumer purchasing decisions has been studied by many authors, there are still many factors, which company must understand and take into consideration some aspects in detail are affecting on buyers behavior and the

impact of these on purchase decisions.

Investigations showed, that the most important purchasing criteria were price, quality and brand familiarity.

How the authors will use that?

The greatest challenge faced by many companies today is holding and increasing their market share and value. This is always very difficult and one of the tools for the same is marketing. There is no specific rules available for using these marketing tools to sell the successful product.

As mentioned above, the behavioral perspective emphasizes the role of external environmental factors in the process of learning, which it is argued causes behavior. The behavioral perspective focuses on external environmental cues (such as advertising) that stimulate consumer response through learning. The strategic emphasis, of the behavioral modification theories, for example, are to devise a set of expanded behavior modification techniques, that can be used to influence, modify, and control consumer behavior.

Understanding the customers' buying behavior is one of the elements that helps to do successful business. Getting the customers to have an emotional attachment to our new brand is one of the keys to keeping them loyal. As well it is one of the key factors of gaining the good recommendations from the buyers` sides. We need to have a clear understanding of the rational and emotional reasons that customers to buy. Knowing how often customers will buy certain product can be also used when we decide what type of product will be offered. Understanding the buyer's preferences allows us to focus on the key channels to increase the opportunities for buyers to buy from us.

Because of the lack of consumer attitudes the authors undertook further research in an attempt to develop the questionnaire for the different types of consumer in buying clothes.

2.6. Brand

Brand is an accumulation of emotional and functional associations. Brand is a promise that the product will perform as per customer's expectations. A brand gives particular information about the organization, good or service, differentiating it from others in marketplace. Brand carries an assurance about the characteristics that make the product or service unique. A strong brand is a means of making people aware of what the company represents and what are their offerings. (http://www.managementstudyguide.com/what-is-brand.htm)

Understanding Brand:

As definition brand is a symbol that gather "*social actors*" such as firms, customers and suppliers (Opoku R., el. 2007) and can be described as group of many "*values that enable a promise*" to be made about exceptional experience (Chernatony, 2009). Moreover, brand awareness is the term used when consumer may well evoke a brand name and recognition in their memory under various circumstances (Keller K., 2009). The companies that outdo in creating positive emotional associations with their customers through effective branding usually attain a good market share and sustainable competitive advantage for future company growth (Goswami, S., 2015).

Brands exist everywhere and consequently their importance to marketing success is unquestionable. A familiar brand pledges the consumer a certain level of quality and satisfaction (Horppu M., 2008). A strong and reliable brand can lift a company's and build up a favorable corporate image in the market. In addition, strong brands should eventually result in higher revenue and fetch substantial cost savings and brand extension opportunities (Keller, 2005). Another strong feature of brand is that helps in the creation of effective communication both internally and externally. Internally means within the business organization (employees, shareholders and etc.) and externally means (customers, suppliers, retailers and etc.) (Jukka Ojasalo et al. 2008).

Despite that, Hollensen (2011) put some arguments that branding could generally

causes some disadvantages such as higher production cost, higher marketing cost and higher legal cost. The author explained that the role of branding as better identification and awareness, better chance for product differentiation, brand loyalty and gaining premium pricing.

However, strong brand can increase customer loyalty and generate higher revenues in the long-term (Keller, 2009), allowing companies to offer higher price premiums and increase the market value of the firm. In addition, branding can add sustainable value, create product and company differentiation and generate growth in small and medium sized companies (Horan G, 2005).

Purchase Decision-Making Process Influenced by Brand Awareness:

According to Rossiter and Prey,1987 (Brosekhan   A.A) , brand awareness precedes all other steps in the buying process. A brand attitude cannot be performed, unless a consumer is aware of the brand. Brands are the most common rule of thumb in the contemporary marketplace. They facilitate many "purchase decisions and offer reassurance as they connect current and future decisions to experiences, satisfactions, and knowledge" (Keller, 2008; Kapferer, 2008). Hence, "brands play an important role in consumer decision-making and guide consumers in the process of making a purchase decision. "The consumer decision-making process comprises various steps; a consumer passes through when making a purchase decision" (Hutter K.and Hautz J., 2013). This process encompasses all steps from the recognition of a need through the pre-purchase search for information about potential ways to satisfy the need, the evaluation of alternative options to the actual purchase and the post-purchase processes including experience and evaluation of the product.

Similar to the framework of the decision-making process are the "hierarchy of effects" (HOE) models in communication and advertising. Instead of describing the series of steps a consumer runs through when making a purchase decision, those models focus

on the mental stages of the relationships of consumers with a particular product or brand (Hutter K.and Hautz J., 2013). Hierarchy of effects refers to "the fixed order in which consumers perceive, process, and use advertising and other marketing communication information: first cognitively (thinking), second affectively (feeling), and third co natively (do)" (Hutter K.and Hautz J., 2013). This means that "the consumer first attains awareness and knowledge about a product, subsequently develops positive or negative feelings towards the product and finally acts by buying and using or by rejecting and avoiding the product" (Kotler, 2001). This kind of persuasive model argues for a hierarchical order in which things happen, with the implication that the earlier effects have a stronger impact on consumer's decision making. Based on this idea a variety of models have been proposed, differing in most cases only in nomenclature or order of effects.

Another widely recognized model is the one by Lavidge and Steiner (see Figure 4). Their model includes the seven phases` awareness, knowledge, liking, preference, conviction and purchase. At the beginning of the modelled process, the consumer is unaware of the brand. In the next phase, he/she forms simple awareness. Subsequently, the consumer receives (e.g. through advertising or word-of mouth) or searches for brand related information through which he/she builds knowledge about the brand offering. After the "thinking" stage, the consumer decides in the affective stage if she/he likes the product or not and builds preferences based on favorable or unfavorable attitudes towards the brand. At the end of the affective stage the consumer develops a conviction of the usefulness of the purchase, hence an intention to purchase. Even though not included in most HOE models, "consumer loyalty and advocacy ideally follow the purchase phase (Smith et al., 2008)".

Decisive for the sequence and flow of the single steps in the decision process is the involvement of consumers to the product or brand. Involvement is defined as "a person's perceived relevance of the object based on inherent needs, values, and interests, and depends on situational factors" (Hutter K. and Hautz J. , 2013). In respect to the

decision-making process, involvement can influence the HOE in two ways. First, "depending on the level of involvement consumers need differing amounts of time to go through the phases" (Hutter K. and Hautz J. , 2013). This means that for high involvement products, consumers usually take more time when they for example search and process information and therefore need longer to get to the subsequent phase. With low involvement products, the affective and conative phases could precede the cognitive one as consumers do not "think" when buying the product but build attitude after the purchase in the stage of using. The underlying processing conditions can be viewed as systematic and in line with the HOE sequence (Smith et al., 2008).

Figure 5: "Hierarchy of effects model (HOE)"
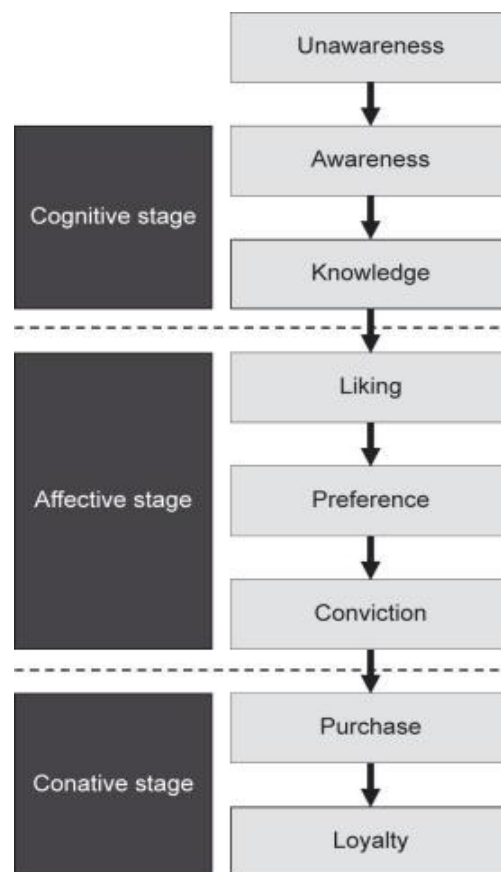
Source: "The impact of user interactions in social media on brand awareness and purchase intention" (Hutter K. and Hautz J., 2013).

2.6.1. Developing of Brand

According to Gunelius Susan, 2011. There are 5 factors which could help the brand is going in the right direction:

The Brand promise - is also includes the feelings that consumers get when they use your products or services. What a brand can promise to consumers? They can be many factors, such as quality, promotion and so on.

The Brand Perceptions: Brands are built by consumers, not companies. Ultimately, it's the way consumers perceive a brand that defines it. The only thing that matters is how consumers perceive your brand. You (better use "companies") need to work to develop consumer perceptions that accurately reflect your brand.

The Brand Expectations: Based on your brand promise, consumers develop expectations for your brand. If your brand doesn't meet consumers` expectations, they will become confused by your brand and will search another brand.

A Brand Persona: From appearance to personality, the brand persona is one that consumers will evaluate and judge before they do business with you.

The Brand Elements: the brand is represented by the intangible elements and tangible elements such as brand logo, packaging, and so on. All of these elements must work together to realize the brand promise, promote the brand perceptions, meet brand expectations, and define the brand persona. If one element is does not work, the existing brand can suffer.

2.6.2. How to Obtain a Favorable Brand Image?

Building a brand takes lots of time. For brand to create recognition is not something that happens by itself or overnight. A conscience effort must be made in making a brand strong and recognizable. The management makes it clear and important for everyone within the organization to be aware of the need for this.

The research by Coombs and Holladay (2006) suggests that positive interactions and communication build favourable image while unpleasant interactions lead to

unfavourable image. Harridge-March (2006) notes that understanding the customer's needs   offers the foundation for going beyond developing awareness of offerings to an intense focus on developing the trust and relationships which form the basis of effective branding. Harridge-March (2006) argued that a critical element of building trust   is the understanding of actual as well as potential customers.

E-Worth of Mouth

The information about products, services or a brand that consumers are sharing through word of mouth is known as viral marketing, WOM communication, buzz marketing or network marketing (Hill S., Provost F., Volinsky C., 2006). In this work we are going to use the term WOM marketing.

The easy exchange of information on social networking sites (De Valck K., Bruggen G., Wierenga B., 2009) enable people to spread the "*awareness and adoption from consumer to consumer*" for products or brands (Hill S., Provost F., Volinsky C., 2006).

  According to Sobel K., and Chowdury A. (2009) when people search for information or advice they turn to their social network, which consist of family, friends and other people they know. Thus, those networks play role as a reliable and influential source of information and positive WOM for firms and brands will have significant impact. Therefore, the main objective of WOM marketing is to control the messages between the members of the network.   For the providing the good information about the company, they should consider the next aspects, such as service quality, building trust and customers satisfaction.

Service Quality

Service quality   is an assessment of how well a delivered service conforms to the client's expectations. Many companies   often assess the service quality provided to their customers in order to improve their service, to quickly identify problems, and to better understanding the   customers satisfaction. Parasuraman et al. (1988) defined service quality as "the overall evaluation of a specific service firm that results from comparing that firm`s performance with the customers" general expectations of how

firms in that industry should perform".

There are several methods to improve quality service in the company, from having clearly defined and measured service goals and motivating the   employees, to using customer feedback and updating the company's service tools to better serve the clients. Examples of excellence in service quality include personalized service, good return policies, complaints desks   and   being able to speak to a human and so on. Customer service should be included as part of an overall approach to systematic improvement, as a customer service experience can change the entire perception a customer has of the organization.

Trust

  Morgan and Hunt (1994) described that "Trust is an important factor in the development of marketing relationships and exists when one party has confidence in an exchange partner's reliability and integrity"(p. 23). Ballester and Aleman (2001) described that trust and satisfaction are conceptually connected. As variables that generate consumer commitment especially in the situation of high involvement. Anderson and Narus (1990) argued that trust arise when someone hold a belief that the second person`s actions would cause affirmative effects for his/herself. Accordingly, in order to trust a brand, consumers should perceive quality as favourable object.

Building trust takes time and a lot of hard work. But is entirely doable if   the company work on three of the   most important core competencies: service and transparency.

Earning a customer's trust starts with giving great service. The reality is that service should come naturally, instead of being strategically planned. Transparency is another competency that should come naturally. To implement transparency effectively, talk with   the customers and   understand the customers needs, which leads to the building close relationships.

E-mail marketing

  E-mail advertising is growing rapidly and it has significant effects on consumers'

behavior attitudes toward the brand.   According to Moustakas et al. (2006) e-mail has recently become an important tool of companies' marketing mix and communication technology and carrying the opportunity to boost marketing success and to improve the brand image.

Several studies on e-mail advertising have shown that a person's attitudinal disposition has a positive influence on that person's behavioural intentions. Customers who view an e-mail advertisement as useful were found to be more likely to visit the physical store and to browse the company's web site (Chang *et. al,* 2013).

In order to create a good reputation   of the company , the first step is to make sure people see you. Advertise in places people will see. Make sure that the   company and your employees are present at important events where there are opportunities to promote your enterprise.

It is important to understand, that a positive brand image can make the decision process easier, thereby promoting a lot of repeat purchases as well as primary purchases.

A positive image gives confidence to the customers as they feel that the brand is sincere and clear in its vision to create the best.

It is possible to build brand image with strong advertisements because of which companies are promoting their products through various famous personalities to enhance their image of brand.

Blogs

Short for "web logs" is the term that describes a hierarchy of text, images, media objects and data arranged chronologically which can be viewed via an html browser. These can be designed by a company to encourage additional posts from customers, building a rich interaction on specific topics (Simmons G, 2010).

Further point to be made concerning is that blogs and bloggers can offer an immense opportunity for increasing the brand awareness if they have large auditory and readership (Pihl C., Sandstrom C., 2013). Additionally, they are considered as inexpensive tool for publishing messages with pictures, video and audio (Hansen D.,

Shneiderman B., Smith M., 2011, p. 22) and it is possible that a content of a blog may have bigger effect   for a brand than a commercial (Li C., Bernoff J., 2011).

Based on above, our aim to provide the good quality of services and high satisfaction to our customers, and we believe that if the products have good quality the consumer will pay the price.

2.7. The Customer Satisfaction

According to Hansemark and Albinsson (2004), "satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfilment of some needs, goal or desire". Customer loyalty, on the other hand, according to Anderson and Jacobsen (2000) "is actually the result of an organization creating a benefit for a customer so that they will maintain or increase their purchases from the organization. According to Anderson and Jacobsen (2000), customer loyalty is actually the result of an organization creating a benefit for a customer so that they will maintain or increase their purchases from the organization.

Why Organizations Focus on Customer Satisfaction?
Businesses monitor customer satisfaction in order to determine how to increase their customers bases, customer loyalty, revenue, profits, market share and survival. Although greater profit is the primary driver, exemplary businesses focus on the customer and his/her experience with the organization. They work to make their customers happy and see customer satisfaction as the key to survival and profit. Customer satisfaction in turn hinges on the quality and effects of their experiences and the goods or services they receive (Singh H.2006).

What is Customer Satisfaction?

The definition of customer satisfaction has been widely debated as organizations increasingly attempt to measure it. Customer satisfaction can be experienced in a variety of situations and connected to both goods and services. It is a highly personal assessment that is greatly affected by customer expectations. Satisfaction also is based on the customer's experience of both contact with the organization.

Customer satisfaction is a highly personal assessment that is greatly influenced by individual expectations. Some definitions are based on the observation that customer satisfaction or dissatisfaction results from either the confirmation or disconfirmation of individual expectations regarding a service or product.

There are many factors that affect customer satisfaction. Kotler (2000) defined satisfaction as: "a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations". Hoyer and MacInnis (2001) said that satisfaction can be associated with feelings of acceptance, happiness, relief, excitement, and delight.

Figure 6: *" Factors that Affect Customer Satisfaction"*
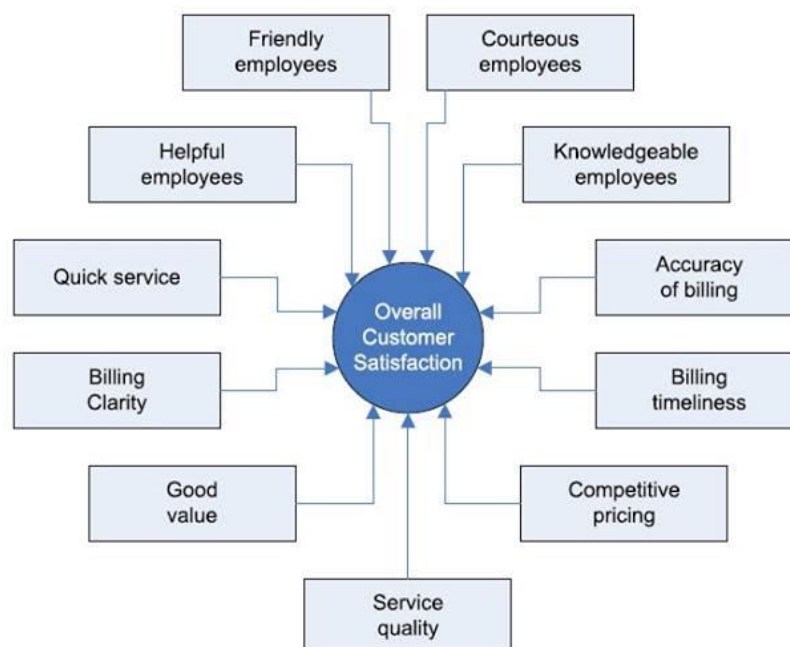
Source: Singh H. (2006)

In order to achieve the customer satisfaction, a company must be able to satisfy their customers` needs and wants (La Barbera and Mazursky, 1983).

According to Hoyer and MacInnis (2001), dissatisfied consumers can decide to:

• discontinue purchasing the good or service,

• complain to the company or to a third party and perhaps return the item,

• engage in negative word-of-mouth communication.

Customer satisfaction is important because, according to La Barbera and Mazursky (1983), "satisfaction influences repurchase intentions whereas dissatisfaction has been seen as a primary reason for customer defection or discontinuation of purchase".

However, Bowen and Chen (2001) said that having satisfied customers is not enough, there has to be extremely satisfied customers. This is because customer satisfaction must lead to customer loyalty. Bansal and Gupta (2001): "Building customer loyalty is not a choice any longer with businesses: it's the only way of building sustainable competitive advantage. Building loyalty with key customers has become a core marketing objective shared by key players in all industries catering to business customers. The strategic imperatives for building a loyal customer base are as:

- ✓ Focus on key customers

- ✓ Proactively generate high level of customer satisfaction with every interaction

- ✓ Anticipate customer needs and respond to them before the competition does

- ✓ Build closer ties with customers

- ✓ Create a value perception".

According to Clark (1997): "Customer retention is potentially one of the most powerful weapons that companies can employ in their fight to gain a strategic advantage and survive in today's increasing competitive environment. It is vitally important to understand the factors that impact on customer retention and the role that it can play in formulating strategies and plans". Therefore, a company should always strive to ensure that their customers are very satisfied.

CHAPTER III   Methodology

In this chapter the authors introduce the methodological framework used for this investigation. Here talking in detail about research aims, objectives and the strategy used. The 'Research onion' framework used to build up the structure to the research procedure, which is carried out in this investigation.

3.1. Research Framework

For this research the authors used a framework designed by Saunders, 2009 known as "Research onion". This framework give the structure to the research procedure which is carried out in this research. It will detail the research aims and objectives, research approach and design, and the strategy used.

Figure 7:   *"Research onion"*
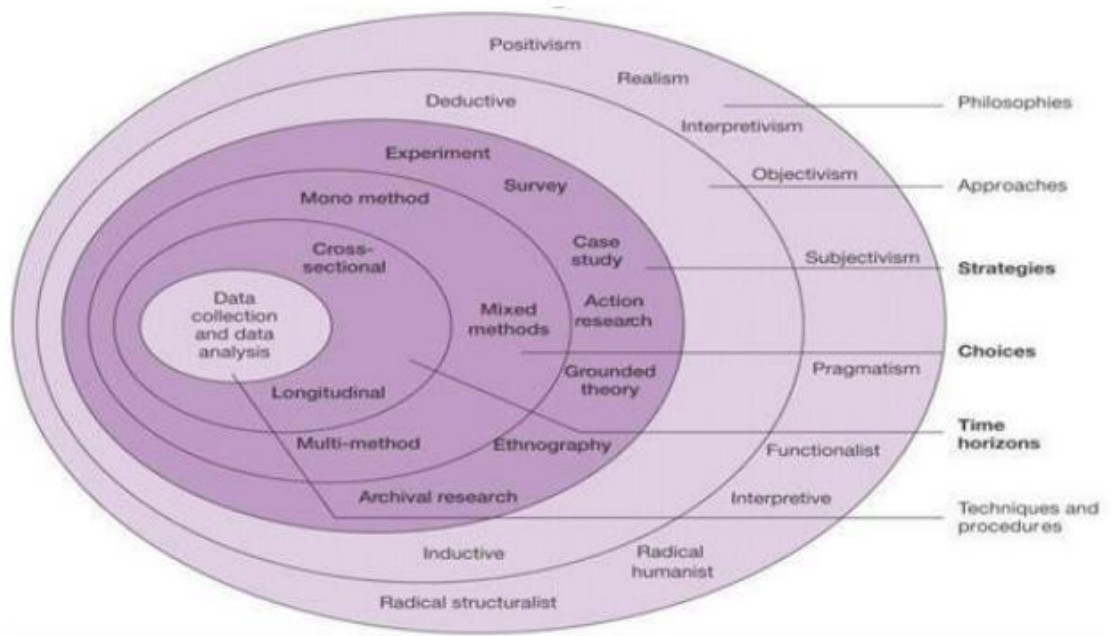
Sources: Saunders, Lewis and Thornhill (2009, p.138)

Research philosophy

The research philosophy has all the essential assumptions according to researcher's point of view. These assumptions will support the research approach and the method adopted as a part of the approach.

There are 4 major methods to consider in the research philosophy according to Kuada 2012. There are: ontology, epistemology, human research and methodology.

Ontology: This term is used by many researchers in describing the nature of what the researcher seeks to be known, (knowable or reality). The question of whether the social world is real and external to an individual human being is ever impending among some scholars, which therefore imposes itself on whether individuals creates his own social world which would be a product of his cognition. The assumption implies that the findings or part of view of the researcher is considered to be a "reality" (Kuada, 2012).

Epistemology: This term simply describes "how we know what we know". That is, it describes the nature of the knowledge and the means of knowing that the researchers conceive to be truth. Whether it is possible for an external observer to know the truth about a particular social world was also questioned by some scholars, while other scholars hold the belief that only by the orientation of the human actor the researcher seeks to find out can the particular social world be understood (Kuada, 2012). In other words, it is related to the knowledge and by what process the knowledge is created in a certain field of research.

Human research: It describes how the relationship between human beings and its environment has been viewed by the researcher. The relationship between the social environments from the outside is what the researcher seeks to find out, if they co-determine each other and this is what also is considered to be the "truth" to the researcher (Kuada, 2012).

Methodology: This describes the choice of methods, the reasons for choosing those methods and also the search process methods. Others also sees it as the research design

or how the researchers seek out knowledge he desires. An example for this assumption is it is very likely for a researcher to go for a methodology that focuses on individuals' interpretation of the world as it is experienced if the researcher assumes the social world can be understood by obtaining precise knowledge of the issue under investigation.

In this research, the methodology method   has been   chosen. The main reasons is that authors   have already exist problem which is how to apply the business model into the realistic.   The author aims is to investigate how to use C2B business model in selling the cashmere knitwear and garments in Aalborg.

3.1.1. Research Approach

According to   Saunders (2009), there are two kinds of researches: Inductive and Deductive.

In an *Inductive approach*, the data is collected and a theory is developed as an outcome of the data analysis.

The   *Deductive approach* a hypothes is developed and research strategy is designed to check the hypotheses. There are five stages in the deductive approach: gathering a hypothesis, stating the hypothesis in operational terms, testing the hypothesis, exploring the outcome and last will be adapting the hypothesis in the light of the outcome (Saunders et al., 2009).

It is a responsibility of the authors to choose the most suitable research approach in order to evaluate this research project. The inductive approach has been chosen for this research.

 According to J. Kuada (2011), there are   two research types: descriptive and normative.

 The   descriptive research attempts to describe an analyzed situation, while identifying the issue   through information provided   directly or recently. *The normative   research*, the guidelines are involved and needed to be followed for decision making.

In this project, the descriptive research type has been chosen. The main reason of decision-making is the specific information related to the project investigation is needed to be collected. The information, which is collected during the questionnaire process and used to investigate the posted assumptions in the project, later will be presented as findings.

3.1.2. Research Strategy

For monitoring the effective changes the company   need to take   into account many factors.   But what should we monitor? There are a number of quantitative and qualitative measures.

The quantitative measures help to evaluate the past, although we can establish trends over time which may help us look at the future. In other words, is the calculation of data through statistical technique. There are different quantitative analysis methods such statistics, graphs and charts which allow the researcher to calculate the data more appropriately. These include ethnography, participant observation, in-depth interviewing, and conversational interviewing (Bryman and Bell, 2011).

The qualitative measures are generally used to represent a wide variety of data collection methods.   The qualitative research method emphasizes words rather than quantification in the collection and analysis of data. The qualitative data collection brings more information needed for the investigation.

The quantitative analysis is a widely used research method   to give positive results of the survey. This study will use the main method of quantitative approach that is questionnaire.

3.1.3. Research Choices

There are many instruments in the quantitative study, but the authors selected to use questionnaire which is the most appropriate instrument for data collection and also used for this investigation. The Questionnaire is a common word which consist of all

methods of data collection and every respondent is asked the same set of questions by a fixed technique (Saunders et al., 2009).

Before the main creation of the questionnaires, the authors make 4 different focus groups of people (with different age, education, nationality) in different places, such as in the campus of Aalborg University with the students, workers and the teachers of the University, and at home with very close friends.

Why does the authors choose to make the focus group the first?

According to Barry Nagle and Nichelle Williams , focus groups is a group of people, provides insights into how people think and provide a deeper understanding of the phenomena being studied. Surveys generally ask closed-ended questions that may limit the feedback that can be gained from a respondent. A method to gain more detail information is interviews. Group interaction and non-verbal communication are primary benefits of focus groups. Group interaction between members of the target population during focus groups may encourage participants to make connections to various concepts through the discussions that may not occur during individual interviews (Nagle B., Nichelle W.).

As with any research study, the first stage in conducting a quality focus group is to define the study purpose. The purposes of focus group the authors define the next: Systematic Research, were collect in-depth data on specific research questions, such as factors influence on the buying process and to determine the program of success buying behaviour.

Each of the focus group consist of 6 - 9 participants. The authors prepared the few main questions, which could help to develop a list of questions and then prioritize, which questions are of most importance. The questions should be open-ended because the intent of the focus group is to promote discussion. Yes/No questions or questions that are too specific can limit discussion and decrease the value of a focus group (Nagle B., Nichelle W.).

The is some questions are authors were asked:

1. Which are the factors when do you decide to purchase your clothes?
- Price
- Branding
- Quality
- Recommendation from friends
- Special offer or promotion

2. Are you interesting to buy the customized products?
- Yes
- No
- Depend of price

3. What do you know about the cashmere products?
- I do not have knowledge about the cashmere products
- Soft and nice to the body
- Good quality
- Very expensive

4. Where do you tend to buy the your clothes?
- Special stores
- Shopping mal
- Online

5. How often do you buy the cashmere products per year ?
- I do not buy the cashmere products
- 1 time per year
- More than 2 times per year

6. How long can you wait for your customized clothes?

- Within one week

- Less than 2 weeks

- Over   2-3 weeks

- Do not care about the waiting time

In the end, the authors evaluate that for the most of people the waiting time and quality of products make an important factors, which are influence on the buying behavior. For the Focus group consisted from students, the price of clothes is first an important factor of buying behavior.

CHAPTER IV Conceptual framework

Now the authors are going to talk about the conceptual framework of this thesis. First the authors are going to talk about the reason why choose this topic to write. Why do the authors have the idea to running a customized cashmere clothes shop in Aalborg?

Frist reason is that the author has the resources of the cashmere fabric and yarns. One of the authors has the factory which produce cashmere yarn and clothes in China. So that is mean the author has the knowledge about the cashmere products. Second reason is that the authors think that Denmark is located in north Europe which let this country to have cold weather almost the whole year. Cashmere is a kind of fabric which has the function of keeping people`s bodies warm, and this kind of keeping warm function of cashmere fabric is much better than the wool. Cashmere fabric has better hand feeling than the wool also, so that is why the products of pure cashmere is more expensive than the wool products. Cashmere is a kind of luxury fabric around the world as far as the author considered. Although when the author goes to the clothes shops here in Aalborg, there are few places selling this kind of cashmere products, and if there are some places to sell, the price is quite high. Maybe because of the price, many people here in Aalborg

do not buy cashmere products often, which is leading to there are few places selling this kind of products. Maybe because people here in Aalborg have little knowledge about the cashmere and can`t recognize the traits of cashmere, so they do not want to spend more money on this product. But there is one thing the author can make sure is that cashmere products are suitable for people to wear in cold weather. The third reason is that the author thinks the types of clothes in Aalborg is rare. There are not many fashionable clothes being sold in Aalborg. Thus, the author thinks the people here in Aalborg might have the demand of buying more fashionable clothes, such as the sweaters in different colors not only in black, white, and grey. The fourth reason is that there are some Europe people who are over-weight. Those people could have difficulties in finding suitable size clothes. According to this reason the author considers there might be some people having the requires to make customized clothes. The fifth reason is that because the author has the direct contact with the factory in China, so the author has the possibility to make the cashmere clothes in much more reasonable price in quite good quality. Compared with the cashmere clothes sold in the shopping mall, the author could make the same quality in lower price. According to these five reasons, the authors think that there might be some value which the author could offer to the people in Aalborg.

After recognizing the value which the author could offer to the people here in Aalborg, the author thinks how to transfer the value to customers in Aalborg. The authors need to think about a business model, which could help the author to transfer the value in lower cost and make revenues. The author thinks that opening a customize clothes shop does not need too much investment compared with opening a normal clothes store. Because a customize clothes shop does not need a lot inventories. It only need some samples which could offer customers to try and have a look. It does not need a spacious place to store the clothes, which means that the rent could be lower than the normal clothes shops. Regarding to the salary of the employees, one or two persons is enough, the author only need to take a measurement for the customers, and send the measurement to China, and all the producing processes will be processed in China. The

only significant cost could be the shipment and the import tax, which the author will talk about later. After considered about these reasons, the authors have the idea of opening a customize cashmere clothes store in Aalborg. But the author still do not know about the buying behavior of people here in Aalborg, such as whether they would like to spend money on good quality products, whether they know cashmere products, whether they like the way of buying clothes in customized clothes shop ect. The authors also have the doubt whether people here in Denmark have the effect of countries origin. Do they mind the products is produced in China? Along with these questions, the authors did a research of 1000 pieces of questionnaires. Through the research the authors want to see the feasibility of opening this kind of customized store and the buying behavior of people here in Aalborg. After find the result, the author would like to improve the business model according to the findings and the theory of branding and customer satisfaction, such as how to develop the after-sell service to improve the customer satisfaction.

Next the authors are going to use a flow chart show the conceptual framework of this thesis.

Chart 2: "Conceptual framework"

Recognize value

Improve the way of
transferring value

Transfer value

Business model

Buying behavior

The country of origin effect

Branding

Customer
satisfaction

Marketing research

80

Finding results
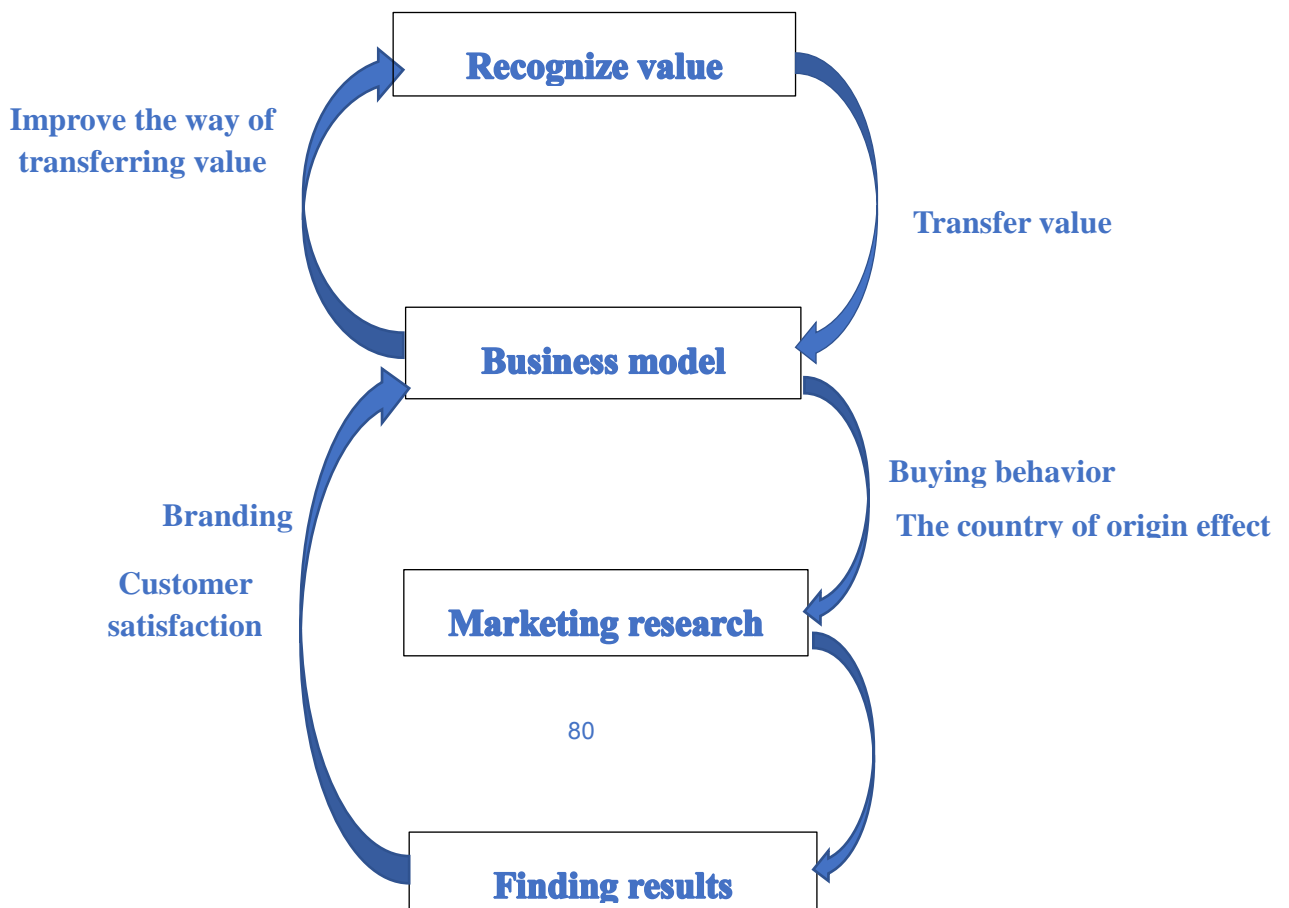
According to this chart the authors process this thesis. This chart should be the main conceptual framework of this thesis as far as authors considered. Next authors are going to talk about the marketing research in detail.

> ## Case Study of Marketing Research

In order to know the feasibility of opening the cashmere customized clothes shop in Aalborg, the author need to get better know about the buying behavior of people here in Aalborg. The author would like to know how many percentage of people knowing cashmere products and would like to spend money on this kind of products. The author also would like to know how many percentage of people would like to make own style clothes in the customized clothes shop. According to the theory of the country of origin effect, there might be some relationship between the nationality and the way of people`s think on the country of origin. Through the marketing research, the author hopes to get further understanding about the effect of country of origin. Through the marketing research authors hope to find out whether it is a possible way to establish a business model like the way mentioned before. If it is a possible way, then how should the authors do in the future to realize and practice this kind of business. If it is a not possible way, then what should the authors do to improve the business model and try to make it become realized in the future. To sum up, this marketing research is quite important in this thesis.

> ## Case Selection

In order to make this marketing research to be more useful and to be more closed to the real market situation, the authors decide to do 1000 pieces of questionnaires in Aalborg. The way of doing the questionnaire is going to different public places to find people to fill. The author prints 1000 piece of questionnaires and face to face to see the respondents to fill in the questionnaires. The reason why authors did not make this survey online is because authors think this way of doing questionnaire could control

better than the online survey. Because authors could help the respondent to understand the questions better if they could not understand the questions. When respondents do it in this way, they can become more serious when they answer the questions. The author could also control the resources of the respondent, and make sure that they are the right respondents which are suitable to answer the questionnaires.

Actually, it is a little bit hard to find 1000 people to help us to fill in the questionnaires, but when authors think this is also a way of promotion, authors keep doing this and finish this hard work in the end. Authors choose may place to find the people to do the survey, such as the supermarket which is near by the rich region called "Hasseris", the city center where there are a lot of people to go shopping. The author think that cashmere is a kind of products which should be accept more by rich people, and only the rich people might have the awareness to enjoy good quality clothes. That is the reason why authors went to the supermarket near by the rich regions. When authors went to the city center to do the survey, it was a little hard to let the people to fill in the questionnaire when they were shopping, because they did not have time to do it. Authors choose the coffee shop to the survey in the city center, because most of the people in the coffee shop have free time, and they do not mind to help you to do the questionnaires. Authors also go to the fitness center to do the questionnaires, because authors think that the people who like exercising should also take care about their daily life and have an optimistic attitude towards life. Public library, Blika, Ikea, public transport station is also the place where the authors did the survey. Authors also went to the public museum, public entertainment places, Aalborg Danish language school to do the survey. Aalborg Danish language school has different kind of people from different kind of country which could make this survey to be more comprehensive. The authors think that it is not enough to only find the people from the public places, and rich regions, so there are around 70 pieces of surveys were done at the Aalborg university. Authors think that the more comprehensive the respondents are the more comprehensive result authors could get from the survey. Although some students do not have extra money on clothes, but they might give authors some other inspirations

regarding to the idea of authors. Above mentioned is the main places where authors did the survey. Hope the resources of the respondents are comprehensive enough. Next authors are going to talk about the reason why authors choose those questions to ask in the questionnaire.

➢ **Case Description**

First are the basic questions, such as gender, age, nationality, and jobs. The reason why authors ask gender is because different gender might have different buying behavior according to the theory of buying behavior and customer segmentation. This kind of question`s result might give authors more information on the business promotion in the future. For instance, if there are more women like to wear customize cashmere sweaters, then authors could make the women to be the main customer segmentation, and according to women`s traits to do the promotion. Authors could also focus on the women style clothes in the future. The aim to ask the question regarding to the age is more or less the same with the aim to ask the question regarding to the gender. Both of them are according to the customer segmentations. The reason why authors ask the question regarding to the nationality is because that from the theory of country of origin effect, authors suppose that people from different counties might have different ideas on the country of origin, authors want to see how big influence that the country of origin effect has on the people here in Denmark or Aalborg. Is there any relationship between the nationality and the country of origin effect? Thus, authors choose to ask this basic question. The question regarding to the job aims to find our whether there is a relationship between people`s buying behavior and their jobs. Is it true that the people who earn more money would like to spend more money on quality clothes? Along with these suspicious, authors decided to ask those basic questions.

After finishing those basic questions, authors are going to talk about the first question in the questionnaire. The first question is "Do you know cashmere products". The aim to ask this question is that author would like to forecast how many percentage of people here in Aalborg know this kind of products. If there are not many people knowing this

product, then in the future authors could have difficulty on promote this kind of product.

The second question is "The hand feel and quality of cashmere is much better than the wool`s", asking people whether they agree about this statement or disagree about this statement. This question is a kind of additional question to the first question. If the people say they agree or strongly agree about this statement, then authors will say that this group of people really know or have knowledge on cashmere products. If the people say they disagree or strongly disagree, then authors could have the assumption that these groups of people do not know or have knowledge on cashmere products. If the people answer "neutral" then authors could assume that this group of people have little or not enough knowledge on cashmere products, because they can`t recognize cashmere products with wool products well. Although this deduction could be a little bit bias, but what authors say is only an example. It is sure that authors could get a deep understand on people`s idea of cashmere products through the first two questions.

The third question is "Have you bought some cashmere products before?" author would like to see how many percentage of people have bought this kind of product before, if they answer "yes" then authors would like to know what kinds of cashmere products they have bought before and what is the average price, which is the fourth question. From the third question and the fourth question the author would like to get the information about the popularization of cashmere products. Even though many people know this kind of products, they might have never bought this kind of product because of the price and the popularization of this product. Asking what kind of cashmere products that they have bought before aims to find out what kind of cashmere products is more popular in the market. Knowing about this kind of information might help authors in the future, because authors could know what kind of cashmere products the people like to buy, then companies could cater to the requirement better. Asking question regarding to the average price aims to give authors the information about the future offering price. Authors could also predict the future offering price of own business.

If the people say that they have never bought the cashmere products before, then they will come directly to the question 5, which asks the reasons why they have never bought. Form this question, authors could know how is the gap formed. When authors know about the reasons that lead to the gap, authors might find the solution to fill in the gap. For example, if many people do not buy cashmere products, because they do not think it is convenient to wear and wash, then in the future, the company could give more information to their customers on how to wear and wash the cashmere products. After filling in this knowledge gap, there might be more people would like to buy and enjoy this kind of products.

After asking some questions regarding to the cashmere products, the author also wants to get further information of people`s idea regarding to the customized clothes. Thus, question 6 is "Do you have the experience to buy customized clothes?" Authors want to know how many percentage of people here in Aalborg have bought customized clothes before, then through this data authors could forecast how many people here in Aalborg could be the potential customers. Because authors want to get more information about the customized clothes market here in Aalborg, authors also ask about the material of the customized clothes that most people have bought before. In case in the future the shop could switch products to cater to the requirement of customers. For instance, if most of people can`t accept to buy cashmere customized clothes, but they can accept to buy cotton or linen material customized clothes, then company could take these material in to consideration in the future.

Authors heard that many people say that customized clothes here in Denmark is expensive, so many of people here in Denmark go to Thailand to buy cheap customized clothes. So in order to investigate the average price of customized clothes here in Aalborg or Denmark, authors make the question 6-2. Estimating the average price of customized clothes here in Aalborg could be the basis of further pricing of the company.

If people say that they have never bought the customized clothes before, then authors would like to know the reasons. The aim of question 6-3 is more or less similar to

question 5. Authors want to find out the gaps, and think about a solution to fill in the gaps. For instance, if people say that they never buy the customized clothes because of the high price, then in the future company could make more reasonable price to attract people. It should be the company`s advantage that the company has supply relationship with China, which could make clothes for cheaper price. If people think that buying customized clothes can`t let them try the clothes on before finishing making the clothes, so they may be afraid that the clothes is not suitable for them. If this is the one of the significant reasons, then researcher could put more clothes samples in the shop in the future. People could try the samples on before deciding to buy their own customized clothes.

Question 7 is the longest question in the survey, it states authors business idea to people, so authors could not make this questions in to short sentence, because authors afraid that the meaning of this questions could not be understand by respondent. The question ask that if there is a customized clothes shop which could make the clothes for customer to their own measurement, and the clothes will be made of natural material, such as cashmere or silk, and the price of the customized clothes is cheaper than the same quality clothes bought in the shopping mall, would people like to go to this kind of customized clothes shop to buy clothes. If this business idea could be accepted by more than 40% of people here in Aalborg, then author could assume that this business idea is feasible. Because according to the literature review, there is a scholar saying that they did a research for 100 startups, to find out how many people would like to choose to buy the products from those companies. Through the survey scholars found that those that struggle for traction are always under 40%, while most that gain strong traction exceed 40%. (Sean Ellis 2013) Thus, authors assume that if a business idea could be accepted by 40% of local people, then it might be a feasible idea to be took in to practice. Thus, question 7 more or less could show authors whether authors` business idea is feasible or not in Aalborg.

Question 7-1 aims to find out the intention and tendency of people to buy customized

clothes. According to the theory of buying behavior, a consumer`s buying behavior is influenced by cultural, social, personal, psychological factors. To do a successful business, companies need to understand why consumers make the purchase that they make. What factors influence consumers purchase? (last accessed 04.03.2017) In order to sell the products to the customers, companies need to know what are the customers` basic need. Personal needs and wants is one of the factor which could influence consumers` buying decisions. The relationship between the buyer and the seller exists through a phenomenon called a market exchange. The exchange process allows the parties to assess the relative trade-offs they must make to satisfy their respective needs and wants (John Burnett).   The buyers are essential partners in the exchange process. Without them, exchanges would stop. They are the focus of successful marketing; their needs and wants are the reason for marketing. Without an understanding of buyer behavior, the market offering cannot possibly be tailored to the demands of loyal buyers. If they are not satisfied, exchange falters and the goals of the marketer cannot be met. The understanding of how the buyers arrive at a decision making helps company to build an offering that will attract buyers. Thus, question 7-1 aims to find out what influence people`s buying decisions. After knowing those factors which could lead consumers to buy the customized clothes, companies could cater to customers` needs and wants better. For instance, if people say that they buy customized clothes because they want to make own style clothes, and they do not like the clothes style which is sold in the shopping mall, then in the future, the company could give more type of clothes styles for customers to choose from. In the future business, the company will pay more attention to the styles of clothes which will be provided to the customers.

In order to improve the chance of success of authors` business in the future, knowing customers wants and needs is quite important. Thus, question 7-2 ask about what kind of clothes that customers want to make to their own measurements. There are several choices, such as sweaters, coats, silk dress, and others. Authors want to know more about consumers` needs, and actually they really have their own specific needs, which will be showed next in the analysis part of this thesis.

Question 7-3 aims to find out the acceptable price of customized clothes of consumers. Form the value theory authors know that customers will pay for a product which its price meet their inner value. Customers will not pay for a price which exceed the value of the product. Thus, knowing the inner value of customized clothes from consumer is quite important to further business as well.

Buying customized clothes is not the same as buying normal clothes in the shops, because customers need to wait for making their clothes, and this making time usually takes around 1 to 2 weeks. Because the clothes are made in China, the shipment time takes around 1 weeks. Authors do not know whether people can accept to wait this long time for their customized clothes, so question 7-4 aims to find out what is the maximum waiting time of consumers.

Question 7-5 aims to find out the gaps and limitation of customized clothes. When authors know the reason why people do not want to buy customized clothes, then authors could get better understand of this customized clothes market. Authors might think about a solution to make consumers to accept this way to buy clothes, if solutions are not working, then at least authors know what is more important for consumers when they decide to buy the clothes.

Question 8 is "Give a score on your willingness to spend around 900 kr to order a pure cashmere customize sweater". This question gives respondents a much clearer idea on their future purchasing. Authors want to know how many percentages of people could accept this 900kr to buy a customized sweater here in Aalborg. In China, this price is around 800kr per piece and there are a lot of people would like this way to buy their clothes, because they think it is cheaper to buy clothes directly from the factory, and skip those resellers. Thus, authors want to investigate whether people here can accept 900 kr to buy a pure cashmere sweater. Will it be the same situation as in China? Authors making the price around 900kr has several reasons. First is because in China the market price is around 800-900 RMB per piece to make one. People in Denmark has higher GDP compared with China, so authors think 900 kr is not very expensive

price in Danish market. Secondly, as we all know, Denmark has very high VAT, around 25%. In China, the VAT is around 17%. And when Denmark company import products from China, there are also some import taxes. However, in China, the government will give the taxes back to companies who export certain kind of products to outside of China. Cashmere and woolen products usually can get taxes back around 17%. Thus, authors estimate that the taxes gap between China and Denmark is around 8%. The cost of the sweater is around 400 RMB per piece. At beginning authors estimate the shipment according to the experience, like 50 RMB per piece. Then the final cost of the cashmere clothes should be 400 x (1+8%)+50=482. Authors think that the shipment price could be lower if the quantity is higher, but now authors just make a rough calculate. In China, the selling price always be twice of the cost price. Thus, 482 x 2=964RMB, this price is calculated under the RMB unit. According to the exchange rate between China and Denmark, this 964RMB is around 900 KR. Above are the reasons why the question 8 gives a price around 900KR per piece for a pure cashmere customized clothes.

Regarding to question 9 "Give a score on your willingness to spend around 1800 KR to order a customized cashmere coat" why authors say that is 1800 KR per piece? The price of coat uses the same calculated way with the sweaters. The producing cost of coat is 800 RMB. The taxes gap between China and Denmark is around 8%. The shipment of one coat is around 80 RMB, so the total cost of the coat shipped from China to Denmark should be 800 x (1+8%)+80=944RMB. Double the cost is 944 x 2=1888RMB. Why we need double the cost? Because when companies use people to sell the clothes, companies need to give the staff salary, there are also electricity cost, rent cost and some other kind of cost to run a shop. So that is why we think 1888 is a reasonable price. Because of the exchange rate 1888RMB is around 1800 KR. Thus, question 9 gives a price for 1800 KR for one piece of cashmere coat. And if people buy this kind of coat in a big shopping mall, the price should be at least twice of our price for the same quality. For this reason, the authors want to know whether people would like to spend 1800 KR for a customized cashmere coat. Then authors could say how

big or small the market is.

Question 10 aims to find out how much do the consumer cared about the quality when they buy the customized clothes. From this question authors could know that how significant it is to make a good quality clothes for consumers. Question 11 aims to find out how much do people here in Aalborg care about the price when they decided to buy customized clothes. May be some of them are not so care about the price if they can get good quality and unique clothes, but maybe some of them are very care about the price even though the clothes are good quality and suitable for them. Form question 10 and question 11, author could have a general idea about the buying habit of people here in Aalborg and the important factor which could influence their buying decisions.

Question 12 is a comprehensive question. It is including the branding, the buying behavior and the effect of country origin. From the questions in question 12 authors could also get a general idea about the people`s way of thinking when they buy the products. Authors could forecast that whether price, brand and country of origin is the determinate factor for the people here in Aalborg when they decide to buy the products.

Question 13 aims to find out the people`s buying behavior also. Authors would like to know whether it is popular to use online stores here in Denmark. If online shopping is becoming a trend these days, then maybe in the future the company would consider about doing the business online also. Using O2O (Online to Offline) business model could be a good choice for the future development of the customized clothes company. What is O2O will be introduced briefly later in this thesis.

Above authors introduce the reasons why use those questions in the questionnaire. All of the questions should be very important to our research, so next authors are going to talk about and analysis the results of the survey.

CHAPTER V Analysis

How the authors analysis the data?　As mentioned before, authors did 1000 pieces of questionnaire face to face with the respondents. First authors collected the data using Excel. Transfer all the character information into digital information and use the progress of SPSS to analysis in the end, and get final result. Now authors are going to show our analysis result in the order of questions. In the end authors would like to discuss each of the findings.

Authors used SPSS to analysis all the single choice questions, because it is easy to handle with using SPSS to analysis single choice questions. As for the multiple- choice questions, authors used the excel to analysis with. Using SPSS, authors mainly analysis the frequency of each question, and used the cross tabulation to analysis the relationship between two variables. Next authors are going to show the way of analyzing and the results which are found.

First authors are going to show the frequency of each single-choice question.

Table 3:　Tables of Case Number

Statistics

		gender	age	nationality	job	q.1	q.2	q.3
Case Number	Valid	998	886	932	862	984	948	990
	Missing	2	114	68	138	16	52	10

		q.4-1	q.6.	q. 6-2	question 7	question 7-3	question 7-4
Case Number	Valid	319	993	171	992	597	605
	Missing	681	7	829	8	403	395

		question 8	question 9	question 10	question 11	question 12-1
Case Number	Valid	976	974	968	978	992
	Missing	24	26	32	22	8

		question 12-2	question 12-3	question 12-4
Case Number	Valid	990	989	987
	Missing	10	11	13

Sources: Made by authors by SPSS, July 17, 2017

From these tables authors could know how many respondents have answered each question. Because some private reasons, some people did not want to answer all the questions, so they will leave some answers empty. For instance, there are 138 people who did not answer the job question, which means that they do not want others know about their jobs. And there are 114 people who did not answer the age question, which means that they did not want others know about their age. From the previous researching experience to see, it is normal that people do not want to talk about their age and jobs. This opinion has also been proved by our survey.

Next authors are going to see the frequency analyzing of each single-choice question. Authors will use frequency tables to show the result.

Table 4: "*The Gender Frequency of Respondents*"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	299	29.9	30.0	30.0
	Female	699	69.9	70.0	100.0
	Total	998	99.8	100.0	
Missing	System	2	.2		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 17, 2017

From this gender frequency table authors could see that there are more female respondents who have answered the questionnaire. There are 699 women who answered the questionnaire and 299 men who answered the questionnaire. Female occupies 70% of all the respondents who have answered the questionnaire. Male occupies 30% of all the respondents. From this result authors could assume that there are more women who care about their clothes and appearances than men.

Table 5: *"The age distribution frequency of respondents"*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-25	337	33.7	38.0	38.0
	26-45	398	39.8	44.9	83.0
	46-65	136	13.6	15.3	98.3
	Above 65	15	1.5	1.7	100.0
	Total	886	88.6	100.0	

Missing	System	114	11.4	
Total		1000	100.0	

From this age frequency table authors could see that there are 114 people who did not answer this question, and the majority of people who answer this questionnaire are around 26-45 years old. The people who are in 26-45 age stages account for almost 45% of all the respondents. The second majority part of population who answered this questionnaire is around 0-25 years old. The lowest percentage of people who answered the questionnaire are above 65 years old. From this table, the authors could guess that the people who are around 26-45 have much more interests in buying customized cashmere clothes than other age stage people. From the Bar Chart1, authors could approve further that the people in the age of 26-45 have more interests in this questionnaire, although there might be other reasons which can lead to this result, such as the proportion of population, and the people`s education level. For example, the majority of population in Aalborg is in this age level, and the people who are in this age stage are good at English. However, it might because of the differences of the conception of consuming of people, people in this age stage have more interests in customized cashmere clothes. No matter what is the reason, authors could consider that the people in this age stage could be the main consumer group. And it is also could not be ignored that the people in this age stage might accept new things easier than the people in other age stages.

Chart 3:   Age-Gender
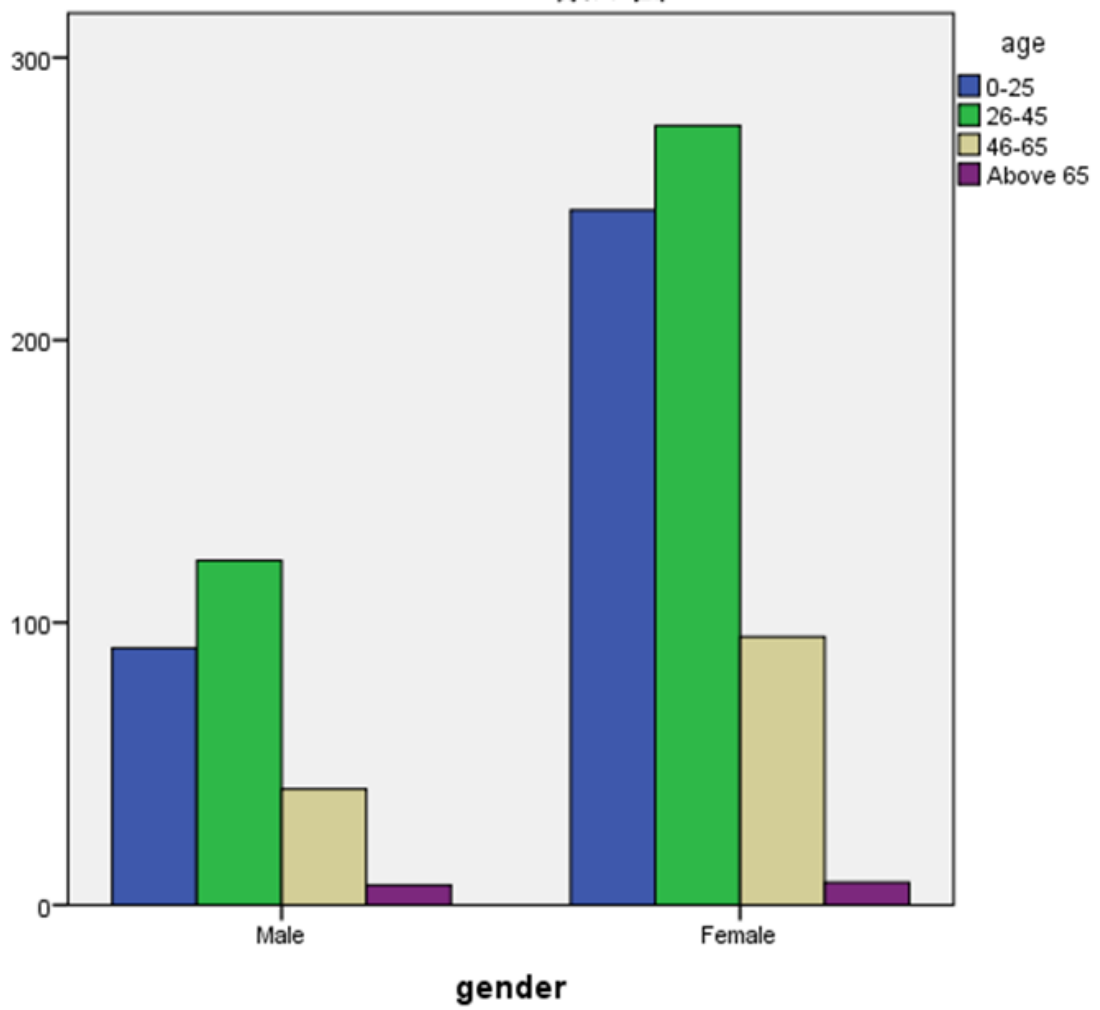
Sources: Made by authors by SPSS, July 18, 2017

Table 6:   Nationality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	European	892	89.2	95.7	95.7
	Asian	15	1.5	1.6	97.3

		Frequency	Percent	Valid Percent	Cumulative Percent
	American	14	1.4	1.5	98.8
	Other	11	1.1	1.2	100.0
	Total	932	93.2	100.0	
Missing	System	68	6.8		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 17, 2017

From this nationality frequency table, authors could see that 95.7 % of the respondents are European people. The percentage of respondents from Asia, America, and other states is 1.6%, 1.5% and 1.2% respectively. Authors do not talk about the nationality here too much but will refer this statistics to analysis the effect of country of origin later. Now authors just want to show the basic information of respondents.

Table 7: Job

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employed	551	55.1	63.9	63.9
	Unemployed	65	6.5	7.5	71.5
	Student	246	24.6	28.5	100.0
	Total	862	86.2	100.0	
Missing	System	138	13.8		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 17, 2017

This table shows that there are 63.9% of respondents are employed, and there are 28.5% of respondents are student. The last part of respondents is unemployed which accounts for 7.5%.

Now authors want to see how many percentage of people here in Aalborg know cashmere products, and have knowledge on this kind of products, combining question 1 and question 2.

Table 8: Question 1 "Do you know the cashmere products?"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	699	69.9	71.0	71.0
	No	285	28.5	29.0	100.0
	Total	984	98.4	100.0	
Missing	System	16	1.6		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 17, 2017

Table 9: Question 2 "The hand feel and the quality of cashmere is much better than the wool`s"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	141	14.1	14.9	14.9

	Agree	443	44.3	46.7	61.6
	Neutral	344	34.4	36.3	97.9
	Disagree	20	2.0	2.1	100.0
	Total	948	94.8	100.0	
Missing	System	52	5.2		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 17, 2017

Authors could see that 71% of respondents think they know cashmere products, which is a good sign. Because this could show authors that the cashmere product is not an unfamiliar product to the people here in Denmark. And 61.6% of respondents know that the hand feel of cashmere are much better than the wool`s, which means that 61.6% of respondents have good knowledge of cashmere products, at least they know cashmere products have better quality than the wool`s.

Table   10 : q.1 * q.2 cross tabulation

		Strongly Agree	Agree	Neutral	Disagree	Total
q.1	Yes	128	398	164	6	696
	No	9	39	176	12	236
Total		137	437	340	18	932

Sources: Made by authors by SPSS, July 17, 2017

From this cross tabulation of question 1 and question 2 authors could see that there are 128 people who strongly agree with that the hand feel of cashmere is much more better than the wool, and there are 398 people who agree with that the hand feel of cashmere is much more better than the wool. Those people account for 75% of total people who

say that they know cashmere products. As far as authors concerned, the people who think that the cashmere has better hand feel than wool`s should be viewed as the people who really know cashmere products. (128+398)/984 x 100% = 53%, so this means that 53% of total respondents really has good knowledge on cashmere products. On the other hand, there are 176(neutral)+12(disagree)=188 people who say that they do not know cashmere products and do not think cashmere products have better hand feel than wool. Those 188 people accounts for almost 80% of total people who say that they do not know cashmere products. (188/236) x 100%=80%. From this analyzing, authors can see that 75% of people who know cashmere products also think that the hand feel of cashmere is better than the wool. But 80% of people who think that they do not know cashmere products also think that the hand feel is not better than the wool, these statistics could approve that the assumption of authors that the people who really know cashmere products should agree that the hand feel of cashmere is better than the wool is right. From these analyzing, authors could make sure that 53% of respondents really have knowledge on cashmere products. 47% of respondents could have misunderstanding or have no knowledge on cashmere products. This result is still not bad, because there are still more than a half respondents who really know cashmere products.

Table 11: gender * q.2 cross tabulation

		q.2				
		Strongly Agree	Agree	Neutral	Disagree	Total
gender	Male	37	120	113	5	275
	Female	104	321	231	15	671
Total		141	441	344	20	946

Sources: Made by authors by SPSS, July 17, 2017

From the cross tabulation of gender and the question 2, authors could know that 57% = (37+120)/275 x 100% of male strongly agree and agree that the hand feel of cashmere

is better than the wool. Thus, authors could say that 57% male have knowledge on cashmere products. And there are 63% of female have knowledge on cashmere products.

Table 12: Age * q.2 cross tabulation

		Strongly Agree	Agree	Neutral	Disagree	Total
age	0-25	49	139	127	7	322
	26-45	49	184	141	9	383
	46-65	25	67	29	3	124
	Above 65	3	5	5	1	14
Total		126	395	302	20	843

Sources: Made by authors by SPSS, July 17, 2017

Using the same calculated way, authors know that 58% of people who are around 0~25 years old have knowledge on cashmere products. And 61% of people who are around 26~45 years old have knowledge on cashmere products. 74% of people who are around 46~65 years old have knowledge on cashmere products. And 57% of people who are above 65 years old have knowledge on cashmere products. Because there are not so many samples on the people who are above 65 years old, so 57% could not be a good statistic to refer. Thus, authors could see that the people around 26~65 years old have good knowledge on cashmere products than the young people who are around 0~25 years old.

Next authors are going to analysis question 3 to question 5, to see how many percentage of people have bought cashmere products before and what kind of cashmere products they usually buy and the average price they spent on cashmere products. The reason why some people never bought cashmere products will be also analyzed.

Table 13: Question 3   **"Have you bought some cashmere products before?"**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bought	380	38.0	38.4	38.4
	Never bought	610	61.0	61.6	100.0
	Total	990	99.0	100.0	
Missing	System	10	1.0		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 17, 2017

This frequency table of question 3 shows us that 38.4% of respondents have bought cashmere products before, and 61.6% never bought cashmere products before. Which is not a good but also not a bad result. Not good because that there are not too many people have tried cashmere products before, so they can not feel the benefits of cashmere by themselves. Not bad is because this could mean that there might be potential market on cashmere products in Aalborg. Thus, authors need to see the reasons why most of the respondents have never bought cashmere products before. Question 5 is a multiple-choice question, so authors use Excel programmer to do a sum up analyzing.

Chart 4: *The Reason Why People Have Never Bought Cashmere Products*
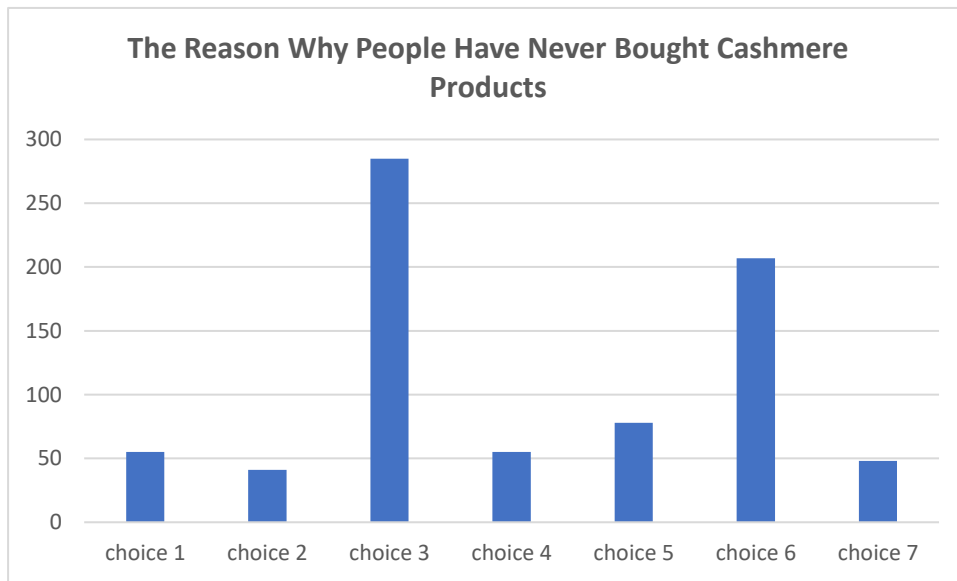
Choice 1	Choice 2	Choice 3	Choice 4	Choice 5	Choice 6	Choice 7
55	41	285	55	78	207	48

Sources: Made by authors by SPSS, July 17, 2017

From this bar chart 2 authors could see the reason why the most of people who have never bought cashmere products is because that they think cashmere products are too expensive to buy in the stores. The second important reason is because some of them do not know cashmere products. However, authors want to find out the reason why even some of the respondents know about cashmere products, but they still do not buy it. As far as the chart shows, some of them do not how to keep cashmere products. From the frequency table of question 5, authors know that there are 610 respondents who have never bought cashmere products before. 47% of them do not buy cashmere because they think it is too expensive in the store. (285/610 x 100%=47%). 13% of them have never bought cashmere products because they do not know how to keep cashmere products. 9% of them is because they can`t find a place where sells cashmere products, and another 9% of them is because they think the style of cashmere products is rare in

the shop. 7% of them is because they do not think it is convenient to wear cashmere products. 8% is because of other reasons. Thus, authors could assume that if authors could lower the price of cashmere products and teach people how to wear cashmere products and how to wash cashmere products then there might be more potential customers. It could also be a good solution to provide customers with more styles of cashmere products.

There are 380 respondents who have bought cashmere products before. Authors want to know what kind of cashmere product is popular to be bought. Let us turn back to the question 4.

Chart 5: *"Popular Cashmere Products"*
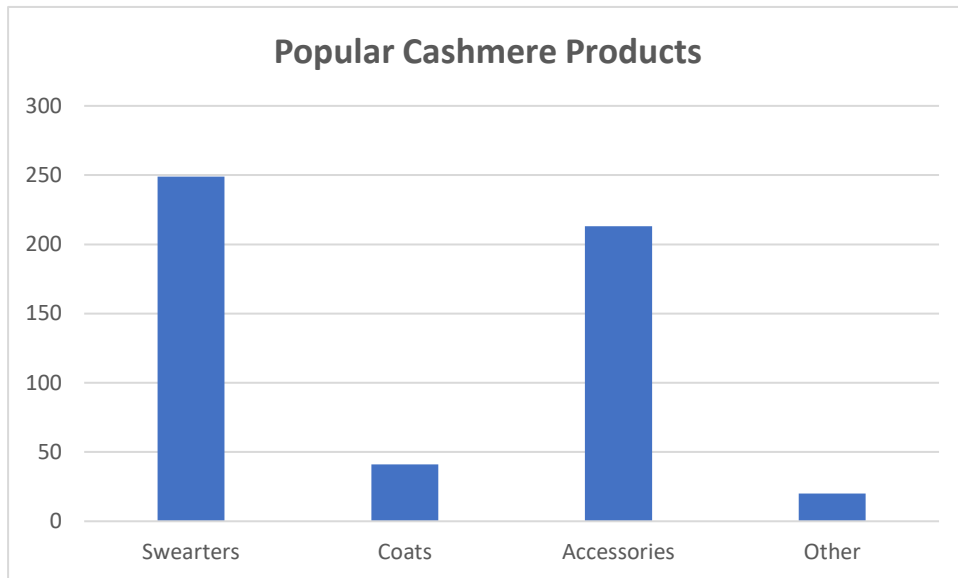
From bar chart 5, authors could see that cashmere sweater is the most popular cashmere products to be bought by customers. The second popular one is cashmere accessories, such as cashmere hats, cashmere scarfs, and cashmere gloves.

Sweaters	Coats	Accessories	Other
249	41	213	20

Sources: Made by authors by SPSS, July 17, 2017

There are 249 people who have bought cashmere sweaters before, and 213 people who

have the experience buying cashmere accessories. From the frequency table of question 3, authors know that there are 380 people have the experience to buy cashmere products. (249/380 x 100%=66%) 66% of them have bought cashmere sweaters. 56% of them have bought cashmere accessories, and 11% of them have bought cashmere coats. 5% of them bought some other cashmere products. So from these statistics, authors could know that the most popular cashmere products are sweaters and accessories.

As for the question 4-1, authors use the excel to analysis the average price of cashmere products that customer usually spend on. The average price is 1116. This average price is not specially refer to cashmere sweaters, or cashmere accessories, this average price includes all kinds of cashmere products. Because the questionnaire has its own defects, and authors could not ask for a more detailed price, this price is only for authors to refer. However, no matter this price is for what kind of cashmere products, this price is not a low price. Thus, authors could make sure that cashmere is also a luxury item in Denmark.

After analyzing cashmere products in Aalborg, authors are going to analysis the basic situation of customized clothes in Aalborg.

Table 14: Question *6 "Do you have the experience to buy the customized clothes?"*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	166	16.6	16.7	16.7
	No	827	82.7	83.3	100.0
	Total	993	99.3	100.0	
Missing	System	7	.7		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 17, 2017

Question 6 asks that whether people have the experience to buy customized clothes before. This table shows that there are 166 respondents who have the experience to buy customized clothes, and the percentage is 16.7%. However, 83.3% of the respondents here in Aalborg do not have the experience to buy the customized clothes. Why there

are not many people did not buy customized clothes before? Question 6-3 could give more information.

Chart 6: The reason why people do not buy customized clothes
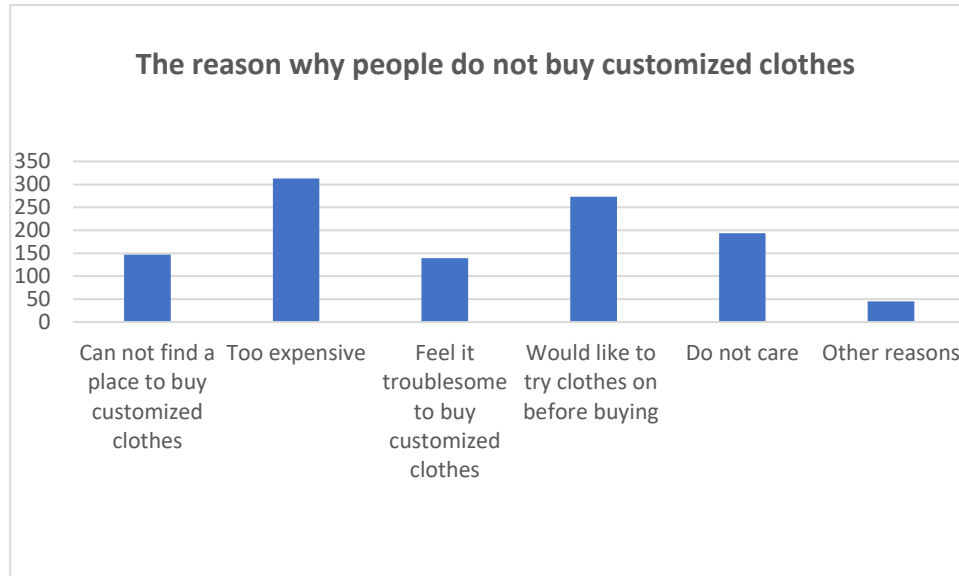
Sources: Made by authors by SPSS, July 17, 2017

From Bar chart 6, authors could know that most of the respondents do not have the experience to buy customized clothes before is because that they think it is too expensive to buy. The second important reason is that they want to try clothes on before buying. As we all know, customized clothes are not the clothes that people could touch or try on before finishing making the clothes. Customers need to be measured, and need to choose a style they want to make at first. Then, they have to pay for at least the deposit, after the clothes is finished, they can try their clothes on. Sometimes it is risk to buy customized clothes, because the clothes might not fit on the customers, and sometimes the clothes could not be looked as nice on customers as they imagine. Thus, it could be a nice solution if operator could lower the price, and give the customer the chance to try sample clothes on before buying. And manager also could promise a good after-sell services. For instance, if the clothes are not fit for the customers, the shop could resend the clothes back to China, and remake the clothes. If manager could solve those two big problems, then there might be more potential customers.

As the frequency table of question 6 shows, there are 16.6% of respondents who have the experience to buy customized clothes, so authors want to know what kind of material of their customized clothes is, and also how much do they usually spend on the customized clothes here in Denmark or in other countries.

According to question 6-1, authors got the bar chart 7 as following.

Chart 7: The Material of Customized Clothes.

Sources: Made by authors by SPSS, July 19, 2017

As the bar chart 7 shows, the most popular material that is used to make customized clothes is cotton. This might because cotton material is cheap material, and easy to be produced. This kind of material is also easily to be stored and washed. Cotton is natural material as well. Having those advantages, cotton to be chosen as a popular material of customized clothes is not weird. In those 166 respondents who have bought customized clothes, there are only 21 respondents choose cashmere material. 12% of them have bought customized clothes in cashmere material. This is not a large amount. The second popular material of customized clothes is mixed of natural material with the chemical material, such as wool with the polyester. The third popular material of customized clothes is silk, and it is almost the same popular with wool. Except the people who do not know and other material, cashmere is the last popular material to be used as the

material of customized clothes.

Table 15: Question 6-2: "What is the average price when you buy the customized clothes?"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 800kr	54	5.4	31.6	31.6
	800kr-1000kr	40	4.0	23.4	55.0
	1000kr-1500kr	33	3.3	19.3	74.3
	1500kr-2000kr	16	1.6	9.4	83.6
	2000kr-2500kr	13	1.3	7.6	91.2
	2500kr-3000kr	6	.6	3.5	94.7
	Above 3000kr	9	.9	5.3	100.0
	Total	171	17.1	100.0	
Missing	System	829	82.9		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 19, 2017

As the frequency table shows that there are 171 respondents who answered this question 6-2, but there are only 166 people who said that they have bought customized clothes before, so there are 5 people more who did not have bought customized clothes before but still answered this question 6-2. When authors analyzed the data and put the data into excel, those five people were ignored. However, this could not have a big influence

on the final result. This frequency table of question 6-2 shows authors that most of the people bought customized clothes in a price which is below 800kr. But authors do not know what kind of clothes they made. If they made a cotton pants, then this price is reasonable, but if they made a cashmere coats, then this price could not be realized. The second popular price arrange is from 800kr to 1000kr. The third popular price arrange is 1000kr-1500kr. The fourth popular price arrange is 1500kr to 2000kr. There are 83.6% of people who bought customized clothes in a price below 2000kr. From this table authors could see that there are not too many people who want to spend a large amount of money on customized clothes. Most of them like spending less money on customized clothes, below 1500kr.

Next authors are going to show the result of the very important question. Question 7 is actually a kind of authors` business model and business idea. Finding out whether the business model and business idea could be accepted by most of the respondents is very important to authors.

Table 16: Question 7 " The People Who Like and Dislike the Business Idea"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Like	593	59.3	59.8	59.8
	Dislike	399	39.9	40.2	100.0
	Total	992	99.2	100.0	
Missing	System	8	.8		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 19, 2017

As the frequency table of question 7 shows, there are around 60% of respondents would

like to go to a customized clothes shop which could provide them cheaper price and equal quality clothes compared with the shopping mall. This means that there are some people who have the need to make customized clothes. If only operator could give a price lower than local market and guarantee good quality, there might be 60% of the people who could be the supporter. According to the literature review, if this percentage could be higher than 40%, then the business model could have the chance to survive in the competitive market.

Next authors are going to find out what reasons push the people to buy customized clothes. What are their motivations. If managers know the motivation of people buying customized clothes, then managers could cater to the customers well and provide them with the right value. Authors could also find out what kind of value operators could give to the customer when they come to the customized shop.

Chart 8: The Motivation of People Buying Customized Clothes

Sources: Made by authors by SPSS, July 19, 2017

According to the bar chart 8, most of the people who want to buy customized clothes is because that they want to make own style clothes. There are 593 respondents liking authors` business idea, and 269 of them chosen this reason. Thus, the percentage should be 45% (269/593 x100%=45%). There are almost the same amounts of population who chosen the reason that the clothes sold in the shopping mall do not have good material otherwise will be expensive, and the reason that it is difficult for them to find a suitable size. These two reasons account for 28% respectively. Manager could know that there are 27% of the respondents who want to make own style clothes. This is not a bad result, because the main aim for authors to open a customized clothes shop is that authors want to help the customer to realize their idea about their own clothes. If people think this reason is important for them, then managers could cater to them very well.

In order to cater to the requirement of customers better, authors also want to know what kind of clothes they want to make to their own measurement. The result of question 7-2 shows below.

Chart 9: The Customized Clothes People Want to Make
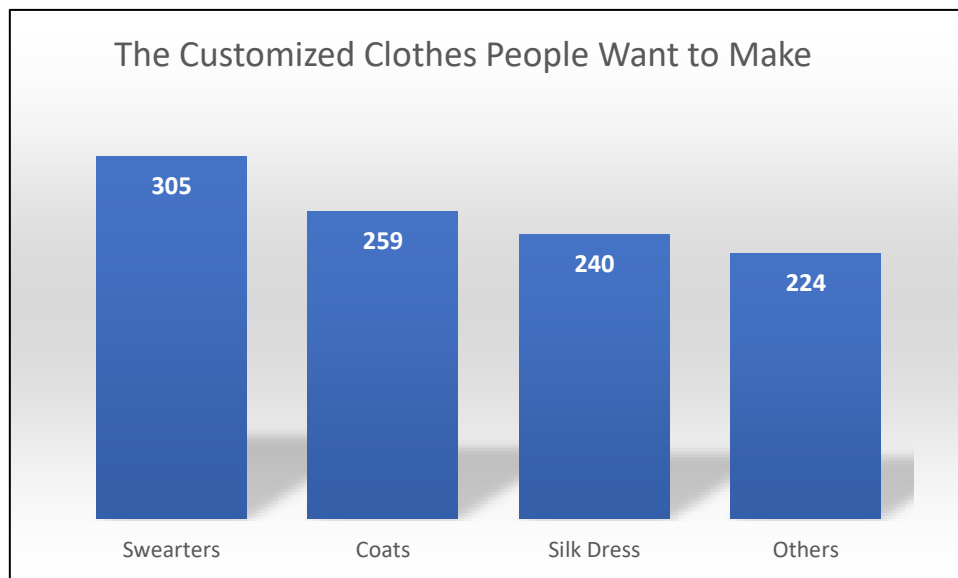
Sources: Made by authors by SPSS, July 18, 2017

From this bar chart 9, authors could know that there are 305 people who want to make sweater according to their own styles. There are 51% of people who want to make sweaters. (305/593 x 100%=51%). 43% want to make coat to their own measurement. 40% want to make silk dress, and 38% want to make other kinds of clothes.

Authors also made a sum statistic to see what people have wrote on the questionnaire about their idea on the customized clothes. Because if people choose "others", they need to write what they want. Their requirement could be very helpful for the shop.

Chart 10: Other Kinds of Customized Clothes
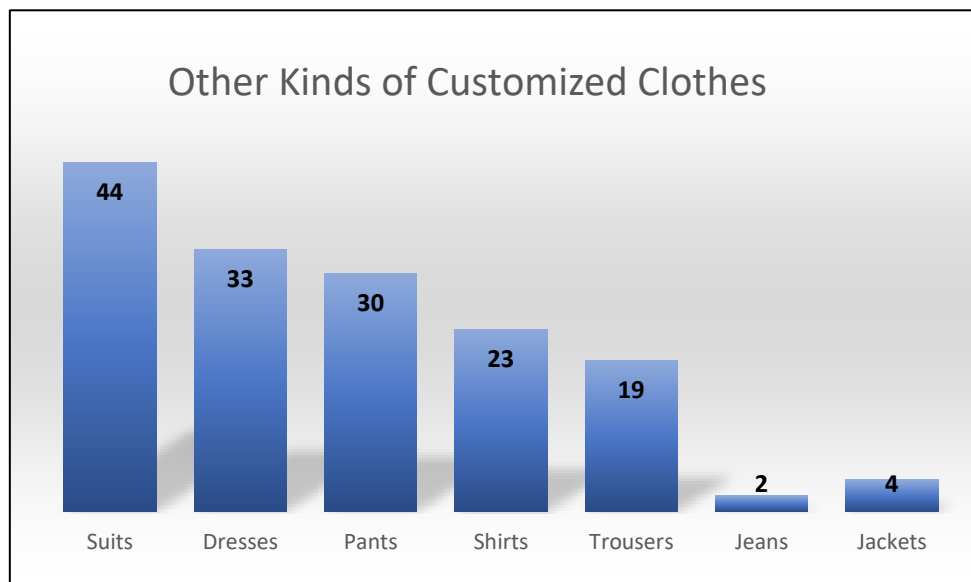
Sources: Made by authors by SPSS, July 18, 2017

There are 224 people who have chosen "others" as shows in bar chart 10, but not all of them write their ideas on the questionnaire. However, from the people who have written on the paper, authors could know that some people also want to make suits, dresses, pants, T-shirts, and trousers. This situation is not considered by authors before doing research. But after this research, authors will consider to offer more kinds of customized clothes to customers in the practice. In order to transfer value to customers in a reasonable price, authors also made a survey regarding to the price of customers` ideal customized clothes. Authors want to know the highest price that the customer could accept, so authors statistic the highest price data.

Table 17: Question 7-3 " The Ideal Price of Customized Clothes"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 800kr	142	14.2	23.8	23.8
	800kr-1000kr	165	16.5	27.6	51.4
	1000kr-1500kr	151	15.1	25.3	76.7
	1500kr-2000kr	74	7.4	12.4	89.1
	2000kr-2500kr	27	2.7	4.5	93.6
	2500kr-3000kr	10	1.0	1.7	95.3
	Above 3000kr	28	2.8	4.7	100.0
	Total	597	59.7	100.0	
Missing	System	403	40.3		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 18, 2017

Authors could see that most of the people think 800kr-1000kr is the ideal price of their customized clothes. Of course, each of them have an ideal price on different kinds of clothes, for instance, if they want to make a piece of suit, they might think that 3000 kr is an ideal price. From this table authors could not deduce the price is referring to what kind of customized clothes types, but authors could have a basic idea on the acceptable price of customers. The second ideal price is from 1000kr-1500kr. The main ideal price concentrate on this price range from 800kr-1500kr. Although, 23.8% of respondents chosen their ideal price which is below 800kr. Before doing this research, authors think that people might believe the cheaper the better, especially the people here in Aalborg,

because many people said that Aalborg people do not want to spend money on clothes. This is true, but there are some people still like to spend money on good quality products. According to this table, authors could have a basic idea on the future pricing.

Because people buying customized clothes need to wait, authors want to know how long can they waiting for their customized clothes, in order to transfer customers more value. Frequency table of question 7-4 shows the ideal waiting time of customers.

Table 18: Question 7-4 " The Ideal Waiting Time of Customers"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Within 1 week	56	5.6	9.3	9.3
	1-2 weeks	234	23.4	38.7	47.9
	2-3 weeks	139	13.9	23.0	70.9
	Do not care if the quality of the products is good.	176	17.6	29.1	100.0
	Total	605	60.5	100.0	
Missing	System	395	39.5		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 18, 2017

As the table 18 shows, 38.7% of respondents could wait 1-2 weeks for their customized clothes. The second ideal waiting time is no ideal waiting time. 29.1% of people think

that if the clothes are good in quality, they do not care about the waiting time. Actually, in practice, it could be a little bit difficult to offer customers customized clothes within 2 weeks, because factory need around 1 week to make, and the transfer time usually around 10 work days. Thus, 3 weeks is a safety waiting time. The solution for this problem will be discussed in the suggestion part latter.

As the frequency table of question 7 shows, there are around 400 respondents who dislike buying clothes in the customized shop. Next authors are going to find out their reasons.

Chart 11: The Reason Why People Do Not Want to Buy Customized Clothes

Sources: Made by authors by SPSS, July 19, 2017

From those 400 respondents who do not want to buy customized clothes answering, 234 of them do not think buying customized clothes is necessary for them, which means that more than half of them do not want to buy customized clothes is because they do not need it. 189 of them think the clothes in the shopping mall are good enough for them. The second big reason could also be seen as customers lacking of need. The third important reason is price reason. 139 of them might do not think that they can afford the customized clothes. There are 26% of them think they do not want to wait for buying clothes. (102/399 x 100%=26%) If manager want to get more potential customers,

finding a way to let people know that they can get more value when buying customized clothes than buying in the shopping mall is necessary.

Next authors are going to analysis the willingness of people spending around 900kr to order a pure cashmere customized sweater. As the frequency table, and pie chart shows below.

Table 19: Question 8   "The Willingness of People Spending 900kr to Buy a Customized Cashmere Sweater"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	197	19.7	20.2	20.2
	2	152	15.2	15.6	35.8
	3	131	13.1	13.4	49.2
	4	177	17.7	18.1	67.3
	5	168	16.8	17.2	84.5
	6	90	9.0	9.2	93.8
	7	61	6.1	6.3	100.0
	Total	976	97.6	100.0	
Missing	System	24	2.4		
Total		1000	100.0		

(Made by the authors 20th July, 2017)

Chart 12: The Willingness of People Spending 900kr to Buy a Customized Cashmere Sweater.
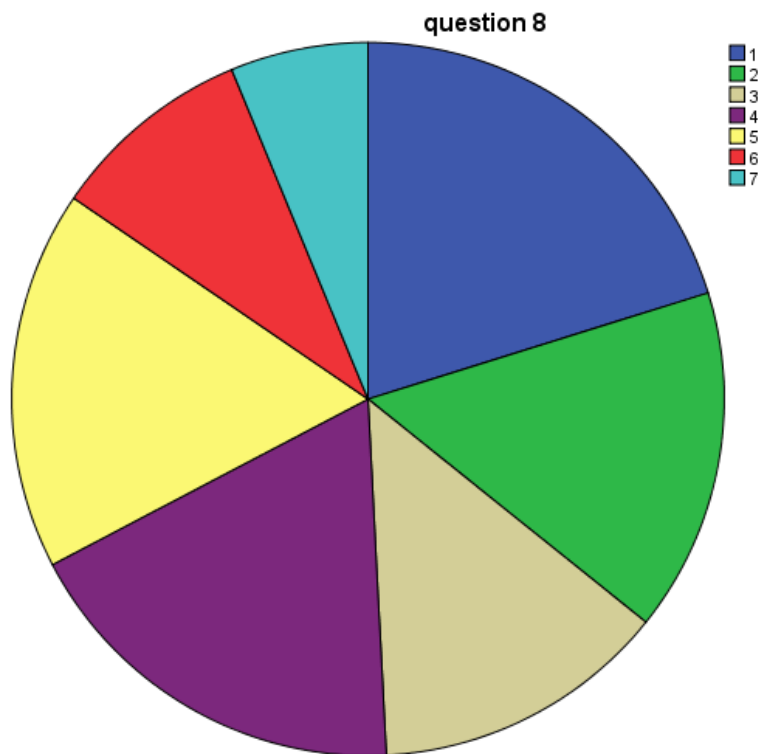
Sources: Made by authors by SPSS, July 20,, 2017

1-is means that the people have no willingness to buy, 7 means that people have a lot of willingness to buy. 4 means neutral. Authors believe that the people who chosen 1 to 3 are the people who do not want to buy, and the people who chosen 5 to 7 are the people who want to buy. Thus, authors could see that almost half of the people have no willingness to spend 900kr to buy a customized cashmere sweater. The percentage accounts for 49.2% (20.2%+15.6%+13.4%=49.2%) The people who chosen 5 to 7 accounts for 32.7%. 18.1% of the respondents have a neutral attitude on this.

Table 20: "The Relationship Between Gender and Willingness"

gender		1	2	3	4	5	6	7	Total
	Male	70	51	35	50	53	24	10	293
	Female	127	101	96	127	115	65	51	682
Total		197	152	131	177	168	89	61	975

Sources: Made by authors by SPSS, July 20, 2017

From this table 20, authors could see that there are around 34% of female respondents having the willingness to spend 900kr to buy a customized cashmere sweater. (115+65+51)/682 x100%=34%. There are 30% of male respondents having the willingness. 48% of the female respondents do not have willingness to buy. 53% of the male respondents do not have the willingness to buy. Thus, authors could infer that women have more change to be our potential customers.

Table 21: "*The Relationship Between Age and Willingness*"

age		1	2	3	4	5	6	7	Total
	0-25	76	56	45	63	53	19	21	333
	26-45	71	65	45	73	70	42	25	391
	46-65	17	17	18	16	29	23	10	130
	Above 65	3	1	2	2	4	0	0	12
Total		167	139	110	154	156	84	56	866

Sources: Made by authors by SPSS, July 20, 2017

From this table 21, authors can calculate that 28% of the respondents who are 0-25 years old have the willingness to buy customized cashmere sweaters in a price 900kr per piece. (53+19+21)/333 x100%=28%. Using the same way to calculate, authors get that 38% of the respondents who are from 26 to 45 years old have the willingness to buy. 48% of the respondents who are from 46 to 65 years old have the willingness to buy. Because there are only 12 respondents who are above 65 years old, this time authors do not take them into consideration. 40% of the respondents who are from 46 to 65 years old do not have the willingness to buy, and the percentage of 26-45 and 0-25 is 46% and 53% respectively. From this calculation authors could deduce that the people who are 26 to 65 years old have more willingness to buy the customized cashmere sweaters. The people who are from 46 to 65 have the most amount of willingness to buy. This finding is the same with the analyzing result which have got before.

Table 22: "The willingness of people spending 1800kr to buy a customized cashmere coat"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	324	32.4	33.3	33.3
	2	164	16.4	16.8	50.1
	3	129	12.9	13.2	63.3
	4	130	13.0	13.3	76.7
	5	117	11.7	12.0	88.7
	6	63	6.3	6.5	95.2
	7	47	4.7	4.8	100.0
	Total	974	97.4	100.0	

Missing	System	26	2.6
Total		1000	100.0

63.3% of the respondents do not have the willingness to spend 1800kr to buy a customized cashmere coat, but 23.3% of the respondents have the willingness. 13.3% of the respondents have a neutral attitude to this.

Table 23: "The Relationship Between Willingness of Buying Cashmere Coats and Gender"

		1	2	3	4	5	6	7	Total
gender	Male	89	53	40	41	46	15	7	291
	Female	235	111	89	89	71	47	40	682
Total		324	164	129	130	117	62	47	973

Using the same calculated way as before, authors got that there are 23% of female respondents have the willingness to buy the coat. 23% of male respondents have the willingness. Thus, the willingness percentage is the same with male and female in buying cashmere coats.

Table 24: "The Relationship Between Willingness of Buying Cashmere Coats and Age"

		1	2	3	4	5	6	7	Total
age	0-25	126	58	44	48	35	11	11	333
	26-45	118	70	46	49	57	32	18	390

46-65	34	20	16	18	16	14	12	130
Above 65	6	2	1	1	2	0	0	12
Total	284	150	107	116	110	57	41	865

Sources: Made by authors by SPSS, July 20, 2017

From this table 24, authors can calculate that there are 32% of respondents who are 46 to 65 years old have the willingness to buy customized cashmere coat in a price 1800kr per piece. And the percentage of the people who are 26-45 and 0-25 is 27% and 17% respectively. However, 54% of the respondents who are 46 to 65 years old have no willingness on buying the cashmere customized coat. 60% of the respondents who are from 26-45 years old do not have the willingness, and 68% of the respondents who are from 0 to 25 have no willingness in buying the customized cashmere coat. Thus, authors can find out that the people who are from 46 to 65 years old still have the most of the willingness in cashmere products.

Then authors are going to see how many people care about the quality when they decide to buy customized clothes and how many people care about the price when they decide to buy customized clothes.

Table 25: Question 10 " The Influence of The Quality on People When Decide to Buy Customized Clothes."

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	48	4.8	5.0	5.0
	2	40	4.0	4.1	9.1
	3	53	5.3	5.5	14.6
	4	110	11.0	11.4	25.9
	5	153	15.3	15.8	41.7

		Frequency	Percent	Valid Percent	Cumulative Percent
	6	234	23.4	24.2	65.9
	7	330	33.0	34.1	100.0
	Total	968	96.8	100.0	
Missing	System	32	3.2		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 21, 2017

Still 1-3 is seen as do not care about the quality, and 5-6 is seen as care about the quality. 4 is seen as the people have neutral attitude. Thus, authors could know that 14.6 of the respondents do not care about the quality when they decide to buy customized clothes, but 74.1% (15.8%+24.2%+34.1%=74.1%) of the respondents care about the quality when decide to buy customized clothes. And 34.1% of the respondents choose 7 which means that the largest amount of people is very care about the quality when they decide to buy customized clothes. This finding is reasonable and easily to be understand. No matter what kind of product is bought by customers, customers should care about the quality of the product.

Table 26: *Question 11 " The Influence of The Price on People When Decide to Buy Customized Clothes"*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	36	3.6	3.7	3.7
	2	24	2.4	2.5	6.1
	3	55	5.5	5.6	11.8
	4	126	12.6	12.9	24.6
	5	227	22.7	23.2	47.9

		Frequency	Percent	Valid Percent	Cumulative Percent
	6	228	22.8	23.3	71.2
	7	282	28.2	28.8	100.0
	Total	978	97.8	100.0	
Missing	System	22	2.2		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 21, 2017

From this table 26 authors can see that 11.8% of the respondents do not care about the price when decide to buy customized clothes, and 75.3% of the respondents care about the price when decide to buy customized clothes. Still the people who chosen 7 occupy the most of the respondents. Thus, authors could know that the people in Aalborg is very care about the price when they decide to buy the customized clothes. To sum up, they care about the quality, in the same time, they care about the price as well.

Next authors are going to find out whether people here in Aalborg care about the brand when they buy the goods in normal days.

Table 27: Question 12-1 " Brand Influence"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	34	3.4	3.4	3.4
	Agree	176	17.6	17.7	21.2
	Neutral	316	31.6	31.9	53.0
	Disagree	341	34.1	34.4	87.4
	Strongly Disagree	125	12.5	12.6	100.0

		Frequency	Percent	Valid Percent	Cumulative Percent
	Total	992	99.2	100.0	
Missing	System	8	.8		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 21, 2017

From this table 27, authors can get that 21.2% of respondents think brand is very important and is the only guaranty of the quality of products. However, 47% of the respondents do not agree with this, and they think the brand is not the only guaranty of quality. Thus, authors could deduce that people here in Aalborg do not care much about the brand.

Table 28: Question 12-2   " Cheap Products Are in Bad Quality"

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	30	3.0	3.0	3.0
	Agree	205	20.5	20.7	23.7
	Neutral	335	33.5	33.8	57.6
	Disagree	350	35.0	35.4	92.9
	Strongly Disagree	69	6.9	7.0	99.9
	Total	990	99.0	100.0	
Missing	System	10	1.0		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 21, 2017

As table 28 shows, 23.7% of the respondents think that the cheap products are in bad quality, but 42.7% of the respondents do not think so. When authors did the survey with people, many people said that the Chinese product is in good quality and also cheap. As far as authors concerned, there are some cheap Chinese products really in not good quality but most of the Chinese products are cheap and also good in quality. That is the reason why Chinese products are popular around the world.

Table 29: *Question 12-3 " Do Not Care about The Price If Products Are in Good Quality "*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	66	6.6	6.7	6.7
	Agree	259	25.9	26.2	32.9
	Neutral	354	35.4	35.8	68.7
	Disagree	262	26.2	26.5	95.1
	Strongly Disagree	48	4.8	4.9	100.0
	Total	989	98.9	100.0	
Missing	System	11	1.1		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 19, 2017

From this table authors could see that there is same percentage between the people who agree with this statement and the people who disagree this statement. The percentage is 26%. However, when put the people who strongly agree and who strongly disagree in to consideration, more people agree with this statement. The majority of the

respondents have neutral attitude towards this statement. Thus, authors could assume that the people here in Aalborg still care about the price even if the products are in good quality.

Table 30: *"The sensitiveness of price between male and female"*

		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
gender	Male	31	85	96	74	10	296
	Female	34	173	258	188	38	691
Total		65	258	354	262	48	987

Sources: Made by authors by SPSS, July 22, 2017

Authors want to know who are more sensitive to the price of products, so use this table to analysis the sensitiveness of price between male and female here in Aalborg. 40% of the male respondents think that if the products are in good quality, they will not care about the price. (31+85)/296 x 100%=40%. Using the same way to calculate the percentage of female respondents, authors get that 30% of female respondents think they will not care about the price if the quality of the products are good. And the percentage of male who disagree this statement is smaller than the percentage of female respondents. Thus, authors could deduce that the men are less sensitive to the price than women here in Aalborg, and the situation might be the same in whole Denmark also. This give authors an inspiration that when manager sell male clothes, the price could be higher, but the quality should be paid special attention to.

Authors also analysis the sensitiveness of price between different age range, through the survey, authors could see that the sensitiveness of price is different between different age grade. All is around 30% of respondents are agree with this statement between the three different age ranges except the people who are above 65 years old.

Table 31:   ***Question 12-4 "People`s Attitude Towards Chinese Products"***

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	36	3.6	3.6	3.6
	Agree	151	15.1	15.3	18.9
	Neutral	404	40.4	40.9	59.9
	Disagree	315	31.5	31.9	91.8
	Strongly Disagree	81	8.1	8.2	100.0
	Total	987	98.7	100.0	
Missing	System	13	1.3		
Total		1000	100.0		

Sources: Made by authors by SPSS, July 22, 2017

From table 31, authors can see that 18.9% of the respondents think that Chinese products are low quality and do not want to spend more money on Chinese products. 40.9% of respondents have no special attitude towards Chinese products. These 40.9% of people might do not care about the country of origin when they buy products in normal days. However, 40.1% of respondent do not agree with this statement, and they do not think Chinese products are in low quality and do not want to spend more on Chinese products. Authors could see that there are more people who do not care about the country of origin here in Aalborg, which could be a good sign to the manager.

**Table 32: "Country of Origin Effect in Different States "**

		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
nationality	European	34	138	351	285	75	883
	Asian	2	1	6	5	1	15
	American	0	1	7	4	2	14
	Other	0	2	3	4	1	10
Total		36	142	367	298	79	922

Sources: Made by authors by SPSS, July 22, 2017

At first, authors want to find out whether people from different countries and states have different view on country of origin, but most of the respondents come from European countries, the samples from other states are not enough for analysis. Thus, this time authors can`t find out any relationship between country of origin effect and the nationality. What authors could say this time is that the people here in Aalborg do not care much about the country of origin.

Last but not least authors want to know the buying behavior of people in Aalborg, and find out where do they usually buy clothes. As bar chart 13 shows below.

Chart 13:   Purchasing Channels of Clothes
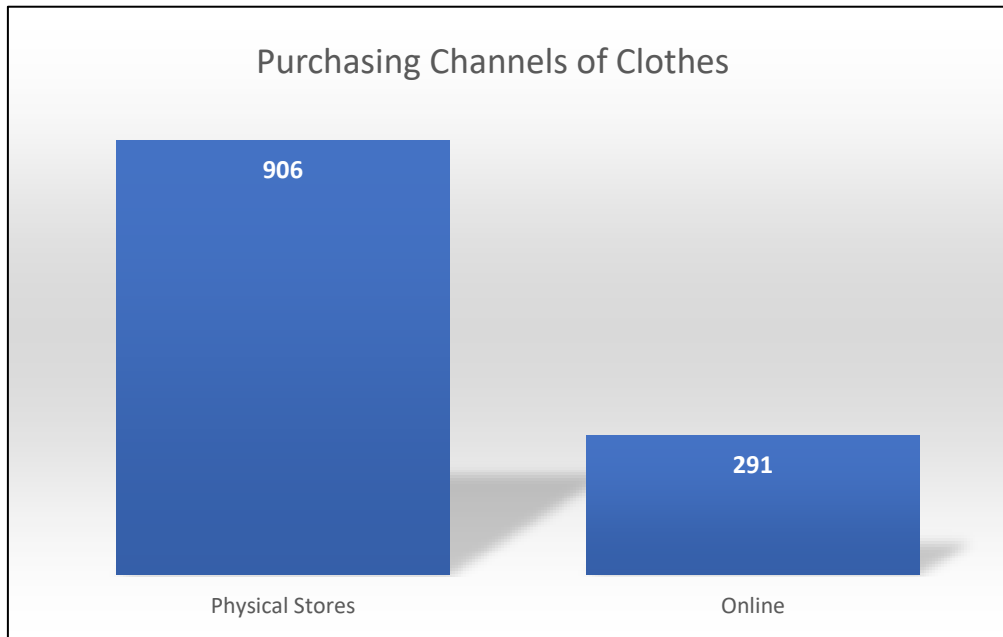
Sources: Made by authors by SPSS, July 22, 2017

From this bar chart 13, authors could see that there are 906 respondents who chosen they usually buy clothes in physical store, and there are 291 respondents who buy clothes online usually. Buying clothes in physical store is still a main stream. However, still 30% of the respondents are buying clothes online, which could not be ignored by authors. In order to do business online in the future, authors also collected the information about the online website from the respondents and asked them to write the name of the website they usually use. Here are some popular websites.

Chart 14: The website of online clothes shop

The website of online clothes shop

Website	Value
Zalando.dk	48
Asos.com	58
Boohoo.com	8
Boozt.com.dk	17
HM.com	33
Zara.com	15
Nelly.com.dk	15
Only.com	5
Vero moda.com	6
Stylepit.dk	5
mango.com	3
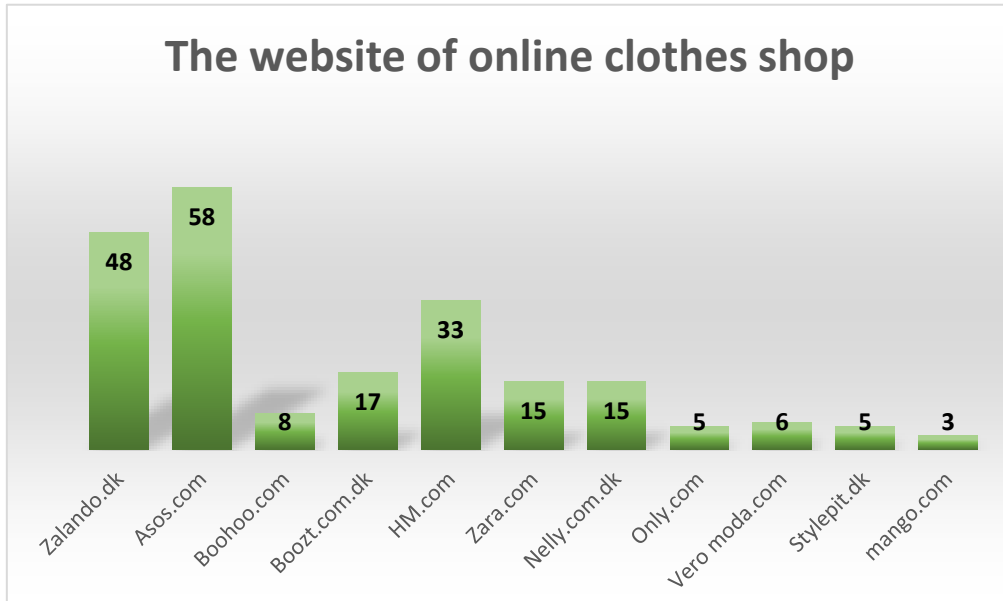
Sources: Made by authors July 22, 2017

From this bar chart 14, authors could see that the most popular clothes website is asos.com, the second popular website is zalando,dk. The third popular website is HM. This bar chart shows the number of people who write the website name on the questionnaires. For instance, there are 58 people who wrote on the questionnaire that they usually buy clothes on asos.com. Not all of the respondents gave authors information about the name of website. However, authors could still see that there are some websites really more popular than other websites.

Authors are sure that in the future, the manager will learn something from those popular websites if managers want to open an online customized clothes shop.

To sum up, this analyzing part mainly analyzed the people`s buying behavior in Aalborg, and also analyzed the people`s knowledge on cashmere products and customized clothes. Authors know that there are many people know cashmere products, but there are not many people buying cashmere products. There is potential market of customized clothes if the price is not high and the quality is good. The target customer of the

cashmere customized clothes should be the women who are from 25 to 65 years old. If authors need to reduce the scope, then women from 40 to 65 should be a good choice as far as authors concerned. Because women in this age have steady jobs, and they are more care about the quality of the life. Most of them could pay more attention to the comfort of the clothes than other age classes.

4.2. Discussion

Through analyzing, authors got more information and inspirations. Authors want to discuss those results and inspirations in this discussion parts, and get a clearer idea on this thesis.

First, from the survey authors could see that there are only 32.7% of respondents who would like to spend 900kr to buy a customized cashmere sweater, and 23.3% of respondents who would like to spend 1800kr to buy a customized cashmere coat. These two numbers are less than 40%. However, there are around 60% of respondents who would like to go to customized clothes shop to buy clothes. This means that almost half of them would like to go to the customized clothes shop not only for cashmere clothes, but also for other kind of clothes, such as pants, suits, dress, and T-shirt.

If manager only sell cashmere sweaters and cashmere coats, then manager need to sell 2-3 piece of goods each day to keep the store profitable. Why is 2-3 piece per day? Let`s say that the gross margin for a cashmere sweater is 200kr per piece, and the gross margin for a cashmere coat is 400 kr per piece. The cost of the store includes rent, wage, extra fees. If manager rent an apartment not a shop in the city center, then the rent is around 6000 to 5000 kr per month, authors assume it is 6000kr. The wage is for only one person around 10000kr, and the extra fees are around 2000kr per month, then the total cost is around 18000kr per month. 18000kr/200kr=90 pieces. Authors assume that one month has 30 days, then 90 pieces/ 30days=3 pieces/per day. If the shop could sell some coats in this month, then the total sell amount of the clothes could be lower. But how dose authors know whether it is possible to sell 3 pieces per day? It is not large

quantity. The population in Aalborg is around 250000 according to the official statistics. If 23% of them have interest to buy the sweaters, then there should be 57500 people who are the potential customers of the customized cashmere sweaters. Authors assume that if the shop need sell 90 pieces per month, then the shop needs 180 visitors per month. (retail 2.0) 180/57500 x 100%=0.3% This means that if 0.3% of the potential customer could come to the shop, then the store could have chance to survive. It seems that 0.3% is not a large amount, and this should not be so difficult as far as authors concerned. Profitability, of course, depends on many variables, such as the location, the cost and variety of merchandise. (Dollar Store Profit Project Worksheet) Thus, if the store could have more products to sell then the risk of operation could be reduced. According to the survey, authors have more ideas on this customized cashmere clothes shop. Authors are going to use the business model canvas to explain.

First is the value proposition of the shop. As far as authors concerned, the value proposition should be the "reasonable price", "good quality", "fit size" and "personalization". Reasonable price means that under the equal quality the price of the customized clothes shop should be cheaper than the normal shopping mall. Good quality means good material and good workmanship. Fit size means the clothes can fit for the special size people. Personalization means the clothes could made according to customer`s own idea, and they can choose the patterns, the materials, and the styles.

Second is the customer segments, according to the survey, the main customer for the customized clothes shop should be the women who are around 25 to 65 years old. According to the gender the segments should be man and women. This shop need men clothes, and women clothes. Men clothes include, cashmere sweaters, cashmere coats, T-shirts, pants, suits. Women clothes should include, sweaters, coats, dresses, pants, blouses. Accessories such as scarfs, hats, should also be included. The student could also be a separate segment, also they do not have a lot money, but they accept new things fast, the shop could make some low-end goods for the people who are not rich. Third is the Channel.   The physical store is essential. Online shop could also be as a

way of promotion and selling. Because if the shop could sell clothes online, then the market could not only be limited in Aalborg. As for the key partners, the shop could make some relationship with local clothes shop, and promise them a wholesale price, they can also carry on some orders from their customers. But whether this idea could work or not need to be proved in the practice. Because getting a win-win results is not easy.

At beginning, the shop should reduce the cost to lowest, so the cost structure includes start-up capital, rent, produce cost, transportation, small inventory, wages, import tax, promotion fees, and some extra fees such as electricity, heats ect. Actually, authors think that after-sale service should also be seen as cost. The revenue stream is selling clothes and accessories.

From the survey, authors also have some other findings which need to be talked about here. First is that the buying behavior of a person related to the economic condition of that person but not totally depends on the economic condition. For instance, some people they are in a good economic condition and have high salaries, but they do not care about the clothes, instead they are more care about the food, so they do not spend a lot money on high quality clothes. Some people even they do not have high salary, they still want to spend a lot on the clothes and the quality of the clothes is very important to them. This opinion was coming out when authors did the statistic of the questionnaire. Because authors saw that even some people have good job, they still do not want to spend 900kr to buy a customized sweater, or spend more money on customized clothes. Some people even they do not have work, they still would like to buy high quality products. This finding reminded authors that not all the rich people could be the customers, and not all the poor people could not be the customers.

When do collected the data, authors also payed special attention on the jobs, and wanted to find out what is the potential customer`s job. Authors find the respondents who do those job have more interested in the customized cashmere clothes. These jobs are teachers, marketing manager, engineer, accountant, doctor, lawyer, nurse,

administrative officer, and some social workers.

Authors find out that people here in Aalborg do not care much about the brand and the country of origin, but authors think that establish a brand is still important to the shop in the future development.

In the next chapter the authors are going to talk about some suggestions according to the brand, customer satisfaction and 4Ps theory.

CHAPTER VI Conclusion & Suggestions

6.1. Conclusion

The main aim of this thesis is finding out whether it is feasible or not to open a customized cashmere clothes shop here in Aalborg, and if it is feasible how should operate in the practice. Combining the theory with the practice (survey), authors found out that it is feasible to open a cashmere customized clothes shop here in Aalborg, but in this shop cashmere is not the only choice for the customers. Through the survey, authors got a better business model compared with the model which are though before doing the survey. The step of this thesis is that: first, authors got an idea, second, authors did the survey according to some theories, third, combining the result of the survey with the theory, the authors got a better idea. According to the value transfer theory, and business model theory, authors know what is important for running a successful business, and what factors should be considered when running a business. Knowing the buying behavior is also important for running a successful business. Combining these three theories, authors made 1000 pieces of survey to find out whether it is possible and feasible to opening a customized cashmere clothes shop here in Aalborg. After the survey, a better business model is coming. Authors could not be 100% sure that this customized clothes shop could be successful in the future, but after the survey authors could make sure that it is worthy to try it. Developing of brand and the theory of

customer satisfaction help the authors to notice more details of running a successful business.

Authors think that the biggest problem of this thesis is that authors did not combine the theory with the practice very well. First, it is because authors lack the knowledge of some theories. Second, it is because some practical problems can`t be solved only according to the theory. When authors want to use the theory to solve the real practice problem, they can`t find those theories. For instance, when authors knowing the population here in Aalborg, and how many turn over the shop needed for survive each month, and also know the percentage of potential customers, authors still can can`t forecast how many percentage of successful possibility dose the shop have. There is no theory told authors how to calculate the successful possibility of the business. Authors could only use related theory to estimate. All the theories are coming from the practice, but unfortunately, authors are lack of the practice experience as well. All these reasons lead to the rigid combination of theories and practices in this thesis. This thesis also has some limitation because of the knowledge gap.

The survey of this thesis is important, but the authors are not professional marking people, so there are some questions in the questionnaire is not very good questions, which could lead misunderstanding of the respondents. Because some of the respondents did not answer all the questions, the analysis is based on authors` understanding. Authors could not be sure that the result of this survey is 100% right and objective.

Last but not at least, authors think that it is not important whatever the result has been got in this thesis, but the most important thing is what will authors do in the future. There is no theory and survey could promise a business to success in future. What authors do in this thesis is finding a better way to realize the original idea. Only through real practice, can people know whether their idea is a good or a bad idea.

6.2. Suggestions

According to the famous marketing theory of 4Ps, authors are going to give some suggestions. 4Ps includes products, price, promotion and place.

After the survey authors found out that Aalborg people have need on customized clothes, but not many of them need customized cashmere clothes, if the shop want to reduce the operational risk, extending the range of products should be very important. The shop should not only include cashmere products, but also need to include silk clothes, linen clothes, and cotton clothes. If it is necessary, chemical material clothes could also be offered. The clothes could include sweaters, coats, suits, pants, T-shirts, dress, and any kind of clothes which are required by customers. Because the author has a big factory in China, and have many resources related to the clothes, so achieve this aim is not difficult for the author. The products of the shop could not only aim at individual customers, the products could also aim at organized group customers. For instance, the shop could also make uniforms for the schools, companies, and other public associations. Through these ways, the shop could get more potential customers and get more chance to survive in the competitive market.

Regarding to the price, authors think that the shop could separate the price into three levels, low-end products in low price, middle-end products in middle price, and high-end products in high price but still lower than the price of equal quality products which are sold in the shopping mall. The high-end clothes could include cashmere clothes, the suits, and silk clothes. The middle-end clothes should be the linen clothes, cotton clothes, and wool clothes. The low-end product should include the polyester clothes, and some other chemical material clothes. Then if the shop could not only sell the high price clothes, but also sell the low-price products, it would have more potential customers, and adapt to the market better.

There are also some suggestions on the way of promotion.

First the shop could distribute some flyers at public places, such as shopping mall, city

center, public library, supermarket, schools, sports center and some big companies.

Second, the shop could advertise through broadcast. Third, the shop could advertise through websites, and some public network such as Facebook, and Twitter.

At first the shop could give some special offer to the customers, and student price could be always a good way to attract students.

It is important to have a physical store, but the rent of the shop is so high. In the beginning, it should be a good choice to rent a normal department to sell the clothes. Because the customized shop does not need much inventories, one room is enough for the sample clothes. Through the advertisement, people could know the place as well. It could be better if there is a parking place near the customized clothes shop, then customers could park their car conveniently. Convenient transportation could attract more people to come.

Except for the physical store, opening an online shop could also be a good choice. Then people from other city, such as Aarhus, Copenhagen could also make an order online. They can choose the clothes style, colors, and material online, and send their measurement through the website to us, after the clothes being finished, the shop could send the clothes to them. Online-Offline business model could also be used for reference. So, what is online-offline commerce?

Online-to-offline commerce is a business strategy that draws potential customers from online channels to physical stores. Online-to-offline commerce, or O2O, identifies customers in the online space, such as through emails and internet advertising, and then uses a variety of tools and approaches to entice the customer to leave the online space. This type of strategy incorporates techniques used in online marketing with those used in brick-and-mortar marketing. (Investopedia)

Retailers once fretted that they would not be able to compete with e-commerce companies that sold goods online, especially in terms of price and selection. Physical stores required high fixed costs (rent) and many employees to run the stores, and

because of limited space, they were unable to offer as wide a selection of goods. Online retailers could offer a vast selection without having to pay for as many personnel, and only needed access to shipping companies in order to sell their goods.

Some companies that have both an online presence and an offline presence (physical stores) treat the two different channels as complements rather than competitors. The goal of online-to-offline commerce is to create product and service awareness online, allowing potential customers to research different offerings and then visit the local brick-and-mortar store to make a purchase.

Techniques that O2O commerce companies may employ include in-store pick up of items purchased online, allowing items purchased online to be returned at a physical store, and allowing customers to place orders online while at a physical store.

The rise of online-to-offline commerce has not eliminated the advantages that e-commerce companies have. Companies with brick-and-mortar stores will still have customers that visit physical stores in order to see how an item fits or looks, only to ultimately make the purchase online (referred to as "showrooming"). The goal, therefore, is to attract a certain type of customer that is open to walking or driving to a local store rather than wait for a package to arrive in the mail. (Investopedia)

According to the O2O business model, the customized shop could save cost of rent, and wages. Customers could make an order online and pick up the goods directly from the shop. Using this way to buy products could save time of customer also. This way could give more convenience to the customers here in Aalborg.

In order to build up and improve the customer loyalty, and keep them continue buying products from the shop, it should be very important to improve the satisfaction of customers. Now days, building customer loyalty is the only way of building sustainable competitive advantage of companies. The satisfaction of customers directly related to the customer loyalty. Thus, improving satisfaction of customers could not be ignored by merchants. There are several factors which could influence the overall customer

satisfaction. They are included, friendly employee, knowledgeable employee, service quality, good value, competitive price, and quick service ect. Because Customer satisfaction can be experienced in a variety of situations and connected to both goods and services. It is significant to provide customers with good service. Authors break the service into three parts, before-buying service, buying service, and after-buying service which is also called after-sale service.

Before the customer buying products, the shop use online shop to explain the products to the customer, and let them have more knowledge on the products could be seen as a good way to provide before-buying service. Teaching the staff to grasp the knowledge of products and introduce to customers could be seen as a good way to provide buying service. When customers come to the shop and communicate with the merchants regarding to the details of clothes which they are going to make, the shop could offer customers which some snacks and drinks, and let customers feel like at home. This also might be a good way to improve the customers satisfaction while buying.

Regarding to the after-sale service, authors know that there are one or two stores which could fixed the clothes for the people here in Aalborg. Those stores could not make clothes, but they can fix the clothes. The customized shop which authors are going to open could only make clothes in China, if the clothes are not fit for customers, resending the clothes back to China could be a choice, but if authors could make some cooperation with local shops which can fix small things of clothes, then customers do not have to wait for so long time to repair their clothes. If the clothes have some problem in the future, the customized shop still can promise them to fix it in a cooperate price at those local shops.

Establishing a database could be a good way to reduce the cost and improve the satisfaction of customers. If the shop could put the measurement data of customers who have made clothes at the shop into the database, then next time when the customers come, the staff do not need to take another measurement for the customers. This kind of database could help the customers and merchants to save more time, and give

customers a better buying experience.

Larsson (2007) found that the trust to company becomes an important factor for consumers. Moreover, the establishment of a good brand image helps with building consumers' trust in evaluating company's motives which are beneficial in elevating future organization relationships and leads to customer loyalty. Thus, if companies could think about to establish a good brand image in the beginning, the company could get more benefits. Authors have thought some ideas on how to promote the brand of this customized clothes shop.

First, the shop could establish a shop blog for customers to look through, and through this blog the customer could communicate with the shop. Second, the shop could send some advertisement through E-mail to customers, and introduce the products of the shop. Third, the shop could attend some social activities to help the people who need help, this kind of activities could improve the image of the shop in customers` mind. Of course, good service and good products is always important to the image of the company, so the company should always pay more attention to the quality of the products and the services. Communicating with customers as often as possible is necessary. Using net-work to promote brand could not be missed.

To sum up, in this suggestion part, authors give the customized shop some suggestions on how to operate, and how to improve the way of doing a good business in the future, according to some basic theories such as 4Ps, customer satisfaction and developing of brand. Next authors are going to talk about the conclusion of this thesis.

References

- Anderson H. & Jacobsen P., (2000), "Creating Loyalty: Its Strategic Importance in Your Customer Strategy". In S. A. Brown, ed., Customer Relationship Management, Ontario, John Wiley, pp. 55-67.

- Anderson J.C. and Gerbing D.W. (1988), "Structural equation modeling in practice: a review and recommended two-step approach", Psychological Bulletin, Vol. 103 No. 3, pp. 411-23.

- Anderson E. W. & Sullivan V. W. (1993). The antecedents and consequences of customer satisfaction for firms. Marketing Science, 12 (2), 125-143.

- Aziz. (2015), "Wal-Mart: Every Day Low Prices Business Model", https://rctom.hbs.org/submission/wal-mart-every-day-low-prices-business-model/.

- Anca Tamas. (2015), "The Fractal Nature of The Country of Origin Effect-Exploring 50 Years of Coo Research", European Scientific Journal, vol.11, No.28.

- Bansal, S. & Gupta, G., (2001), "Building Customer Loyalty Business-to-Business Commerce". In J. N. Sheth, A. Parvatiyar & G. Shainesh, eds., Customer Relationship Management. New Delhi, Tata McGraw-Hill, 2001, pp. 3-25.

- Brosekhan A.A., Muthu C. Velayutham, "Consumer Buying Behaviour - a literature review" IOSR Journal of Business and Management (IOSR-JBM) e-ISSN : 2278-487X, p-ISSN : 2319-7668, PP 08-16.

- Boulstridge E. and Carrigan M. (2000), "Do consumer really care about corporate responsibility? Highlighting the attitude-behaviour gap", Journal of Comminication management, Vol. 4, No.4, pp 355-368.

- Carrigan M., Attalla A. (2001), "The myth of the ethical consumer-do ethics matter in purchase behaviour?" , Journal of Consumer Marketing, Vol.18 Issu:7, pp 560-578.

- Creyer E.H. and Ross W.T. (1997), "The influence of firm behaviour on purchase intention: do consumers really care about business ethics?" Journal of Consumer Marketing, Vol. 14 No6, pp 421-433.

- Coombs W.T. and Holladay S.J. (2006), "Unpacking the halo effect: reputation and crisis management", Journal of Communication Management, Vol. 10 No. 2, pp. 123-37.

- Clark C.E. (2000), "Differences between public relations and corporate social responsibility: an analysis", Public Relations Review, Vol. 26 No. 3, pp. 363-80.

- Cheng H.-L., & Yu C.-M.J. (2008). Institutional pressures and initiation of internation-alization: Evidence from Taiwanese small- and medium-sized enterprises. Inter-national Business Review, 17(3), 331–348.

- Clark, M., (1997), "Modelling the Impact of Customer-Employee Relationships on Customer Retention Rates in a Major UK Retail Bank", Management Decisions, 35 (4), pp. 293-301.

- C. Min Han, William J. Qualls. (1985), "COUNTRY-OF-ORIGIN EFFECTS AND THEIR IMPACT UPON CONSUMERS' PERCEPTION OF QUALITY", National and International Perspectives, Pages 162-167.

- Constantinos C. Markides. (2015), "Research on Business Models: Challenges and Opportunities", Chapter 5 in Business Models and Modelling, Volume 33, Advances in Strategic Management, pp.3-16.

- De Valck K., van Bruggen G.H., Wierenga (2009). "Virtual communities: A marketing perspective"; Volume 47, Issue 3, Pages 185-203.

- David J. Teece. (2010), "Business Models, Business Strategy and Innovation", Long Range Planning, Volume 43, pages 172-194.

- Dennis Consorte. (2015), "What is Average Transaction Value, and Why is it Important?", https://www.splitit.com/2015/06/what-is-average-transaction-value-atv-and-why-is-it-important/.

- Fineman S. (1999), "Marketing ethic: commentary" , in Brownile D., Saren M., Wensley R,Whittington R., Rethinking marketing, Sage, London, pp 183-185.

- Hansemark, O. C. & Albinson, M.(2004), "Customer Satisfaction and Retention: The Experiences of Individual Employees, Managing Service Quality" 14 (1), pp. 40-57.

- Hansen D., Shneiderman B., Smith M. (2011). Breakthrough Teaching and Learning. Springer New York Dordrecht Heidelberg London.

- Hollensen S. (2011). Global marketing. A definision –oriented approach, 5 th edition. England: Pearson.

- Hoyer, W. D. & MacInnis, D. J., (2001), Consumer Behaviour. 2nd ed., Boston,Houghton Mifflin Company.

- Harvey Golub, Jane Henry, John L. Forbis, Nitin T. Mehta, Michael J. Lanning, Edward G. Michaels, and Kenichi Ohmae. (2000), "Delivering value to customers", http://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/delivering-value-to-customers.

- investopedia, "Online to Offline Commerce" http://www.investopedia.com/terms/o/onlinetooffline-commerce.asp.

- Jukka Ojasalo, Satu Nätti, Rami Olkkonen (2008). "Brand building in software SMEs: an empirical studing"; Journal of Product & Brand Management Vol. 17 Iss 2 pp. 92 – 107.

- Joan Magretta. (2002), "why business models matter", financial management, Harvard Business Review.

- Keller K.L. (2009). Building a Strong Business-to-Business Brand, in Business-to-Business Brand Management: Theory, Research, and Executive Case Study Exercises in Advances in Business Marketing & Purchasing series, Volume 15, ed. Arch Woodside, Emerald Group Publishing Limited, 11-31.

- Keller K.L. (2009). "Building strong brands in a modern marketing communications environment"; *Journal of Marketing Communications*, 15:2-3, 139-155, DOI.

- Keller, K.L. (2003), "Brand synthesis: the multidimensionality of brand knowledge", Journal of Consumer Research, Vol. 29 No. 2, pp. 595-600.

- Kotler, P. (2000), Marketing Management. 10th ed., New Jersey, Prentice-Hall

- Kitchen, P.J. (1997), "Was public relations a prelude to corporate communications?", Corporate Communications, Vol. 2 No. 1, pp. 22-30.

- Kathleen Steffey. (2011), "10 Ways That You Can Add Value to Your Product or Service", http://www.socialmediatoday.com/content/10-ways-you-can-add-value-your-product-or-service-0.

- Larsson, L. (2007), "Public trust in the PR industry and its actors", Journal of Communication Management, Vol. 11 No. 3, pp. 222-34.

- LaBarbera, P. A. & Mazursky, D. (1983), " Longitudinal Assessment of Consumer

- Morgan, R. M. & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. Journal of Marketing, 58, 20-38.

- Moustakas, E., Ranganathan, C. and Duquenoy, P. (2006). E-mail marketing at the crossroads: a stakeholder analysis of unsolicited commercial e-mail (spam), Internet Research, Vol. 16 No. 1, pp. 38-52.

- Miles R. , Miles G., Snow C., Blomquist K. and Rocha H.,(200). Business Models, Organizational Forms, and Managerial Values, Working paper, UC Berkeley, Haas School of Business (2009).

- Marketing Research, Vol. 20, November, pp. 393-404.

- Opoku R. Ankomah, Abratt R., M. Bendixen, L. Pitt (2007). "Communicating brand personality: are the web sites doing the talking for food

SMEs?"; Qualitative Market Research: An International Journal. Vol. 10 No. 4,pp. 362-379.

- Ossi Luoma. (2014), "Business Model Development in a Product-Service Systems Context", Master's Thesis, University of Tampere School of Management, pp.24-85.

- Parasuraman, A., Berry, L. L. & Zeithaml, V. A. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. Journal of Retailing, 64(1), 12-40.

- Pinho, J. C. (2007). The impact of ownership: Location-specific advantages and mana-gerial characteristics on SME foreign entry mode choices. International Marketing Review, 24(6), 715–734.

- Po-Young Chu, Chia-Chi Chang, Chia-Yi Chen and Tzu-Yun Wang. (2008), "Countering negative country-of-origin effects", Negative country-of-origin effects, pp.1055-1076.

- Paul Simister .(2011), "A Customer Value Map Clarifies Your Position", http://www.differentiateyourbusiness.co.uk/customer-value-maps-clarify-your-position.

- Ramon Casadesus-Masanell, Joan Enric Ricart. (2009), "From Strategy to Business Models and to Tactics", Working Paper 10-036.

- Ryan James Lock. (2013), "The 7 Ways To Promote Your Personal Brand To Perfection", http://elitedaily.com/money/7-ways-to-promote-your-personal-brand/.

- Satisfaction, Dissatisfaction: the Dynamic Aspect of Cognitive Process", Journal of

- Slávik Štefan, Bednár Richard. (2014), "Analysis of Business Models", Journal of Competitiveness, Vol. 6, Issue 4, pp. 19-40.

- Simmons J. Geoffrey (2007). "i-Branding": developing the internet as a branding tool"; International Journal.

- Svetla Marinova, Jorma Larimo, Niina Nummela. (2017), "Meanings and Interpretations of Value and Value Creation", Value Creation in International Business, pages 1-13.

- Solomon, M.R. (1995), Consumer Behaviour, 3rd Ed., Prentice Hall Stayman, D.M. and Deshpande, R. (1989), "Situational Ethnicity and Consumer Behaviour", Journal of Consumer Research, 16, December, pp. 361-371.

- Swan, J.E., Bowers, M.R. and Richardson, L.D. (1999), "Customer trust in the salesperson: an integrative review and meta-analysis of the empirical literature", Journal of Business Research, Vol. 44 No. 2, pp. 93-107.

- Sen, S. and Bhattacharya, C.B. (2001), "Does doing good always lead to doing better? Consumer reactions to corporate social responsibility", Journal of Marketing Research, Vol. 38 No. 2, pp. 225-44.

- Teece D. J. (2010). Business Models, Business Strategy and Innovation. Long Range Planning, vol 43 g ,172e194.

Websites:

https://www.google.dk/search?q=The+Consumer+Buying+Process
(last accessed 07.03.2017)

http://www.tandfonline.com/doi/pdf/10.1080/095939697342914?needAccess=true
(last accessed 09.03.2017)

http://globaltext.terry.uga.edu/userfiles/pdf/Core%20Concepts%20of%20Marketing.pdf
(last accessed 17.03.2017)

Gunelius Susan, https://aytm.com/blog/research-junction/branding-factors/
(last accessed 17.04.2017)

http://www.managementstudyguide.com/what-is-brand.htm *(last accessed 27.04.2017)*

http://smallbusiness.chron.com/calculate-sales-price-reach-gross-margin-percentage-36230.html
(last accessed 14.05.2017)

Burnett John, https://www.saylor.org/site/wp-content/uploads/2012/12/BUS203-3.2_Understanding-buyer-behavior.pdf

Appendix 1

Marketing Research for Cashmere Customized Clothes Shop

Gender: □ Male   □ Female   Age: Nationality: Jobs:

1.   Do you know cashmere productions?   □ Yes   □ No

2.   The hand feel and the quality of cashmere is much better than the wool`s.

Strongly agree	Agree	Neutral	Disagree	Strongly disagree

3.   Have you bought some cashmere productions before?   □ Yes (answer question 4 instead of question 5)   □ No (directly answer question 5)

4.   What kind of cashmere products have you bought?   □ Sweaters   □ Coats   □Accessories (hats, scarfs, gloves)   □ Other _____.

4-1. How much have you spent on your cashmere products? Average price_____.

5.   Why have you never bought a cashmere product? (multiple choices)

□   Can not find a place where is selling cashmere products. □ Feel it is not convenient to wear
□ Too expensive to buy in the stores   □The style of cashmere production is rare   □ Do not know how to keep the cashmere products   □ Do not know cashmere products   □ other reasons_____.

6. Do you have the experience to buy the customized clothes?
□ Yes (answer 6-1 and 6-2 instead of 6-3)   □ No (directly answer question 6-3)

6-1. What is the material of your customized clothes? (multiple choices)

□   cashmere   □ wool   □ cotton   □ linen   □ polyester or chemical material   □ mixed of nature material with chemical material   □ silk   □ do not know   □other_____.

6-2. What is the average price when you buy the customized clothes?

□   Below 800kr   □ 800kr---1000kr   □ 1000kr---1500kr   □ 1500kr---2000kr   □2000kr---2500kr   □ 2500kr---3000kr   □ above 3000kr

6-3. Why have you never had the experience to buy the customized clothes? (multiple choices)

□   Can not find a place where can buy customized clothes   □ Too expensive   □ Feel it troublesome to buy customized clothes   □ Would like to try clothes on before buying

□   Do not care about it   □ Other reasons_____.

7.   If there is a customized clothes shop which could make the clothes for you to your own measurement, and the clothes will be make of nature material such as cashmere, or silk, and the price of the customized clothes is cheaper than the same quality clothes buying in the shopping mall, would you like to go to this kind of customized clothes shop to buy clothes?

□   Yes (answer 7-1,7-2,7-3,7-4 instead of 7-5)   □ No (directly answer question 7-5)

7-1. Why do you have the tendency to buy customized clothes? (multiple choices)

□   The clothes sold in shopping mall do not have good material, otherwise will be expensive.

□   It is difficult to find a suitable size for me.

□   Do not like the clothes style in shopping mall.

□   Want to make own style clothes

□   Other reasons_____.

7-2. What kind of clothes would you like to make to your own measurements?

□ Sweaters   □ Coats   □ silk dress   □ others_____.

7-3. How much can you pay for your customized clothes?

□ Below 800kr   □ 800kr---1000kr   □ 1000kr---1500kr   □ 1500kr---2000kr   □2000kr---

2500kr   □ 2500kr---3000kr   □ above 3000kr

7-4. How long can you wait for your customized clothes?

□ Within one week   □ 1-2 weeks   □ 2-3 weeks   □ if the clothes are in good quality I will

not care about the waiting time.

7-5. Why do not you want to buy the customized clothes?

□ I do not think it is necessary for me.   □ I do not want to wait for buying clothes.

□ I think the clothes in the shopping mall are good enough for me.

□ Price matters

□ Other reasons_____.

8. Give a score on your willingness on spending around 900Kr to order a pure cashmere customized sweater. (1-have no willingness, 7- have a lot of willingness)

1	2	3	4	5	6	7

9. Give a score on your willingness on spending around 1800Kr to order a customized cashmere coat. (1-have no willingness, 7- have a lot of willingness)

1	2	3	4	5	6	7

10. Give a score on how much do you care about on the quality when you decide to buy customized clothes. (1-less care about, 7-very care about)

1	2	3	4	5	6	7

11. Give a score on how much do you care about on the price when you decide to buy customized clothes. (1-less care about, 7-very care about)

1	2	3	4	5	6	7

12. Do you agree with the following statement?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The only guaranty of quality is a recognizable brand					
The cheap products is bad quality					
I do not care about the price if is a good and quality product					

13. Where do you usually buy your clothes? (If you buy clothes online, please write the website name you usually use.)

□ Physical Stores □ Online _____.

14. Do you mind the country of origin? For example, you think Chinese products is low quality and do not want to spend more money on Chinese products.

□ Yes □ No

Appendix 2

What the company have to take into consideration before to start up.

In the very beginning it is important to understanding the regulations, licenses and taxes system companies will need to follow, obtain and pay for your new business. After doing some initial research the authors come to some structures which might be helpful in the future. Generally speaking, it is important to obtain all of the proper authority needed to run the new business. Establishing a successful business is hard enough, and it is not the last things are need is some technical legality of administrative detail to stand in the way of the success.

Key advantages when setting up a business in Denmark:

(http://www.investindk.com/Establishing-a-business-in-Denmark)

- Quick, informal and cost-efficient establishment procedures.

- Online registration of new companies means you're ready to do business within a few hours.

- No resident requirements for management, including the CEO, Board of Directors or Supervisory Board.

- No notarial deeds.

- Flexible language requirements; some documents may be registered in English.

- Dividends can be distributed on an interim basis.

- Danish company law is in conformity with current EU legislation.

- It is tax efficient to establish your business in Denmark compared to other Nordic countries.

There are few steps to start up the company in Denmark.

Step 1: Choose which type of legal entity.

The legal structure you choose for your business is one of the most important decisions you will make in the startup process. There are four basic types of business entities, each of which has its own pros and cons. Your choice of structure can greatly affect the way you run your business, impacting everything from liability and taxes, to control over the company. The key is to figure out which type of entity gives your business the most advantages when it comes to helping you to achieve your organizational and personal financial goals.

There are 4 types of company structures in Denmark:

"**Enkeltmandsvirksomhed**" (sole proprietorship) - meaning a personally owned company - is the most common form of business organization. It is easy to form and offers complete managerial control to the owner. However, the owner is also personally liable for all financial obligations of the business.

"*Anpartsselskab*" or "**Aktieselskab**" (ApS) – meaning a private limited liability company. This type of company involves two or more people who agree to share in the profits or losses of a business. A primary advantage is that the partnership does not bear the tax burden of profits or the benefit of losses-profits or losses are "passed through" to partners to report on their individual income tax returns. A primary disadvantage is liability-each partner is personally liable for the financial obligations of the business.

"**Iværksætterselskab**" or "*kapitalselskaber*" (**I/S**) - meaning an entrepreneurial company - is a legal entity that is created to conduct business. The corporation becomes an entity-separate from those who founded it-that handles the responsibilities of the organization. Like a person, the corporation can be taxed and can be held legally liable for its actions. The corporation can also make a profit. The key benefit of corporate status is the avoidance of personal liability. The primary disadvantage is the cost to form a corporation and the extensive record-keeping that's required. While double taxation is sometimes mentioned as a drawback to incorporation, the S corporation (or Subchapter corporation, a popular variation of the regular C corporation) avoids this situation by allowing income or losses to be passed through on individual tax returns, similar to a partnership. *(https://www.entrepreneur.com/article/38822).*

"The limited liability company" (LLC) - a hybrid form of partnership, is gaining in popularity because it allows owners to take advantage of the benefits of both the corporation and partnership forms of business. The advantages of this business format are that profits and losses can be passed through to owners without taxation of the business itself while owners are shielded from personal liability.

Based above, we choose to running the sole proprietorship company. And is the most basic type of business to establish with minimum risk and without any additional payments. Where the owner of company is alone own the company and is responsible for its assets and liabilities.

Step 2: Register your company

According to the Danish roles, every company in Denmark must be registered with a CVR number (Central Company Register Number) in the Danish Business Authority's (DBA) online registration system (webreg-portal.dk). The CVR number is always used when communicating with public authorities. It costs DKK 670.00 to register your company online.

A company should be registered officially at least eight days before starting operations. To register the company, the DBA requires you to have a "NemID", an individual's digital signature to access public and private services on the internet in Denmark. Here the link you can use:

https://service.nemid.nu/dk-da/bestil_nemid/index.html?execution=e1s1

In order to get a NemID, you must have a residence and work permit in Denmark. But you can work with a lawyer who can do this for you.

There are useful links to read more information:

http://www.investindk.com/Establishing-a-business-in-Denmark/Startups

http://www.startupdenmark.info/

It only takes a couple of hours to register new company online (virk.dk).

Here the link, where you can register the company (if you have NemID):

https://indberet.virk.dk/myndigheder/stat/ERST/Start_virksomhed?nm_extag=Link%

3D%2Cforside%2Cmest-anvendte-start-virksomhed%2C

If you have no NemID, a lawyer can do it for you. But before starting, a lawyer will ask the following:

➢ Provide the name and copy of passport of the member(s) of the Executive Board (CEO) and the member(s) of the board of directors if applicable. Please note that members(s) of both the executive board and the board of directors of the company can reside outside of Denmark.

➢ Memorandum and articles of association of the company.

➢ If you choose the type of company as "ApS" - you must transfer of share capital of DKK 50,000.00 to your client account held by your Danish lawyer. This is not a fee but rather an operating capital for your Danish company and can be transferred back (as a loan) to the parent organization at any time in the future.

It is free to register a personally owned company.   A fee must be paid for registration of a limited liability company, a public limited company, an entrepreneurial company and other capital companies. Some registrations and changes to businesses cost a fee (670 kr). Here you will find an overall list of the Danish Enterprise Agency's tariffs:

https://erhvervsstyrelsen.dk/takster-for-registreringer-og-aendringer

Step 3:   Register with the Danish Tax Authorities

Upon registering, the Danish Business Authority (DBA) sends the relevant information to SKAT (the Danish Customs and Tax Administration), who is responsible for the collection of taxes and VAT. SKAT also provides advice to companies on tax, duty and VAT issues.

For registration the company in SKAT , you can use the following link:

http://skat.dk/SKAT.aspx?oid=2234851&vid=0&lang=da

As abovementioned the company must be registered with the DBA at least eight days before starting operations. You must register the business separately for:

• VAT - if you sell goods and service in Denmark (only required if the company has a revenue of more than DKK 50,000.00

• Payroll tax - if you sell VAT-exempt services

• Duties - if you manufacture or deal in wholesale goods subject to duties or purchase these kinds of goods abroad.

• Import and/or export - if you do business with countries outside the EU

• A-tax (tax deducted from income at source) - if you have employees.

Denmark has a favorable tax climate with a corporate tax rate of 22 %. Key employees and researchers recruited abroad pay a lower individual tax for the first 5 years. Foreigners living and working in Denmark also benefit from the Danish welfare system.

For more information on corporate taxation, please see the following link:

http://www.investindk.com/taxation

Step 4: Issue Employment Contracts

The lawyer can also assist you in preparing employment contracts. All employers must take out a mandatory industrial injury insurance.

Step 5:

Register for any permits that you require for operating your business (where relevant).

Step 6: Set up corporate structure (optional)

It is recommended setting up the corporate structure so that will avoid double taxation.

Step 7: Hire employees

Process for helping you transfer your employees to Denmark Depending on the employee's nationality different rules may apply:

- ❖ Non-EU nationals must acquire both a residence permit and a work permit prior to their arrival in Denmark.

- ❖ EU nationals may enter and work in Denmark without permits for up to three

months.

- ❖ Citizens of the Nordic countries may enter and work in Denmark without any permit.

For more information on the International Citizen Service please see link: icitizen.dk.

Step 7: Set up payroll and bank account

In order to open a corporate bank account a "request for opening a corporate account" form is needed. It is obtainable through any large Danish bank. The form is to be returned to the Danish bank with a reference or recommendation from your local bank in your home country. The completed request must be accompanied by the following documents:

• Company report including provisions regulating the power to bind the company who needs accounts.

• Information about ownership structure (if any of the owners own more than

25% of the shares in the company the bank will need to have copy of passports

of the owner and information about private address)

• Copy of memorandum and articles of association of the company.

Step 8: Taxation & filing requirements

The Danish company is a separate legal entity, which is subject to corporate

taxation in Denmark. The tax rate is 23.5% for the year 2015. As a result of the

Government's new Growth Plan the corporate tax rate is gradually being

lowered to 22% by 2016.

For more information about tax system see at *taxindenmark.com.*

Gross profit margin, also called gross profit percentage, is the proportion of sales revenue a business has after subtracting the cost of goods sold (http://smallbusiness.chron.com/calculate-sales-price-reach-gross-margin-percentage-36230.html). Cost of goods sold includes all of the costs directly attributable to producing a certain product, such as the cost of raw materials, parts and labor. Indirect costs such as rent, taxes, insurance and wages paid to employees not directly involved

in production are not factored into this equation.

Revenue is equal to the quantity of a good sold times its sales price. After calculating the amount of revenue necessary to achieve a certain gross profit margin, divide revenue by the quantity of units you plan to sell to find the price level necessary to achieve the desired gross profit margin. It should be noted that a company may not actually be able to sell the necessary quantity at that price level. One of the key responsibilities of business managers is deciding what price to charge given the fact that higher prices tend to discourage sales.