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Expansion of Russian retail company
Concept Group L.L.C.
to Poland

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<p>Abstract</p> <p>Because of the economic uncertainty and overall market unpredictability that exist in the domestic country today, companies look for new opportunities outside of the local marketplace. Globalization has become a new norm for the fashion industry. Therefore it encourages companies to be flexible and adapt to market changes, focusing on prospective development and the use of global resources.</p> <p>This research is focused on a study of opportunities of Russian retail fashion company, Concept Group, to penetrate to the Polish market. The objective of the research is to develop the plan of entry to Poland in the contemporary business environment of Poland. The research will help to answer question what the Polish clothing business environment represents and the sub-question what the most appropriate entry mode into the market is for Concept Group.</p> <p>The theoretical part of the study reviews different internationalization modes. It looks into various go-to-market options as well as highlight the decision-making process of selecting the right entry mode. In the external business analysis, the author researches and provide PEST analysis for Poland's fashion marketplace.</p> <p>This research is conducted as the qualitative study. The questionnaire is used as the primary source for collecting and analysing the data. The secondary data were collected from reliable sources (Statistics Bureau, reports of organisations and companies).</p> <p>Based on the research, it is clear that the company needs to expand sales via online channels. It also needs to develop an online presence and brand awareness to introduce the brand to Polish shoppers. The contemporary Polish market is attractive for the fashion segment, and Concept Group has a high chance in success assuming it can overcome the identified gaps.</p>		
Keywords		
Internationalization, market entry modes, retail clothing market, PEST analysis		

TERMS AND ABBREVIATIONS

CFI: Corporate Finance Institute

DB: Doing Business

EU: European Union

FTSE: Financial Times Stock Exchange

GDP: Gross domestic product

GDPR: General Data Protection Regulation

GCR: Global Competition Review

ICS: Investment Climate Statements

IMF: International Monetary Fund

JV: Joint venture

NATO: North Atlantic Treaty Organization

**OECD: The Organisation for Economic Co-operation and
Development**

PAP: Polish Press Agency

PAIH: Polish Investment and Trade Agency

PCA: Polish competition authority

RND: Research and development

UK: United Kingdom

US: United States

USD: United States dollar

VAT: Value added tax

WITS: World Integrated Trade Solution

WTO: World Trade Organization

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1. INTRODUCTION

1.1 Research background

The trend of business globalization has actualized the topic about the international retail field. Certain problems in the home market have influenced many retailers to consider the entry to foreign markets, thinking of it as a viable growth strategy. The internationalization of retail trade demonstrates a speedy growth. The fashion sector is one of the most progressive in the internationalizing process in the retail field (Jin & Cedrola 2016, 2). The fashion industry is one of the few competitive segments of any economy. The global commercial success of the Russian fashion brands is only a question of time as internal organizational processes become more advanced.

Currently, internationalization is becoming increasingly important and meaningful. In the economic downturn in Russia and the consequent decline in the purchasing power, companies try to find new markets for their activities and go beyond the domestic market. This research will investigate the process of the company expansion; especially all the basic steps and issues associated with the internationalization process faced by the company entering an international market.

The preparation period at the beginning of the internationalization process is a very important point. The decision how to invest resources into the foreign market can affect brand awareness and organisational development in the future. The preparation period includes research of the external economic environments.

This master's thesis will focus on investigating and searching the most appropriate entry modes to the Polish clothing retail market in terms of the current business environment. PEST analysis will be used to conduct the external business environment. The empirical part of this thesis will organize the qualitative research in two stages: questionnaire of company's top management concerning the research questions and analysis of the contemporary situation with shopping malls and current competitors' fashion brands.

Poland is a very attractive country for a fashion industry. First of all, Poland is the participant of Euro Union and one of the most successful country which has the status of the developed economy (FTSE 2018). Secondly, Poland has many prospects for future growth and it has a special interest for entry to the global fashion market as the first European country.

In the company case below, the author will analyse how a Russian company, Concept Group, can exploit global opportunity to expand the company strategy beyond their current markets.

1.2 Case company

Concept Group has been on the Russian market for more than 12 years. Today, it takes a leading positions in the segment of women's & children's clothing. One of Concept Group's brand is the Concept Club. Concept Club is a popular brand of clothes, shoes and accessories for people from 25 to 44 years old. More than 10 collections per year are created under the brand. The brand takes into account the current seasonal trends and fashion direction. The apparel produced by the company is easy to mix and match to create attractive outfits.

Today, Concept Group has over 250 stores including an additional well-developed franchise network of 150 stores. The company's portfolio includes: ACOOLA children's clothing brand; brand of women's clothing Concept Club; as well as the brand of underwear Infinity Lingerie.

The history of the company started in 2004 when St. Petersburg's entrepreneurs Leonid Hanik, Anna Petrova and Lare Pettersson made their first step in launching a new fashion business. The operating activity of the company has started from the underwear department. The company was a distributor of various European underwear brands such as "O' Lingerie". Later, it has developed and launched its own brand of lingerie - "Infinity Lingerie".

In 2004 the company was called Swedish Trading House. The plans were to open the first three stores in St. Petersburg and two others in Moscow. The first Concept Club store was opened on September 5, 2005 in St. Petersburg.

By the end of 2005, the company had expanded its operation and opened additional 5 stores. In the same year, the new brand Infinity Lingerie TM of underwear was developed and rapidly evolving. The main part of the brand Infinity Lingerie consisted of the women's line. It also included a line of beachwear, underwear and home assortments for men called Infinity Man. The distinguished feature of this brand was a wide range of collection pieces and frequent updates to styles. The brand was producing 12 collections per year. By August 2008, the company grew and opened in total of 14 stores. At the same time, the company began to implement their first franchising program.

In August 2010, the company opened a new brand of children's clothing stores under the name ACOOLA. The main differentiation of the new brand was that clothes were created based on the recommendations of the children themselves. Modern parents, choosing clothes from ACOOLA, noted its original design and high quality at reasonable prices. The range of the brand included casual, school and festive clothes of different styles, as well as a wide range of accessories, shoes, underwear and hosiery. Each year ACOOLA's own design bureau developed at least nine full collections of clothes.

In 2014-2015, Concept Group focused their efforts on the growth and development of the ACOOLA network. During this period, about 90 new stores were opened. During 2010 year, brand awareness increased from 12% to 29%. In other words, every third woman with a child from 2 -14 years knew about ACOOLA. At that time, the ACOOLA retail network included more than 220 stores. More than 60 of these stores had been operating under the franchise system.

Additionally, in 2014, the company launched a new line of women's clothing called Concept Club that offered women's clothing 50 - 58 size. Then on June 9, 2016, the

enterprise launched new sales of the brand Infinity Lingerie to their retail customers on the Indian online ecommerce website called TATA CLiQ.

All brands collections were successfully selling by business partners in more than 700 cities of Russia. Goods were in demand in post-Soviet Union countries including Kazakhstan (Almaty, Astana, Aktobe) and Belarus (Minsk, Mogilev, Vitebsk, Brest).

One of the company founders Leonid Hanik strongly believes that Concept Group has a diverse enough corporate strategy that not too many competitors can sustain. There are other enterprises that compete with the Concept Club for the same commodity & resources, but they are not the direct competitors due to their narrow brand direction & focus. Because of the product diversification strategy that Concept Club employ, the company has a very high chance to succeed in new international markets. The company is well-positioned to increase profitability from sales volume of their products in the country like Poland.

This case study will outline Concept Group plans for entering the Polish marketplace.

Company's product case

According to Hollensen (2017, 479), a researcher has to realize that brand positioning can vary from market to market. So it is important to notice that the Polish market is very similar to Russian, as for cultural values, fashion tendency, and age group of target consumers. These similarities are very positive and important factors. They mirror the consumer's perception of the latest company's product stands and how the company differentiates their goods from their competitors.

Concept Club brand has a clear-cut positioning and precisely-described target audience. It has its own character which is reflected by different fashion collections. Using this approach, the company can target all segments of mass market. The brand positioning reflects customers' needs from spectacular and glamorous

clothes for progressive women to more feminine and young collection or a more mature and respectable one.

The product branding or product marketing creates power and recognition for the brand. Product marketing is all about highlighting and communicating differences between products to their target audiences. Marketers need to teach their consumers about the product by telling them stories that resonate with their unique needs and wants. The brand stories that are aligned with consumers' desires will create a mental awareness and brand affinity. In return, the company will benefit from customer retention and satisfaction that will lead to higher sales and profits.

For branding strategies to be successful and the brand value to be created, consumers must be convinced there are meaningful differences among brands in the product or service category (Kotler and Keller 2012). All Concept Club collections show and reflect the main brand concept. The most important is that Concept Club is not the only fashion apparel, but their products invoke emotions after they are purchased. The brand's identity is created by its own team of talented designers who watch closely the hottest fashion trends and practice accelerated go-to-market strategies to offer these new concepts just in time to the Concept Club women. Concept Club products combine affordable prices with high quality. Brand's customers are young, curious and anxious for success, exploring the world and searching for their own way. Concept Club is a launch pad for the new heights. Concept Club tries to create brand associations with the best emotions of consumers' life. All advertising campaigns are directed to the idea of emotional appeal and happiness. For example, company produces a certain collection with low cost that shows that customers can spend all their money not only on purchasing clothes but on their dreams.

1.3 The aim, objectives and research questions

The aim of this research is to study the opportunities to penetrate to the Polish market for Russian retail clothing company Concept Club L.L.C. In this case, the objective of the research is to develop the entry plan to the Polish clothing market in

the contemporary business environment terms. Therefore, the aim of this thesis is to answer the main research question:

- What is the Polish clothing business environment?

In order to answer the key research question, the author will respond to the following sub-question:

- What is the most appropriate entry mode for the Polish clothing market with the company's position according to their current business environment?

The process of analyses of the Polish market will not be limited only by analyses within the country of the clothing sector, but also outside of the sector. To be able to succeed in the new market, the company has to do its best to achieve its desired results.

1.4 Framework and limitations of the study

The thesis's structure is built to prove coherence, validity and reliability of the research for reader understanding the aim of the study.

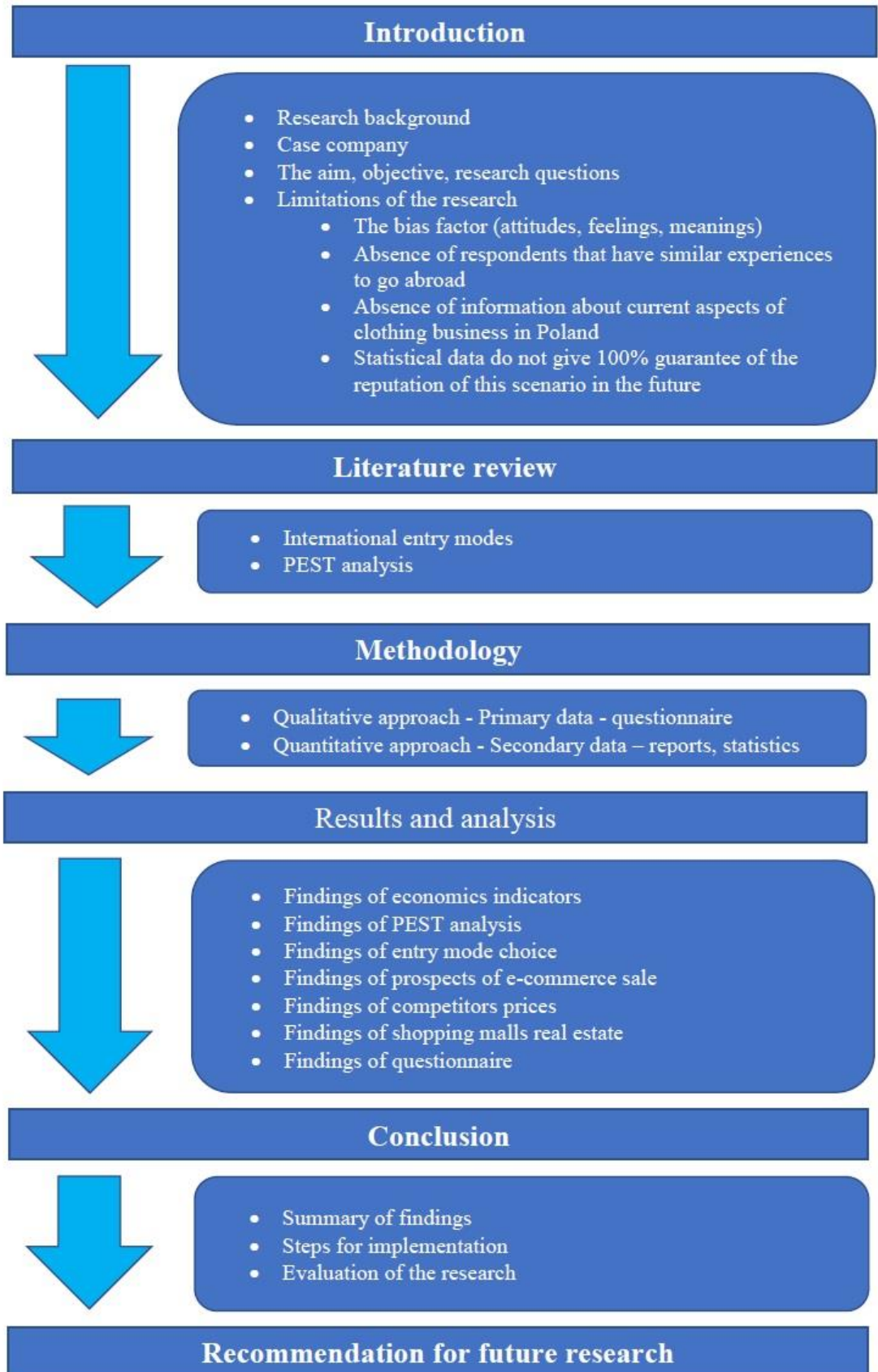


Figure 1. Framework and limitations of the study

Figure 1 reflects the framework and limitations of the study.

The introduction chapter represents the reader basic information to the selected topic, case company and moves to the explanation of the thesis aim, objective and research questions. The limitations of the research are also reviewed in the chapter.

The objective of the second chapter is to enter readers to the investigated field and to lead via a theoretical-methodological basis to the empirical analytical chapter. The goal of this part is to study all possible penetration modes overseas, its diversity of aspects, challenges and opportunities for newcomers entities and a technic of an external PEST analysis.

The third chapter introduces the methodology and research approaches for data collection. It also demonstrates how the data was collected and analyzed. In that section, the author describes how the primary and secondary data was processed and categorized. Next, the author explains the sequence for development of findings, conclusions and recommendations. At the end of the third chapter, the questionnaire is showed that was shared with interviewers to collect insights.

The fourth chapter provides empirical findings and analysis concerning to research questions about the current Polish business environment.

The fifth chapter is a conclusion that outlines specific steps that the company should implement in the nearest time. Also this chapter gives recommendations for a future research that the company should investigate to launch this project.

Limitations

The first limitation is management of the bias factor. The results of the study will not be precise and error-free. Unlike in the physical sciences, it is not always possible to conduct qualitative research that are 100% accurate. One major issue which

concerns the qualitative research method is quantitative measurement of answers such as attitudes, feelings and meanings (Maxwell 2013, 220-222).

The second limitation of this study is that the research doesn't have enough reliable information about the current aspects of the clothing business in Poland. All data is collected from free available sources and contains not so much financial and numerical data.

The third limitation is the factor that all assessments of the business environment, political, social and other aspects based on the statistical data do not give one hundred percent guarantee of the reputation of this scenario in the future. At present, the world and society are undergoing rapid and significant changes in both the socio-cultural and any environment. Moreover, all changes have mutual influence. Therefore, the previous economic models and statistic data can cease to work.

The next limitation of this research is a small number of stakeholders that will take a part in the interviews. For example, only the key company employee will be included. People that have similar experiences from other companies in the same field will not participate.

This thesis provided a lot of useful information gathered by the author but could not cover all possible aspects of research project which depend on the future results after launching the project by the company.

2. INTERNATIONAL ENTRY MODES. PEST ANALYSIS.

INTERNATIONALIZATION OF COMPANY

Ricart and Llopis in Forbes (2015) affirms that companies have many movers to go abroad: reduction of a domestic market; opportunity or necessity to grow sales; diversification of business operations as well as related risks.

Firms meet significant uncertainty while planning their strategies for entering foreign markets. For example, companies are often uninformed of local regulations and legal requirements; they can also be uncertain about the size of foreign demand and the validity of their products to local tastes. During the initial steps of company internationalization, few organizations are prepared to share their resources willingly to support foreign operations. Without relevant experience and knowledge, decision makers will have a sense of risk and uncertainty. Vice versa, the greater the depth of knowledge and experience in international markets, will guarantees the firm's success and minimization of risk. The knowledge about diversity of entry modes allows to internationalize successfully.

At the same time, Jin and Cedrola (2016) claimed that there are different retail sectors which have overly diverse structures and characteristics. These characteristics greatly shape and influence the internationalization processes. Therefore, the existing internationalization theories may not necessarily be directly applicable to the retail sector in general and to fashion retailers in particular. Overall, the retail clothing internationalization is a long, risky, complex, too expensive and non-linear process.

2.1 Entry modes

This chapter will describe the exiting strategy of the company on overseas markets. It will also observe basic modes of entering the international markets and the key drivers, stages, benefits and disadvantages of the enabled ways.

The contemporary world embraces opportunities of the global market. The international market makes companies to take more proactive and agile approach when moving overseas. Internationalization opportunity entails not only attractive prospects but also requires certain knowledge and skills.

The topic of entry modes has been considered by researches for many years. Authors like Anderson and Coughlan, (1987), Klein and Roth (1989) and Welch et al. (2007) continued the research of entry modes from a different business perspective.

All these researches have an important impact and reflect previous investigations and findings.

Root (1987, 5) writes that a foreign market entry mode is a set of business activities that gives an opportunity to introduce goods and skills into overseas market. Later, Welch et al. (2007, 6) identifies foreign operation modes as the key factor in the way companies implement their internationalization process. Both definitions explain the concept of internationalization.

As foreign operations methods and modes are an essential topic area for the present thesis, it is elaborated below, the terms here are used interchangeably. In general sense, they refer to the way of operating in foreign markets used by global organizations.

Table 1. Major foreign operation method option (based on Hollensen 2017)

Intermediate (Contractual) Modes	Exporting	Hierarchical (Investment) Modes
<ul style="list-style-type: none"> • Join ventures/ strategic alliances • Franchising • Licensing • Management contracts • Contractual manufacturing 	<ul style="list-style-type: none"> • Indirect • Direct • Cooperative 	<ul style="list-style-type: none"> • Minority share (alliance) • 50/50 • Majority share • 100% owned

Hollensen (2017) classifies methods as intermediate, exporting or hierarchical modes, presented in Table 1.

There are three groupings of entry modes available to the enterprises when going into international markets. Writers and researchers declare that every market entry mode is characterized by inherent levels of risks, supervision and resilience. For example, the use of hierarchical models or investment modes gives the company ownership and thereby high control. On the other hand, committing heavy resources to foreign markets also represents a higher potential risk due to impossibility to reflect immediately on commercial threats. Therefore, the entry

mode solution involves trade-offs, as the entity cannot have both high control and high flexibility simultaneously (Hollensen 2005, 316).

The first set is contractual entry modes, which are franchising, licensing, management contracts, subcontracting, project operations, alliances and other. The contractual modes include a variety of arrangements. The second group of entering abroad is export modes. Exporting is the most traditional and well-known method of entry to international markets. This method is subdivided into a few certain modes such as direct or indirect export and own a sales office or a subsidiary. The investment entry mode includes acquisitions like purchasing a stock in an existing company in an amount sufficient to acquire control, or, oppositely, investing in small amount of shares where the company continues to control all major company operations.

Fashion brand companies have five choices when they desire to enter the international markets. In the order of resources requirements the choices are: export, licensing, franchising, joint venture and wholly owned subsidiary (Jin & Cedrola 2016, 13). Onwards, within this chapter the writer tries to describe the nature of different modes options that are available to companies as they seek to internationalize.

2.1.1 Intermediate (Contractual) entry modes

All types of modes in this group are very close to each other. However, they have diverse contract conditions for both participants of collaboration as a host country as well for owner of unique knowledge (some intellectual property) and skills (Bradley 2005, 243).

The common theme is that a firm entity that goes into some sort of partnership with another firm is located in different markets or countries. The goal of this cooperative relation is to develop the mutual beneficial long-term competitiveness mutual. (Albaum & Duerr 2008, 373).

Contract manufacturing

The one of the intermediate modes is contract manufacturing which allows an enterprise to have foreign sourcing without managing the production cycle. It is possible without any resources and investment. The contract manufacturing allows the company to perform an RND, product marketing, distribution and servicing, but the goods are developed by the local production team. The goods can be sold by the contractor in any countries including domestic or foreign market.

The distinctive feature of this mode is that this form of business organization rely heavily on a contractual network of foreign manufacturers and at the same time it guarantees substantial flexibility. For example, companies can change a manufacturer in case of low quality or due to any other negative outcomes. The weak side of this mode is controlling the product quality and the whole manufacturing process to meet desired company's standards (Hollensen 2017, 389). This description allows to summarize that this model is more suitable for producing enterprises and it does not relate with the company's use case.

Licensing

Licensing means lending the brand name to other entities to use in exchange for a license fee. It is a popular method among many brands. For example, companies use multiple license agreements between the owner of intellectual property and a company or an individual that wishes to use the original brand in association with a particular product. Licensing is issued based upon agreed period of time and within a certain location. Root (1994, 86) explains that licensing can mean as transferring intangible assets. Enterprises which is in contractual agreement get an official permission, patent or license to use technological invitation, knowledge of a company which located abroad. This mode does not require a high commitment in investment according to Horská (2014, 137-140).

The licensing agreement is a legal contract which transferred from a licensor to a licensee in terms of some conditions. There are many varieties of intellectual

property that can be covered by licensing arrangement. Many companies have been launched the licensing as the starting form of foreign market entry mode while licensing can be applied as a low-risk of market experiment and before making a deeper commitment in some other form. The main advantage of licensing is the promotion of brand awareness. Licensing is a better format to start business because there are faster and more profitable ways to grow business without large investments to different resources, but it lacks management control (Jin & Cedrola 2016, 14).

Welch et al. (2007) found that many companies do not agree with the idea of licensing, due to a result of their own negative experience while using the mode. There is a concern that a firm creates a future competitor. It is one of the major disadvantages to issue a license.

Analyses within the book of these authors illustrated that there are different opinions about grade of licensing risks. Some companies see licensing as a high-risk activity, while others think differently. Anyway, for licensing to be effective, it does require active involvement and commitment from a licensor (Welch et al. 2007, 135).

Franchising

The next possible choice among the entry modes is a franchising model. According to Lafontaine and Shaw (1998), there is the following description of franchising process defined as a form of long-term business cooperation between two or several companies, where a company with a well-known, famous name or brand (franchisor) resells the rights with technology, production or sale of goods or services to independent enterprises (franchisee). Franchisor supports franchisee in all operating activities (e.g. RND, marketing, advertising and etc.) and provide control of franchisee's business. This definition states that after training, the franchisor brings a full business system that enables a franchisee, to start managing business free from franchisor.

Franchisee entity also provides the instruction of the franchisor's according to all business operation activities. Usually franchisee has regular trainings with a marketing emphasis. It is a usual practice when franchisor undertakes advertising campaign and other promotion for the franchise partner chain. The learning is a principal step in ensuring the coherence of operations in diverse locations and cultural contexts (Welch et al. 2007, 52).

Readers can note that there is considerable misunderstanding regarding the difference between licensing and franchising. The difference is in the degree of control. Franchisees are part of an overall system and must operate within it and are driven by it, whereas licensees can set many of the parameters of the operation themselves. Usually licensing occurs to an existing business which sets many of the boundaries. Furthermore, franchising is a low-cost method of expansion which supports the goal of rapid growth and the operation process that delivers returns. Also franchising in a foreign market may not be a simple one: it could be a significantly lagged step in market entry and is typically embedded in a more complex foreign operation mode package within each market.

As Welch declares, usually companies involved in international franchising have previously experienced their franchising systems first within their domestic markets before moving into international activity. This internal process is managed more readily in a local environment where it is easier to hold control and react quickly to emerging issues.

In general, there are many important decisions that the company needs to make before undertaking the entry on a foreign market. Among them there is the type of enterprise and the knowledge of franchising package, which should be reconsidered according to cultural, legal and financial aspects. Because of the significant global growth, franchisees can benefit from running business independently from the partner but within the established and supported business guidelines (Welch et al. 2007, 53-72).

As the author notes, there are major advantages for being a franchisee. For example, the promotion of commodity is a responsibility of the franchisor. There is also access to franchisor's support and wide range of knowledge and solutions. Additional factor is a financial support of the franchisee, which has become more important in a widening range of countries. Also, the benefits of franchisor can be equally distinguished: expansion processes without significant investments, with limited resources and participation of interested foreign party (Welch et al. 2007, 77).

At the same time, the popularity and growth of this mode is accompanied by the set of their own problems such as finding a partner, implementing process or solution and retaining control. The analysis of franchising as a method of international operations has demonstrated that its use is attractive but not very easy. As a consequence, the utilization of franchising occurs in the context of complex mix modes, rather than the simplistic, unitary mode choice framework presented in a big part of the literature on international business operations (Welch et al. 2007, 79-89).

Franchising entry mode is applied among fashion brands such as Benetton and Marks and Spencer. It is more suitable for fashion brands due to the possibility of small amount of investment capital and to avoid cultural misunderstandings of countries (Jin & Cedrola 2016,14).

Join ventures/ Strategic alliances

An international joint venture (JV) or a strategic alliance (SA) is a collaboration between two or more companies located in different countries. Basic logic to establish joint ventures is the experience in new technologies or lack of any skills which entry company does not have; foreign investment limitations; possible speed growth of entry due to host entity (Hollensen 2017, 398).

In a contractual JV, a few companies create a partnership to share the expenses of investment, the risks and so the long-term profits. The idea of joint venture

supposes the establishment of a new company in which both sides foreign and local investors share responsibility, management and control.

Simultaneously, it is important to distinguish following disadvantages: different goals of participants can entail to possible conflicts between companies; losing the control of operating activities above another partner; cultural value and differences between both sides (Hollensen 2017, 398-399).

Management contracts

If one firm provides management service to another company that provides the day-to-day operating activities abroad and bring investment this template is called the management contract. It is normal if a contractor does not want to continue operating after the contract expires. It is a typical situation when unexperienced company is looking for another experienced one. A special payment to the domestic company for the operational management services can depend or not depend on financial results (Luostarinen & Welch, 1997). This type of contract gives the company an opportunity to concentrate on its lead activities and provide control if it is necessary. Basically a host entity does not have any right to make significant core decisions (investment policy or modify an ownership arrangement according to Root (1994, 114).

There are limited quantities of industries with a history of using this mode such as the hotel sector and airline industry.

The managerial agreement which based on longer-term contractual duties for certain period of time calls management contracts. In strategic sense, there is the fact that the management contract places the contractor within the recipient organization, putting it in a special position to influence a range of short- and long-term decisions. With a/the business owner's position, the contractor has the potential to benefit, as Welch, Benito and Petersen (2007, 139-140) argued in their article.

Hierarchical (investment) entry modes

The last group of entry modes is the hierarchical mode, where the company fully owns and controls all of the operation activities. This type of entry modes requires some investments. several possible modes within the hierarchical type are listed below.

Domestic-based sales representatives

A domestic-based sales representative is a mode where spokesman who is a company employee is living in entity's country and travels abroad to sell goods or services. It allows to keep better control of sales activities than with independent intermediaries. There are also advantages such as feedback from customers and possibility to take independent solutions by an agent within process communication with partners or consumers.

Foreign sales, branch/sales and production subsidiary

The distinctive feature of foreign sales, branch/sales and production subsidiary is the sales function which is located on the foreign market and reflects a greater customer commitment than using domestic enterprises' sales representatives. At the same time, it can become a necessity to establish a formal branch office. A foreign branch is a legal part of the firm where it is possible to hire local citizens. The logical continuation of this way is establishing a wholly owned sales subsidiary which guarantees control over the sales activity. Such companies can take responsibilities themselves and as well this local branch gives some tax privileges. Therefore, a company should assess its resources in terms of long-term investment and the appropriate moment to open this one (Hollensen 2011, 388-389).

Hollensen (2011, 390) with reference to Scott and Gibbons (2009) argues that difficulty exists when the subsidiaries do not have ability to initiate some innovative ideas and are restricted by rules of headquarters. In this situation, it is very important to develop a system of trust and relationship between both sides. It is

important to note that some business activities may not be cost-effective or strategically beneficial in terms of opening branches.

Acquisition or Greenfield investment

All modes which were described above require investment in foreign-based facilities. At the same time, an enterprise can establish the wholly owned subsidiary or acquire an existing company.

Despite obvious benefits of ownership, the parent company can face possible losses alone. There are market-related risks, substantial political risks (e.g., expropriation, nationalization) and economic risks (e.g., currency devaluation, lack of resources). This way certainly should be considered in mature markets by newcomers.

Expansion via acquisitions or mergers carries substantial risks such as corporate cultural differences, outdated plants needed in huge contributions, tarnished brand reputation, open hostility towards foreign companies or unmotivated workforce. Unjustifiably cost of acquisition is high because profitable enterprises are sold very rarely. The alternative way which allows to avoid these issues is greenfield operations that are established from scratch and enables flexibility in human resources, suppliers, logistics, plant layout, or manufacturing technology. A major disadvantage of greenfield operations is that they require enormous investments of time and capital (Kotabe & Helsen 2010, 312-315).

2.1.2 Exporting

Hollensen (2017, 366) defines export as an entry mode when goods which were produced in the domestic market or an another one and then moved either directly or indirectly to the new foreign market. The model of exporting entry assumes selling some of a company's goods overseas. Most firms started by exporting due to a few reasons, such as non-investment model, minimization of risk and simplest form of the fastest internationalization. Export includes trading of items with

intermediaries such as wholesalers. It is important to note that the export is often applied as an independent mode without any alternatives for international activity. Evidently, it is a low-cost way of getting successful results for any company. Up-and-coming fashion retailers often choose this mode to create awareness of their brands. Exporting is provided through agents that realize different functions with full-service wholesalers. Some manage limited functions such as freight forwarding, billing or clearing goods through customs. The company should decide about dividing responsibilities of external partners and what functions will be handled by the firm itself.

The export can be divided into **direct** and **indirect** export. The direct exporting arises if the producer establishes the own sales department and sale its goods directly to the importer or buyer located in a foreign country via middlemen (Burnett 2008, 131). The important advantage of the direct export is quicker responses from the target market, which can help to adapt the product faster. Root (1994, 57) points that the direct model is better for protection of trademarks, goodwill, patents and other intangible property. The Indirect export means when the manufacturing firm does not participate in exporting activities. Overseas domestic exporting or trading entity executes these activities.

The last one is a **cooperative** export. This involves collaborative agreements with other firms such as the export marketing groups and concerning the performance of exporting functions Hollensen (2017, 366). There are many reasons to use exporters. For example, intermediaries take care their self-responsibility all cost and financial risk of entry. The huge benefit of intermediaries is the knowledge of a local market. The difficulty is loss of control.

There is a conflict of interests when owners of goods try to seek non-exclusive intermediary arrangements, opening up the option of the appointment of another intermediary if problems arise with an existing appointee. In the same time, vice versa intermediary looking for exclusive conditions of distribution.

Own sales office/subsidiary

The next way of entry to the new international market is the wholly owned subsidiaries or directly managed stores. Both of them demand too much of investment resources as well as management control. But at the same time they allow to achieve the highest results in brand reputation.

According to Burnett (2008, 132), the establishment of overseas subsidiaries, allow to compete more aggressively because it is "in" the marketplace. The wholly owned subsidiary strategy requires full understanding of business environment of foreign market.

The wholly owned subsidiary enables enterprises complete control of their operations in terms of marketing, logistics and other decisions. The ownership means that all the profits belongs the company. This particular mode of entry entails the certain risks that means that the parent company can face with possible losses by oneself. Developing a foreign presence without the support of a third party is also very demanding on the firm's resources. Simultaneously, the company should take into account a possible political risks such as expropriation or nationalization and economic risks (currency devaluation) (Kotabe & Helsen 2010, 312).

2.1.3 Buying of existing fashion brands

A relatively new possibility to internationalize is an acquisition. As mentioned by Jin & Cedrola (2016, 22), the next notable emerging trend in internationalization process is the acquisition of leading global fashion brands by companies in the country of entrance and possible rebranding in the future. Researchers notice that acquisitions is not simply just the purchase of a brand but simultaneously the ownership of special capabilities such as reputation, store locations and networks and all related opportunities (marketing, management and innovation skills, distribution networks and even customers). Therefore acquisition is the best mode of entry to a new arena.

2.1.4 Investment Entry Modes

Joint venture

If a few partner decided to combine and create a new enterprise, in this case, it appears as a joint venture. One of reasons of existence of this type of mode is some law limitations concerning foreign countries and its business activities in a country of entrance. Newcomers can face a challenge in seeking of a suitable partner. There is a one big difficulty of this implementation. This mode is prohibited in many emerging countries.

2.1.5 Shopping online

Following the innovative distribution channels and contemporary fashion trends in internationalization activities it would be suitable introduces online shopping. There are only two difficulties concerned with international online shopping such as lengthy delivery times and high shipping prices (Jin & Cedrola 2016,1-22).

According to Orendorff (2019), in 2018 year 1875 fashion retailers had to close its shops. The reasons of this action are: a trend of world globalisation, contemporary digital innovation, online availability and simplicity of e-commerce resources, growing interest in customers buying e commerce habits. The Fashion and Apparel Industry Report illustrates the following data of e-commerce revenue and future growth with expected result of gain in \$300 billion in nearest 4 years. It is supposes that the revenue per user will raise also (Figure 2).

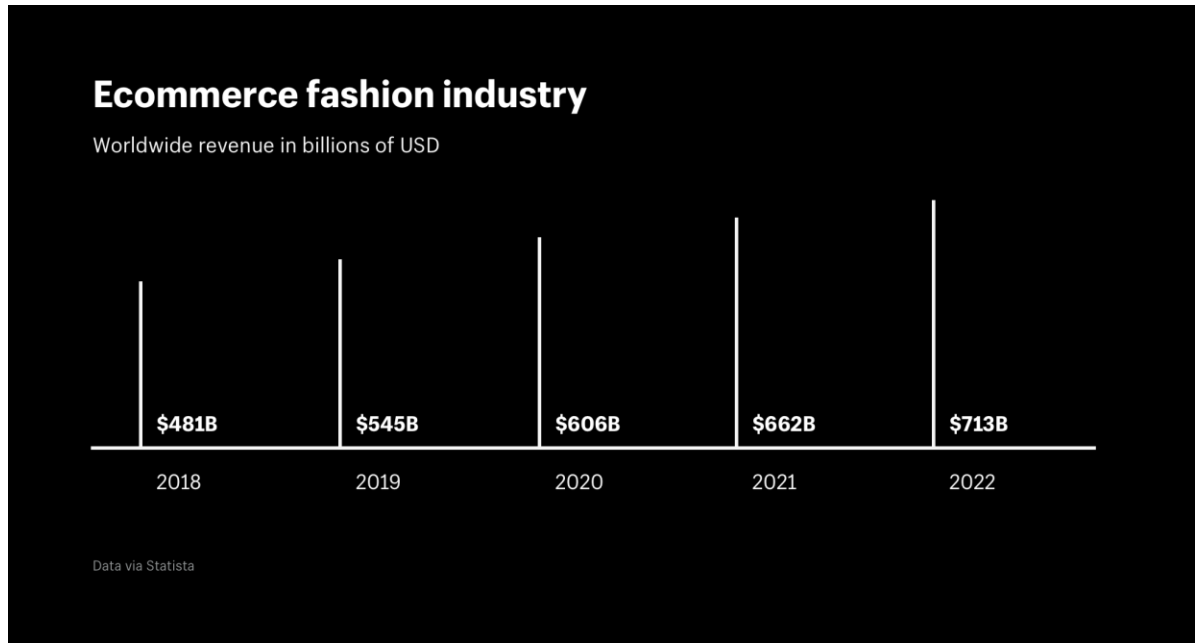


Figure 2. Industry-Wide Data (by The Fashion and Apparel Industry Report, 2018)

Regarding this report (The Fashion and Apparel Industry Report 2018) there is the tendency that current customers have an increasing purchasing power. There are two groups of customers that fit into the category. One group is 16 to 24 years old and the second group with the age category from 25 to 34.

2.2 Choice of entry modes

As was noticed by Hollensen (2011, 361), there is no single rule for choosing appropriate market entry strategy, so enterprises can apply different market entry methods within entering process to the same market.

Risks decreasing is the key to their decision making due to the uncertainty in the internationalization market. Therefore, any model puts new extra commitment in terms of involvement, control and capital. Usually, companies start with export and then gradually increases their responsibilities to licensing/franchising, joint ventures and then finally to the wholly owned subsidiary (Jin & Cedrola 2016, 10, Kotabe & Helsen 2010, 323-324).

To summarize all observed and described ways of entry modes, companies have a wide variety of entry strategy choices.

2.3 PEST analysis

According to The Economic Times (2016) PEST analysis is the main method of analyzing the external macroenvironment, which is the basis for strategic analysis, there are conditions that are outside the control of an organization that affect entity's strategic decisions. It is widely used in the justification of economic projects. PEST analysis is a selected method for analysis of the macro-environment conditions It was developed by Harvard professor Francis Aguilar in 1967. PEST is an abbreviation for political, economic, social and technological environments. The goal of the method is to identify the factors that create the environment of the organization at a given time frame and these components do not depend on the company but should be investigated. The researcher will distinguish four groups which are the most important.

Political factors of PEST analysis

Jennifer Post (2018) with reference to Lubrano (senior advisor at Northeastern University), the political environment is an analysis of what politics is doing to the business world.

The study of political factors in the framework of PEST-analysis is motivated by the fact that the government regulates the mechanism of money circulation and other issues related to profit and necessary resources, which opportunities and threats to business are created by the dynamics of the political situation; what are the main trends that can affect the company's activities.

Purpose and objects of political components of PEST analysis are:

- Understanding the state's distribution of basic economic resources.
- Analysing of government stability.
- Studying of tax policy and legislation in the field of Antimonopoly law, foreign economic legislation, laws on environmental protection, regulation of employment.

- Understanding of the state influence on the industry, its position in relation to foreign capital.
- Awareness of the intentions of public authorities with regard to the development of society and the means by which they are expected to implement their policies.

Economic factors of PEST analysis

The economic aspects are important conditions of business activity for entity. These macroeconomic indicators reflect in standard of living of the population and its solvency. With this information, an investigator can predict demand, price level, profitability. Therefore, the analysis of economic factors makes it possible to understand how economic resources are formed and distributed at the state level. What are the most important expected events in the economy and what is the impact of the economic situation on the prospects of the business.

Purpose and objects that are part of economic factors are:

- Trends in gross national product.
- Investment policy.
- Unemployment and inflation.
- Interest rate and foreign exchange rate.
- The level of prices and wages, in particular, the measurement of actual personal income and the total amount of money in circulation.
- Energy prices.
- Determination of the General level of economic development and market relations. The study of competition in the market.
- The budget deficit, tax rates (CFI, 2019).

Social-cultural factors of PEST analysis

What are the features of social, demographic and cultural properties that should be taken into account in the business activity?

The social cultural purpose and objects:

- To study the formation of consumer preferences, their changes and possible demand, consumer activity.
- Demographic structure of the population, quality of life and attitude to it.
- Lifestyle, customs and habits, people's attitude to work, social mobility of the population.
- Impact of socio-cultural factors is difficult to measure due to reason of their subjective character (Griffin 2015, 357-359).

Technological factors of PEST analysis

It is important to monitor the dynamics of technological changes, as there is a threat of market loss, if a company is behind the current trends. Analysis of technological component of the macro environment allows researcher to promptly structure the production and sale of technologically advanced product, as well as time to abandon the outdated technologies used. To what extent does business depend on innovation and change; how dynamic is the pace of scientific and technological progress in the industry; what is the share of R & D function in the enterprise? (Cadle et al. 2008, 4).

Below is the list of technological purpose and objects:

- intellectual property protection;
- impact of developments in other areas on the company's products and activities.
- study of new technologies, scientific discoveries, new products, new patents that appear on the market.
- improvement of necessary technical equipment and production processes, automation and methods of information processing.
- competitive landscape analysis.

PEST analysis can be provided at qualitative and quantitative levels. During evolving scheme of the PEST-analysis, researcher should adhere the following order:

1. A list of macroenvironment factors with a high probability of implementation and impact is developed.
2. The significance of each event for a given enterprise is assessed by assigning a certain weight to it.
3. The assessment of the degree of influence (both positive and negative) of each factor on the strategy of the enterprise is given.
4. The weighted estimates are determined by multiplying the weight of the factor by the force of its impact, and the total weighted estimate for this company is calculated.

The total assessment indicates the degree of readiness of the company to respond to current and projected factors of macroenvironment. In the quantitative version of the assessment, the researcher should take into account that: - the weighting factor should reflect the degree of probability of occurrence of the event; - the final assessment provides information on the extent to which the company depends on the macro environment. In addition to obtaining a total assessment, it is necessary to analyse the contribution of each factor in obtaining the resulting value, as well as to assess the interaction of factors (Sammut-Bonnici & Galea 2015).

3. METHODOLOGY

This chapter is a guideline of the research approach: how the thesis is presented methodologically. The decision making the base is explained, reasons for this approach and its influence on outcomes. The process of collecting all data also is described. The questionnaire is introduced at the end of the chapter.

3.1 Research methods

Research methods of the processes should be understand in a wide sense. It includes not only work with graphical diagrams, numerical data and analysis of all

available information on processes, measure their performance, comparative analysis, etc. Sekaran (2003, 21) defines a business research as an organized, data-based, objective, scientific survey or investigation of a particular issue which maximize company's results through finding answers or its solutions. Research demands the necessary data that guarantees that managers solve the problem successfully. The information which was collected should be the performance of a provided analysis of information obtained directly from first-hand (primary data) or of data that is already available (secondary data). Data can be quantitative (e.g, measured results of related questions) or qualitative as taken from the answers in a questionnaire, through survey, or from available information from wide range of sources.

The correct research method gives an opportunity to collect the most complete and accurate information, which becomes the empirical base of the study. It is necessary to strictly observe the rules of usage of selected methods. The practical implementation of marketing research often requires an integrated approach and combines the usage of quantitative and qualitative methods. The qualitative research, unlike quantitative, focuses not on statistic measurements, but relies on the understanding, explanation and interpretation of empirical data that is a source of hypothesis formation and productive ideas. To sum up, they do not answer the question "how much?" but the questions "what?" "how?" and "why?". The quantitative research is the main tool for obtaining the necessary information for planning and decision-making. The basic techniques of the quantitative research are clear mathematical and statistical models, which allow to have no opinions and assumptions, but the exact quantitative values of the studied parameters. (Greener, 2008). The Table 2 represents the main differences between quantitative and qualitative methods.

Table 2. Key differences between quantitative and qualitative methods (by Greener, 2008)

Quantitative	Qualitative
Numbers	Words
Point of view of researcher	Point of view of participant
Researcher distant	Researcher close
Theory testing	Theory emergent
Static	Process
Structured	Unstructured
Generalization	Contextual understanding
Hard reliable data	Rich deep data
Macro	Micro
Behavior	Meaning
Artificial setting	Natural setting

Some of these distinctions are arguable. The researcher should bear in mind that mixed quantitative and qualitative methods can be successfully used, where elements of both approaches can be applied to develop richer pictures of the investigation (Greener 2008, 80). The mix-methods are the composition of different types and methods of research. The mix-methods are able to describe not only the overall statistical picture, but also to study the opinion, motivation, perception and etc.

Many researchers (Creswell & Clark 2007; Greene, Caracelli & Graham 1989) proved that the combination of both methods enable to understand the research questions and achieve the validity of results. Evidence of applying and suitable of this method: Data consist from numbers, statistics, opinions, figures, tables and narrative part. There are not strict rules for implementation of designing a mixed methods approach. Sense of mixed methods is that the combination of both methods reinforces each

other and weakens lacks of both methods (qualitative and quantitative) (Molina-Azorin 2016, 37-38).

This research has been conducted as a qualitative method approach. Simultaneously the researcher applied the questionnaire as the qualitative tool where the author analyzed the attitudes and opinions, the concurrent triangulation design enabled to achieve more reliable outcomes.

3.2 Data collection

To find answers for thesis research questions, the writer uses different types of data such as the primary data and the secondary data. The primary data is data that researcher gathers yourself. The secondary data is data when researchers use data which were collected or generate via another research. Data can be divided by two categories: qualitative and quantitative. Quantitative data is usually represented by numerical variables when qualitative data is represented in opinions, ideas, and thoughts" (Clippinger 2017, 2).

3.2.1 Primary data.

There are a few different ways to collect the primary data: observation forms, questionnaires and interview guides. The Figure 3 represents the various methods of data collection.

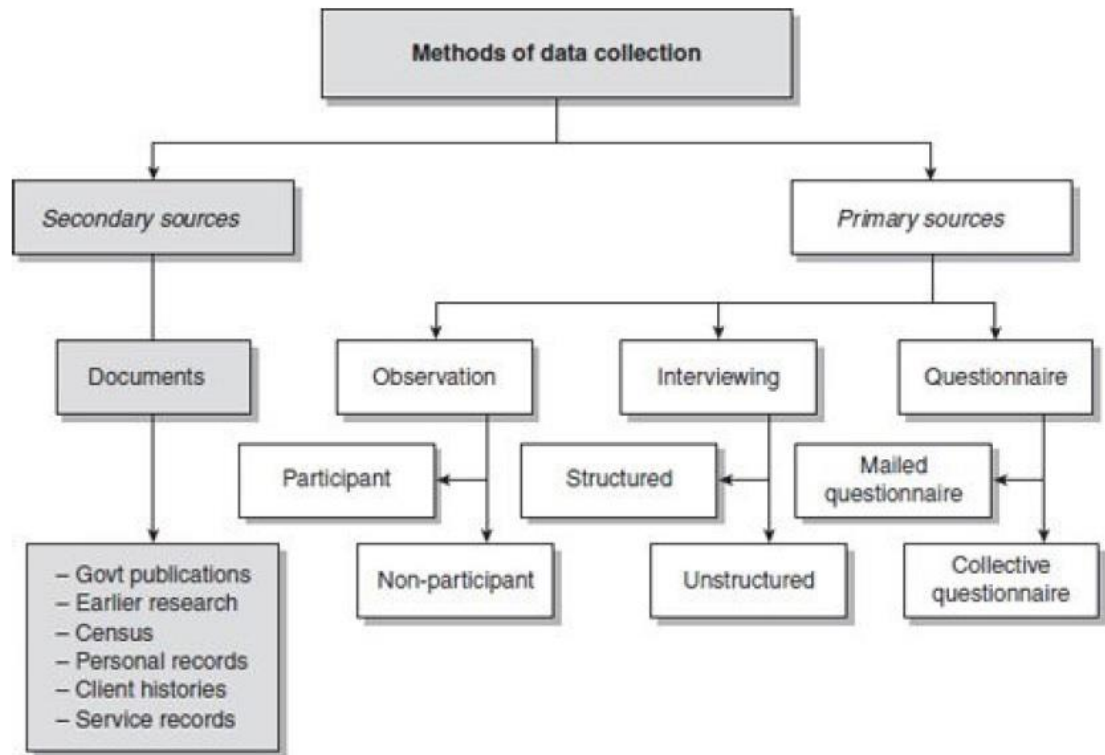


Figure 3 The various methods of data collection (by Kumar 2011, 132)

Observation is one way to collect the primary data. Observation is a method of viewing, listening and recording of an interaction, communication and relationship and how it takes place. Observation is the most appropriate way if researcher wants to learn about the interaction within a group, study the behaviour or personality traits of an individual. Therefore, when a researcher investigates behaviour rather than perceptions of human, or when respondents cannot be objective to express their opinions.

The interview is a type of a conversation, an interaction between two or more people, in which the interviewer asks questions to his respondents and receives answers from them. The distinguishing feature of the interview is that a researcher has the freedom of choosing the design and composition of questions. The interviewing process can be flexible when the investigator formulates questions as they come to his/her mind around the investigated topic, or inflexible, where the researcher have held on the sequence of asking questions that were developed in advance (Kumar 2011, 134-142).

“Questioning is an appropriate data collection method when the information you need consists of knowledge, attitudes, opinions, or beliefs. Questioning can be accomplished by either personal or impersonal means. Interviewing is a personal means, whereas using questionnaires and electronic surveys tends to be impersonal”. In a questionnaire, questions are presented on paper or on a website, and the subjects record their answers as directed on the questionnaire.

Questionnaire surveys are attractive to investigators for these benefits: the cost is low; the coverage of large geographic area from which the researcher can gather the data influence on data validity; the assurance of anonymity and lack of pressure while the respondent completes the questionnaire contribute to data validity (Clippinger 2017, 38-48).

The choice between a questionnaire and an interview depends on the nature of the investigation. The alternative an interview or a questionnaire is built on the next criteria: If research questions of the study may feel reluctant to discuss with an investigator or, geographical distribution of the respondents not enabled to organize the interview, in this terms a questionnaire may be the better choice.

To summarize, the advantages of a questionnaire are that they are less expensive and save time. They do not require human and financial resources. They are anonymous and can obtain accurate information. The disadvantages of a questionnaire is that sometimes application of questionnaire is limited. For example, if population that cannot read and write or respondents return their questionnaire without any answers, so these the findings may not be representative. Also, the questionnaires do not have a way to clarify issues if it necessary for respondents.

There are several reasons for conducting an interview such as while studying complex and sensitive areas when researcher can not explain complex questions to respondents in person. In addition, if investigators must obtain in-depth information then that data can be collected during an interview process. The disadvantages of the interview are time consuming and expensive; the quality of data depends on

interaction between researcher and interviewee; the researcher may introduce his/her bias and effect on respondents answers (Kumar 2011, 141-142).

Taking into account all the evidences represented early and professional skills and experience of respondents, nature, scope and object of enquiry, the researcher applied a questionnaire method as analytical tool for collecting of the primary data for this research paper. Availability of funds for investigation was a fact in favour of questionnaire method. Thus, the primary data were collected from the respondents who are the top-managers and involved in the project of the company.

These top-managers are industry experts that have been working in Concept Group L.L.C. for many years. They are also veterans of the retail clothing market. They have also been involved in the internationalization process of the firm in the past and they have relevant work experience for the project. The purpose of the questionnaire was to understand their opinions about the company project. In addition, this method also was chosen to reach a better understanding of the managers' opinions about entry strategy, risks and opportunities of the company.

The topic guide and thesis' literature review that writer investigates was sent to the respondents beforehand, so that managers could have enough time to prepare. A questionnaire was the essential step where the author analysed each answer. Each question was constructed in accordance with the research statement. Since the apparel industry operates in changing environment., these questions can not be re-used in the future because they focus on today's PEST factors. Collecting material from similar multiple sources allows to present the convincing and accurate research results. All respondents participated in PEST analysis and graded all factors which can affect the company's results.

3.2.2 Secondary data

The secondary data means information that are already available and have already been collected and analysed by someone else. In this case, the researcher has to look into various sources. The secondary data is data (released or unreleased)

which can be accessed to an researcher (Kothari 2004, 111). Many research studies use the secondary sources as a method of data collection. In the qualitative research, the secondary sourced are used to extract descriptive and narrative information. In the quantitative research, the information extracted is categorical or numerical.

There are following categories of secondary sources such as government or any society publications; earlier research of current topics that have already been done by others; personal records which represent historical and personal records and any reports which are released in newspapers, in magazines and on the Internet (Kumar 2011, 154).

To recognize a problem and the need for a research, one should consult secondary sources first. The secondary sources often ensure information to help define the problem more clearly and to identify elements that should be studied. Collecting secondary data contain a few steps including locating the data, evaluating the data source, extracting the data from its source and then keeping data records (Clippinger 2017, 75-78).

The researcher should assess all possible issues concerning using data from the secondary sources such as validity and reliability. The researcher can usage the secondary data if conditions of its reliability and validity are guaranteed (Kothari 2004, 112). The sources of secondary data for this research are related to the selected country were found through reliable and independent data sources like Statistics Offices of Poland (Basic data), the research of World Bank and the platform Nordea Trade. The other source of secondary data within the thesis was used the confidential analysis of selected retail market and its economic-financial parameters which was provided by Cushman & Wakefield Inc. The author had the restricted access to data only within this thesis frame. During the researching of Polish business environment, the author applied different secondary analytical data of such company as Colliers International, CBRE Group. Inc and Jones Lang LaSalle Incorporated. These enterprises specialize on the commercial real estate services and the investment management company.

3.3 Processing and analysis of data

All collected data have to be processed and analysed. Processing include such procedures as editing, coding, classification and tabulation of gathered data for future analysis (Kothari 2011, 122). Data conversion process when raw data is transformed into readable and understandable information is called data analysis. Data filtering process is called data analysis. When large chunks of data are split into smaller pieces, which are separated into major findings, which later on can be interpreted into results and recommendations.

The actions of editing and coding are integral parts of preparing for analysis of data. Editing is checking of the data for mistakes and misunderstandings. The data collected by questionnaire must be edited after all questionnaires have been given back to the researcher. The objective is to find missing answers and unusable responses (Clippinger 2017, 51-55).

Classification, analysis, and synthesis are three major non-statistical methods. The classification is a form of data analysis whereby you assign data to categories based on established criteria. Analysis and synthesis require the application of deduction and induction. In analysis, you break a large body of information into smaller elements for scrutiny and interpretation. That person is breaking the data into parts to discover new information such as specific opinions or attitudes. In the synthesis, researchers bring together individual facts and assimilate them into a broader finding or conclusion. The process of pulling together information reported by different individuals in various ways and summarizing that information is a synthesis process. For most nonquantitative data, logical classification, analysis, and synthesis are the limits of data analysis. Nonetheless, those forms of analysis are critical to the successful data interpretation. For quantitative data, the statistical processing may also be used to enhance logical analysis and synthesis. Statistics do not replace logic instead they complement it (Clippinger 2017, 59-61).

All this analytical information and consequential inference(s) should be communicated, through research report, to the consumers of research results. The report should be written meticulously to avoid deceptive conclusions that reflex on final results of research (Kothari 2011, 344).

The current questionnaire was not long. It included few questions with variety of answers. There were only seven people who responded to the questions. The writer applied the developing of narrative description of situation. Also, the basis topics which were touched in respondents' answers were highlighted and summarized in the author's findings, conclusions and recommendations. The researcher did not provide any coding and classification of received data.

As the goal of applying methods is Concurrent Triangulation Design, all data are collected and analysed at the same time.

As it was mentioned above, the method of primary data collection the author applied was the questionnaire. The answers of respondents lead to descriptive outcomes. The secondary numerical data which were collected from statistics data, reports and publications were reflected in tables and figures also were conducted to descriptive outputs.

Information from sources of secondary data was gathered and combined in tables or reflected in figures. While the respondents were participating in questionnaire, the author investigated the relevant topics via another authority.

3.4 Writing of reporting results

When reporting the results of an analysis, the researcher should carefully differentiate the levels of analysis including findings, conclusions, and recommendations. The findings are reflection of data and its interpretation. To present the findings in a report, the researcher should classify or summarize data and present these classifications or summaries in tables, charts, or graphs, if it is necessary. If the researcher found some similarities and differences among groups

of data, he/she must to provide possible explanations for those differences. All findings should allow to write conclusions.

In business reports, there is a need for clarity, brevity, simple, useful terminology, an executive summary which focuses on the research questions and suggested action. Conclusions are not just a summary of what researcher found and have already said in the analysis, the conclusions section should "take an objective view of the outcomes - theoretical and practical - from the whole project - there should be no new references at this stage, but a clearly persuasive account of what has been achieved" (Greener 2008, 105-106). The conclusion writing should be a logical inferences based on the findings. To avoid subjectivity and to state them effectively, researcher must follow these guides:

- Conclusions are not restatement of the findings;
- Conclusions must be objective and flow from the analysis;
- Conclusions must be relevant to the stated problem and purpose;
- Conclusions must not introduce new material. All relevant data and analysis must be presented before a conclusion can be drawn;
- Several findings may be used to support a single conclusion. There is no need to draw a conclusion from each finding. Simultaneously, one major finding may lead to more than one conclusion (Clippinger 2017, 68-69).

Recommendations may be detailed and practical or may simply urge further research in an area which has been uncovered by the investigation. Practical recommendations must be achievable and not "blue sky" ideas. Preferably, there should be suggestions about how they could be taken forward - sometimes with an implementation plan " (Greener 2008, 107). The recommendations are certain sequences of actions that must be based on the conclusions and must be respond to the purpose of the study. Within the process writing of recommendations, the author should verify the specific conclusions and findings, then justify each

recommendation and suggest additional research to investigate unanswered questions that became evident during the study (Clippinger 2017, 69-71).

Therefore, the method of Concurrent Triangulation Design which was applied enabled to improve the validity and reliability of the study. The results of questionnaire and outcomes of the researcher's investigation which were united allowed to formulate the reliable findings and decrease the possible influence of subjective opinion of respondents and prove or decline it through the numerical data.

3.5 Research description processes

This thesis research process consists of few stages. The first stage was an exploration of contemporary Polish business environment including the clothing market. The next stage was investigation of literature review concerning the possible entry modes abroad regarding to the current business situation. The next stage was collecting, analysing of data for empirical research. This thesis was provided the qualitative method of research. In terms of collecting data, the researcher used the questionnaire technique and also had some short interviews via phone. The author had regular visits to Poland within the last few years, so it was helpful for investigation and analysing of Polish fashion and real estate (shopping malls) directions. The thesis research process finished through writing of findings, conclusions and recommendations for the stakeholder company.

3.6 Questionnaire

The list of questions was developed carefully. All questions were clear, concise, aimed at analysing of information. The interviewee was explained the value of questionnaires. The questionnaire was organized through this way: an each interviewee was notified in advance about the topic of questionnaire, after that he/she received the lists of questions. The time of execution was limited to 20 minutes. At the end of this period, all questionnaires were given back to the author.

The questionnaire was distributed to the key people of Concept Group L.L.C. and contained questions about the entrance of the company to Polish clothes' market. The question list is about entering to a market and economic field environment. See Appendix1.

4. RESULTS AND ANALYSIS

4.1 Polish business environment scanning

Poland is located in Eastern Europe. The country borders with Germany in the West, Czech Republic in the South, Ukraine, Belarus and Russia in the East. The Northern coast of Poland is washed by the Baltic sea. Poland covers an area of 312.685 km². The official language is Polish (The Nations Online Project 2018).

4.1.1 Political system

Poland is a state with a semi-presidential parliamentary republic where parliament is represented as a bicameral sector. Head of the state is the President, he has the right to dismiss parliament in certain special conditions (The Nations Online Project 2018).

The main advantages of a parliamentary Republic are that the main volume of power is concentrated in the hands of a single body - the Parliament. The most important political decisions are taken through the collegial principle of the parliamentary majority. In addition, in the regime, there are no officials, which may interfere with the decision of the Parliament with the imposition on him of his veto.

The head of state is the President of the Republic, who is the guarantor of the continuity of state power. The President is directly elected by the citizens for a 5-year term and may be re-elected only once. The President of the Republic nominates the Chairman of the Council of Ministers, who proposes the composition of the Council of Ministers, appoints the Chairman and other members of the

Council of Ministers. Therefore, the current political situation can guarantee certain stability until the next presidential election.

4.1.2 Population

According to Worldometers' data (2018), the current population of Poland is 38.420 million in year 2018. There are eight largest cities of Poland in terms of population. These are Warsaw, Krakow, Lodz, Wroclaw, Poznan, Gdansk, Szczecin, Katowice. The cities are called from the largest city to the smallest one concerning their population. The largest city and capital is Warsaw with 1 758 143 citizens.

- Polish population is 0.5% of the total world population.
- Poland ranks number 37 in the list of countries by population.
- 60.7 % of the population is urban (23 141 061 people in 2018)
- The median age in Poland is 40.1 years.

Readers can observe all statistic data in the Tables 3, 4. There are historical information in the Table 3 and the forecast in the Table 4 which is based on current situation.

Table 3. Population of Poland 2018 and historical (by Worldometers, 2018)

Year	Population	Yearly% Change	Yearly Change	Median Age	Fertility Rate	Density (P/Km ²)	Urban Pop %	Urban Population
2018	38 104 832	- 0.17%	- 65.88	40.1	1.32	124	60.7 %	23 141 061
2017	38 170 712	- 0.14%	- 53.698	40.1	1.32	125	60.6 %	23 135 249
2016	38 224 410	- 0.11%	- 40.816	40.1	1.32	125	60.5 %	23 134 413
2015	38 265 226	- 0.03%	- 11.635	39.7	1.33	125	60.5 %	23 138 954

Table 4. Poland Population Forecast (by Worldometers, 2018)

Year	Population	Yearly % Change	Yearly Change	Median Age	Fertility Rate	Density (P/Km ²)	Urban Pop %	Urban Population
2020	37 942 231	- 0.17%	- 64.599	41.8	1.29	124	61.1 %	23 166 130
2025	37 373 183	- 0.30%	- 113.81	43.9	1.30	122	62.3 %	23 286 750
2030	36 615 500	- 0.41%	-151.537	46.3	1.36	120	64.0 %	23 442 789

The population has decreased in the past few years. The birth rate had declined and this tendency is increased with each year. In the forecast, it is reflected by the same direction to diminish.

According to the data in the table, readers can observe that urban populations are growing all the time and people are moving out from the countryside. This fact is positively reflected on attendance of cities' shopping malls. As well as the average age of peoples is becoming younger from year by year.

4.1.3 Economic factors

Foreign trade (export/ import tendencies)

Table 5. Foreign Trade in Poland (by Nordeatrade, 2018a)

Foreign Trade Indicators	2013	2014	2015	2016	2017
Imports of Goods (million USD)	207.607	223.674	192.601	197.312	230.436
Exports of Goods (million USD)	204.984	220.152	198.243	202.522	230.933
Imports of Services (million USD)	34.243	36.537	32.461	33.847	38.055
Exports of Services (million USD)	44.491	48.011	43.425	49.01	59.208

The data in Table 5 demonstrate the growing of both types of trading activities: export and import from 2016 year after noticeable fall in 2015 year. The growth is import trade of goods for two years is amounted 19.64% and 16.48% of export type. The international trading services' action is not so significant. Simultaneously, the author resumes that the difference in turnover between trading of goods and services is 6 times. The export trade is more active than the import type in overall. 2017 information reports that operations with export and import of goods is practically equal.

Poland Imports By Country



Figure 4. Poland Imports By Country (by Trading Economics, 2018)

Figure 4 displays a table with Poland Imports By Country in U.S. dollars, according to the United Nations Comtrade database on international trade. Figure presents the data which illustrates that an import collaboration with Russia assess as third place. This fact is a positive argument which concerns cross country trading.

Table 6. Poland Imports by Country in \$ (by Trading Economics, 2018)

Poland Imports By Country	Value	Year
Germany	\$49.47B	2017
China	\$26.47B	2017
Russia	\$14.76B	2017
Italy	\$10.93B	2017
France	\$8.40B	2017
Netherlands	\$8.07B	2017
Czech Republic	\$7.66B	2017
United States	\$6.46B	2017
Belgium	\$5.48B	2017
United Kingdom	\$5.10B	2017

[Continues]

[Continues]

Spain	\$4.85B	2017
Sweden	\$3.92B	2017
Slovakia	\$3.84B	2017
Hungary	\$3.75B	2017

Value of products imported by Poland from Russian Federation in monetary terms is 14.6 \$. Billions readers can observe in the Table 6.

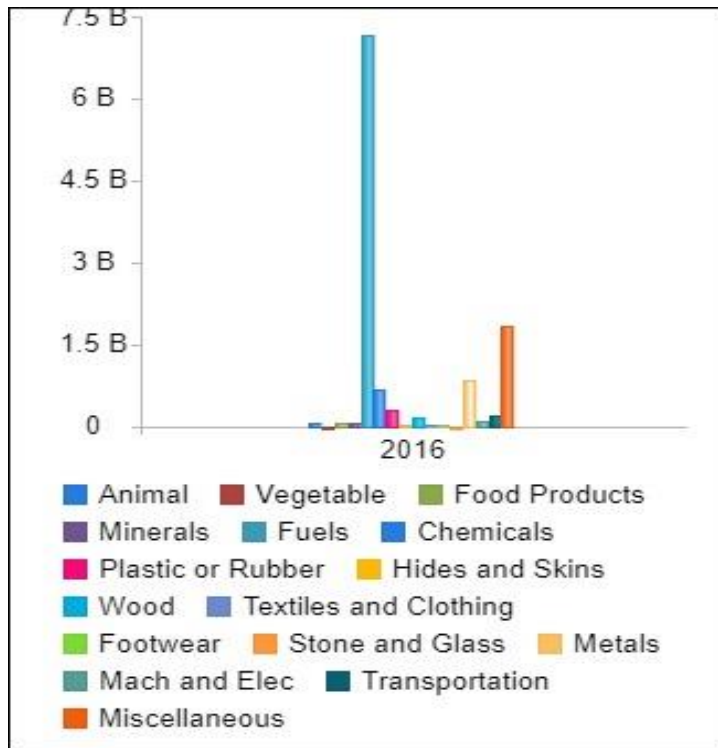


Figure 5, Product Imports by Poland from Russian Federation 2016 (by World Integrated Trade Solution, 2016)

The largest group (Figure 5) in importing of goods into Poland from Russian Federation is fuels which covers 61.8% of the imported product. The second largest category is raw materials. The textiles and clothing group (see the Table 7) stays 18th position and composes 11 542.04 \$. billion, that is 0.1 % from import product share.

China, Germany, Bangladesh, Turkey and Italy were proactive partners which Poland concerning imports of textiles and clothing sector in 2016. Russian Federation has 48th place in this list (Trading Economics, 2018).

Polish import of clothing in year 2016 was 10 043 097.7 US\$ thousand. 26.14% of imported clothing was delivered from China. The second state of source import clothing is Germany and others countries are 38.16% (World Integrated trade solution, 2016).

FTSE Russell, the British provider of stock market indices and associated data services, announced the promotion of Poland to Developed market status. Therefore, Poland's current position can be compared to the countries like UK, US and Japan that are in the index's list of the 25 most advanced global economies. It means that the country jumped from the emerging market to the developed market in the index's rankings. The FTSE Russell bases its classification on factors such as a country's regulatory environment, the quality of its capital markets and the status of its derivatives market (FTSE Russell 2018).

4.2 Findings of core economic indicators

Analytical companies and agencies use the methodology proposed by the world Bank to study and analyse various markets. According to the publication www.businessinsider.com, Poland is placed the sixth place in the World in terms of investment attractiveness, and on the third place according to US News. Anyway, Poland occupies the best position in Europe in terms of investment attractiveness and has good macroeconomic indicators (population: 38.2 million) with the total GDP: \$469.5 billion and GDP growth 2.9% which is a record figure among European countries. More than 21 000 people from 80 different countries participated in the survey. Sixty five parameters were investigated, including culture, quality of life, level of education, business opportunities (U.S. News & World Report L.P, 2018; Insider Inc, 2018).

The report of the Organization of economic cooperation and development (OECD 2018) was also studied Poland. OECD 2018 notes the low level of unemployment over the last 20 years, the demand for labour is growing and there are features of increasing wages. This fact will generate effective demand and it is the evidence of the good indicator for investment.

In addition, the study examined the materials of the Agency for investment and trade PAIH. The survey "Investment climate in Poland" was provided with the participation of HSBC and Grant Thornton received information from 76 foreign investors. According to 64% of respondents, Poland has excellent conditions for investment, only 4% of the participants expressed a negative opinion on this criterion. The infrastructure of Poland was highly appreciated (3.74 points), which is important for the development of our project for Concept Group. The existence of the developed structure of shopping malls and good warehouse logistics significantly reduce costs.

Thus, a lot of serious agencies and reports of reliable organizations give a positive assessment of investments in Poland. Data of Statistics Poland informs that growth of gross domestic product (GDP) in the 2nd quarter of 2018 was higher by 5.1% than in the corresponding quarter of 2017 - 4.0%. It was the fastest growth rate since 2016. The geographical location enables Poland the strategic advantage because the country has important ports that are linked to the North Sea through the Baltic Sea that entail an excellent opportunity to develop the export and imports of goods activities (Nordeatrade 2018a).

According to Nordea Trade observations (2018a), since Poland became a member of the European Union, country's exports of goods have increased by more than 30%. In 2016, Poland exported USD 196 billion, making it the 19th largest export economy in the world. The country also imported USD 186 billion of goods. As a result, the researcher sees a positive trade balance of USD 9.6 billion.

Nordeatrade's analysis considers Poland as a significant participant within Europe, which is the sixth-largest economy in the Euro Union. The economic growth of country's economy is represented success during the 2014-2017 period (OECD), its fastest rate since 2011 and above IMF estimates. Growth was explained due to domestic demand and government economic policy. The World Bank predicts Poland's economy to grow by 4% in 2018, followed by 3.5% in 2019 (Nordeatrade 2018b). These data (Table 7) allow to forecast that during 2018, rising wages are expected to pressure inflation to above the central bank's target of 2.5%. Nevertheless, unemployment which rose during the global economic crisis is at the lowest level in post-Soviet history, standing at 4.5%

Table 7. Economic indicators of Poland (by Export Enterprise SA, 2019)

Main Indicators	2015	2016	2017	2018 (e)	2019 (e)
GDP (billions USD)	477.33	469.32	509.96	571.32	600.82
GDP (Constant Prices, Annual % Change)	3.90	2.60	3.8e	3.30	3.00
GDP per Capita (USD)	12.559	12.361e	13.429	15.05e	15.835e
General Government Balance (in % of GDP)	-2.6	-2.5	- 3.0	- 3.01e	- 3.01e
General Government Gross Debt (in % of GDP)	51.1	54.4	54.2	53.8e	53.5e
Inflation Rate (%)	- 0.9	- 0.6	1.9	2.30e	2.50e
Unemployment Rate (% of the Labour Force)	7.50	6.20	4.80	4.00e	3.90e

During 2018, Poland enacted the Poland's constitution for business that includes five laws to aim of facilitating the foreign enterprises that enable to attract more investments to the country (PAP 2018).

Unemployment in Poland is expected to drop to 0.1% this year compared to 2018. In recent years, Poland has significantly improved its position in the ranking of Doing Business. Today it is 27th among 190 countries of the world (DB 2018).

Poland ranked 36th among other 180 countries in Transparency International's 2018 Corruption Perceptions Index. The index evaluates 180 countries by their perceived levels of public sector corruption according to different professional experts and businesspeople, It uses a scoring system of 0 to 100, where 0 means “highly corrupt” practices and 100 means “very clean” practices (Transparency International 2018).

According to the ICS report, the tax administration is favorable toward business and entities in Poland. On the other hand, Polish enterprises consider tax law as not satisfied sector for doing business in Poland (GCR 2017-2018). Organizations are not pleased by the tax regulations due to often changes and significant fines according to the report ICS 2017. Poland has simplified the process of filing and paying VAT and transport taxes by introducing an electronic filing system (DB 2016).

The Poland has the Act of the Competition and the Consumer Protection Act that is regularly renewed. The new legislation designates the Polish Competition Authority (PCA). The PCA is able to start the administrative proceedings if it has information that the provisions of the Act are infringed. Also, the new regulation allows each company to inform the PCA about circumstances that led to unfair practices. For example, if a company suspects that unfair contractual advantage were executed against them, they can inform the PCA about that malpractice.

The new laws and regulations also contribute to expansion of business opportunities for foreigners. All these findings indicate that Poland is as an attractive country for business operations.

The investigation of Polish business environment and its economic indicators have shown that country has the most stable economy in Euro Union's and illustrates a leading position in Central and East Europe. The good transit location of Poland serves as a bridge between the countries of the West and the East of the European continent. Therefore, the cargo flows between these countries pass through Poland, that also is the argument for developing business and for future prospects. Poland's

domestic market is one of the largest in Europe, because the country's population is almost 39 million people. In terms of population, this country ranks sixth in the EU and first in Eastern Europe.

4.3 Findings of PEST analysis

Based on the theoretical review mentioned above the researcher has been conducted the PEST analysis. In addition, company's top management participated in grading of all measurements.

The description process of PEST analysis providing:

- The first step was a developing of list of factors that can affect the company's sales and profits in the long term (3-5 years). All factors were divided into four groups: political, economic, socio-cultural and technological. The researcher developed factors according to the theory in the literature review;
- The second step , the writer assessed the strength of the influence of each factor (negative/positive – in green or pink color) was estimated on a scale of 1 to 3, where: 1-the influence of the factor is small, any change in the factor practically does not affect the company's activities 2 - only a significant change in the factor affects the sales and profits of the company 3-the influence of the factor is high, any fluctuations cause significant changes in sales and profits of the company. Factors that do not affect the company's activities are simply not included in the table. Evaluation of the influence of the factor is a subjective expert evaluation;
- The step third: assess of probability of factor change: The probability of fluctuations is estimated on a 5-point scale, where 1 means the minimum probability of changing the environmental factor, and 5 — the maximum probability. Assessment was provided not individually according to researcher opinion, and among top management of the enterprise. After all the ratings were given, the arithmetic mean was calculated.

Assessment was conducted on the basis of scanning part of the thesis and respondents' experience and opinions (Table 8).

Table 8. PEST analysis of Polish business environment

Factor description	Factor influence	Experts grades, the probability of factor's changing							Average grade	weight-adjusted grade
		1	2	3	4	5	6	7		
Political factors										
Government stability	1	1	2	1	2	1	2	2	1.57	0.02
Foreign economic legislation	3	4	3	3	4	3	4	4	3.57	0.16
State position in relation to foreign capital	3	3	3	4	3	3	4	3	3.29	0.14
Intentions of public authorities with regard to the development of society	2	1	2	1	1	1	1	2	1.29	0.04
Government type	2	1	1	2	2	1	1	1	1.29	0.04
Member of EU	3	1	1	1	2	1	1	1	1.14	0.05
Level of corruption	2	2	3	2	2	2	3	3	2.43	0.07
Competition regulation	2	1	2	1	2	1	2	2	1.57	0.05
Diplomatic quarrel with Russia	3	5	4	3	4	5	4	4	4.14	0.18
Economic factors										
Trends in gross domestic product	3	5	5	5	4	5	5	5	4.86	0.21
Investment policy	2	4	5	4	4	4	5	5	4.43	0.13
Unemployment rate	3	2	1	2	3	3	4	3	2.57	0.11
Inflation	2	1	2	1	1	2	2	1	1.43	0.04
The level of competitors' prices	3	3	2	2	2	3	3	4	2.71	0.12
The level of population' wages/Personal citizen income	3	3	4	4	4	3	4	4	3.71	0.16
The level of competition	3	3	2	3	2	3	3	2	2.57	0.11
Tax rates	2	1	2	1	2	2	1	2	1.57	0.05
Real estate	3	1	2	1	1	1	1	1	1.14	0.05
Social factors										

[Continues]

[Continues]

Demographic structure of the population (male/female)	3	3	2	3	3	3	2	2	2.57	0.11
Urbanisation of population	3	2	2	2	2	2	2	1	1.86	0.08
Average age of population	3	3	2	3	2	2	2	2	2.29	0.10
Relation to fashion	3	2	2	3	3	3	2	3	2.57	0.11
Advertising and publicity	3	3	2	3	3	3	3	3	2.86	0.12
Logistic (transport) infrastructure	2	2	1	2	2	2	2	1	1.71	0.05
Technological factors										
Advancements in information technology	2	3	2	3	3	3	1	2	2.43	0.07
Emergence of the Internet and E-Commerce	3	1	2	2	1	2	2	2	1.71	0.074
IT Cloud solution	2	1	2	2	3	3	2	2	2.14	0.06
Sum	69									

The results allow to understand the factors (and direction of these influence) the company should pay attention to and control the factor changes in the external. The Equation 1 for which weight-adjusted grade is calculated represented below:

$$WAG = AG \cdot (FI/SAG) \quad (1)$$

where

WAG	weight-adjusted grade	[-]
AG	average grade	[-]
FI	factor influence	[-]
SAG	sum of Average grade	[-]

The final step in PEST analysis is overall description of received results.

Table 9. The distribution of factors in descending order of importance and the possibility of their change over time

<i>Political factors</i>	<i>Weight</i>	<i>Economic factors</i>	<i>Weight</i>
Diplomatic quarrel with Russia	0.18	Trends in gross domestic product	0.21
Foreign economic legislation	0.16	The level of population' wages/Personal citizen income	0.16
State position in relation to foreign capital	0.14	Investment policy	0.13
Level of corruption	0.07	The level of competitors' prices	0.12
Member of EU	0.05	Unemployment rate	0.11
Competition regulation	0.05	The level of competition	0.11
Intentions of public authorities with regard to the development of society	0.04	Real estate	0.05
Government type	0.04	Tax rates	0.05
Government stability	0.02	Inflation	0.04
<i>Social factors</i>	<i>Weight</i>	<i>Technological factor</i>	<i>Weight</i>
Advertising and publicity	0.12	Emergence of the Internet and E-Commerce	0.074
Demographic structure of the population (male/female)	0.11	Advancements in information technology	0.07
Relation to fashion	0.11	IT Cloud solution	0.06
Average age of population	0.10		
Urbanisation of population	0.08		
Logistic (transport) infrastructure	0.05		

Table 9 illustrates the set of external environment factors that are most likely have effects on enterprises. Among these external factors are economic, political, social and technological drivers.

Increasing “trends in gross domestic product” take the first position among the economic factors. It has a positive reflection on any business activity. The second place takes the political factor “the Diplomatic quarrel with Russia” where the company can not change their current situation. The participation of Poland in EU and NATO will make Poland to follow the policy outlined by NATO administration. The most significant factor within the Social-cultural sector is “Advertising and publicity” that reflects on possibilities to promote company's brand awareness. Analysing the technological factors, the researcher can state that the position does not have substantial impact on enterprise activity in comparison with another three groups of factors but anyway if company plans to enter the market via online channels the company should control these factors periodically.

4.4 Findings of the questionnaire

The author started to draw the results by analysing the answers from respondents. The questionnaires were conducted with six key managers of Concept Group including the CEO, Financial director, Marketing director, Sales director, Head of Supply Chain department and Head of Development department. All respondents have significant experience in their own branch in different fashion companies. All respondents gave the same answer concerning to the question about “in which cities' company has more profitable sales.” These are the cities with the population of more than 1.5 million people. Based on this finding, the researcher applied approximation of respondents answers to Polish size of cities (Table 10).

Table 10. Correlation of population Russian and Polish cities

Country	Population
Russian Federation	144 500 000
Poland	38 420 000
Index	3.76

Table 11. Gradation of Russian and Polish cities

Country	
Russian Federation	Poland
more 1 500 001	more 398 001
from 1 000 000 to 1 500 000	more 266 001 to 398 000
from 500 000 to 1 000 000	from 133 001 to 266 000
from 200 000 to 500 000	from 53 001 to 133 000
less 200 000	less 53 000

The results of approximation (Table 11) determined that cities for most appropriate starts are 8 largest cities of country which the researcher consider in the thesis.

The next answers concerning of “which brand to go international and what is the target audience is”, the respondents were aligned in their opinions. The first international brand should consider Concept Club with target audience 20 - 35 years old.

Within the framework of the next question about “which factors enhance attractiveness of Polish market”, the researcher got variable answers that reflect in which branch each manager operates. All respondents reported that Poland gives new opportunities in business development with scores 5. Exactly this score got following factors such as business experience for future development, psychological closeness of customers to Russian market. Four respondents agreed that to gain profit and growth is also important in Polish attractiveness. In CEO's opinion, his grade was 4.

The respondents do not consider that the subject of product competence in current Russian market, stagnation and competitors pressure on Russian business arena are the basic drivers to go to Poland market. The grades are 3 or 4. All these answers prove maturity of brand and its products. Simultaneously, all interviewers agreed that the brand is mature enough for domestic market. The brand's maturity is constantly evolving process that never stops.

The 7th question supposed that respondents assess the differences between Polish and Russian markets. All respondents indicated that taking into account GDP and economic prospects of Poland, this market more attractive in terms of purchasing power of Polish population. But at the same time, over half of respondents said that different clothing sizing systems of countries can negatively reflect on customers' interests and this fact requires the high changes and therefore investment in the production stage. One individual mentioned that Polish women have another body build such as average women height and width of the sleeve that also can assume deeper investigation of the topic.

Concerning the next question, about the key issue when planning to go abroad, all participants agreed that it is necessary to analyse country of entry beforehand and according to the chosen entry mode possible to distinguish the key issues. The overall response was investments, brand awareness, competition and the purchasing power.

More appropriate, all participants considered the entry mode to Poland through the online channels, in case of the profitable results of development this direction the company will move to establish the wholly owned subsidiary.

All respondents answered that most important factors within the process of entry mode choosing are (in descending order of importance) costs of internationalization, risks of control losing, competition and profit expectations.

The revealed fact that the average price of product in Polish clothing market is lower than brand price that requires additional analysis of all cost's components to gain its reduction.

All respondents answered that company has experience in such activities as export through intermediate based on Russia and Franchising channel. They distinguished that success of franchising mode depends on brand awareness that the company does not have in Europe.

The responses to the question 13 were as well very similar to each other. The most possible issues in Polish market are competition, lack of resources and market knowledge.

At the same time, all individuals accepted that strengths of Russian enterprises are: possibilities to organize all operations activities in big country according to requirements, experienced staff, existing advertising campaign which can work on the Polish market.

Overall, the participants expressed an agreement that prove understanding the current situations with possible launching of project, market of entry country, strengths and weaknesses of entity, all probable consequences and risks.

The answers to the question 17 were reflected in PEST analysis in the Table 8 as experts' grade.

4.5 Analysis of pricing of current retail market

Product pricing is an important aspect of brand adoption by consumers and the position on the brand among other competitors. In today's marketplace, Concept Club does not the same awareness as other mature brands like Mango and Zara but prices are still on the higher end.

Below, in the Table 12 the researcher will review the average price of comparable brands in Polish clothing market.

Table 12. Current average price of comparable brands in Polish clothing market

Current average price of comparable brands in Polish clothing market, pl.zl									
Concept Group	LPP					Inditex			MANGO
Concept Club	Reserved	Mohito	House	CROPP	SinSay	Zara	Bershka	Stradivarius	MANGO
98.09	51.27	65.06	51.78	57.60	28.52	173.15	109.64	115.32	230.88

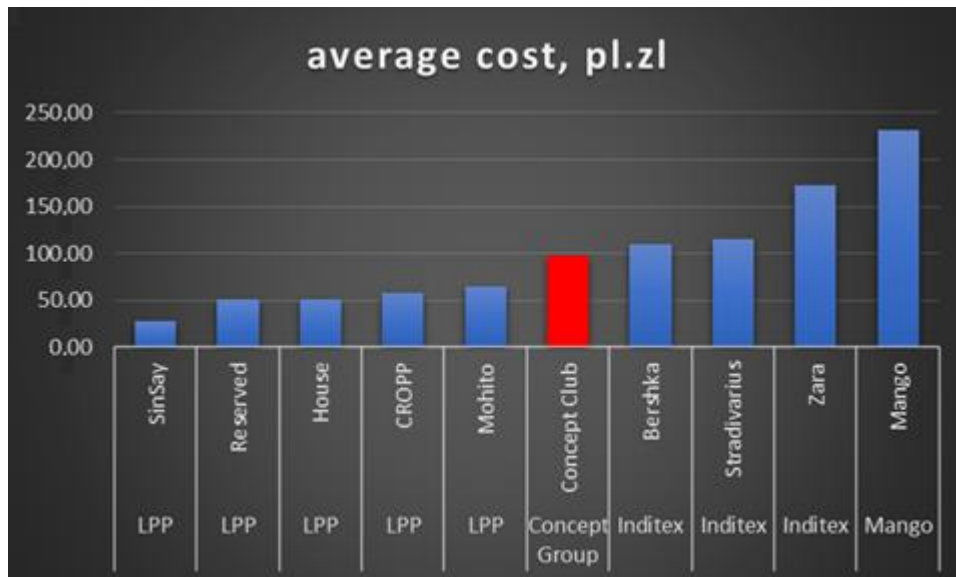


Figure 6. Current average price of comparable brands in Polish clothing market

According to the data in the Table 12, Concept Club pricing puts the company on the average price position among comparable competitors brands in Polish fashion mass-market arena. The Figure 6 above reflects that position. The leading place takes the domestic enterprise LPP with 5 popular Polish brands.

Concept Club follows the LPP enterprise. Then mature brands like Zara and MANGO supersede the Russian brand.

The price information was collected via a phone interview from companies' representatives who are responsible for price policy. It included companies such as LPP, MANGO, and Inditex.

4.6 Social-economic analysis of the largest Polish cities

Within this section the researcher has discovered and combined data concerning the urban system. The tables 13-14 show the population, unemployment rate and average gross monthly wage.

Table 13. The largest Polish cities. Main social-economic indicators of the cities Warsaw, Krakow, Lodz, Wroclaw

Economic indicators	City			
City	Warsaw	Krakow	Lodz	Wroclaw
Area	Mazoweckie	Malopolskie	Lodzkie	Dolnoslaskie
Population	1 720 398	756 183	737 098	632 996
Unemployment rate %	5.1 – 6.0	5.1 – 6.0	5.1 – 6.0	5.1 – 6.0
Average gross monthly salary, pl.zl	5 573	4 458	4 130	4 606

Table 14. The largest Polish cities. Main social-economic indicators of the cities Poznan, Gdansk, Szczecin, Katowice

Economic indicators	City			
City	Poznan	Gdansk	Szczecin	Katowice
Area	Wielkopolskie	Pomorskie	Zachodnio Pomorskie	Slaskie
Population	551 627	456 967	405 606	306 826
Unemployment rate %	4.7 – 5.0	5.1 – 6.0	6.1 – 7.0	5.1 – 6.0
Average gross monthly salary, pl.zl	4 230	4 711	4 230	4 682

The developed urban infrastructure allows to organize fashion retail business activity in accordance with all high requirements of this field. According to the forecast of IMF in 2019 Poland's GDP will increase by 5.16 %. The labour market is also characterized by good indicators. Current unemployment rate in these largest cities fluctuates within 4.70 to 7.00 percentages. Economists generally set the definition of full-employment somewhat higher - anywhere from 4% to as much as 8 or 9% (IMF 2019).

4.7 Safety and openness of Polish cities

This decision is based to the results of the study and evaluation of Polish cities on various researched and analysed parameters. It is important to mention that one of the sources of the decision was the information obtained from the report "Safe and open cities" by Europolis prepared by the Polish Robert Schuman Foundation (Polskiej Fundacjiiim. Roberta Schumana) and the Konrad Adenauer Foundation in

Poland (Fundacji Konrada Adenauera w Polsce) with the participation of Orange Polska and Grupa Veolia Polska.

According to reliable sources such as Main police Department, Main Fire Department, Ministry of family, labour and social policy, GUS (Komendy Głównej Policji, Komendy Głównej Straży Pożarnej, Ministerstwa Rodziny, Pracy i Polityki Społecznej, GUS), data were gathered and assessed as indicator of urban safety by 44 indicators grouped in five dimensions, which were approximated by the number of inhabitants and normalized (by dividing by standard deviation). Data about of 66 cities for the last three years (mainly between 2013-2015) were taken into account.

Table 15. Ranking of the most safety Polish cities

Ranking	City	Weight
1	Warszawa	63.60
2	Krakow	63.23
3	Rzeszow	61.87
4	Poznan	61.83
5	Gdynia	61.62
6	Gdansk	61.39
7	Sopot	61.38
8	Siedlce	60.89
9	Olsztyn	60.63
10	Bydgoszcz	60.27
11	Zamosc	60.20
12	Zory	59.75
13	Ostroleka	59.63
14	Wroclaw	59.34
15	Nowy	59.16
16	Zielona	58.97
17	Torun	58.87
18	Koszalin	58.67
19	Lublin	58.64
20	Lomza	58.24

This study is valuable because the assessment is calculated by many indicators, not only quantitative indicators. The researcher took into account parameters like:

the number of crimes committed, population, the number of educational institutions, the average salary, the length of roads and public routes, etc. For qualitative analysis, the researcher looked at the availability of the urban environment, the level of public welfare, a sense of individual security, etc.

4.8 Findings and analysis of real estate of the largest Polish cities and competitors

In this section, we will look at today's Polish real-estate market that deals with shopping malls field. From point of contemporary marketing view, the term "place" means a more holistic concept, rather than "destination". "Place" includes or signifies all economic activities and feelings that are related to it. Place marketing concerns with attracting people who can choose where they live, work, study or visit. They choose to do so in a particular place. They are talented, mobile people who bring wealth and investment with them (Briciu 2013, 9).

First, retailers need to ensure the best location wherever they operate. Having a store in a prime location is critical in the fashion business because the store's location and atmosphere itself conveys the brand image. Second, this multi-establishment geographical spread requires high levels of coordination, especially in the fashion business where a consistent brand image is extremely critical. Maintaining well-coordinated operations across all retail outlets and conveying consistent messages to consumers requires strong communication within the company (Jin & Cedrola 2016, 7-8).

Following to company's goals, the researcher dedicated time to investigate Polish cities with its shopping malls. All analyzed data about the current situation on Polish shopping malls and real estate is presented in Appendixes 3-18. The author used the secondary data from the source malls.com in terms of only locations in shopping centres, retail parks and factory outlet centres, excluding stand alone or high street locations. After that all data regarding to brands presence were collected directly from shopping mall's site. The total analysis of comparable brands in shopping malls of 8 largest readers can see at the Table 18.

According to the author's investigation of literature review, personal visits to Poland and own observations regarding the contemporary business situation in Polish fashion market, it would be suitable to summarise that Modern Polish real estate market is close to Russian one. Both countries have big shopping malls with a huge infrastructure. The shops are not limited to street retail as within many European countries specifically in city's centre. At the same time, the researcher can state that Polish malls are more mature, because most of them were built more than twenty years ago and present time have renovations. The Russian malls were constructed recently. It is important to note the size and population of each country and in the light of this to mention that every Polish city that population less than 50 thousand people has big shopping centre. It is not same in Russia, and similar size cities do not have the big central shopping mall.

Regarding the point of people traffic in malls, undoubtedly Russia has an advantage. Russian people prefer spend weekend time in shopping centres.

Table 16. The total analysis of comparable brands of all companies in the 8 largest cities of Poland

City \ Company	LPP	Inditex	MANGO	Total
Warsaw	61	36	6	103
Krakow	38	22	3	63
Łodz	23	11	1	35
Wroclaw	35	20	1	56
Poznan	35	15	3	53
Gdansk	40	16	3	59
Szczecin	18	7	2	27
Silesia	76	15	3	94
Total,	326	142	22	490
%	67	29	4	100

The summarized result of all tables the researcher combined in the Table 16. The total quantity of analysed shopping malls was 100 items. The analysis shows that Polish fashion company LPP covers 67% of fashion retail market and it is represented in 326 own brand shops. The author can state that the enterprise's is

the main competitor for Concept Group with its lower pricing policy. The second place is presented by Inditex company which owns 142 shops in Poland, which is 29% of the analysed market space. The last position has MANGO company, which operates with one brand and covers 4% of the market. Taking into account the high level of this brand's cost, Concept Group can do not compete with it.

4.9 Prospects of e-commerce sales

According to report of Centre For Retail Research (2018), online sales is the fastest growing segment of the retail market in Europe. Sales on an e-commerce platform in Western Europe, including in Poland, grew up with € 201.33 billion in 2015 to € 232.60 billion in 2016 (+ 15.6 per cent). In 2017, total sales in e-commerce reached € 265.68 billion, an increase of 14.2%. In 2018, the amount of online sales should increase to 302.37 billion euros. To make purchases of goods via online channels is quite simple, which attracts a wide range of buyers.

The market of online channels in Poland is quite rich. The country has the 15 000 online registered stores. Due to the reason that there are new EU rules and laws concerning a protection of personal data, the direction of online trading will be suitable to develop with one of the reliable players in this market, such as online retailer Allegro that is the market leader with 12.4 million users. Allegro has sales management functionality, using the Allegro Paczkomaty Inpost service.

In Poland there are 27.8 million Internet users, 56% of them making online purchases. Mostly are young people (64% younger than 34 years old), educated, with at least secondary education (75 %), who have a good estimate of their financial situation (54 %), consumers from large cities make purchases via the Internet (Gemius 2018a; Gemius 2018b).

4.10 Summarized results of all analyzed parameters

Earlier, the researcher studied the topic of shopping malls in Poland and concluded that the enterprise will open stores in the following cities: Gdansk, Krakow, Lodz, Poznan, Katowice (Silesia), Szczecin, Warsaw, Wroclaw.

So the writer combines all collected and investigated data and now will determine the order of opening stores, taking into account information about the safety and openness of cities, the availability of infrastructure and the number of stores. The results are grouped in the summary Table 17:

Table 17. The order of stores' opening

City	Integrated assessment of the level of security and openness	Ranking of safety and openness of the city	Quantity of shops				The order of stores' opening
			LPP	Inditex	MANGO	Bcero	
Warszawa	63.6	1	61	36	6	103	1
Krakow	63.23	2	38	22	3	63	2
Poznan	61.83	4	35	15	3	53	3
Gdansk	61.39	6	40	16	3	59	4
Wroclaw	59.34	14	35	20	1	56	5
Katowice (Silesia)	no data	no data	76	15	3	94	6
Łodz	no data	no data	23	11	1	35	7
Szczecin	no data	no data	18	7	2	27	8

It is necessary to check our findings taking into account earlier data studies in Table and combine its together 35 (Social-economic analyses of the 8 largest Polish cities):

Table 18. The order of opening, taking into account population factors

City	Area	Population	Unemployment rate %	Average gross monthly salary, pl.zł	The order of opening, taking into account of population factors
Warsaw	Mazowieckie	1 720 398	5.1 – 6.0	5 573	1
Krakow	Małopolskie	756 183	5.1 – 6.0	4 458	2
Lodz	Łódzkie	737 098	5.1 – 6.0	4 130	3
Wroclaw	Dolnośląskie	632 996	5.1 – 6.0	4 606	4

[Continues]

[Continues]

Poznan	Wielkopolskie	551 627	4.7 – 5.0	4 230	5
Gdansk	Pomorskie	456 967	5.1 – 6.0	4 711	6
Szczecin	Zachodnio Pomorskie	405 606	6.1 – 7.0	4 230	7
Katowice	Slaskie	306 826	5.1 – 6.0	4 682	8

Table 19. The order of opening, taking into account of wages factors

City	Area	Population	Unemployment rate %	Average gross monthly salary, pl.zł	The order of opening, taking into account of wages factors
Warsaw	Mazowieckie	1 720 398	5.1 – 6.0	5 573	1
Gdansk	Pomorskie	456 967	5.1 – 6.0	4 711	2
Katowice	Slaskie	306 826	5.1 – 6.0	4 682	3
Wroclaw	Dolnoslaskie	632 996	5.1 – 6.0	4 606	4
Krakow	Malopolskie	756 183	5.1 – 6.0	4 458	5
Poznan	Wielkopolskie	551 627	4.7 – 5.0	4 230	6
Szczecin	Zachodnio Pomorskie	405 606	6.1 – 7.0	4 230	7
Lodz	Lodzkie	737 098	5.1 – 6.0	4 130	8

The researcher summarized the results in order to choose the optimal sequence of opening stores, taking into account the indicators of safety and openness, as well as the presence of effective demand. Obviously, the safest and most open environment exists in small towns, but in such places the demand for fashionable clothes is limited. In order to make the right choice we will conduct an integral evaluation of the results.

Table 20 .The order of opening of shops taking into account the core parameters

City	The order stores opening taking into account the ranking of safety and openness of the city	The order stores opening taking into account the city population	The order stores opening taking into account the wages	Average-weighted	The order of opening
Warszawa	1	1	1	1	1
Krakow	2	2	5	3	2

[Continues]

[Continues]

Gdansk	4	6	2	4	3
Wroclaw	5	4	4	4	4
Poznan	3	5	6	5	5
Katowice (Silesia)	6	8	3	6	6
Łodz	7	3	8	6	7
Szczecin	8	7	7	7	8

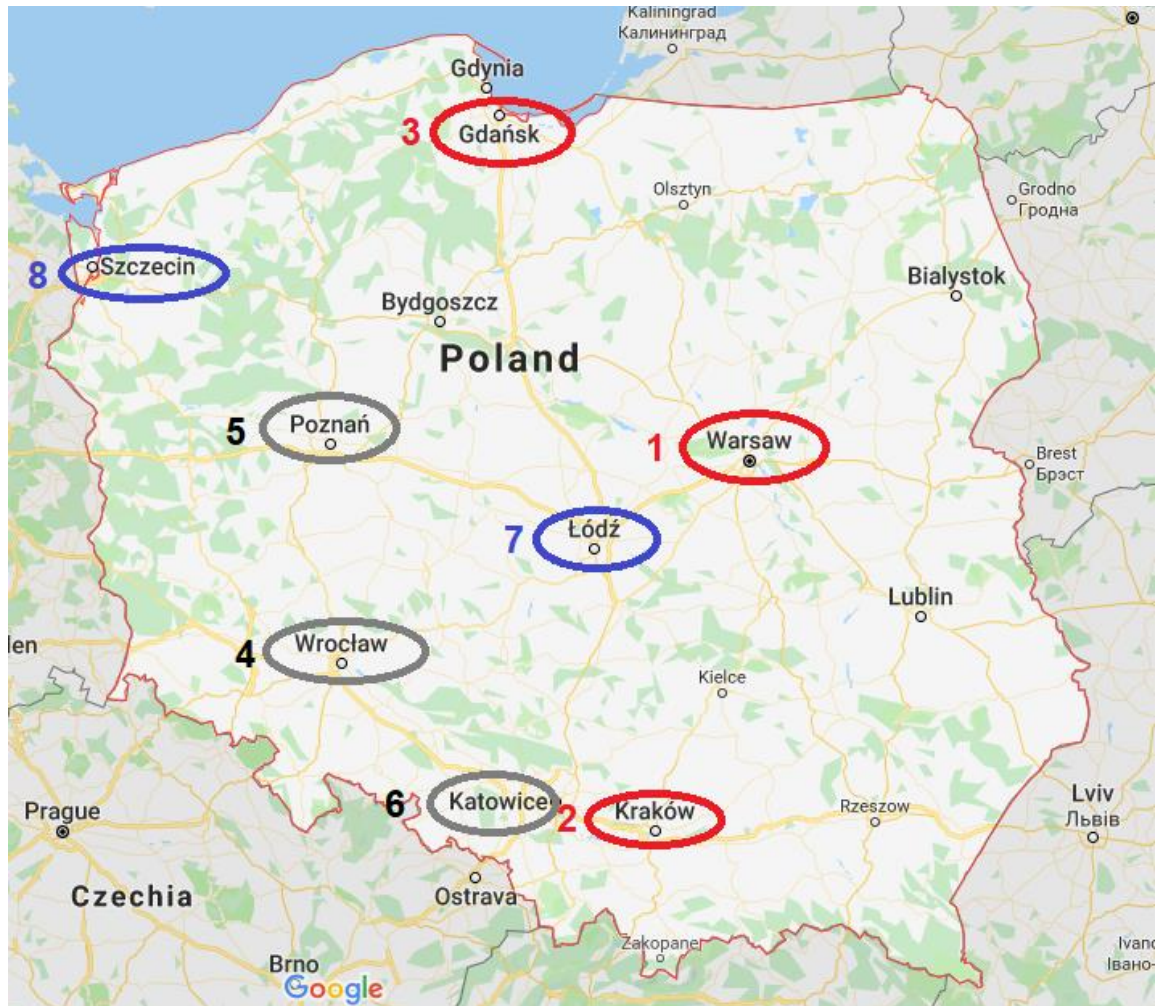


Figure 7. The order of opening of stores

The order of opening stores allows to provide on time assessment of shops' effectiveness and make the necessary adjustments to the development plan, marketing and logistics. This is a topic for the further research.

4.11 Findings of entry mode choice

Every way is unique for every certain company. Anyway, paying attention to the current market situation and financial company situation, enterprise should keep the balance and select a mode with low level of different risks. There should be considered degree of expenses/investments, management control, political country regulations and all possible consequences of a critical strategic solution. In the Figure 8 readers can observe risks level depending on entry modes. Each possible variant has its pros and cons.

ADVANTAGES AND DISADVANTAGES OF DIFFERENT MODES OF ENTRY		
<i>Entry Mode</i>	<i>Advantages</i>	<i>Disadvantages</i>
Indirect exporting	<ul style="list-style-type: none"> • Low commitment (in terms of resources) • Low risk 	<ul style="list-style-type: none"> • Lack of control • Lack of contact with foreign market • No learning experience • Potential opportunity cost
Direct exporting	<ul style="list-style-type: none"> • More control (compared to indirect exporting) • More sales push 	<ul style="list-style-type: none"> • Need to build up export organization • More demanding on resources
Licensing	<ul style="list-style-type: none"> • Little or no investment • Rapid way to gain entry • Means to bridge import barriers • Low risk 	<ul style="list-style-type: none"> • Lack of control • Potential opportunity cost • Need for quality control • Risk of creating competitor • Limits market development
Franchising	<ul style="list-style-type: none"> • Little or no investment • Rapid way to gain entry • Managerial motivation 	<ul style="list-style-type: none"> • Need for quality control • Lack of control • Risk of creating competitor
Contract manufacturing	<ul style="list-style-type: none"> • Little or no investment • Overcome import barriers • Cost savings 	<ul style="list-style-type: none"> • Need for quality control • Risk of bad press (e.g., child labor) • Diversion to gray and/or black markets
Joint venture	<ul style="list-style-type: none"> • Risk sharing • Less demanding on resources (compared to wholly-owned) • Potential of synergies (e.g., access to local distribution network) 	<ul style="list-style-type: none"> • Risk of conflicts with partner(s) • Lack of control • Risk of creating competitor
Acquisition	<ul style="list-style-type: none"> • Full control • Access to local assets (e.g., plants, distribution network, brand assets) • Less competition 	<ul style="list-style-type: none"> • Costly • High risk • Need to integrate differing national/corporate cultures • Cultural clashes
Greenfield	<ul style="list-style-type: none"> • Full control • Latest technologies • No risk of cultural conflicts 	<ul style="list-style-type: none"> • Costly • Time consuming • High political & financial risks

Figure 8. Advantages and Disadvantages of different modes of entry (by Kotabe & Helsen, 2010)

The exporting activity illustrates the lowest risk of investment simultaneously with lowest degree of control. Vice versa, the model of the wholly owned subsidiary reflects the highest level both indicators.

The final decision concerning acceptable entering mode will be taken by company's management after presentation of all researched materials and also according to analyzed results of managers' questionnaire and PEST analysis.

In order to evaluate the wholly owned subsidiary mode, the writer examined similar companies that entered Polish clothing market recently by establishing its own sales office or subsidiaries. Some of these companies continue to operate in the market and some had to leave the market.

Table 21 demonstrates which brands appeared and left Polish market.

Table 21. Brand which appeared and left Polish market (by EuropaProperty.com 2017)

Newcomers	Left brands
Forever 21	American Eagle
Converse	Devred 1902
Elena Miro	Dairy Queen
Hamleys	Celio
Max&Co	Dorothy Perkins
Maxi Bazar	Marks & Spencer
Steve Madden	Burberry
Tezenis	Kari
U.S. Polo Assn	Brice
Uterque	Mothercare

Information in Table 21 shows that all newcomers brands are high-end, luxury brands with a high average cost. All of them are well-recognized brands in the global market. One exception is Tezenis. Only time will show how these brands will develop with time in Poland. It is not predictable. The second part of this table concerns the brands that could not complete and left the Polish market. According to Marek Pehocki (the owner and shareholder of LPP) what matters is only the design and fashion trends. Even quality is secondary. There are quality brands but they are not in trend, not at the peak, and therefore not very successful. The balance between the quality of the product and its trend is the most important criteria. For example, the brand Marks & Spencer is typical template how not to do

business. In Pehocki M. opinion, many firms became bankrupt or in a difficult situation because they just do not keep up with fashion (Kovtun 2018).

Summarizing of theoretical part concerning of entry mode choice, the researcher claims that exist only five possible variants of penetration: export, licensing, franchising, joint venture and wholly owned subsidiary (Jin & Cedrola 2016,13). Export, licensing, franchising modes are not an appropriate ones because the company does not have any brand awareness, image and there are not potential partners who want to represent the company's interest and sale goods. The second reason of unacceptability includes the lack of operation control that reflects in company's reputation, profits and possible risks. The joint venture model is not appropriated cause of Concept Group does not consider the establishment of company with any partnerships. The last mode is the wholly owned subsidiary that corresponds all company's requirements but accompanied high resources commitment and investments.

In author's and managers opinion, taking into account all pros and cons of all entry modes in current business terms Concept Club should start from on-line channels (e-commerce trading).

5. CONCLUSION

The main research question was:

What the Polish clothing business environment is?

In the frame of studying this question, the researcher conducted a deep scanning of the current Polish business environment and provided PEST analysis. The ensuring of analyses of Polish market, was not only limited to the analyses within the country of the clothing sector, but also other sectors that can gain additional insights into country's retail and manufacturing trends.

Poland is the attractive country in terms of doing business. This is reflected in all economic, social and technological indicators. A new market in a country with a

population of over 38 million is an enticing prospect. Despite this, the company must take into account important factor such as a political aspect, which the company cannot affect in any way and take it as a certain risk.

As part of the study of the Polish market, the author also researched the current situation of real estate with shopping centres and the presence of competitors in them. The result of the analysis showed the predominance of the local company LPP in the market, which owns 5 brands and occupies 67% of the analysed retail space in the 8 largest cities of the country. The popularity of these brands is also due to the pricing policy of all brands with the average price is being lower than the average price of the Concept Group. Therefore, Concept Group needs to work out the issue of minimizing costs in order to reduce the average price.

As the author have defined earlier, the first stage of penetration on Polish market will be carried out via online channels. Within this process the company be able to refine and optimize logistics solutions, to study the current demand and adjust company's offers. After that, taking into account the previously identified 8 largest cities of Poland and its shopping centres, it is assumed that the stores will be entered sequentially. First of all, it is planned to open stores in Warsaw.

Summarised all data from the Table 20 the researcher has determined the following tactics of entering the retail market.

First of all, it is necessary to open stores in Warsaw. Warsaw – the capital of Poland and the city which is positively characterized by a strong social and economic potential, good earnings, so Warsaw is the best place to launch a business.

The second, stores must be opened in Krakow. Krakow is considered as the cultural and tourist center of Poland. The opening of stores in Krakow will not missed in the Media, that will have a positive effect.

The third place the company should open stores is Gdansk. This city occupies an important place in the history of Poland and in country's economy. It is part of the

so-called Pomeranian trigorod trójmiasto (the "three — city tri-city") urban agglomeration in Northern Poland. It consists primarily of Gdansk, Sopot and Gdynia. These cities are distinguished by a good transport availability. The transport system of the cities includes railway lines, which are the surface metro.

Great importance for the decision on the further development of the shops, in the researcher opinion, will depend on the economic efficiency of stores in Warsaw and in future in Poznan. Poznan shows excellent results of economic activity developing a new business. According to the Forbes rating on attractiveness for new business in Poland, Poznan is in second place after Warsaw. At the end, in case of successful sales, the company can open the shops of the third stage in the cities of Łodz and Szczecin.

In consequence of that success, sales will depend on locations of shops. The company should have some negotiations beforehand with owners of malls and look for profitable places where shoppers traffic is high.

When opening the new stores in all the following shopping centres, the company, as a newcomer, should consider only the best locations (good visibility; as close as possible to other fashion brands(especially anchors which were analysed early); ground floor if multilevel mall (or first floor if all fashion are there), location near to the vertical communication and/or near cross-sections of the main communication paths; shop window with enough to have good visibility).

The sub-question was:

What is the most appropriate entry mode for Polish clothing market with the company's position according to their current business environment?

It would be fair to say that there are several ways to go abroad which were researched and described above. The choice of the particular method of entering the external market depends on factors such as cost (investments), risk and the level of control over the process, brand awareness and the enterprise's reputation.

First of all, Concept Group took into account these factors then decided that the company should go international to Polish clothing market with another modern channel: online stores – as the first step. The online shopping is a current trend in fashion apparel. This contemporary method is based on the fast development of IT technologies. It is the most popular among customers and does not require high investments. Using e-commerce channel, enterprise has opportunity to reduce the required resources and to go the global market with minimal risks (Jin & Cedrola 2016, 100). Undoubtedly, this project needs a detailed development of a platform for online selling plus engagement of partners who can operate warehouse system and third party logistics in Poland.

The next step, in case of successful implementation e-commerce, the company selected the hierarchical mode - the wholly owned subsidiary as most appropriate mode for the fashion apparel that can be perceived as high growth and low risk. The firm must be ready to any occurrences which were represented in PEST analysis. Its flexibility to respond to environmental events guarantees its long-term success. As such, the enterprise must evaluate the outcome of its marketing plans, analyse progress and variances from target goals and objectives, and take control actions where needed. It is important to note that the model of planning decisions taken by international marketing managers, as discussed above, is an iterative process. The activities must be undertaken continually to ensure environmental sensitivity and effective strategy implementation.

The development of the project of establishment the wholly owned subsidiary requires substantial investment of money and time (e.g. right place of office and warehouse location, searching for staff and time to set up).

As mentioned earlier, a good market entry strategy is requirement in order to achieve success in a foreign market. All developed steps are based on analysis of Polish market business environment, marketing books, tutorials, publications and reliable internet sources.

The steps for implementation:

- searching of strategic online partners (Allegro.pl, Amazon.com, Zalando.com, Next.com, Asos.com, Bestsecret.com, Johnlewis.com and etc);

- developing and launching of an advertising campaign using organic social, paid media and paid social channels;
- launching online e-commerce platform that services personalized and relevant content and merchandize to their customers;
- making sure that e-commerce has mobile presence via an app or mobile friendly layout;
- making sure that legal compliance such as GDPR and privacy policy is fully implemented to protect consumer rights;
- development of customer satisfaction and retention strategies;
- analysing of online sales at current prices;
- searching for possible ways to reduce the average price;
- preparation of establishment of the wholly owned subsidiary:
 1. personnel selection;
 2. the decision about location of the office/ warehouse distribution center and its search;
 3. negotiations with landlords concerning prospects of renting the best locations (the best locations were described earlier) in the shopping centers of the 8 largest cities considered in the project;
 4. the development of SCM.

All processes should be launched simultaneously. All implementing steps developed for Concept Group company which operates on fashion retail market with the particular price policy. To be able to succeed in the new market, the company have to do its best to achieve wising results.

5.1 Evaluation of the research. Reliability and Validity of the thesis.

The evaluation of the research can be confirmed it validity and reliability. During this study the author hold on the position to keep the core aspects of justification the thesis. There are: usage of multiple sources and maintain of a chain of evidence during the study (Yin, 2003). As one of validity of research the author used only reliable sources.

The project was developed together with experienced managers and all empirical findings were agreed with stakeholders. All received important results were taken into account to consideration of company management.

Reliability is one of the main features of any research. The reliable research should be internally coherent during the time. Reliability is the immunity of the research and independence of its results from the action of various random factors. When talking about the degree of validity, it is considered how the results of the study correspond to its tasks. Qualitative validity. Before the researcher started to implement all analyses, the literature review was completed to provide the theoretical background for drafting a questionnaire.

The reliability of questionnaire proves the fact that all questions were formed from the collected theory, analysed data from reliable sources and sent to respondents via email in advance, so they have time to figure out and answer. The validity and reliability of the questionnaire is also confirmed by the fact that respondents in their answers could choose from a certain set of answers that allowed to reduce the *"possibilities of a wide range of answers, it will also help to ensure that you are getting the kinds of answers you need to answer your questions: valid answers"* (Bercher & Clippinger 2017, 3-5).

Bryman and Bell (2003) defined a validity as estimation on the quality of the research. The authors also mentioned how important it is to have the appropriate research scheme. If the design of questionnaire fits the purpose of research therefore it increases the grade of validity.

The answers to questionnaires may contain subjective opinions or bias of the respondents that is not possible to avoid in qualitative research. It is important to note that, the interpretations of qualitative research always contain subjective interpretations of the respondents. The use of a standardized questionnaire results can reduce amount of error components (Creswell's 2014, 201).

The fact of sequential evidence increases reliability of information in a case research (Saunders et al. 2009), therefore the author developed the structure of the thesis as a logic chain from the analysis of external Polish business environment to choice of entry mode and development of consistent steps for strategy's implementation.

There is important to note that previous experience of researcher's work concerned the same topic of internationalization the fashion company to Poland but in another company so the author knows all possible "underwater" difficulties of the project which were avoided and excluded in evolving of the project for Concept Group.

The Director of development confirmed the key idea that to open the owned stores (negotiations with malls' owners and waiting the appropriate places for shops) require time so the enterprise has time to launch the first step of internationalization process via online channels. This waiting time will allow to company to analyse and prepare to go abroad successfully.

5.2 Recommendations for future research.

Due to the company decided to start the penetration to Polish fashion market via online channels, the entity should begin to investigate all famous online platform which are most popular in Poland.

The second important issue which concerns online sales are delivery costs and time of delivery. Both these topics should be researched nearest time.

Due to the fact that the Concept Group will start with online sales it would be necessary to assess and distinguish the target audience after that to develop the promoting campaign of brand.

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APPENDICES

APPENDIX 1/1

Questionnaire

1. What is your position in the company?
2. How many years is your professional work experience?
3. In which Russian cities (population of the city) the company operates more successful?
 - More 1 500 001
 - 1 000 001 -1 500 000
 - 500 001 -1 000 000
 - 200 000-500 000
 - Less 200 000
4. In which business direction of clothes' market more attractable to internationalize for the company does its business?
 - Baby/children
 - Adult women
 - Adult men
5. In which age category company's goods are most popular in Russian market?
 - Baby/children
 - 15-20
 - 20-35
 - 35-50
 - More than 50
6. What factors effect on your opinion to enter to Polish market?
(1=Not a bit, 2= A little, 3=Moderately 4=Quite a bit 5=Fully)
 - To get extra profit 1 2 3 4 5
 - Opportunities to develop a new direction of the business 1 2 3 4 5
 - To gain business experience for future development 1 2 3 4 5

- The product competence in the current Russian market 1 2 3 4 5
 - The stagnation of current Russian market 1 2 3 4 5
 - Competitive pressure in the domestic clothes' market 1 2 3 4 5
 - Cultural and lifestyle's closeness of potential customers (for example similarity in fashion attitude) 1 2 3 4 5
7. How the Poland retail clothes' market differs from Russian retail one in your opinion?
8. What are the key issues when planning market entry in your opinion?
9. What entry mode is more suitable for the company in your opinion according to external business environment and internal company's conditions?
- Export through intermediate based on Russia
 - Export through intermediate based abroad
 - Export cooperation with other companies as a group
 - Contract manufacturing
 - Licensing
 - Franchising
 - Joint venture
 - Own sales office/subsidiary
 - Buying of existing fashion brands
10. What is your opinion about the average price (presented in thesis) of Concept Club brand compared to another participant of clothing market?
11. Has company had any experience in an implementation of some modes what was asked in the previous question?
12. What factors effected on selection of the particular market entry mode? (1=Not a bit, 2= A little, 3=Moderately 4=Quite a bit 5=Fully)
- Financial outcomes 1 2 3 4 5
 - Risks 1 2 3 4 5
 - Products' demand 1 2 3 4 5
 - Market size of Poland 1 2 3 4 5

- Obstruction to financial activities (for example custom taxes/duties) 1 2 3 4 5
- Competition 1 2 3 4 5
- Sociocultural factors 1 2 3 4 5
- The amount of current international experience 1 2 3 4 5
- Demand uncertainty 1 2 3 4 5
- Costs of the internationalization 1 2 3 4 5

13. With which possible issues (challenges/difficulties) the company can confront in Polish market in your opinion? (1=Not a bit, 2= A little, 3=Moderately 4=Quite a bit 5=Fully)

- Lack of current market knowledge 1 2 3 4 5
- Lack of resources 1 2 3 4
- Cultural difference of host customers 1 2 3 4 5
- High competition in Polish market 1 2 3 4 5
- Difficulties to establish the subsidiary including organizing of daily operation activities 1 2 3 4 5
- Challenges in law base 1 2 3 4 5
- High customers' expectations 1 2 3 4 5

14. What are the strengths of Russian retail companies in Poland?

15. What do you think are the main business development opportunities on the target market in the future for the company?

16. Could you suppose reasons of leaving Polish clothing market by another fashion brands in recent times?

17. Could you assess of probability of factor change for PEST analysis: The probability of fluctuations is estimated on a 5-point scale, where 1 means the minimum probability of changing the environmental factor, and 5 — the maximum probability.

PEST analysis. Experts' grades of factors

Factor description	Grade				
	1	2	3	4	5
Political factors					
Government stability					
Foreign economic legislation					
State position in relation to foreign capital					
Intentions of public authorities with regard to the development of society					
Government type					
Member of EU					
Level of corruption					
Competition regulation					
Diplomatic quarrel with Russia					
Economic factors					
Trends in gross domestic product					
Investment policy					
Unemployment					
Inflation					
The level of competitors' prices					
The level of population' wages/Personal citizen income					
The level of competition					
Tax rates					
Real estate					
Social factors					
Demographic structure of the population (male/female)					
Urbanisation of population					
Average age of population					
Relation to fashion					
Advertising and publicity					
Logistic (transport) infrastructure					
Technological factor					
Advancements in information technology					
Emergence of the Internet and E-Commerce					
IT Cloud solution					

Analysis of comparable brands LPP and MANGO companies in Warsaw

Warsaw Shopping malls' name	LPP					MANGO
	Brand's name					
	RESERVED	MOHITO	HOUSE	CROPP	SINSAY	MANGO
Arkadia	•	•	•		•	•
Atrium Promenada	•		•	•		
Atrium Reduta	•	•	•	•	•	
Atrium Targówek	•	•	•			
Auchan Piaseczno	•					
Blue City						
Centrum Ursynów	•					
CH Janki	•	•		•		
Designer Outlet	•					•
Factory Anopol	•	•	•	•		
Factory Ursus	•					
Galeria Łomianki	•	•				
Galeria Mokotów	•	•	•	•		•
Galeria Północna	•	•	•	•	•	
Galeria Wileńska	•	•	•	•	•	
Galeria Wołomin	•		•	•	•	
King Cross	•					
M1 Marki	•					•
Plac Unii		•				
Sadyba Best Mall	•					
WarsSawaJuni or	•	•				•
Wola Park	•	•	•	•	•	•
Złote Tarasy	•	•		•	•	
Number of stores	21	13	10	10	7	6

Analysis of comparable brands company Inditex in Warsaw

Warsaw	INDITEX							
	Brand's name							
Shopping malls' name	ZARA	PULL& BEAR	MASSIMO DUTTI	BERSHKA	STRADI-VARIUS	OYSHO	ZARA HOME	UTERQUE
Arkadia	•	•	•	•	•	•	•	•
Atrium Promenada	•							
Atrium Reduta								
Atrium Targówek	•				•			
Auchan Piaseczno								
Blue City	•	•		•	•			
Centrum Ursynów								
CH Janki								
Designer Outlet								
Factory Annopol								
Factory Ursus								
Galeria Łomianki								
Galeria Mokotów	•		•		•	•	•	•
Galeria Północna								
Galeria Wileńska				•	•			
Galeria Wołomin								
King Cross								
M1 Marki								
Plac Unii			•		•			
Sadyba Best Mall								
WarsSawaJunior	•							
Wola Park	•			•	•			
Złote Tarasy	•	•	•	•	•	•	•	
Number of stores	8	3	4	5	8	3	3	2

Analysis of comparable brands LPP and MANGO in Krakow

Krakow	LPP					MANGO
Shopping malls' name	Brand's name					
	RESERVED	MOHITO	HOUSE	CROPP	SINSAY	MANGO
Bonarka City Center
Carre four Czyżyny	
Factory Kraków	
Galeria Bronowice	
Galeria Kazimierz	.					
Galeria Krakowska
Plaza Kraków	.					
M1 Kraków	.	.				
Serenada	
Zakopianka	
Number of stores	9	8	7	7	7	3

Analysis of comparable brands Inditex in Krakow

Krakow	Inditex							
	Brand's name							
Shopping malls' name	ZARA	PULL& BEAR	MASSIMO DUTTI	BERSHKA	STRADI-VARIUS	OYSHO	ZARA HOME	UTERQUE
Bonarka City Center	.	.	.	.	.	.
Carre four Czyżyny								
Factory Kraków								
Galeria Bronowice								
Galeria Kazimierz	.				.			
Galeria Krakowska	.	.	.	.	.	.	.
Plaza Kraków								
M1 Kraków								
Serenada	.	.	.	.	.	.	.
Zakopianka								
Number of stores	4	3	3	3	4	3	2	0

Analysis of comparable brands LPP and MANGO companies in Łodz

Łodz	LPP					MANGO
	Brand's name					
Shopping malls' name	RESERVED	MOHITO	HOUSE	CROPP	SINSAY	MANGO
Echo Pabianice	.			.		
Galeria Łódzka	.	.	.	.	.
Manufaktura	.	.	.	.	.	.
Pasaż Łódzki					.	
Port Łódź	.	.		.	.
Ptaka Outlet		.				
Sukcesja	.	.	.	.	.
Number of stores	5	5	3	5	5	1

Analysis of comparable brands the company Inditex in Łodz

Łodz	Inditex							
Shopping malls' name	Brand's name							
	ZARA	PULL& BEAR	MASSIMO DUTTI	BERSHKA	STRADI-VARIUS	OYSHO	ZARA HOME	UTERQUE
Echo Pabianice								
Galeria Łódzka	•	•			•			
Manufaktura	•		•	•	•			
Pasaż Łódzki								
Port Łódź	•	•		•	•			
Ptak Outlet								
Sukcesja								
Number of stores	3	2	1	2	3	0	0	0

Analysis of comparable brands LPP and MANGO in Wrocław

Wrocław	LPP					MANGO
Shopping mall's name	Brand's name					
	RESERVED	MOHITO	HOUSE	CROPP	SINSAY	MANGO
Borek	•	•				
CH Bielany	•	•	•	•	•	
Galeria Dominikańska	•		•	•		•
Korona		•		•	•	
Magnolia Park	•	•	•	•	•	
Pasaż Grunwaldzki	•	•	•	•	•	
Renoma	•	•			•	
Sky Tower Wrocław				•		
Wroclavia	•	•	•	•	•	
Wrocław Fashion Outlet	•	•	•			
Number of stores	8	8	6	7	6	1

Analysis of comparable brands Inditex company in Wrocław

Wrocław	Inditex							
	Brand's name							
Shopping mall's name	ZARA	PULL& BEAR	MASSIMO DUTTI	BERSHKA	STRADI-VARIUS	OYSHO	ZARA HOME	UTERQUE
Borek								
CH Bielany								
Galeria Dominikańska								
Korona								
Magnolia Park	•	•		•	•	•		
Pasaż Grunwaldzki	•	•		•	•	•		
Renoma	•		•					
Sky Tower Wrocław								
Wroclavia	•	•	•	•	•	•	•	•
Wrocław Fashion Outlet								
Number of stores	4	3	2	3	3	3	1	1

Analysis of comparable brands LPP and MANGO companies in Poznan

Poznan	LPP					MANGO
	Brand's name					
Shoppin mall's name	RESERVED	MOHITO	HOUSE	CROPP	SINSAY	MANGO
Avenida	•	•	•	•	•	•
ETC Swarzędz	•					
Factory Poznań	•		•			•
Galeria Malta	•	•	•	•	•	
King Cross Marcelin	•	•	•	•	•	
M1 Poznan	•	•		•		
Plaza Poznań	•	•	•	•	•	
Posnania	•	•	•	•	•	•
Stary Browar	•	•	•		•	
Number of stores	9	7	7	6	6	3

Analysis of comparable brands Inditex in Poznan

Poznan	Inditex							
	Brand's name							
	ZARA	PULL& BEAR	MASSIMO DUTTI	BERSHKA	STRADI-VARIUS	OYSHO	ZARA HOME	UTERQUE
Avenida		•		•	•			
ETC Swarzędz								
Factory Poznań								
Galeria Malta								
King Cross Marcelin								
M1 Poznan								
Plaza Poznań	•							
Posnania	•	•	•	•	•	•	•	
Stary Browar	•		•			•	•	
Number of stores	3	2	2	2	2	2	2	0

Analysis of comparable brands LPP and MANGO companies in Gdansk

Gdansk	LPP					MANGO
	Brand's name					
	RESERVED	MOHITO	HOUSE	CROPP	SINSAY	MANGO
Alfa Centrum	•	•		•	•	
Auchan Gdańsk					•	
Auchan Port Rumia			•		•	
Batory	•					
CH Morena	•					
CH Osowa	•				•	
Designer Outlet Gdańsk				•		
Galeria Bałtycka	•	•	•	•	•	•
Galeria Przymorze	•	•	•	•		•
Galeria Rumia	•	•	•	•		
Galeria Szperk	•	•			•	
Klif Gdynia	•					
Madison Park	•	•			•	
Matarnia	•	•	•			
Riviera	•	•	•	•	•	•
Number of stores	12	8	6	6	8	3

Analysis of comparable brands the company Inditex in Gdansk

Gdansk	Inditex							
	Brand's name							
Shopping mall's name	ZARA	PULL& BEAR	MASSIMO DUTTI	BERSHKA	STRADI-VARIUS	OYSHO	ZARA HOME	UTERQUE
Alfa Centrum				•	•			
Auchan Gdańsk								
Auchan Port Rumia								
Batory								
CH Morena								
CH Osowa								
Designer Outlet Gdańsk								
Galeria Bałtycka	•	•		•	•	•		
Galeria Przymorze								
Galeria Rumia								
Galeria Szperk								
Klif Gdynia	•							
Madison Park					•			
Matarnia								
Riviera	•	•	•	•	•	•	•	
Number of stores	3	2	1	3	4	2	1	0

Analysis of comparable brands LPP and MANGO companies in Szczecin

Szczecin	LPP					MANGO
	Brand's name					
Shopping mall's name	RESERVED	MOHITO	HOUSE	CROPP	SINSAY	MANGO
Atrium Molo	•					
Galaay	•	•	•	•	•	•
Galeria Kaskada	•	•	•	•	•	•
Outlet Park Szczecin	•			•		
Turzyn	•	•	•	•	•	
Number of stores	5	3	3	4	3	2

Analysis of comparable brands Inditex in Szczecin

Szczecin	Inditex							
	Brand's name							
Shopping mall's name	ZARA	PULL& BEAR	MASSIMO DUTTI	BERSHKA	STRADI-VARIUS	OYSHO	ZARA HOME	UTERQUE
Atrium Molo								
Galaay	•				•			
Galeria Kaskada	•	•	•	•	•			
Outlet Park Szczecin								
Turzyn								
Number of stores	2	1	1	1	2	0	0	0

Analysis of comparable brands LPP and MANGO in Silesia

Silesia	LPP					MANGO
	Brand's name					
Shopping mall's name	RESERVED	MOHITO	HOUSE	CROPP	SINSAY	MANGO
3 Stawy		•				
Agora	•	•	•	•	•	
Arena	•	•	•	•		
Atrium Plejada	•		•	•		
CH AKS	•					
City Point	•		•	•		
Designer Outlet Sosnowiec						•
Europa Centralna	•	•	•	•	•	
Forum Gliwice	•	•	•	•	•	
Galeria Galena	•	•	•	•	•	
Galeria Katowicka	•	•	•	•	•	
M1 Czeladź	•	•		•		•
M1 Zabrze	•	•	•	•	•	
Platan			•	•	•	
Plaza Sosnowiec	•	•				
Plejada	•	•	•	•	•	
Pogoria	•	•	•	•	•	
Quick Park Mysłowice	•		•	•	•	
Ruda Śląska Plaza	•	•				
Silesia City Center	•	•	•	•	•	•
Supersam	•	•	•	•	•	
Number of stores	18	15	15	16	12	3

Analysis of comparable brands company Inditex in Silecia

Silesia	Inditex							
	Brand's name							
Shopping mall's name	ZARA	PULL& BEAR	MASSIMO DUTTI	BERSHKA	STRADI-VARIUS	OYSHO	ZARA HOME	UTERQUE
3 Stawy								
Agora					.			
Arena								
Atrium Plejada								
CH AKS								
City Point								
Designer Outlet Sosnowiec								
Europa Centralna				.	.			
Forum Gliwice								
Galeria Galena								
Galeria Katowicka	.	.	.	.	.	.
M1 Czeladź								
M1 Zabrze								
Platan								
Plaza Sosnowiec								
Plejada								
Pogoria								
Quick Park Myslowice								
Ruda Śląska Plaza								
Silesia City Center	.	.	.	.	.		.
Supersam								
Number of stores	2	2	2	3	4	1	1	0