Rí na Mara

Irish Seaweed Cosmetics
Export to Norway

REPORT

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REPORT

'Irish Seaweed Cosmetics Export to Norway'

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Part 1

- Introduction
- Potential Market
- Consumer Trends
- Business Culture
- Seaweed Culture

Introduction

Our product is an organic high-end seaweed cosmetic range of six products from Connemara called Rí na Mara. The company is operating for ten years and its products are selling well across Ireland, Germany, Dubai and the US. It has had substantial input from Enterprise Ireland in seeking out new markets. During the most recent recession, Rí na Mara needed to find different sales channels and have adapted their approach becoming e-commerce savvy in the process.

The overseas market which we feel has excellent export potential for our product is Norway (and thereafter the other three Nordic countries of Sweden, Finland and Denmark). Here are some economic and social facts and statistics about Norway:

It has a population of 5,136,475 (2014). Norway's income level is high; average gross salary is €54,000 (2014) and average net salary is €40,000. The unemployment rate is low at 4.3% (July 2015) (up from 3.5% in 2013). It has a labour force of 2.785 million (2015).

Norway is neither in the EU nor the Eurozone, its currency is the Norwegian Krone (NOK) and it is a member of EFTA (European Free Trade Association). Norway is stable politically and has a mixed economic system, a combination of free market and government intervention. Oil and gas account for 50% of Norway's exports (Norway being the 7th largest oil exporter) (GlobalEDGE).

What are Norway's strengths and weaknesses? On the positive side, its business climate rating is A1 meaning it is a very favourable country in which to do business. New oil deposits have been discovered also. Norway's currency is attractive to investors and it has a solid banking system. On the less positive side, Norway has a dependence on its oil sector, it has a very high level of household debt and its competitiveness is eroded by high wages (GlobalEDGE).

In this introductory section, we will consider three key characteristics of the Norwegian market, using Ireland as a bench mark for the second and third points.

1) Consumer Trends in Cosmetics: What and how do the Norwegians buy?
2) The Business Culture of Norway: What other Irish companies have found.
3) Our Seaweed culture versus theirs.

1) Consumer Trends in Cosmetics: What do the Norwegians buy?

Norway is a wealthy country and Norwegians have high disposable income, averaging at approximately $22,000 per person (Euromonitor [EM]3 p1). Norwegian consumers high spending levels is what drives the country's economic growth. (EM2 p1). However, their household debt is high; they owe *"twice their disposable incomes"* and this is feared to be *"unsustainable"* (EM2 p5).

They *"view beauty products as essentials"* and tend to be *"sophisticated in their demands"*. Therefore, for the likes of our high-end premium Irish product, there are opportunities to *"carve out a high-end niche"* rather than taking on the mainstream cosmetic multinationals such as L'Oreal etc. (EM3 p1). Consumers want products *"that meet very specific needs"* (EM3 p2). In fact, premium and *"niche label"* beauty products account for 26% of the market share in Norway. According to Euromonitor, *"one of the market niches that holds the most* *potential is that of natural and organic cosmetics"*. Beauty brands distributed through the pharmacy channel is a big trend in Norway currently and new laws introduced in 2011 allow over the counter beauty products to be sold in a broader range of retail channels (EM3 p2). Later in this report, we will examine this recommended channel is more detail.

The typical Norwegian consumer considers him/herself to be *"friend(s) of the environment"* (EM2 p2). They are very concerned with the safety of products, aware of chemical ingredients and of allergic reactions. They are health conscious, outdoors kind of people and young Norwegians especially *"seek out organic produce" (*EM2 p6). They are concerned with sustainability in organic products but they must also be of high quality (Clausson p2). This bodes well for our organic-certified and low environmental impact product; in fact, it is a perfect match.

They like to buy beauty products; in fact, Norwegians were the biggest spenders in Western Europe on cosmetics with *"an average per capita spend of US$289 in 2006"*. According to a Euromonitor report, the most lucrative product segment is skin care in view of *"the ageing population and the wealth of the 50+ group"*. (EM3 p1). Those aged between 45 and 49 years have the highest gross income of all age brackets in Norway. In light of this, our recommendation to the board is that we target this age segment heavily through strategic advertising in health magazines and this age group's women's magazines.

Female consumers in Norway want *"premium grooming products"* and the demand for these has soared in recent years; per capita sales in top end products rose by 10% between 2008 and 2013. There is *"the willingness to pay for more products that are considered to be safer"*.

Male Norwegian consumers are most interested in anti-ageing products, a concern for 57% of men surveyed by Nivea in 2012 (EM2 p18). Our product is known for its anti-ageing properties and we recognise the need to widen our target market to men with our gender-neutral product range.

The most interesting trend for our product is that the popularity of spa treatments in Norway has boomed in the last five years and this has led to an increase in purchasing *"superior quality cosmetics"* (Clausson p1). This is good news for our product: according to Bord Iascaigh Mhara (Irish Sea Fisheries Board) *"larger volume products intended for spas and treatment centres appear to be growing in importance"* (Walsh and Watson p22). This positive trend has big implications for us: we strongly advocate partnering with 5-star hotels or a 5-star hotel chain in Norway with a view to the repeated supplying of a large volume of product to the hotel spa market. Enterprise Ireland will endeavour to support our partnering efforts through dedicated beauty showcase events and this avenue should certainly be explored in the near future.

Norwegians like to buy online, including cosmetics. *"Norway has the highest per capita annual spending via internet retailers in the world…US$995 in 2013"* (EM2 p24). Online purchases include beauty and personal care products. They prefer their orders to be delivered but are not averse to collecting their goods at a collection point. Their use of cards and e-payments means Norway is heading for a *"cashless society"* (EM2 p2). We need to capitalise on this online purchasing preference and create and invest in excellent online advertising and purchasing sites to harness this sales avenue. We recommend substantial investment in this key area.

2) The Business Culture of Norway

Several existing Irish companies who already do business in Norway and the rest of the Nordic markets are very positive in their view of the business culture there. In the Enterprise Ireland report *Access the Nordic Region*, Irish business people have noted the following characteristics of the Norwegian business culture which can differ to the Irish model.

Norwegians have a strong work/life balance. They work to live and family time is extremely important. There is a clear distinction between personal and professional relations. Norwegians dress casually for business in an informal way but meetings are always formal. The hierarchy in a company is never explicitly shown and the CEO can appear as casually dressed as the administrator as Norway is an egalitarian society. Therefore, they may look informal but they expect formality. Ireland, in contrast, can often times operate in a more informal manner in business.

Direct, honest communication is vital; get straight to the point with no small talk! How we as Irish differ in this respect and we need to be aware of this difference! Norway can be said to have a "low context" and reserved communication style. Be specific in negotiating terms. Written contracts are favoured and binding and should be fulfilled to the letter. Be prepared, structured and organised in your presentations, a very strong process is the norm and detail is the key; they are more detail-focussed than the Irish. Norwegians are even less relationship-driven than their other Nordic neighbours; all the Nordic countries are deal-focussed but especially Norway. Truth, honesty and commitment are needed in building long-term business relationships here. Good market research is vital and presenting factual information in a clear precise way is the expectation.

Having a local rep on the ground in Norway is vital, a person who knows the business environment and language; all Irish business case studies we looked at, from Dubarry shoes to an Irish horse feed company, mentioned this. English is widely understood, but having Norwegian is very important going forward for forging a long-term relationship.

Norwegians come across as very matter-of-fact but in reality are straightforward and fair to deal with. In the words of John Roche, Enterprise Ireland Manager for the Nordic Markets: *"In Norway in particular, always exercise humility, ostentatiousness does not go down well"* (Enterprise Ireland 2015 p9).

This *'humility'* extends to their choice of cosmetic and cosmetic packaging even. This key characteristic will have a bearing on how we label and package our product for the Norwegian market, as will be discussed later on.

Punctuality is very important, meetings do not run over time and they are very structured with an agenda along with follow up emails outlining agreed action. This is in contrast to Ireland which is less time-rigid in its habits. In this respect, Norway is very much a monochromic country with respect to business. Fulfilling delivery timeframes and reaching agreed terms is critical; future orders and the business relationship depend on this.

There is an openness in Norway to adopt innovative products. For this reason, it is ideal if your product has a key differentiator and stands out from your competitor. Ireland too can be very receptive to new ideas and products and has a reputation for its entrepreneurial spirit and openness to innovation. In this respect we are not so different.

Having a strong web presence is very important in Norway for a company to have credibility (54% of Norwegians are on Facebook). Overall, Norway offers a business friendly environment with well-established infrastructure, which perhaps Ireland may lack on a national level.

3) Our Seaweed Culture Versus Norway's One

Both Ireland and Norway have a long, well-established seaweed industry which is processed for food, fertilizer and cosmetics among other things. Traditionally, kelp is the main type of seaweed used in cosmetics in Norway and is used in bath salts and medicinal type lower-end cosmetics. Therefore, there is a precedent in Norway to have seaweed ingredients in cosmetics and its use is widely accepted. However, there are fundamental differences in Ireland's seaweed harvesting methods compared with Norway's. In their study entitled *Seaweed Industry in Europe*, Netalgae note that *"in countries where (kelp) is harvested with mechanical equipment, scientists appear to be concerned with the equipment's impact on the species and also on the surrounding ecosystem"* (p1). Norway and France use extensive mechanical harvesting of their kelp forests; Ireland on the other hand, harvests all of its seaweed manually, either on foot or by diving. The National Parks and Wildlife Service is opposed to *"the introduction of mechanical harvesting of seaweed (specifically kelp) in Ireland"* (p5) and for this reason Irish authorities do not issue authorizations for mechanical harvesting (Netalgae).

Bord Iascaigh Mhara believes that the Irish seaweed cosmetic sector has *"significant growth potential particularly for export markets"* (Walsh and Watson p22). Crucial to success in exporting our seaweed product to Norway is that *"scientific data to support market claims"* needs to be highlighted and worked on in order to show the environment-conscious Norwegian consumer that our product is superior in quality to theirs. BIM points out that *"Scientific data on water quality should be gathered from a number of sources in order to highlight the unpolluted nature of the waters from which most Irish seaweed is harvested"* (Walsh and Watson p33). In establishing these facts as a benchmark against Norway's mechanical harvesting history, along with promoting our organic certification, our product can seek to establish *"environmental credentials"* and aim to *"achieve a premium on as many sales as possible"* (Walsh and Watson p33).

Our recommendation is to aggressively market our product with *'Green Ireland'* credentials; we need to capture that typical environmentally-conscious yet discerning and wealthy cosmetic consumer in Norway. Our labelling, product image and positioning will be crucial to achieving this as we will examine later in our report.

Part 2

- Target Country
- Age and Gender
- Stereotypical Personalities
- Irish Competitors
- Norwegian Competitors
- International Competitors
- Important Considerations

Target Country

Norway as a target market has several promising features including high disposable income and cultural awareness of healthy living, as previously highlighted. It should be considered that Rí na Mara's first entry into the Norwegian market is a test of market brand and long-term goals would be to market other products in the range. Although there will be initial costs in advertising and transportation, these should be considered an investment towards expanding market share and introducing further products.

Norway can be considered a gateway to market entry into neighbouring countries such as Sweden, Finland, Denmark, and possibly, Iceland and Greenland. Results of initial sales of the product in Norway will give a good indicator as to the potential for expansion into these other areas. Naturally considerations should be given as to language and cultural differences regarding marketing and packaging. Forward-looking cost savings in regard to packaging would include other Scandinavian languages on labels for content ingredients of products.

Age and Gender

Primarily the main target market will be females between the ages of 16 and 65 *(Figures 1-2).* This is not to say that women over the age of 65 are excluded, just that it is felt that women of retirement age might not be interested in anti-ageing products. Similarly, young Norwegian girls between the ages of 16 and 18 would certainly be interested in such cosmetic products but marketing towards this group should be carefully contained. Girls below the age of 16 are also possible but aiming advertising towards this group would be controversial and should be avoided. Therefore, there are potentially nearly two million girls and women in the designated target market *(Figure 3)*.

Norwegian men are certainly important also in considering the total target market. As outlined previously, as many as 57% of men are interested in anti-ageing cosmetics (Nivea, 2012). This will include homosexual and transgender consumers.

Sales outlets will attract men and women from all ages *(Figure 4)*. Health stores, beauty shops, department stores, hotels and spas, and cruise ships have a broad range of clientele in their footfalls. The anticipated Rí na Mara website in Norwegian, as well as social media channels, should appeal to all age ranges and genders. Over 94% of Norwegians have access to the Internet.

Stereotypical Personalities

As with women anywhere in the world it is impossible to stereotype the typical Norwegian female. At the risk of generalisation, Norwegian women are seen as convivial, sociable, independent, sports-minded and athletic. Norway holds the record for the most number of gold and silver medals obtained in Winter Olympics. The typical Norwegian woman is also interested in arts, music and cultural activities. Norwegian women are quite patriotic – this is important because they may favour their own country's products over foreign competitors.

Since 2014 conscription into the Norwegian military is compulsory for women. The length of service is approximately 19 months, although they have the option to do community service instead. This group is considered an important target market because women in the military are subject to field manoeuvres and military exercises which are often detrimental to complexions.

All these personality traits mentioned will be important in all advertising campaigns. Above all, Norwegian women (and men) are discerning consumers in that they look for natural and organic products especially in the cosmetic area. It is believed they are also brand loyal, meaning that it may be difficult for them to change from products they usually buy, but if they were to experiment with new and novel brands their customer spend would be consistent.

Irish Competitors

There are about a dozen Irish companies that produce cosmetics made from Irish seaweed *(Figure. 5)*. Although most of these appear not to be prominent in the Norwegian market, it is impossible to determine whether they have plans to expand in the future. They should all be closely monitored for their marketing policies since they could become potential threats to Rí na Mara. In particular, a few deserve special attention: Algaran, Green Angel, and Voya are major players in the seaweed cosmetic industry and each have a strong online presence. Lush have a few stores in Ireland and five in Norway with a multinational website covering the world.

Norwegian Competitors

As mentioned above, Lush are a serious competitor to market entry into Norway. The Body Shop have 13 stores around Norway as well as a Norwegian website. There are also over 20 cosmetic suppliers in Norway, although without understanding Norwegian it is difficult to determine which of these are involved in the seaweed industry.

Neutrogena is also a major competitor in Norway. It is actually owned by Johnson & Johnson Consumer Inc. and its head office is in Los Angeles, but has used the Norwegian flag as its logo in the past. Therefore, Neutrogena should be considered an international, rather than a Norwegian, competitor. Either way it should not be underestimated.

Elle Basic and Solis International are major Norwegian distribution companies, but they may be useful as strategic alliances in regards to marketing and distribution. Contact with these two companies initially would be paramount.

International Competitors

Apart from Lush, The Body Shop and Neutrogena, there are hundreds, if not thousands, of companies around the world with links to the cosmetic seaweed market. Japan, for example, has a strong seaweed industry. Premier Cosmetics are a major player internationally also. It is impossible to predict how international companies would impede on market entry into Norway, and it is recommended that a database be maintained to quantify threats and opportunities.

Important Considerations

The trade association in Norway for the cosmetics industry is *Kosmetikkleverandørenes forening* (KLF) (www.klf.no) and it would be vital to ensure that Rí na Mara are listed on their directory. Close scrutiny of the Norwegian seaweed industry is essential especially in the areas of over-farming and environmental factors. For example, a major supplier is *'Seaweed from Norway'* based in Bulandet (www.seaweedfromnorway.no).

Getting the product to Norway must also be carefully considered. There are transport routes by air, sea and road. Air freight is expensive and since the product is non-perishable (at least in the short-term), therefore this is the least likely option. Carriage by road although time-consuming may be cheaper, but by sea container vessels to Trondheim, Oslo, Larvik, or Kristiansand are the most environmentally-friendly.

Along with all factors mentioned within this report in regard to the product's potential, in summary several areas need to considered. The Norwegians may like the *'Irishness'* of this product, and the fact that it is natural, organic and trendy might not be enough for this to be successful, especially when competition, marketing, transportation costs and a discerning target market are to be considered.

Part 3

- Reasons to Enter Market
- Options of Entry
- Recommendations
- How to Operate
- 4 P’s of Sales/Marketing

Entering the Norwegian Market with the Rí na Mara beauty products

Why go into an overseas market?

There are numerous reasons why a company would consider going into an overseas market. Some key motives to move overseas are to:

- Gain access to new customers.
- Achieve lower costs and economies of scale.
- To access resources and capabilities in foreign markets.
- To spread the business risk across a wider market base.

Options of Entry

<u>Exporting</u>

This method has some obvious key advantages such as there being no need for operational facilities in the host country, and that the export marketing can be controlled from Ireland via the internet. Of course the loss of any possible location advantages in Norway is a disadvantage, alongside transportation costs. As Norway is our chosen country, a traditional issue associated with exporting of trade barriers is not a concern thanks to free trade agreements between both countries thanks to the European Free Trade Agreement (EFTA)

<u>Licensing</u>

The key benefits of licensing are the contractual source of income and the limited economic and financial exposure. However, picking a good partner to licence the product can prove difficult and not having the right partner can be detrimental to the product. It can also lead to a loss of competitive advantage for the company.

Joint Venture

One of the most challenging concerns with a joint venture is that of relationship management. Selecting the right partner is obviously key to this, and can be difficult as the company is not currently operating there. However, the shared investment risk and advantage of complimentary resources is beneficial.

Foreign Direct Investment

This option would allow the company maintains full control and rapid market entry through acquisitions. Greenfield investments are also possible and may be subsidised. However, this requires substantial direct investment. The acquisitions can cause integration and coordination issues. On top of the greenfield investments are time consuming and can prove very unpredictable.

Recommendations

In general, the lower the risk you take, the lower the control you keep over the product in the new market. On the contrary to have high control over the product you must take greater risk such as a wholly owned subsidiary. These are important elements for us to consider when entering this market.

We would recommend to export the product to Norway. The first need would be to find a distributor to work with and establish a good working relationship with them. Having a good distributor is key to a successful launch. The distributor should have a good market knowledge and should be well educated on the Rí na Mara brand so they can sell the product well on its strengths. Enterprise Ireland can help with this by supporting the company in getting places at relevant trade shows where networking with distributors can be done.

How Will We Operate in The Market?

A key decision for Rí na Mara is what position it wants to hold in the market. Will it be an upmarket product like it currently is in the middle east, or will it be offer an upmarket and bargain product (Le Mara) like in Germany. Based on the health consciousness of the Norwegian people and on the amount of disposable income they have we would suggest we aim for the upmarket products, with a goal of low volume high margin. With lower volume comes reduced transport and export costs, as well as lower risk.

4P's of Sales

Product

The first thing to look at is Product. Do they really need it? Is it something they are likely to buy. It is great if you can sell sand to the Arabs or ice to the Eskimos, but do they really need it? While our product is not something that is needed, skin care products and personal hygiene products are popular worldwide across first world economies. And going in as an upmarket brand will help with limiting our market to those who traditionally spend on luxury products.

The name Rí na Mara does not translate to any unfortunate name in Norwegian which is good. The issue of language means the company will most likely need to hire a Norwegian speaking customer service worker to ensure that any customer needs are met. It is also important to make sure the branding does not break any marketing laws in Norway. In America the brand cannot claim to be anti-ageing unless it is scientifically proven and so packaging is adjusted there to adhere to the law. And of course the finance department will need to monitor currency trends and make arrangements for dealing with a different currency (Norwegian Krone) in the future.

Price

As we have already discovered in this report people have a high level of disposable income so entering the market as a premium product should be achievable as higher prices should not cause concern.

Discounting products up front is not recommended, and instead back end rebates should be encouraged for marketing services received. We would also not recommend bundling as Rí na Mara wants to stand out as its own brand and not need to be associated with any other product. Credit terms refer to Enterprise Ireland.

Place

As already highlighted earlier in this report the ideal place for the product would be in the Spa rooms of five-star hotel. Spas on cruise liners are another good avenue for us to locate our product. This will highlight our product as being a luxury item. We can also look to have it located in pharmacies.

Enterprise Ireland has helped Rí na Mara in their past entries into new markets by providing local knowledge, financial support and helping with getting them into trade shows. This helped with meeting potential buyers and distributors.

A key thing is to maintain contact and a good relationship with the distributors as they will be selling the brand in Norway. It would be recommended to travel to Norway to provide training on the products for the upselling of them instore, as is being done in Dubai.

Promotion

As already highlighted in this report we would look to promote online through newsletters such as E-zines and Facebook. This is in line with what we have done in previous new market launches and allows us improved control over the product in the market.

We have considered advertising through television but the cost of this is very high to begin with and may not provide enough of a return. According to Enterprise Ireland the Norwegian people do not generally respond well to jazzy marketing campaigns. Other Marketing options we are considering running are PR events such as days instore with promotional staff who speak Norwegian giving sample demonstrations and free applications. Women's magazines and men's health magazines are another possible area to focus our marketing on due to the health conscientiousness.

Part 4

- Product Positioning
- Conclusions

Positioning of Rí na Mara Products in the Norwegian Market

In their book *Positioning: The Battle for Your Mind,* Ries and Trout describe product positioning not as something you do to alter your product as such but more something which involves strategically placing your product in the mind of your prospective customer. It involves *"getting heard in our over-communicated society"* (Ries & Trout). Therefore, we need our product to stand out from the crowd and capitalize on our product's strengths which include being organic and containing sustainably hand- harvested ingredients from pure marine waters.

The *'Green Ireland'* image is key to our product positioning in Norway. Enterprise Ireland has also recognised this need to be distinct from one's competitors noting that *"There must be a key differentiator relating to your ...product"* (p14).

Lack of shelf space in the typical store format in Norway is an issue. Norwegian beauty consumers stay brand loyal; it can be difficult for new entrants such as Rí na Mara in this typical store format which is smaller than average and more innovative ranges such as ours can be ignored or squashed into a corner (EM3 p2). Therefore, specialist outlets such as pharmacies can give more space and attention to a range such as ours, ensuring maximum visibility and encouraging a feel of exclusivity.

'Pharma brands' are brands which are mostly distributed via the pharmacy channel and in January 2016, Euromonitor notes that this is a product niche that is *"prospering"* throughout Scandinavia. Norway in particular, changed their laws in 2001 to allow for a wider range of

retail channels for beauty ranges including pharmacies. Why do pharmacies stock these upper end beauty ranges? Apart from attracting customers and increasing profit, pharmacies that stock *'pharma brands'* (which generally have a more *'medicinal'* function) manage to differentiate their product ranges from other beauty sales outlets. This differentiation is what we seek to achieve with our product range. Also of note in Norway is that specialist outlets for premium and niche brands is the *"leading distribution channel…with a 26% stake"*. (EM3).

Rí na Mara owners have had success in the past with positioning their products in the pharmacy channel targeting a more affluent market segment. In May 2016, the directors have organised on-site training for the sales staff in their Dubai pharmacy outlets in order to maximise product sales and generate more activity. We feel that a similar approach in Norway would yield good returns and we recommend the rolling out of a comprehensive training programme for our pharmacy stockists there.

A vital recommendation which we make to Rí na Mara is placing the product range in spa treatment centres in 5-star hotels in Norway. We need to diversify our sales channels and market segment and sell a larger volume of product; this positioning would be an ideal solution to this. Spa treatment revenues are growing in Norway and our product needs to capitalise on this trend. Our Irish competitor Voya is taking advantage of this sales channel in other markets and it positions its product exclusively in spa treatment centres only, giving instant exclusivity and kudos to its very similar product. While we do not need to ignore the more traditional market segments, we do need to look at which channels will provide alternative sales opportunity and increase volume of sales, while making our product stand out from the norm.

Rí na Mara has very successfully exploited QVC in the US, which is a television sales channel that sells all manner of items including cosmetics. This is another possibility to position our product in Norway. However, according to research, *"consumers in this market are also very sceptical and are not easily persuaded by flashy marketing campaigns"* (EM3). Norwegians prefer to buy online and this should be a consideration for our company in how we position our product there. Good on-line marketing though Facebook and a Norwegian website would be a good investment for us. In fact, our directors currently use e-zines and monthly newsletters online in their current markets and recognise that Facebook is an important tool for growth. For example, ex-pat customers in Dubai use Facebook to find out where Rí na Mara products are on sale. According to social media analysts Social Bakers *"54% of Norwegians are on Facebook"* (Enterprise Ireland p16). Therefore, using good up-to-date social media tools is vital in how we go about positioning our cosmetics in our market.

In considering the marketing mix, we may need to change, our packaging is fresh and neutral, and most importantly for the Norwegian market, not flashy. Luckily, Norway is not known to be a highly litigious country in which to do business, unlike for example the US: Enterprise Ireland has noted that *"Nordic legal systems are characterised by their practicality and realistic approach toward the law…"* (p27). In a previous marketing faux-pas, Rí na Mara stated on their US products the term *'anti-ageing'*. The FDA called the company up on this statement and did not allow this term to be used on the packaging in the States; unless the product's anti-ageing claim had been scientifically and medically proven, this cannot be stated on the label/box in the US. Therefore, Rí na Mara had to change their marketing mix in this case to some expense.

In Norway, as stated previously, Nivea did a survey on what men wanted in the cosmetics they buy and anti-ageing' came out as the number one issue they cared about. Since it is generally accepted anecdotally that seaweed is an anti-ageing ingredient and this claim could attract the Norwegian male customer to buy the products, this claim should be used to win over this segment of customer in Norway. Enterprise Ireland notes that the marketing one uses in Norway *"should focus on the benefit to the customer rather than the features of your offer"* (Enterprise Ireland p14).

At promotions and demonstrations (and in the pharmacies), marketing brochures and banners need to be in Norwegian no matter how good the locals' knowledge of English is. This is just a basic courtesy to the Norwegian consumer. It has been found that in Scandinavia generally, the consumer likes to read about personal case studies and marketing of a product should include *"some endorsement by a significant customer"* (Enterprise Ireland p14).

Finally, we recommend to the board that we enter the Norwegian market with our cosmetic range, initially through the pharmacy channel; together with Enterprise Ireland, we advocate strategic targeting of the spa hotel segment of the Norwegian market. We strongly advise investing in excellent online advertising and sales channels to open up our market. We feel the Rí na Mara range will sell successfully in Norway if we harness Enterprise Ireland's know-how in partnering with reliable distributors and in targeting the correct market segment.

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Appendices

Transcript of Interview with Rí na Mara Owners, Deirdre and Seamus

Qs. Has Rí na Mara ever considered entering the Nordic market, specifically Norway?
Not seriously yet, but Nordic buyers do come to our stands in Germany at the trade show 'Beauty World', so it is a possibility in the future.

Qs. When entering Germany/Dubai/US, did you initially offer the full range of products or start with one or two and then phase in the full range?
No, the full six products in the range. In Dubai, it takes two years to get registered there, so once that's done, we went full steam ahead with our range and no phasing in. In the US, FDA approval takes approximately six months; again we launched all products simultaneously. On QVC in the States, we only sell our Rí na Mara face cream, not the full range, as this product is a really good seller.

Qs. When looking for a distributor or partner in a new market, how did you go about it?
It's very difficult; it takes a long time and it is a really important consideration. For example, in Dubai, Enterprise Ireland organised meetings with potential partners, checked their credentials on our behalf which was invaluable as they have local knowledge there. Enterprise Ireland also subsidised (though we paid a lot too) our stand at the trade fair 'Beauty World' and we used that as a platform to meet carefully researched distributors (we knew about them before we met them). Enterprise Ireland even brings potential buyers from the US and Dubai to 'Showcase Ireland' (just on in January gone) and it acts as a great link or liaison for distributors.

Once a distributor is found, the need to keep in constant contact is vital: they manage our marketing, promos and sales. For example, in May 2016, we will go to Dubai to our pharmacy outlets and do intensive training with our staff to make them more aware of our products and to generate more sales.

Qs. Who would be your target customer in say, Germany? Why them?

People who are into and aware of healthy natural products. The age demographic is from twenty to sixty years old, we were surprised that some customers were even under twenty. It's a wide age bracket. Really, its people who have an Irish brand awareness and who care about the environment; the green Ireland image is the key and we show them our excellent provenance.

Qs. Would Rí na Mara use social media like Facebook and web site presence in existing markets to grow business or to use it as a sales platform much?

Yes, we use 'e-zines' and monthly newsletters. Facebook is an important tool for growth, for example ex-pat customers in Dubai use our Facebook page to find out where the products are on sale. We see Facebook as being very important in the future for our digital marketing. We use testimonials and customer case studies, but we should use it more. For example, videos and instagrams would be good and we will look into more of this.

Qs. Do you need to change the marketing mix that Rí na Mara uses in Ireland when in a foreign market?

Not hugely, just marketing brochures and banners into German and French. In the US we need to be careful in our marketing and packaging. The FDA in the US will not allow us to use the term 'anti-ageing' unless it has been scientifically and medically proven and this causes us to adjust our labels and packaging there.

Graphs/Charts

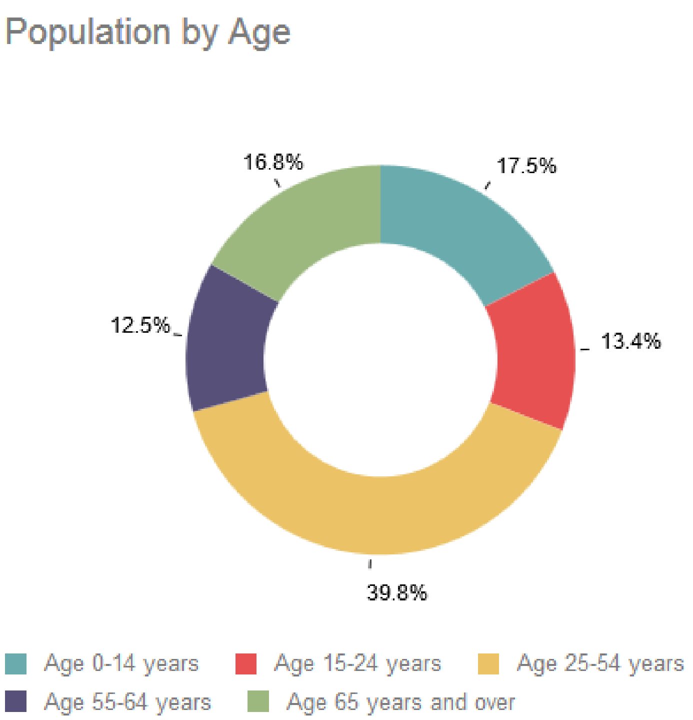

Figure 1: Population by Age

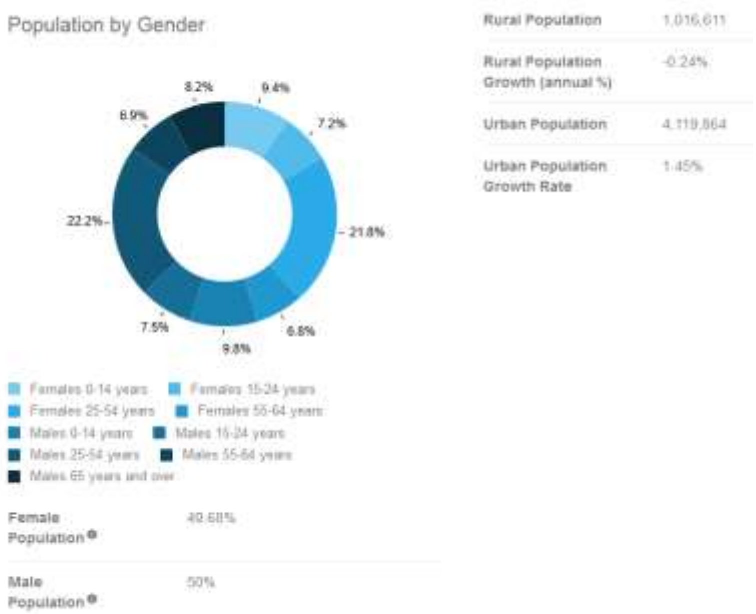

Figure 2: Population by Gender

Norway Demographics Profile 2014

Home > Factbook > Countries > Norway

Population	5,147,792 (July 2014 est.)
Age structure	**0-14 years:** 18.2% (male 480,176/female 456,128) **15-24 years:** 13.1% (male 347,873/female 329,021) **25-54 years:** 40.8% (male 1,080,339/female 1,021,370) **55-64 years:** 11.7% (male 305,094/female 298,134) **65 years and over:** 16.1% (male 375,909/female 453,748) (2014 est.)
Dependency ratios	**total dependency ratio:** 53.2 % **youth dependency ratio:** 28.5 % **elderly dependency ratio:** 24.7 % **potential support ratio:** 4.1 (2014 est.)
Median age	**total:** 39.1 years **male:** 38.2 years **female:** 39.9 years (2014 est.)
Population growth rate	1.19% (2014 est.)
Birth rate	12.09 births/1,000 population (2014 est.)
Death rate	8.19 deaths/1,000 population (2014 est.)
Net migration rate	7.96 migrant(s)/1,000 population (2014 est.)

Figure 3: Norway Demographics Profile (2014)

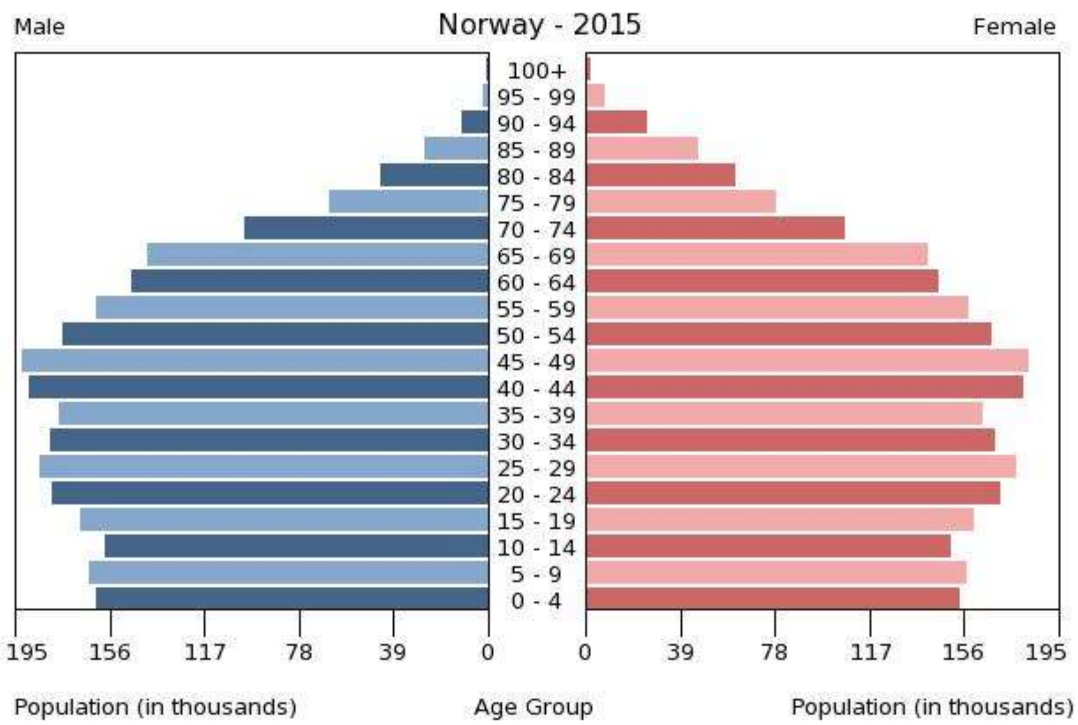

Figure 4: Age Distribution

Competitors

Website	*URL*	*Name/Location*
IRELAND		
	http://www.seaweedproducts.ie	**Algaran** Donegal
	http://atlanticuscosmetics.com/	**Atlanticus Cosmetics** Ballina, Co. Mayo
	http://www.beautyproductsireland.com/	**Beauty Products Ireland** Clonmel
	https://biabeauty.com/	**Bia Beauty** Cork
	http://www.georgiajaneskincare.com/	**Georgia Jane** Co. Clare
	http://www.greenangel.com/	**Green Angel** Dublin
	http://www.irishorganics.ie/	**Irish Organics** Galway
	http://www.littlered.ie/	**Little Red** Cork
	http://www.seavite.ie/	**Seavite** Galway
	http://voya.ie/	**Voya** Sligo
	http://wildirishseaveg.com/	**Wild Irish** Co. Clare

NORWEGIAN		
	http://www.cosmetics1.com/cosmetic-suppliers/norway.html	**22 Various Companies**
	http://www.ellebasic.no/en/	**Elle Basic** Oslo
	http://cosmetics.europages.co.uk/companies/Norway/Cosmetics.html	**10 Various Companies**
	http://www.solis.no/	**Solis International** Lysaker, Norway
INTERNATIONAL		
	http://www.blushcosmetics.com/	**Blush Cosmetics** UK
	http://www.lushnorge.no/	**Lush** International
	http://www.neutrogena.com/home.do	**Neutrogena** USA/International
	http://www.premier-cosmetics.com/	**Premier Cosmetics** International
	http://www.thebodyshop.no/	**The Body Shop** International
…and many others!		