

MSoc. Sc. in Management of Creative Business Processes

Master Thesis



Internationalization in the Creative Industry

**An Investigation of Success Behind Artistic & Commercial Logic at
Ole Lynggaard Copenhagen.**

Supervisor: *Keld Laursen*

Author: *Sandra M. Andreassen*

Number of pages/characters: 79/155305

Submission date: *24.10.2014*

Copenhagen Business School 2014

Executive Summary

This thesis aims at investigating why and how a company in the creative industry is balancing the importance of artistic and commercial logic together with other crucial factors to ensure a successful growth on the international market. The research performed is constructed by a case study on the fine jewellery company Ole Lynggaard Copenhagen and a qualitative research method is applied to this case study. Consequently, interviews with four key professionals within diverse management positions at Ole Lynggaard Copenhagen are conducted in order to gain a good insight from different aspects of the company. The theoretical foundation of this thesis was based on the five central factors in relation to the problem area: internationalization, artistic and commercial logic, competitiveness, differentiation through branding and quality control for Ole Lynggaard Copenhagen to ensure successful growth on the international market. The finds show that there are no big tensions with regards to artistic and commercial logic. The company is not that big and the two aspects work very closely to ensure success, even though the pressure has increased after they expanded. Outsourcing the production had been discussed, but was declined in the end because of the company's values and innovation process. Furthermore their experience on the domestic market has helped the company to some degree through the internationalization process but they are highly reliant on finding the right people and dealers when going into new markets. Additionally, it was discovered that renewal of products are important to increase competitiveness, but since they are selling long lasting jewellery, giving the products a new look through visual merchandising can be just as helpful. However, their strong brand position on the domestic market did not help them differentiate and increase competitiveness on the new markets. Moreover as a value based company, they are working hard to ensure top quality throughout all sections even though it takes time and they have limited resources as a small company. Ole Lynggaard Copenhagen is subsequently working constructively with awareness to the different aspects to secure a successful growth on the new markets.

Key words:

Creative Industry, Internationalization, Artistic and Commercial logic, Competitiveness, Branding, Quality Control.

Acknowledgement

This research paper represents the end of my master degree in Management of Creative Business Processes at Copenhagen Business School. I found the theme regarding artistic and commercial logic to secure international success very interesting from it was introduced to me through a creative business project I had during my master programme. The topic is of high relevance to my education and through this paper I have been able to use the knowledge I have gained through the programme and put it into practice. It is with excitement and a bit of sadness I now thank for my years as students and begin a new chapter in my life.

The process from I started this thesis till the final result has been long and demanding, but at the same time it has rewarded me with great knowledge both about the theme of interest and about myself as a person. I would like to thank everyone who contributed to the completion of this project - a big thank you to Ole Lynggaard Copenhagen for letting me write about them, and to all the informants who have provided me with good answers and inspiration to continue exploring the theme in the future.

In the end I would like to give a big thanks to my supervisor Keld Laursen, who has helped guide me in meetings and through e-mails with good advice and recommendations throughout this process.

Sandra Maria Andreassen

Table of Content

CHAPTER 1. PROLOGUE	1
1.1 BACKGROUND	1
1.2 INTRODUCTION	2
1.3 PROBLEM IDENTIFICATION	3
1.4 PROBLEM STATEMENT	3
1.5 DELIMITATIONS	4
1.6 PROJECT STRUCTURE	5
CHAPTER 2. INDUSTRY BACKGROUND	7
2.1 CULTURAL AND CREATIVE INDUSTRIES	7
2.1.1 THE FIELD OF DESIGN – DANISH DESIGN	8
CHAPTER 3. CASE DESCRIPTION	9
3.1 ABOUT OLE LYNGGAARD COPENHAGEN	9
3.1.1 SIGNIFICANT YEARS	9
3.1.2 MISSION STATEMENT	10
3.1.3 VISION	10
3.1.4 VALUES	10
CHAPTER 4. LITERATURE REVIEW	11
4.1 INTRODUCTION	12
4.1.1 SMALL AND MEDIUM ENTERPRISES	12
4.1.2 LUXURY GOODS	12
4.1.3 CONSUMERS OF LUXURY PRODUCTS	13
4.2 MAIN THEORIES	13
4.2.1 INTERNATIONALIZATION	13
4.2.2 ARTISTIC VS. COMMERCIAL LOGIC	17
4.2.3 COMPETITIVENESS	19
4.2.4 DIFFERENTIATION THROUGH BRANDING	22
4.2.5 QUALITY CONTROL	26
4.2.6 SUB-CONCLUSION	28
CHAPTER 5. HYPOTHESES	29
5.1 BACKGROUND FOR H1	29
5.2 BACKGROUND FOR H2	29
5.3 BACKGROUND FOR H3	30
5.4 BACKGROUND FOR H4	30
5.5 BACKGROUND FOR H5	30
CHAPTER 6. METHODOLOGY	31
6.1 RESEARCH PROCESS	32
6.2 RESEARCH OBJECTIVE	32
6.3 RESEARCH DESIGN	32
6.3.1 QUALITATIVE RESEARCH DESIGN	33
6.4 CASE STUDY	33
6.5 DATA COLLECTION	35

6.5.1 PRIMARY AND SECONDARY DATA	35
6.5.2 RESEARCH INTERVIEWS	36
6.5.3 DOCUMENTATION OF INTERVIEWS	37
6.5.4 INTERVIEW GUIDE	38
6.5.5 DATA REDUCTION	38
6.6 QUALITY CRITERIA	39
6.6.1 VALIDITY	39
6.6.2 RELIABILITY	40
6.6.3 OBJECTIVITY	40
6.7 SUB-CONCLUSION	41
<hr/> CHAPTER 7. ANALYSIS	<hr/> 42
7.1 EMPLOYEES	42
7.2 PRODUCT	43
7.3 CONSUMERS	44
7.4 INTERNATIONALIZATION	45
7.4.1 ANALYSIS OF H1	45
7.5 ARTISTIC VS. COMMERCIAL LOGIC	49
7.5.1 ANALYSIS FOR H2	49
7.6 COMPETITIVENESS	52
7.6.1 ANALYSIS FOR H3	52
7.7 DIFFERENTIATION THROUGH BRANDING	56
7.7.1 ANALYSIS FOR H4	56
7.8 QUALITY CONTROL	60
7.8.1 ANALYSIS FOR H5	60
7.9 CHALLENGES AND SUB-CONCLUSION	62
<hr/> CHAPTER 8. DISCUSSION	<hr/> 63
<hr/> CHAPTER 9. FINDINGS	<hr/> 68
9.1 FINDINGS IN INTERNATIONALIZATION	68
9.2 FINDINGS IN ARTISTIC AND COMMERCIAL LOGIC	68
9.3 FINDINGS IN COMPETITIVENESS	68
9.4 FINDINGS IN DIFFERENTIATION THROUGH BRANDING	69
9.5 FINDINGS IN QUALITY CONTROL	69
<hr/> CHAPTER 10. CONCLUSION	<hr/> 70
10.1 CONCLUSION H1	71
10.2 CONCLUSION H2	71
10.3 CONCLUSION H3	71
10.4 CONCLUSION H4	71
10.5 CONCLUSION H5	72
10.6 MAIN CONCLUSION	72
10.8 FURTHER RESEARCH	73
<hr/> CHAPTER 11. BIBLIOGRAPHY	<hr/> 74
<hr/> CHAPTER 12. APPENDIX	<hr/> 79

OVERVIEW OF FIGURES

FIGURE 1.1 FLOW CHART OF THE THESIS	6
FIGURE 2.1 TOP THREE GROWTH AREAS IN CREATIVE INDUSTRIES	7
FIGURE 4.1 STRUCTURE OF THE THEORETICAL FRAMEWORK	11
FIGURE 4.2 THE UPPSALA INTERNATIONALIZATION PROCESS MODEL	14
FIGURE 4.3 THE FRAMEWORK OF COMPETITIVENESS	20
FIGURE 4.4 TRANSMISSION OF BRAND IDENTITY TO BRAND IMAGE	23
FIGURE 4.5 BRANDING IS THE GOAL, STORYTELLING IS THE MEANS	24
FIGURE 4.6 - THE PLAN-DO-CHECK-ACT (PDCA) QUALITY CYCLE	27
FIGURE 6.1 THE METHODOLOGICAL PROCESS	31
FIGURE 6.2 DATA COLLECTION	35

OVERVIEW OF TABLES

TABLE 7.1 ANALYSIS SCHEME FOR H1	45
TABLE 7.2 ANALYSIS SCHEME FOR H2	49
TABLE 7.3 ANALYSIS SCHEME FOR H3	52
TABLE 7.4 ANALYSIS SCHEME FOR H4	56
TABLE 7.5 ANALYSIS SCHEME FOR H5	60
TABLE 10.1 HYPOTHESIS CHART	70

Abbreviations

CCO: Chief Commercial Officer

CCS: Creative Cultural Sector

CEO: Chief Executive Officer

EC: European Commission

SMEs: Small Medium Enterprises

TNC: Transnational Corporation

Chapter 1. Prologue

1.1 Background

Throughout my master program: MSoc. Sc. in Management of Creative Business Processes, I learned how the creative industry works with the mix of creativity, management, marketing, accounting and intellectual property law. Working in projects with Danish creative companies it was inspiring to discover how these companies actually operate with the combination of creative and strategic people. It was interesting to learn how they view the creative products in diverse ways and how much they rely on each other's strengths to succeed. With a strong interest for the creative industry and especially the companies that has succeeded in an area where many others might have the talent but fail, it was clear what this thesis was going to be about. The creative companies are under constant pressure to create new products whether it is new albums, books, games, movies or designs etc. The level of creativity is much higher than in other industries, constructed from the imagination of certain people and most of them are valued as a form of art. Subsequently, it is safe to assume it might occur some tensions between the artistic and commercial logic, as the company grows bigger, the risk is spread over more markets and the commercial pressure gets more demanding. It is likely the strategic people are focusing more on how the creative products can be adjusted to the markets needs in order to get the best profit, while the creative people are more concerned about staying true to their creation and still being able to get good profits of them. Since this thesis is written with limited time and pages, I thought it best to go in-depth with one creative company in particular that would be relevant and interesting to the subject. The company of interest in this research paper have managed to find a good balance between the artistic and commercial logic, they have slowly expanded to international markets and are working to become the biggest Scandinavian luxury brand in Europe.

The beginning of this chapter will present an introduction of this thesis, followed by the defined problem area and project structure. These clarifications are created to make it easier for the reader to follow the intended thoughts for this research paper since they will shape the way of understanding the information and subsequently affect the analysis and conclusions of the data.

1.2 Introduction

Cultural and creative industries can be referred to as industries that combine the creation, production and commercialization of creative contents that of nature is intangible and cultural. It can take form as goods or services and are often protected by the intellectual property law. This industry usually includes architecture, music, gaming, writing, film, television, radio, advertising, fashion, agriculture, as well as design, arts and crafts.

Denmark has a tradition for good design. Back in the 1950s and 1960s Danish design was an international trendsetter and helped make the way for international commercial successes in furniture, fashion and hi-fi design amongst others. Today, Danish and Scandinavian design has become a recognized brand all over the world. This paper will study a creative company that has gained great success in the high-end jewellery industry. It is a family business that started in 1963 with a simple Danish goldsmith that had the talent for quality craftsmanship and good design. This goldsmith goes by the name of Ole Lynggaard, and still works together with his daughter as the designers of the company along with 120 other employees. Most of their jewellery is produced at the company's head office located in Hellerup, just north of Copenhagen and all the jewellery is engraved with either Ole or Charlotte's signature on it. Ole Lynggaard Copenhagen is currently one of the leading luxury jewellery brands in Scandinavia, with an immense retailer network. In 2005 the company prepared an expansion strategy to maximise the probability of success as they planned to expand the business to markets outside their home market in Scandinavia. About four years later, the company turned its focus and efforts on the international market with retailers launched both in Europe and the Asia Pacific region.

This thesis has identified some critical key factors and investigated how Ole Lynggaard Copenhagen is addressing them in order to sustain a successful growth in the future on the international market.

1.3 Problem Identification

The creative industry is an exciting industry embracing lots of talent, strategic planning and high risk to succeed. There has been a shifting interest in the creative industries from an economic or commercial perspective. With the artistic aspects to the products in this industry it can be hard to predict if it will be a success or not. Researchers have studied the ‘nobody knows’ effect in demand to try and get a better understanding of it, but that is not what this research paper will focus on. From Ole Lynggaard Copenhagen started with only one talented goldsmith back in the 1960s, it is now a SME (Small and Medium sized Enterprise) with over 120 employees. They have expanded their business outside their home market in Scandinavia, as the high-end jewellery market is limited and they already reached their goals on this market. Internationalization comes with a lot of new business opportunities, but as a company you also spread your risk out to a lot of new markets and competitors. This thesis has identified the five factors, internationalization, artistic and commercial logic, competitiveness, differentiation through branding and quality control as crucial for this company’s success in the future. These will be investigated and discussed further throughout the paper.

1.4 Problem Statement

This thesis aim to investigate the following problem statement:

“Why and how is Ole Lynggaard Copenhagen as a creative company, balancing the importance of artistic and commercial logic together with other crucial factors to ensure a successful growth on the international market?”

The thesis will take point of departure in exploration the mentioned factors through the Danish design company Ole Lynggaard Copenhagen. The reason this case company is so interesting is because of the way they are managing design, branding, and strategic development in this highly competitive industry. The thesis will look into some of the changes Ole Lynggaard Copenhagen has gone through the last years and how they are currently working to succeed on the international markets. Because of their history and brand, Ole Lynggaard Copenhagen’s highest focus is their design and quality. Unlike other firms,

where you look at market trends and take commercial tendencies strongly into consideration, Ole Lynggaard Copenhagen's two designers are the heart of the company, and the strategic teams around them work to communicate their creations. Throughout this research paper I am hoping to get a better understanding of how a company in the creative industries manages to balance the artistic aspects and commercial pressure, especially when growing into a recognized international brand. Subsequently, I would also like to identify how a relatively new fine jewellery company in the international high-end market can manage competitiveness, differentiate themselves through their brand and how important quality control really is.

With the aim at answering the stated problem statement, I will use qualitative research methods to serve as primary data. It will include interviews with key professionals at Ole Lynggaard Copenhagen, such as the CCO, the product manager, the marketing manager and the visual merchandise manager to gain valuable insights to each subject in the paper.

1.5 Delimitations

This section will contain assumptions and delimitations concerning the research area and problem statement.

The cultural and creative industries have for many years been considered a sector of marginal interest and have therefore received limited attention from researchers around the world. For this reason was there limited theory to gather on internationalization, artistic and commercial logic, competitiveness, differentiation through branding and quality control surrounding the cultural and creative industry in particular, consequently more generalised theories were used. However, even though the theories related to each of the five identified aspects can be applied in various ways within business studies they will be limited to investigate and help answer the identified problem area for this thesis.

The case study is delimited to four key professionals at Ole Lynggaard Copenhagen, as I did not see it relevant for the research's objective to examine others outside the company. It would have been an asset for this study to have at least one of the designers as informants but since that for understandable reasons was not possible I have been able to gather some

good information from four managers in different department – some of them working very closely with the designers. Furthermore, two of the key informants (Dalkiær and Kromphardt) unfortunately had very limited time to do the interviews, which I was not notified with in advance, so the interviews were cut about 10 minutes short and the last few questions were answered sent to them on e-mail. Sadly only Dalkiær replied to the e-mail with the remaining questions, after several attempts on retrieving the other too, but time was on the essence so the analysis on quality control was inconclusive from Kromphardt's point of view. Nevertheless, the rest of the information was gathered safely through the in-depth interviews.

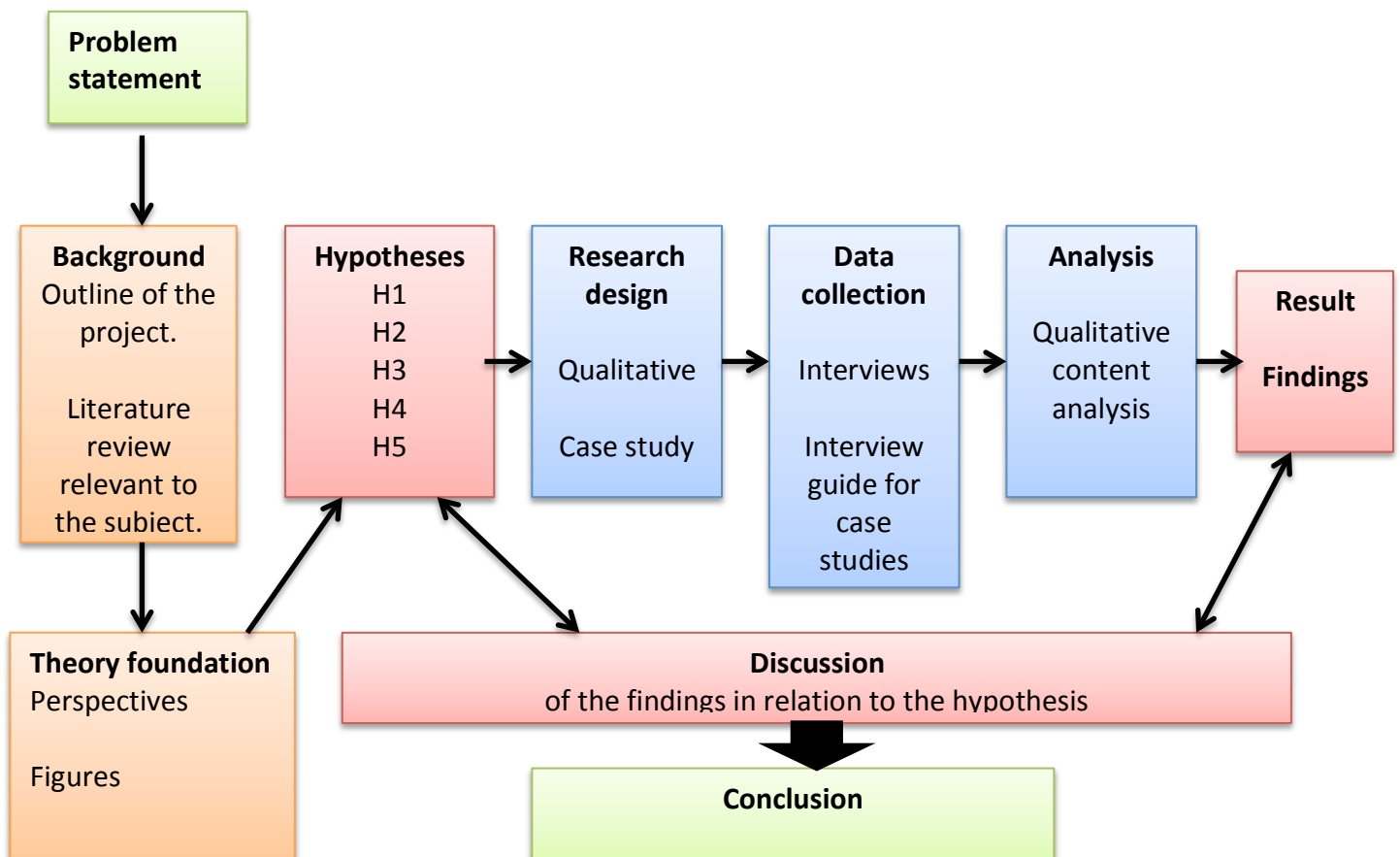
1.6 Project Structure

In this section there will be a brief outline of the structure of this thesis to ease the understanding of each individual section. This thesis is divided into nine main parts.

The first chapter contains the previous segment where the introduction, background and purpose of the thesis have been clarified. Additionally, the *first* chapter also presents the research questions research questions that will comprise the spine of this entire thesis. In the *second* chapter there will be a short introduction of the industry background, followed by a presentation of the case company Ole Lynggaard Copenhagen, in chapter *three*. Chapter *four* will give a presentation of the theoretical framework amended, which is presented as literature review. The *fifth* chapter presents the hypotheses constructed to test claims or ideas relating to the research questions. In the *sixth* chapter, the methodology will describe the research objective, research design and the quality criteria's of the thesis. It will also portray the process of data collection executed through qualitative interviews with some key people at Ole Lynggaard Copenhagen. The purpose of this is to explain how research has been performed and why it should be considered trustworthy. Subsequently, in the *seventh* chapter, the analysis will present the empirical data gathered for the thesis, and interpretation based on the findings. Chapter *eight* will discuss the key findings from the analysis with the findings from the theoretical framework. Further, in chapter *nine*, the new findings from the discussion and hypotheses will be presented. Finally, in the *tenth* and last chapter you will find the

conclusion to the research questions stated in the first chapter. The following figure illustrates the structure of the project:

Figure 1.1 - Flowchart of the thesis



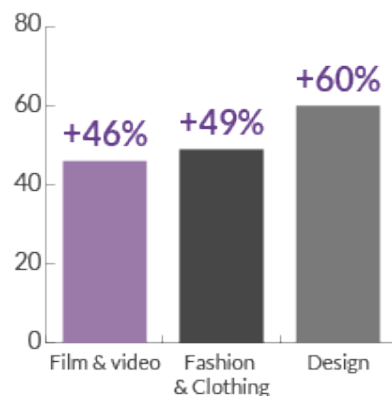
Source: Own production

Chapter 2. Industry Background

2.1 Cultural and Creative Industries

In recent years, the CCS (Cultural and Creative industries) has been growing internationally and is now responsible for a higher percentage of the global economy than previously. Around 85,000 people are employed in the creative professions, which accounts for 6-7% of the total Danish employment and revenue (Danish Business Authority, 2014). Subsequently, the creative professions also contribute with 10 % of the Danish export. The field of design is often assimilated as a part of the CCS, which Caves (2000, p.1) has defined as “.... industries supplying goods and services that we broadly associate with crucial, artistic, or simply entertainment value”. Intellectual property laws typically protect these contents, and they generally include printing, publishing and multimedia, audio-visual, phonographic and cinematographic productions as well as crafts and design (UNESCO, 2006). They offer consumers an explicit experience, image and artistic value. In other words, the creative goods and services represent some kind of lifestyle. The creative cluster of Copenhagen is the largest business cluster in Denmark competing internationally, and consists of various enterprises – as mentioned earlier. Copenhagen is also ranked as the 4th most specialized city in Europe among cities like London, Berlin & Stockholm. In the period 2003-2010 the business areas Fashion & Clothing, Architecture and Design experienced revenue growth of between 19-60 % (Copenhagen Capacity, 2014). In the following figure there is an illustration of the top three growth areas within the region.

Figure 2.1 - Top three growth areas in creative industries



Source: Copenhagen Capacity, 2014

This thesis will focus on the output of the field of design, and Danish design in particular since this will be most relevant for the research questions and case company.

2.1.1 The Field of Design – Danish Design

Design originally means, “to give form”, hence one can safely state that design has its roots in art. Designers and artists share the ability to create i.e., develop something original that has not been made before. Nonetheless, designers need to address a specific necessity or purpose compared to the artists. Accordingly, one can describe design as a creative process and the result that comes from this process. In recent years, the unique combination of creativity and resolution has attracted a great deal of attention, which has made design grow into a strategic component in the innovation process both for private enterprises and the public organizations (Danish Enterprise & Construction Authority, 2011).

Great design is an increasingly important resource for businesses to hold their share in international competition. It has the power to make products and services more attractive to customers and users, so they are able to sell at a higher price by being differentiated from the competition by virtue of new properties, values and characteristics (DesignDenmark, 2007). Danish designers are often recognized for their Scandinavian style, but they manage to differentiate themselves by combining unique skills as simplicity, user awareness and functionalism. Design carries a social, cultural and humanistic approach, rather than a pure market-driven approach. This aptitude is deeply embedded in Danish design and only shared with a few other countries worldwide (Danish Enterprise & Construction Authority, 2011). Through the Danish design industry annual mapping (2005), it was established how small but interesting this industry is, representing approximately only 1 per cent of the Danish industry. This small advanced country has still managed to build a strong early-mover design industry, much due to the Designer’s high level of education and close collaboration with certain manufacturing firms. In-house designers employed in manufacturing and service firms, in addition to specialized design firms, carry out most of the Danish design activities. The number of firms and employees has grown significantly the last 10 years, and while most firms are very small, the degree of entrepreneurship is still high (The Danish design industry, 2005).

Chapter 3. Case Description

3.1 About Ole Lynggaard Copenhagen

The Danish goldsmith Ole Lynggaard founded the company, Ole Lynggaard A/S in 1963. After studying and working abroad for several years he moved back to Denmark and bought a small workshop. This was the beginning of the luxury brand we see today.

Ole Lynggaard Copenhagen is today one of Northern Europe's largest fine jewellery workshops with an international luxury brand rooted in passion for the unique design, style and craftsmanship. Most of the jewellery they produce is still made in the very same area where Ole Lynggaard Copenhagen opened his first workshop just north of Copenhagen where over 40 goldsmiths work on a daily basis. Charlotte Lynggaard has just like her father, the education and talent as a designer and goldsmith, and since 1992 she has designed and shaped fine jewellery in the company. Søren Lynggaard, son of Ole, has been the CEO of the family business since 2003, and Michel Normann, Charlotte's husband, became CCO in 2006. Two years later the company was appointed Purveyor to the Danish Royal Court. (Ole Lynggaard Copenhagen, 2014). With a functional and versatile design philosophy Ole Lynggaard Copenhagen work to give each woman a unique and personal look. Combinations, functionality and coherence have always been the focus, thus personalized looks are encouraged, be it feminine, extravagant or contemporary (Ole Lynggaard Copenhagen, 2014).

3.1.1 Significant Years

1992 – Charlotte Lynggaard starts working for Ole Lynggaard and launches her first collection in 1994.

1994 – Søren Lynggaard starts working for Ole Lynggaard as product manager in 1994 and takes the role as CEO in 2003.

2005 – Plans for a new strategy created in collaboration with Michel Normann, who steps in as CCO.

2006-2008 – Selected parts of their cheaper product production is outsourced because of volume demand and costs.

2009-2010 – Record turnover and bottom line growth, despite the financial crises.

3.1.2 Mission Statement

“The idea is to make women all over the world feel beautiful and special.”

(Ole Lynggaard Copenhagen, 2014).

3.1.3 Vision

Ole Lynggaard Copenhagen’s vision is to be a leading Scandinavian luxury brand with international recognition. A brand deeply rooted in a passion for unique design, use of form, and craftsmanship. Their aim is to become the preferred luxury brand for the quality conscious customer who is looking for Scandinavian jewellery design that is passed on from generation to generation (Ole Lynggaard Copenhagen, 2014).

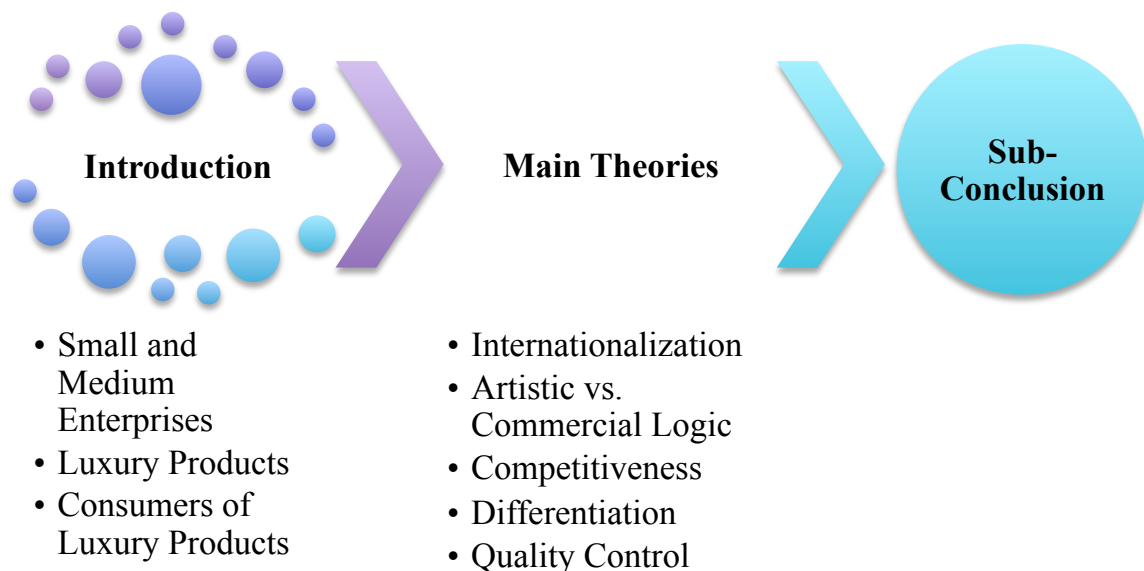
3.1.4 Values

- **PASSION:** Passionate about the company and our products.
- **JOY OF LIFE:** Believing in a joyful and motivating work atmosphere with respect for the individual and his/her competences, resources and level of ambition.
- **CONFIDENCE:** The culture of the company is based on the respect for and trusts in each other.
- **UNIQUENESS:** To be one step ahead in terms of innovative ideas and designs, and want to give a feeling of uniqueness and style.
- **QUALITY:** Aiming at the highest quality in everything executed.
- **EFFICIENCY:** Aiming at having a resource effective organization, production and operation (Ole Lynggaard Copenhagen, 2014).

Chapter 4. Literature Review

This chapter will provide the theoretical foundation for the thesis. It will explore the existing literature on internationalization, artistic and commercial logic, competitiveness, differentiation through branding and quality control, and consequently examine what this thesis can subsidize to the existing literature. Because there are limited theories on these key factors to the creative industries, I will use theories grounded for the small and medium enterprises. The chapter will first start with some general information about small and medium enterprises, luxury products and consumer. Afterwards, each factor identified to affect the future success of Ole Lynggaard Copenhagen will be carefully described. These will subsequently be tested throughout five hypothesis founded on the existing literature, which later will be analysed and discussed. In the figure below it is illustrated how the theoretical framework is organized.

Figure 4.1 – Structure of the theoretical framework



Source: Own production

4.1 Introduction

4.1.1 Small and Medium Enterprises

SMEs (Small and Medium sized Enterprises) normally have employees between 50-200 people and are usually the backbone on economy in many countries. The EC (European Commission) authorized a study in 2010 on the Entrepreneurial Dimension of the CCS (Cultural and Creative Industries) where it was discovered that 80% of CCS are SMEs. Despite global economic meltdown have SMEs proven resilience in relations to sustainable business (Gunasekaran et al, 2011). In the Danish economy, the small and medium sized enterprises are of high importance as they include the majority of business enterprises and are accounted for a substantial proportion of the Danish economy. Danish SMEs are internationalizing at an accelerating rate with the decline in trade barriers and developments in technology and logistics (Nielsen, 2008). Nevertheless, they are very vulnerable to competition from similar structured companies and big dominating corporations. Throughout the last decades have many of the Danish SMEs not followed the traditional patterns through the internationalization process of building a stable domestic position before emerging to new international markets (Nielsen, 2008).

4.1.2 Luxury Goods

One can define luxury goods as: “products which are not necessary but which tend to make life more pleasant for the consumer. In contrast with other necessity goods, luxury goods are typically more costly and are often bought by individuals that have a higher disposable income or greater accumulated wealth than the average” (Business Dictionary, 2014).

There exist a lot of diverse attributes that distinguish luxury goods from other products. These are some of the most common features: excellent quality, very high price, uncommonness, uniqueness, aesthetics, ancestral heritage and personal history (Turk et. al., 2012). The exclusiveness of luxury goods is strongly emphasised and they are described as goods not being frequently owned or used. Luxury goods can be defined as products made to serve as a

representation to the recently mentioned characteristics, and additionally assist consumers to strengthen their affiliation to a certain social group (Turk et. al., 2012).

4.1.3 Consumers of Luxury Products

The motivation behind purchasing an explicit luxury product depends on the degree to which the product displays the characteristics defined in the previous section. The consumers that evaluate product quality in highly critically manners also tend to evaluate service quality in the equal critical manner. The purchase process for consumers of luxury goods is dissimilar to others, mainly because the purchase objective is not purely functional. People intending to purchase luxury products are also likely to have low patience for insufficiencies and will expect problems that may arise to be dealt with instantly. The consumer behaviour suggests that they often choose goods that reflect their internal self, and in addition match their individual preferences and quality requirements (Turk et. al., 2012).

4.2 Main Theories

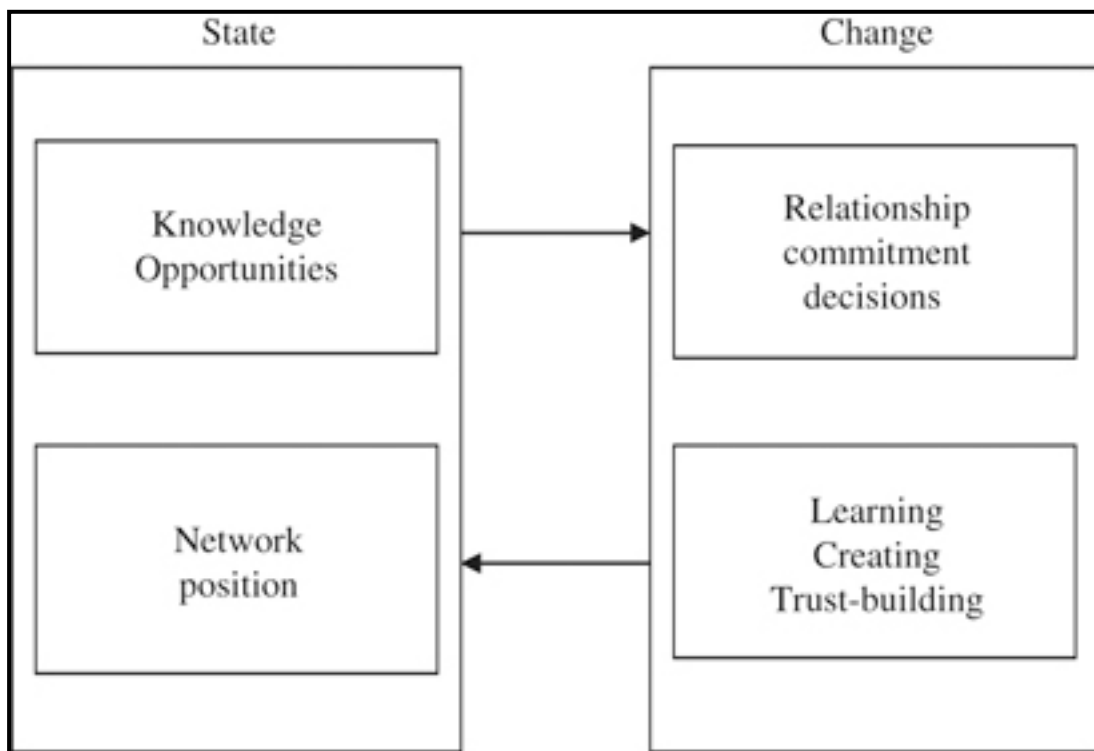
4.2.1 Internationalization

Internationalization can be defined as the process of becoming or making something international in scope (Collins Dictionary, 2014). Historical documentation demonstrates that experience is imperative in the internationalization process. Constrains such as, lack of knowledge and uncertainty are some of the on-going restrictions in this process (Majkgård, 1998). Consequently, through the company considerations of Ole Lynggaard Copenhagen, a general theory that focuses on experience as a main explanatory concept has been selected to the internationalization process in this study. The Uppsala internationalization process model by Johanson and Vahlne (1977) focuses on the importance of experience and emphasises the lack of knowledge as an important exploratory variable in the foreign market entry of firms. It is a dynamic model in the way that the outcome of one decision on entering a foreign market forms the input of a following decision. It states that operating abroad and expansions over time accumulates experiential knowledge. In a justifiable way they can be regarded as behaviourally oriented, as there is little influence from competition and market variables. The

model further states that there is a gradual path-dependent progression of experiential knowledge, hence an underlying assumption of historical loss (Majkgård, 1998).

Johanson and Vahlne (1977) state that the “lack of knowledge due to differences between countries with regard to, for example, language and culture, is a major obstacle to decision making connected with the development of international operations. We could even say that these differences constitute the main characteristics of international, as distinct from domestic, operations” (Johanson and Vahlne, 1977:26).

Figure 4.2 - The Uppsala internationalization process model



Source: Johanson & Vahlne, 1977:26

The two basic mechanisms of the model are *state* and *change* aspects, which will be further described (Johanson and Vahlne, 1977). The first aspect, *state*, is the present state of a company in the internationalization process, and contains market knowledge and market commitment. Market knowledge is allocated into objective knowledge and experiential

knowledge. Where objective knowledge can be taught, and experiential knowledge is unique and can only be learned over time through personal experience. Companies will adapt by learning from their operational experience and current activities in foreign markets.

Experiential knowledge is related to uncertainty inversely, and is the most critical factor through the process. Market commitment is comprised of the amount of resources, which is relatively unproblematic and refers to the size of the investment in marketing, organization etc., and the degree of commitment on the new markets, which implies that investments are distinctive (Buckley & Ghauri, 1999).

The second mechanism, change, is the commitment decisions and current business activities made to strengthen the position in the foreign market that will change the company. The commitment decisions can be referred to as the decisions made to commit resources to foreign operations. The decisions are based on the management's perception of problems and opportunities in the market abroad. Consequently, this means that a large investment in profitable equipment does not necessarily imply a strong commitment. Nevertheless, a solid dedication of meeting the customers' needs does. Perceptions of problems and opportunities are part of experiential knowledge and experience gained over time helps build a firm's knowledge of a market, which furthermore influences the decisions concerning the level of commitment and activities growing. Current business activities are the daily operative work and repetition of these activities is a valuable source of experience. Accordingly, this leads to the following commitment level, which further generates experiential knowledge (Buckley & Ghauri, 1999).

To summarise this, the internationalization process of a company is a procedure of increasing experiential knowledge of the company, its partner's competences and committed resources. It is a dynamic learning process formed by gradual adaptations to changing conditions in the company and its environment (Majkgård, 1998).

This model do not get into the state increased commitment might take, it might decline or even end if the performance and projections are not satisfactorily promising. Johanson and Vahlne (1977) states that the process is by no means deterministic, contrary to the views expressed by some. However, they assume that the process of internationalizing would

continue as long as the performance and projections are looking positive. Furthermore they also assume that the process of learning and constructing commitments will take time. This additional explains the transfers into more risky, but potentially rewarding approaches, and transfers into markets more psychologically distant are made step by step (Johanson and Vahlne, 1977).

Even though Johanson and Vahlne's (1977) theories on the internationalization process have captured the interest of several researchers, there has not been documented many attempts to develop the concept further. Furthermore, the detailed mechanisms of learning and the effects of the firm's duration on international operations, together with the operationalization of important dimensions in the process have not yet been studied in depth (Majkgård, 1998).

The value of this theoretical framework on the internationalization process can be explained as limited when considering SME-internationalization. As it is mainly directed towards MNCs, but it cannot be completely demolished when it comes to explaining SMEs and their international operations.

4.2.1.1 SMEs and Internationalization

The European Commission's (EC) (2012) communicates that smart internationalization and export promotion policies are needed to allow a wide majority of SMEs in the cultural and creative sector to operate in a global environment and reach new audiences and markets worldwide. SMEs are experienced to have specific problems in their internationalization, as their recourses often are quite limited. The management role is essential because most companies are owner managed to a large extent. Former experience are lacking in many cases as well as needed skills of foreign languages, cultural experiences and foreign markets and marketing in addition to institutional management.

Furthermore, it can be difficult to separate internationalization from the elements of its natural context: competitiveness and growth in a global market. Globalization means that the local market is constantly changing and increasing, which can bring better opportunities like bigger markets, new suppliers etc., and challenges like more competitors and shorter product life

cycle. Globalization goes back to the 1960s and has widely affected all economic sectors from MNCs to SMEs.

4.2.2 Artistic vs. Commercial Logic

Caves' (2000) definition of the creative industry is often referred to, and even though the concept of creativity is indicated as something new and unseen, it is still vague and difficult to define. For this reason a study of the creative industry can be somewhat problematic, which subsequently means that any theory that aims at being predictive need to take into account this unpredictability.

Caves (2000) have a list of aspects that distinguish the creative industries from other humdrum (humdrum being referred to as the non artistic aspects) industries:

- Demand is uncertain
- Creative workers care about their products
- Some creative products require diverse skills
- Differentiated products
- Vertically differentiated skills
- Time is of essence
- Durable products are durable rents

Even though this list differentiates the creative industry from others, it does not point out the artistic element of creativity. The way creative workers cares about their products touches upon it, but creative elements is not specified further, only the result of the creative process. Peterson & Anand (2004) therefore refers to Caves as having a production perspective.

The interest on the creative industries from a commercial perspective has varied. Previous research on creativity has a strong focus on creative individuals, such as Edvard Munch or Wolfgang Amadeus Mozart. Nevertheless, in the later years have others also argued the social context of creation (Csikszentmihalyi, 1997). He relates the entire creation on the fact that if it cannot be heard or seen by others it is not creativity. Creativity only exists in a social context with a varied audience in his view. Negus and Pickering (2004) present a historical

explanation for creativity, which starts with the understanding of the world where they refer to God as the only creator and humans' only working towards a spiritual understanding of human creativity. They further explain that our present understanding of creativity as an individual expression is in conflict with any form of control, and while this self-expression is supposedly spoiled by commercial activities, the two are now bound together in the modern economy (Negus and Pickering 2004). In other words they are claiming that the importance of artistic logic are conflicting any form of control and that commercial activities could even ruin it. Consequently, this makes the two logics fundamentally opposing.

Through a study by Thornton and Ocasio (1999) they identified the two logics: professional and market logic, and tested the dominance of each logic on the executive sequence within the field. Their research showed that there was a shift during the studied time period, where the emphasis moved from the editorial logic to the market logic. By comparing the executive sequences and the dominance of the logic, the results showed that the most dominant logic really does influence the executive sequences in the industry. They claim it happens by “structuring the attention of executives towards the set of issues that are consistent with the logic dominant within the industry” (Thornton and Ocasio, 1999, p.837). Educational publishers later supported the results. In this study the market logic is referred to as the commercial logic and the editorial logic as the artistic logic. The conflict between the two logics could potentially lead to conflicts within the company where the logic dominates different departments or parts of the company.

Nonetheless, Cowen (1998) has a different point of view on the relationship between artistic and commercial logic. He claims that commercialization has enabled cultural or creative production and so they are not counterparts. Capitalism and mass production have made it possible for more artists to create and sell their work. Moreover he claims that the same market has allowed them to work in art related jobs, which has provided them a big enough income to produce their art independently of popular taste. Furthermore the system of capitalist allows exclusion for niche in the market. That means that the work of artists does not need to be of interest to everyone, they can sell their products to small consumer segments that appreciate their way of expression through the creations. However, Cowens (1998) emphasis on co-existence is on a macro-level where conflicts are on an abstract level. This thesis aims to look at the micro level of how decision maker's deal with these tensions.

4.2.3 Competitiveness

The word competitiveness comes from “competition”, which is defined by Li (2011) as: “a rivalry between individuals that arises whenever two or more parties strive for something that all cannot obtain”. He further argues that ‘competition’ contains the four dimensions:

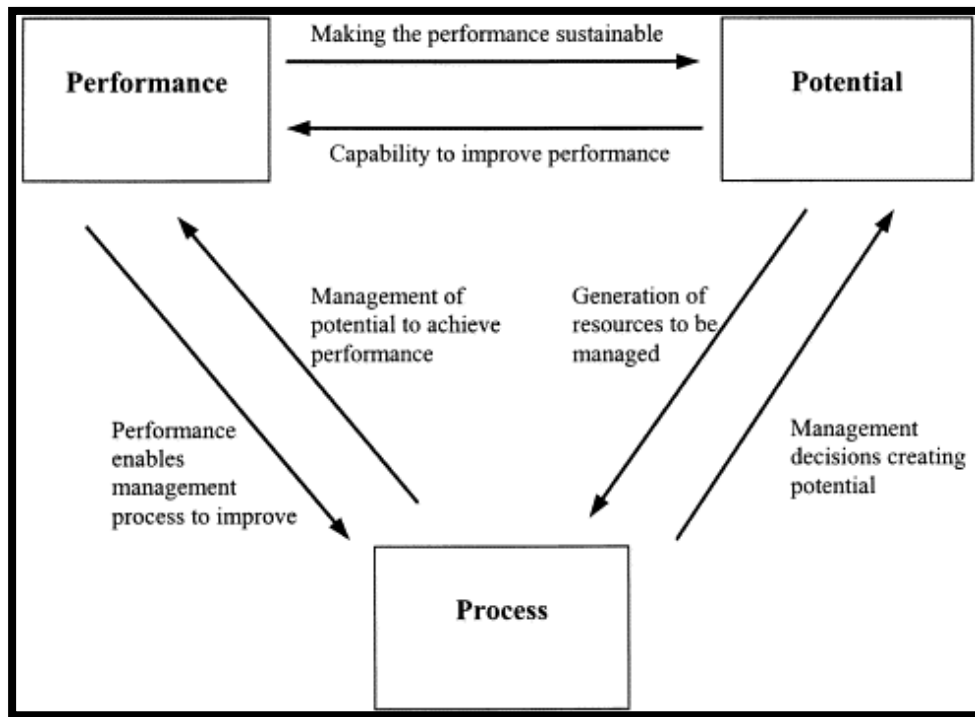
1. **Competitors**, which is who you are competing with.
2. **Competing objects** is the specific area of competition.
3. **Competitive capability**. The interested individuals involved in the competitive process demonstrating their special features and abilities. The greater qualities one have, the more likely it is to succeed over the competitor.
4. **Competed results** are the reasonable share of the competing objects between the competitors. The competition will continue if the result is not satisfactory to one or more of the parties.

Each competitor tries to progress their competitive ability so they can improve their capabilities and products and services. Repeated competition among competitors will reach a point of competed results, so every competitor will develop individual specific competitiveness (Utami and Lantu, 2014).

Competitiveness is a concept used in various stages of study such as, the individual firm level, microeconomic level for business policies and macroeconomic level for competitive positions of national or global economies (Nelson, 1992). However, regardless of the area in focus is competitiveness ultimately about the long-term performance of the subject relation to the competitors. Yet, it is also concerned with factors leading to competitiveness and the road to achieving them.

Feurer and Chaharbaghi (1994) and Corbett and Wassenhove (1993) both suggest that a company’s competitiveness entails the dimensions of price, place and product. Consequently, competitiveness is to be considered as a multidimensional concept. To demonstrate this in a more illustrative way the model from Buckley et al. (1988) suggests the measures of competitiveness to be divided between three parts including competitive performance, competitive potential, and management process. The model highlights the interrelationship of these three measures. This framework is shown in figure 4.3 below.

Figure 4.3 - The framework of competitiveness



Source: Buckley et al., 1988.

This framework demonstrates that competitiveness is more complex than the measurement of a simple index on how competitive a firm, an industry or a nation is. It includes multidimensional concepts and is a continuing process rather than a static. Subsequently, it is important to remember the process, and not only the resulting performance or the potential or asset to generate the performance.

However, to apply a multidimensional framework to the SME it is important to consider the concepts for competitiveness that are more suitable for it. For example, Buckley's et al. (1988) model is applied to the international situation, where environmental factors are treated as endogenous within every concept. For the competitiveness of SMEs might internal and external environment be better considered within separate constructs since they may have very diverse implications for these types of companies (Man et al. 2002).

Besides Buckley's et al. (1988) three dimensions already mentioned, Man et al. (2002) also suggest the following four concepts in competitiveness as crucial:

- 1) *Long-term orientation*, competitiveness is focused on long-term performance rather than the possession of temporary competitive advantage only.
- 2) *Controllable*. This is regarding the various resources and capabilities of a company, rather than the favourable external conditions leading to superior performance.
- 3) A *relative* concept. Concerned with how competitive a company is compared to the rest of the industry.
- 4) *Dynamic nature*. This encompasses the dynamic alteration of competitive potentials through the competitive process into results, consistent to the competitive model by Buckley et al. (1988).

Together with the multidimensional approach described earlier, these four concepts: long-term orientation, controllability, relativity, and dynamism function as the two guidelines for the conceptualization of SMEs competitiveness (Man et al. 2002).

4.2.3.1 SMEs competitiveness

Increasing competitive pressure is one of the main drivers encouraging SMEs to look for international partners. In comparison with bigger firms, SMEs have less influence on external relationships with customers, suppliers and factor markets. Consequently, it depends on their flexibility to respond to external environmental changes to grow and succeed. Additionally, since their internal recourses are limited compared to larger firms, collaborations with other firms or external organizations could be a potentially important strategic solution (OECD, 2000).

The pressure from internationalization and globalization are forcing all kinds of firms, including the SMEs, to improve their competitive position. It is becoming increasingly important to secure profit margins, cut costs, create and adopt the most efficient methods because of this pressure. In the same way as bigger enterprises have reacted to these pressures

by creating cross-border sourcing patterns and partnerships in order to reduce production costs in the past, some SMEs are now taking a similar direction for comparable reasons (OECD, 2000).

4.2.4 Differentiation through branding

“Differentiation is about whether a business is able to stand out from the competitors by being unique so that it creates value for customers.” (Porter, 1992)

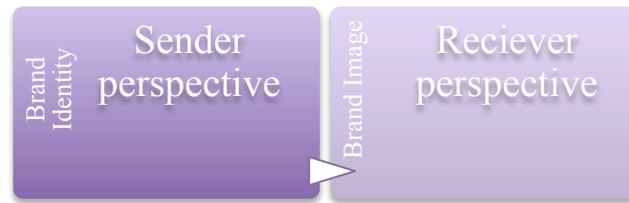
Porter (1992) argues that differentiation is an important factor in competitiveness. Through differentiation the business is trying to be unique within its industry according to the criteria's that the customer values. The means to achieve differentiation is however individual to each industry. In the creative industry the products are artistic and already differentiated through their uniqueness. Henceforth, this paper will focus on the importance of branding to differentiate as a company in the creative industry.

4.2.4.1 Branding

A definition of branding is “.... a means to distinguish the products or services of one company from those of another” (Kotler et al. 2009, p.425). They additionally state that “ ... in a consumer culture people no longer consume for merely functional satisfaction but consumption becomes meaning-based and brands are often used as symbolic resources for the construction and maintenance of identity” (Kotler et al. 2009, p.426). In other words, consumers use brand aspects to create their own identity, so one can conclude that brands are only as strong as it the consumers mind.

It is furthermore important to distinguish between the two brand concepts, brand identity and brand image. While brand identity is the way the company tries to identify or position themselves, brand image symbolizes the way they are actually preserved by the consumers (Kotler et al. 2009).

Figure 4.4 – Transmission of brand identity to brand image



Source: Nandan (2005) adapted by the author.

Various researchers suggest that the message in a brand needs to be clear and consistent in order to create an authentic impression in the consumers' minds (Labrecque et al, 2010). This can be a big challenge, but a suggested theory on how to solve it will be explored further below.

Because of the products and services in the creative industry contains an artistic uniqueness they often relate to the people in a very personal way. Research in the field of branding has confirmed how important it is for creative companies to communicate to their consumers in more than just a functional way, as their products and services consists of more than this. The concept of emotions has subsequently become an essential function in brand strategies. They play an important role in the consumers mind when it comes to selection, satisfaction and brand loyalty (Morrison and Crane, 2007). Emotional branding can be defined as:

“... engaging the consumer on the level of sense and emotions; forging a deep, lasting, intimate emotional connection to the brand that transcends material satisfaction; it involves creating a holistic experience that delivers an emotional fulfilment o that the customer develops a special bond with and unique trust in the brand.”

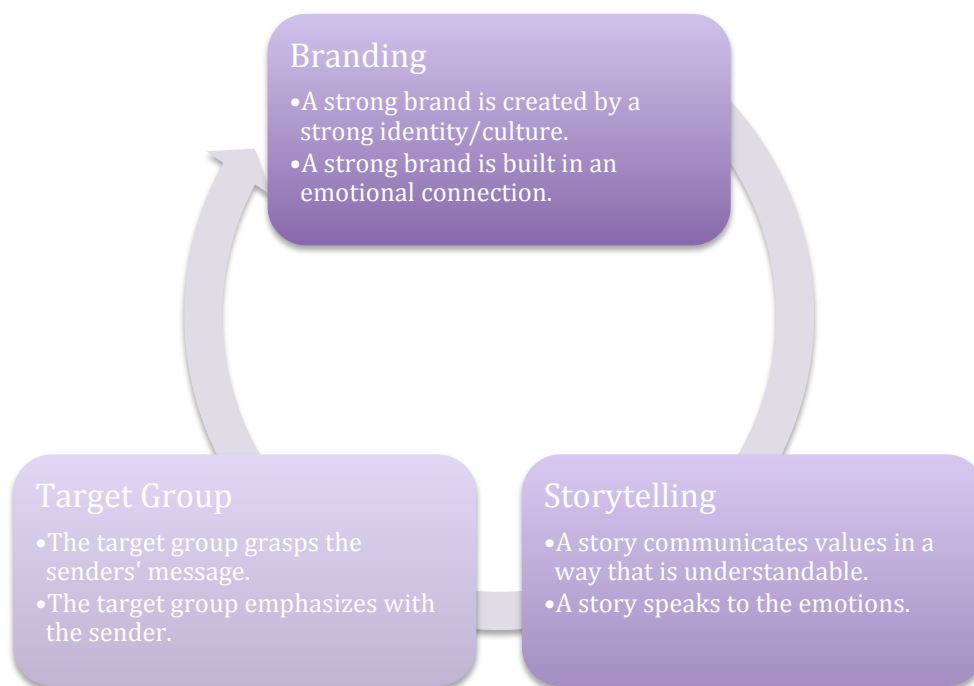
(Morrison and Crane, 2007, p. 410).

This is an approach made for the long-term to get the brand inside the consumers mind and achieve sustainable brand loyalty. Nevertheless, Scolari (2008) pointed out that brands do not have the ability to directly express values, only narratives. So the values can be shared through the brand using storylines that the consumers can take part in.

One possibility of communicating the brands identity followed by the receiving of brand image through an emotional approach is within storytelling. Linde (2001) states that stories

“.... provide a bridge between the tactic and the explicit, allowing tacit social knowledge to be demonstrated and learned without the need to propositionalize ethics.” Accordingly, one could say that storytelling and stories help individuals understand the experience and concepts better since it is based on the notion that human’s memory is story-based (Schank, 1999). As it was mentioned in the previous section about emotional branding, the importance of emotional connections between the brand and consumers it is highly emphasized, which is the case by enabling storytelling.

Figure 4.5 – Branding as goal, storytelling as means.



Source: Fog et al., (2010, p.24) adapted by the author.

To companies in the music-, film- and radio industry, branding through storytelling is used an essential tool since their main product is intangible. Nevertheless, all creative products are unique and have a story behind it, so even if the product is tangible, branding through storytelling can still be used as an effective mean to reach the consumer. The symbolic representation of human behaviour and brand histories can be used as a presentation to consumers with identity and lifestyle ideals (Cooper et al., 2010). This is because consumers use certain histories to create their own identity. Continuously, consumers are argued to use consumption customs like fashion or trends to engage in informative dialogues with other

people that consequently will help shape their identity (Murray, 2002). Hence consumers can through the symbolic meaning of a brand construct themselves (Cooper et al., 2010), and so brand storytelling can be used as an effective mean for both brand sender and receiver to build their own brand identity. A brand can do this through any communication channel, but as in the modern society most interactions happen over the Internet where the brands and consumers can have a direct access to each other.

4.2.4.2 Challenges

Differentiation is one of two types of competitive advantage a business can have (Porter, 1992). Despite the fact that branding may be of great importance and could provide major competitive advantage, many companies have often a poor understanding of the sources of branding with a much too narrow perspective. Associating differentiation solely with the physical product and not be aware that it can be implemented anywhere in the value chain, could result in the company not exploiting its full potential (Porter, 1992).

This paper has chosen to take advantage of the criteria's mentioned of what might encourage a creative company like Ole Lynggaard Copenhagen to differentiate better through a strong brand. Even though creative products are unique, uniqueness can for example be connected with timing. This includes the time when the business was established or when they started expanding to new markets. It could also be if a company was first on the market with a new design, or if they were the first to offer something so unique it could increase the brand awareness. The company's localization may contribute to enlarged value for the customer, as high accessibility could be of significant importance to the customers. Moreover is also the transfer of expertise a factor that would increase the uniqueness. Products uniqueness may be related to improvements done over time, learning through history and taking credible prognoses into considerations. All these factors can according to Porter (1992) lead to better differentiation and a stronger brand, which will be discussed further in the process through a hypothesis and the analysis of the findings.

4.2.5 Quality control

The quality of an organization in the high-end industry and the products and services they provide is critical in the competition for customers, especially since customer satisfaction in many circumstances is directly linked to quality. Quality control can therefore be a useful method for management to achieve the desired customer satisfaction, and can be defined as:

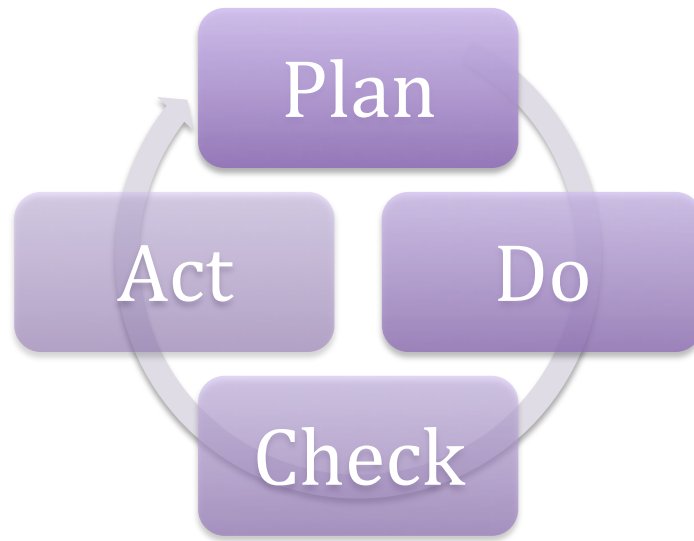
“A process through which a business seeks to ensure that product quality is maintained or improved and manufacturing errors are reduced or eliminated. Quality control requires the business to create an environment in which both management and employees strive for perfection. This is done by training personnel, creating benchmarks for product quality, and testing products to check for statistically significant variations” (Investopedia, 2014).

Supply chain management directly impacts product quality and the overall profitability of a company. Consequently is it critical with quality control in the supply chain to maintain a competitive advantage in the market and reduce operating costs. Without quality control, waste becomes customary beyond an acceptable amount, so by controlling the quality of production inputs, managers are protecting the reliability of their company’s operations (Small Business Chron, 2014).

The process of establishing quality systems is therefore essential to obtain a good result. It should be used as a management tool to improve production in a simpler and more effective way to reach both production and financial goals. The fact that there is high competition in the high-end jewellery industry, suggests that quality control is an essential requirement for success. It can be a necessity to retain existing customers and an important tool to attract new customers. Companies that have established quality controls also set higher standards for its suppliers (Pedersen, 1997). This ultimately causes an on-going effect where quality is in the focus.

When it comes to implementation is it important that companies create products that will meet the criteria that have been set for the level of quality in advance. The results of executing quality control may become part of the daily dynamic quality system in the company. The quality system is the basis for quality control and should therefore be a dynamic process to meet quality standards.

Figure 4.6 - The Plan-Do-Check-Act (PDCA) Quality Cycle.



Source: Shewhart, (1939 p.45), adapted by the author.

To ensure that the quality system is functioning as intended, one can supervise the quality through various measurements, and further analyse and evaluate the results against set targets (Pedersen, 1997). The PDCA quality cycle in figure 4.6 is one example of how a business can measure and sustain their quality. It works as a systematic and structured support system that enables evaluation of practices, performance and processes for quality assurance and continual improvement. Furthermore it requires good and close dialogue with the customers to provide quality products at all times and the business should constantly update their knowledge about the industry to identify market needs and expectations. Quality management also requires the suppliers that have a direct influence on the quality of the production in the company to be on top of things. Quality systems should be a systematic and continuous process that is rooted in the organization's strategy and management. If it is implemented in a timely manner, this could eventually lead to an effective organization that develops positively in line with the market and the rest of society (Pedersen, 1997).

4.2.6 Sub-Conclusion

Through the literature review the relevant theories chosen to assist in further analysing and answering the research objective have been presented. The important steps of internationalization have been defined, and how the artistic and commercial logic works in their separate ways. The factors defining what is central for a company to consider in regards to competitiveness have been argued. Followed by a discussion on how to differentiate a creative company through branding, and in the end the objects for why quality control is so essential to consider in the supply chain at any firm was presented. All these factors come into play in different ways and are important for any creative company to consider if they want to succeed on the international market.

Having established the theoretical framework, the next chapter will present the hypotheses, one will be presented for each of the topics just mentioned, which consequently will be analysed and discussed further.

Chapter 5. Hypotheses

Hypotheses refer to something that is anticipated and preliminary, which does not seem as an unreasonable explanation for a phenomenon. A hypothesis is an assumption about the connections between phenomena verified empirically. Using hypotheses we form a picture in advance of what we expect to find through research. Hypotheses can be used to corroborate or disprove theories (Johannessen, Tufte and Kristoffersen 2006). The hypotheses formulated in this thesis are built on the basis of the theoretical perspective applied in the study.

5.1 Background for H1

When a company has reached its goals on the domestic market, it seems logical to enter the international markets so the company can continue growing, but internationalization also means new challenges, both internally and externally. I would like to explore if a company that has gained success on the domestic market are more likely to succeed on the international markets as well because of their experiences. The following hypothesis was therefor created:

Hypothesis 1: Internationalization

By using experiences from the domestic market when expanding to international markets increases the probability of success.

5.2 Background for H2

As creative companies offer consumers an explicit experience, image and artistic value, they consist of an artistic part creating the products and a commercial part managing, marketing and selling them. These two parts often have very different views to the products they are selling, where the artist is often more concerned about the artistic expression, while the strategic team is concerned about the commercial aspects. This can often arise some tension, especially as the company grows bigger and the commercial pressure increases. The second hypothesis was created based on this background and is consequently verbalized:

Hypothesis 2: Artistic vs. commercial logic.

When expanding a creative company to new international markets, it can generate tension between the artistic and commercial logics in the company.

5.3 Background for H3

The design companies within the cultural and creative industry are today in relatively strong competition with each other. The reason for this is because it can be quite a rewarding industry to work in if you succeed, so a lot of Danish design companies have been established, which makes the competition harder. This is why it is critical to constantly renew your products and services in order to succeed. Hypothesis three is formulated as following:

Hypothesis 3: Competitiveness

High competition in the market is a critical cause of constant renewal of products & service.

5.4 Background for H4

Through literature on differentiation and branding, a common indicator was found claiming that for a company selling products or services in the creative industry to succeed in the long term it is important to differentiate through a strong brand. Since Ole Lynggaard Copenhagen has established a strong brand in Scandinavia it would be interesting to research if this has given them a better basis when expanding internationally. A hypothesis was thus formed:

Hypothesis 4: Differentiation through branding

A strong local brand will differentiate a creative company and provide a better basis for competitive advantage when entering new markets.

5.5 Background for H5

As a key part of the literature for luxury brands, it was emphasized the need for quality control in the delivery of products and services to ensure that quality is delivered to the customer's expectations. It was underlined that quality control is an excellent means to achieve the desired quality as the requirement for quality is becoming higher. I want to explore if this is correct, and if it can prove to be an important mean to succeed for a creative company with artistic product. Hence, the following hypothesis was formed:

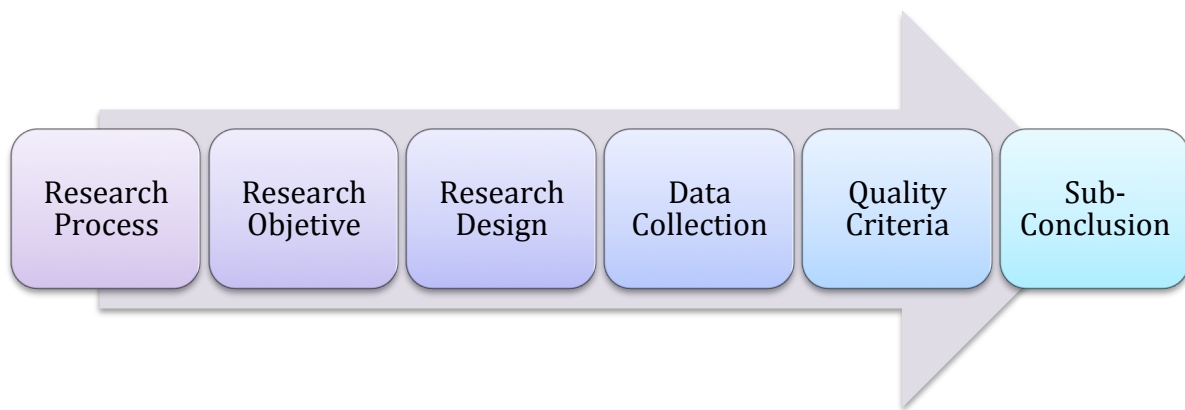
Hypothesis 5: Quality Control

Well-developed routines for quality control are important to improve the business success even if the products are artistic.

Chapter 6. Methodology

The purpose of this chapter is to determine the methodical approach, present the chosen methodological view and show how it will be applied in this thesis. Methodology in social sciences discuss how we proceed to examine whether our assumptions about a phenomenon corresponds to reality or not. It is about the process of retrieving the data you need, analysing findings and interpret information. The choice of method is determined on the basis of the thesis's research question (Johannessen, Kristoffersen and Tufte, 2004).

Figure 6.1 - The methodological process



Source: Own production

The figure above illustrates an outline of how the methodology chapter is structured. It begins with the research process describing the outline of this research paper, which further leads to the research objective on what this investigation is trying to achieve. Following is the research design, which will explain how the study area is investigated through case study, and subsequently there will be a description of how the data was collected. The last part of this section will present the quality criteria's and then give a brief sub-conclusion for this chapter.

6.1 Research Process

The research process will present a general understanding of how the problem statement will be answered in this thesis. It consists of a framework with a set of activities being unfolded in order to increase the probability of success with collecting valid information. The framework for this paper is illustrated in figure 6.1 above and will be used as a guideline throughout this process. Ghauri & Grønhaug (2005) believes a systematic approach is what distinguishes research from common sense because it examines information by questioning the assumed, and accordingly seeks new information to support a logical relationship rather than beliefs. By outlining this process it is easier to go systematically through it, analyse the objective and finally arrive to some valid conclusions.

6.2 Research Objective

Saunders, Lewis, and Thornhill, (2012) argue the importance of defining a clear specific statement that will identify the desired accomplishments to be reached through this research. For this thesis the research objective is to explore how the tension between balancing design and commercial influence in a creative company as Ole Lynggaard Copenhagen is managed to succeed and keep growing on the international market. The result of the analysis should lead to some identified key factors affecting the business of Ole Lynggaard Copenhagen, and accordingly disprove or confirm the hypothesis created for this research. After having identified the research objective it is easier to define explorative questions that can help provide a more fulfilling answer to the problem statement and identify which research design would be the right fit to collect the suitable data set.

6.3 Research Design

The research design works as a plan that logically links the research question and objectives with the evidence to be collected and analysed through this paper. The solutions provided should justify for the choice of data sources, collection methods and analysis techniques, ultimately restricting the types of findings that can appear (Saunders, Lewis, and Thornhill, 2012). There are three different research designs one can choose from to meet the research objective: Exploratory, descriptive and casual (Shiu et al., 2009). This thesis has used a combination of exploratory and a descriptive research. The reason for this is because the

research objective aims to determine how the variables of creativity and commercial influence are related to the actual business of Ole Lynggaard Copenhagen. Furthermore, both primary and secondary data has been collected, where qualitative in-depth interviews and observations are used as techniques to interpret the findings.

6.3.1 Qualitative Research Design

Based on the presented research questions, the research strategy consists of a qualitative approach. A qualitative approach is best when trying to get as much information (data) as possible with a limited number of informants (Johannessen, Kristoffersen and Tufte, 2004). The purpose of the qualitative approach is to develop rich descriptions and detailed information, as opposed to quantitative research where the research is in a far more extensive scale (Johannessen, Kristoffersen and Tufte, 2004).

6.4 Case Study

In this thesis the study area is defined as Ole Lynggaard Copenhagen in relation to the concept of internationalization. Yin (2014) argues the importance of congruity between the purpose of the study and methods in which the research is conducted. In order to find the most suitable fit between these two areas, it is crucial to consider several different research methods before proceeding with the chosen one. The research method is usually selected between these five research methods; experiment, survey, archival analysis, history or case study. One can evaluate which is the right fit based on the form of research question, if the study requires control of behavioural events, and if the study focuses on contemporary events. (See appendix 1) (Yin, 2014).

Presenting is Yin's (2014), twofold definition of a case study:

1) The scope of a case study:

“ A case study is an empirical inquiry that investigates a contemporary phenomenon (the “case”) in depth and in its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident” (Yin, 2014, p.16).

2) The features of a case study:

“A case study inquiry copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result benefits from the prior development of theoretical proposition to guide data collection and analysis.” (Yin, 2014, p.17).

This definition shows how extensive case study research works is as an all-encompassing method. Case study research is often preferred when a “how” or “why” research questions is being examined by a contemporary set of events where the researcher has little or no control, and the relevant behaviours cannot be manipulated (Yin, 2014). In relations to the study in this thesis it is apparent that the problem statement and sub-questions are of “how” and “why” character, which is a result of the explanatory nature of study. With the main focus of this study being internationalization of Ole Lynggaard Copenhagen it is very much based on contemporary events. Additionally it is clear that no control of behavioural events is possible. Consequently, based on the three conditions just mentioned, case study is the most suitable fit to answer the problem statement and sub-questions for this thesis.

One of the strengths of using case study is the ability to deal with a full diversity of evidence beyond might already be available such as: documents, artifacts, interviews and observations (Yin, 2014). To collect the data in the most appropriate way and secure the best connection to the problem statement and sub-questions, it is important to identify the design of the case study. When designing the case study, step one is to define the case of analysis (Yin, 2014). In this thesis the case is defined as the case-company, Ole Lynggaard Copenhagen in relation to internationalization. Because this case only involves Ole Lynggaard Copenhagen and the influence of internationalization, the case can also be defined as a single unit of analysis. The reason to define it as a single case is because of Ole Lynggaard Copenhagen’s emerging company and the implications that follow. With this clarification the choice of multiple-cases, which is generally preferred in most case studies, becomes excluded. Multiple-cases involve the opportunity of comparison and confirmation and since this is not possible in a single case study, the findings and conclusions are sustained by numerous diverse sources of information to develop further in a convincing and accurate way (Yin, 2014).

6.5 Data Collection

The data collection stage began as an information-based exploration for material about Ole Lynggaard Copenhagen, the creative industry and internationalization. This involved explorative dialogues with professionals inside Ole Lynggaard Copenhagen and the supervisor for this thesis. After this preliminary search, I started to structure the data collection more. In the following figure you will see the how the data foundation for the analysis, including both primary and secondary data is structured for this thesis.

Figure 6.2 - Data Collection

	Qualitative	Quantitative
Primary data	<ul style="list-style-type: none">• Interviews• Direct observation• Participant observation	
Secondary data	<ul style="list-style-type: none">• Literature studies• Reports• Journals• EU regulations and instructions	<ul style="list-style-type: none">• Statistics

Source: Own production

6.5.1 Primary and Secondary Data

In the conduct of research, there are two varieties of data sources to be used - primary and secondary. A primary data source is the original occurrence of a piece of work, and is collected first hand by the researcher for a specific research purpose or project. It can be collected in various ways, but the most common methods identified are self-administered interviews, surveys, field observation, and experiments (Persaud, 2014). The approach used to collect the primary data in this thesis is through qualitative interviews, which also leads to the findings being qualitative data. More detailed information about this will be explored in the next section.

Comparatively, a secondary data source refers to a data source that already exist (Persaud, 2014). They are considered as non-originals or of second-hand, but are nevertheless considered to be quite valuable. Through this research, secondary data will be of both

qualitative and quantitative character - as suggested by the case study research. It will be collected from multiple diverse sources as: statistics, field literature earlier studies and their results, etc. The main advantages of applying secondary data are that it is cheaper and less time consuming. Yet, there are two problems that can be recognized in relation to secondary research, the trustworthiness and compatibility of the information. It is therefore necessary to be critical in regards to trustworthiness, and consider carefully from which context the secondary data has emerged before applying it (Abnor & Bjerke, 2009). Nevertheless, the secondary data collected from the case company Ole Lynggaard Copenhagen, is to be used excessively. The result of this data collection leads to a more broader and more comprehensive knowledge that enables me to improve the evaluation of the data.

6.5.2 Research Interviews

Research interviews can be very beneficial to gather valid and reliable data, which is relevant to the research questions and objectives being explored. The interviews can happen between two or more people, where the interviewee asks purposeful questions and listens attentively to the answers given so they can be explored further (Saunders, Lewis, and Thornhill, 2012). In this thesis several one to one semi-structured interviews was executed with different informants in Ole Lynggaard Copenhagen to receive the most informative and reliable data to answer the research questions. The interview process is divided into three segments. The purpose of the first segment was to identify some key informants that would be relevant for the future interviews; therefore I started with a short explorative and informal conversation with the case company, Ole Lynggaard Copenhagen. As I did not contain full control over who would be interesting and available for the interviews, this was a very valuable sequent for me. After the informants at Ole Lynggaard Copenhagen were established, they all received a request for an interview (appendix 2). All of the selected informants had different areas of expertise, and therefore considered to contain dissimilar perspectives of Ole Lynggaard Copenhagen and their surroundings. With the technique of direct observations through the face-to-face interviews it was possible to exploit any information that became evident via the informants behaviour throughout the interview. This technique can reveal specific feelings and attitudes concerning the relevant themes during the interview, which is especially important when collecting qualitative data (Arbnor & Bjerke, 2009).

Supplementary, gave the presents of being at Ole Lynggaard Copenhagen's office while conducting the interviews the opportunity to employ participant observation. The key informants also helped establish very open and informal setting during the interviews.

6.5.2.1 Semi-structured One to One Interviews

The second segments entail a description of how all the interviews are completed as semi-structured one to one interviews to best reveal the informants' own thoughts and descriptions (Saunders, Lewis, and Thornhill, 2012). A qualitative interview seeks to interpret the world from the interviewee's point of view (Kvale and Brinkmann, 2009). The purpose is to get the semi-structured data needed to investigate further, analyse them and present the findings.

Semi-structured interviews were chosen as a method because it is suitable for data collection in a variety of research methodologies, including case study. Through semi-structured interviews the interviewee normally uses a list of themes and maybe some key questions to be answered although this may vary between prepare an extensive list of questions, the list is only used as a guide with very open questions. Nevertheless, it is important to focus on the major areas of experience likely to be discussed by the informant, and be able to explore how these relate to the research questions. The informants are encouraged to talk in depth about the topic under investigation without the interviewee's use of predetermined, focused, short-answer questions. Since all the informants held different job positions within Ole Lynggaard Copenhagen, it was not ideal to conduct the interviews based on one standardized questionnaire. Consequently the interviews were made of a semi-structure with open questions for more fulfilling answers. This allowed the informants to answer broadly on the questions asked while also allowing the interviewer to supplement additional questions that was not initially included in the interview guide. Another advantage with doing personal one to one interviews is that the depth and detail of information can be obtained securely. Additionally, the interviewer can reduce the risk of misunderstandings because of the opportunity to ask further questions and elaborations (Blumberg et al., 2008).

6.5.3 Documentation of Interviews

To be sure that no information was to be lost from the interviews, a sound recorder was used in addition to taking meticulous notes. The informants have of course approved the recordings in advance of the interviews. The advantage of using a sound recorder is that you can listen to

it again later, and reassure that all information has been taken into account and thus exploit the whole interview. It is also a great way to document the interviews in relation to validity and reliability. An outline of all the informants for this research paper can be enclosed in appendix 3, and the recordings are to be found on a disc in appendix 4.

6.5.4 Interview Guide

With the implementation of the interviews composed through a semi-structured approach it was natural to arrange the interview guide by some main subjects with a number of underlying concrete and open question. This structure provides the opportunity for a more open and relaxed dialogue between the interviewer and informant through the process of generating knowledge. Subsequently, it is important to recollect that the structure of the questions in appendix 5 and 6 should function as a guide for each subject to be covered, and not strictly followed. After having developed the theoretical framework, the interview guide was designed on the basis of the main topics of the theory and hypotheses.

The interview guide is based on the principles of Johannesen et al (2004). Early in the interview, the factual questions of the organization and products will be discussed. Then follows the main themes concerning internationalization, differentiation and competitiveness. The interview ends with a more casual tone where the informants explain their greatest challenges, what can be improved etc. A general interview guide was prepared for all informants, with small adjustments concerning their expertise. The interview guides is to be found attached in appendix 5 and 6.

6.5.5 Data reduction

In a qualitative research design the reduction of collected data a necessity to filter all information obtained. This is important in order to make the data more comprehensible, to sort and select different themes, and add any interesting observations. It also makes it easier to focus on the important factors in relation to the research questions, rather than the less important (Berg, 2009). After recording and taking some personal notes under the interviews, I have managed to reduce the amount of data by typing key words after hearing the records repeatedly and summarizing the key informants' views. Another aim as a researcher is to try and interpret what is being said and done through facial expressions and body language. This

is important to observe information being expressed that not necessarily is communicated verbally. This is also an important part of the data's empirical findings (Berg, 2009).

6.6 Quality Criteria

There is a set of logical tests one can practice to control the quality of the primary and secondary data being collected. It could either be control over the general problem area, or over the adjoining study areas including the methods used through the data collection process. The concepts that are offered through these tests involve trustworthiness, credibility, confirmability and data dependability (Yin, 2014; U.S. Government Accountability Office, 1990). On this foundation reliability, validity and objectivity will present and test the quality of this research. Since case study is a preferred research method in this thesis, *validity* and *reliability* are specifically interesting to explore (Arbnor & Bjerke, 2009; Yin, 2014).

6.6.1 Validity

This section is testing whether you actually measure what you intended to, and if this provides an accurate perception of reality. The validity test is so comprehensive that it will be presented and explained in the following three segments.

6.6.1.1 Construct validity

Construct validity recognizes if the correct operational measures for the concepts that are being studied is identified. This can be specially challenging in a case study, where critics point out that the researchers are too subjective in the data collection process and they often fail to develop an adequate operational set of measurements to the study. One can increase construct validity in an efficient way through a case study by using multiple source of evidence and establish a chain of evidence during the data collection process (Yin, 2014). This will also make it easier for the readers to understand the findings and results.

6.6.1.2 Internal validity

Internal validity is concerning how interferences can happen through the research. Yin (2014) argues that in a case study research there is interference every time an event cannot be directly observed. In order to deal with internal validity it is important to focus on the pattern matching, explanation building, addressing rival explanations and using logic models.

6.6.1.3 External validity

The last validity test deals with defining if the case study's findings can be generalized beyond the immediate study, regardless of what research method has been applied (Yin, 2014). While a quantitative survey research would refer to statistical generalization, a case study research can apply analytic generalization. The reason this is done is to try and generalize the result of a case study within a specific case, into a broader theoretical perspective (Yin, 2014).

6.6.2 Reliability

It is important to control reliability in case study research to ensure that if any other researcher completed the same procedure, conducting the same case study over again, they would also retrieve the same findings and conclusions (Yin, 2014). The main purpose in reliability is therefore to decrease the possible errors and biases in a study. The most delicate part of the research process in terms of reliability is through the data collection. The reason for this is that the data collection process can be hard to make reliable if the informants give altered answers to different interviewees, or if dissimilar researchers interpret the data in diverse ways (Kvale, 2007). Nevertheless, it is crucial that as many steps as possible are made operational through the data collection process and that everything is being well documented. An auditor should in principle be able to repeat the procedures and arrive at the same result if the case study is well executed (Yin, 2014).

6.6.3 Objectivity

Objectivity is another important ethical principle that should be taken into consideration during the data collection process. This means ensuring that the data is being collected accurately and fully, avoiding any exciting subjective selectivity in what is being recorded (Saunders, Lewis, and Thornhill, 2012). If the objectivity is not maintained during the data collection stage, the ability to further analyse and report the research accurately will also be reduced. In order to maintain objectivity throughout this thesis I have continuously put aside any personal opinions and assumption, and provided complete information with the considerations of every angle. As I had little to no acquaintance to the case company, Ole Lynggaard Copenhagen, it was not that difficult to keep the objectivity. It is more likely it

would be harder to be objective if this was a company I had worked for or had any personal relations to before hand. This external and neutral perspective ensures the reliability of this thesis, and decreases the chances of it being biased. (Saunders, Lewis and Thornhill, 2012).

6.7 Sub-conclusion

The methodology defined in this chapter outlined the research process with its following strengts and weaknesses relating the study area of this paper. The quality criterias for the primary data was primarily achieved due to the selected informants at Ole Lynggaard Copenhagen. Because of them I was able to collect valuable information from different departments and with dissimilar thoughts regarding the subject in question. In the following chapter the primary data will be anlalysed together with the hypotheses where it will be discovered if each hypothesis is supported or not.

Chapter 7. Analysis

This chapter deals with the analysis of the findings from the interviews conducted. The analysis will start in relatively chronological order of the hypotheses and interview template. I have sorted and coded information using an analytical form where the main points have been written down. After each analysis of the hypotheses, a conclusion will be presented that will indicate the hypothesis credibility so these can be further discussed and summarized later.

Many different and interesting answers have been collected, and after all the interviews were conducted I was left with a much greater understanding of how complex this industry really is. After the analysis, there will be a discussion and interpretation of the theoretical framework and the data collected, together with my own opinions.

As for the hypothesis formulation, I registered later that they perhaps were somewhat conductive. I also noticed that in some cases I should have asked the interviewees to elaborate their answers to avoid drawing too fast conclusions. However, this is something I have worked with, and using the recorder I have had the opportunity to hear the interviews repeatedly.

7.1 Employees

At the beginning of each interview I started with asking some general questions about the informants background and what their job position at Ole Lynggaard Copenhagen entailed. Even though all informants have very different backgrounds, they are all highly experienced people with good educations within each field. Normann (2014) explained that personality is very important when they are hiring new people. In the recruitment process they do personality checks and try to get to know the candidates as good as possible before evaluating if their personality will be a good fit with everyone else in the company.

“It’s so important who we take in, we have a very fragile culture in the company and once we take a new person in, the person will become part of the culture but also influence the culture” (Normann, 2014).

After Ole Lynggaard Copenhagen went through an expansion strategy in 2005, one of the major investments they agreed on was within recruitment to get the absolute best people on the team, and they have since then over doubled their staff. Normann (2014) says that each time they get new employees they become a new company, and that is also why the company is changing all the time. The new employees have their own impressions and considerations to the customers and the development on the market, thus it is essential to find the people that understand their profile. Today, they have almost 120 employees within the company, and are developing slowly. Normann (2014) clearly states that even though they have very big ambitious for the future, they do not want to be a lot of people. He explains that they want to work in a very scalable way and operating with their partners around the world, but are in no rush.

7.2 Product

With questions concerning their products, all the informants agreed that what Ole Lynggaard Copenhagen is selling is beyond just products. They identify that they have some amazing design and creativity behind the products, and that a good product is basically the key to any successful company.

“You can take away all marketing, all everything; if the product is not working you don’t succeed, so it all comes down to the product” (Dalkiær, 2014).

From the company was established it has always been high-end products like 18-carat gold and true diamonds. They never used cheaper replacements such as zirconia or glass, and it has always been the precious metals. Nevertheless, Ole Lynggaard Copenhagen is very much focused on the feeling around the products much more than the product itself. As the whole idea of the company is to make women *feel* beautiful and unique, all their strategies and communication are focused on that.

As the company has always been a family company, there is a special spirit with dedicated people working in close connection inside teams and also between the different departments. Charlotte Lynggaard is very much involved with decisions, weather it is concerning graphic marketing layouts, visual merchandising or type of paper for the new product catalogue. This

also makes the consistency very strong within the company, the same people have been running it from the beginning, and thus the communication to the market has always been very clear with their brand and profile.

7.3 Consumers

In regards to the typical consumers of Ole Lynggaard Copenhagen, the informants described them in diverse ways. Dalkiær (2014) explained that the customers are quite different in the international and domestic markets so they divide them in two segments. On the international market, which is everything outside Scandinavia, they are positioned as a prosperous brand with precious jewellery and most of the customers are 40 (+) year old women. Even though they would like the average age to be a bit lower, their price range makes it up in that area. They can also see that these are women caring for a personal story with an interest in design, and they can afford the jewellery. On the domestic market the consumers are a bit more wide spread. Because the brand has been around for such a long time, they have young girls coming in to buy items they have looked at and saved up to for years before they have enough money to buy it. The company is about to launch a new collection with silver-gold mixed items for the younger generation to more affordable prices, so the age group is much wider in the Scandinavian markets. Boye (2014) describes the consumers as women aiming for high, sophisticated design with a great interest in arts and beauty that can afford the jewellery. She explains that they aim at the same type of women in international and domestic markets, but of course there are small differences between the markets.

In relation to if they have a lot of frequent customers Normann (2014) enlightened that from their experience, once the consumers enters the Ole Lynggaard Copenhagen universe and get passionate about it, they start to collect within this universe. All the jewellery can be mixed and matched well together, it does not matter what series or styles they have and this consequently creates loyalty very quickly as they start to collect. He further adds that of course they have an interest in being very close to their end-consumers, so we have a diamond club where they assemble all the passionate women, communicate to them on a regular basis, invite them to events where they do showings on the new collections, and sometimes they also invite other similar brands that could be of interest to them and their husbands. Subsequently, they work a lot with creating a long-term relation between the company and the

end-consumers. He explains that this is something everyone needs to do nowadays, and so it has become one of the primary communication tools for Ole Lynggaard Copenhagen today - be very direct with the end-user of the products.

7.4 Internationalization

Table 7.1 - Analysis scheme for H1: *By using experiences from the domestic market when expanding to international markets increases the probability of success.*

	<i>Positive</i>	<i>Negative</i>	<i>Surprises</i>	<i>Result</i>
<i>Michel Normann</i>	Marketing research.	More markets, higher risk.	The financial crises were the best years.	Experience and staying true to the brand is important.
<i>Nina Dalkiær</i>	Product kit, timing and the right people.	Organizing it all and dealers with the wrong understanding of the brand.	Went from being a strong brand in Scandinavia to being a very small brand internationally.	Making sure the resources are spent in the right way with the right dealers and people at the right time.
<i>Birgitte F. Kromphardt</i>	Location	Not at the level they need to be.	Competing with Rolex, Patek Philippe	Location is important to ensure the right end-consumers.
<i>Birgitte Boye</i>	Economically logic	None	None	The company was ready to expand internationally at the time.

Source: Own production

7.4.1 Analysis of H1

Going further in the interview the questions were targeted around the subject of internationalization and the process surrounding this. Since Ole Lynggaard started the company, he travelled between Norway, Sweden and Denmark by himself to sell his products, so the products have always been in Scandinavia, which is considered their domestic market. In 2005, the company incorporated a new expansion strategy as they saw a limit to how much they could grow in Scandinavia. Since they are a high-end brand, their goal was never to supply their product with 100 different dealers in Denmark, and they also experienced having to close down some stores that simply did not live up to their standard. Boye (2014) explained that from an economic perspective it made sense that they should not only be based on their domestic market, they recognized that they had to spread the risk and

get into new international markets. The company made some concrete requirements and regulations as to what, how and where the shops would need to display their products, which limited the amount of dealers. The number of stores they wanted and the number of dealers they wanted to work with was reached in Scandinavia, consequently for the right brand to grow they had to expand outside Scandinavia.

Germany was the first market they expanded to in 2008, and they experienced going from being a strong and recognized brand into being a small-unknown brand trying to grow.

“If you go around and ask if people know Ole Lynggaard, a lot of people will say no, because we’re not known. But the level is very high, it’s a fine jewellery brand, it’s handmade and it goes on level with Bulgari and Cartier” (Kromphardt, 2014).

The reason they decided to enter Germany specifically was because of a sales person that proved to have the right understanding and passion for the company with a foot in the right area. Before entering a new market they do some marketing research but see it as the most important decision to find the right person to bring the brand into the market. With their strong profile on the domestic market, highly focused on the core values and mission, they made a plan on how to implement this internationalization process successfully. As a company selling luxury goods, they wanted to target the top 2-5% of the quality conscious women in Germany, hence the top segment.

“We describe the women, we describe which magazine’s are they reading and what other brands do they use, cloths brands, bags and shoes. Where is she from day to day? Is she sitting in her couch strolling with her iPad? Where will she be?”(Normann, 2014).

Subsequently, once they have gathered the answers they need, all communication is targeted very specifically on this segment - it is not at all mainstream focused. Once the strategy was set, they decided to prepare a kit that would be easy for the sellers to present for the stores they were interested in. The kit included a small cabinet with a bracelet and the little charms, which the end consumers could choose between and personalize - it was a pluck and play type of concept. All the stores they wanted to enter had the space for this little cabinet, so this was a good first step in the door. Subsequently, it was important to make sure the dealers had

success with this before expanding the assortment into rings, earring etc. Dalkiær (2014) further elaborates that this concept was quite successful, and partly also because the whole idea about bracelets and charms was new at that time and that helped to open up doors. Consequently, as the German market grew successfully they started expanding into the German speaking parts of Switzerland and Austria. Continuing to always make sure the markets they were in was going well before expanding into new, they have recently employed a salesperson in Belgium taking care of Belgium and Holland. Dalkiær explains that Belgium by itself has just been a very successful market and that it is very much about getting the right dealers. She says it is about the personality the store selling their products, if they think Ole Lynggaard Copenhagen is great then it triggers down to the staff in the store, which makes the whole difference. Subsequently, if they cannot find the right sales people they forget about it and wait for the right time and people to come along. In 2014 Ole Lynggaard is putting a lot of effort into France as a new market. They are opening their first store in Paris and working hard for it to be a success - hoping it will be the first foot in to the French market. Kromphardt (2014) also expressed that they are very picky about their preferred locations. Going into new markets location is extremely important, they want to stay beside the right stores so they can benefit from their customers also, and she states that is also the reason why they are not in a lot of cities yet.

Internationalization also has its challenges. While they are entering several new markets, they are spreading their risk over a number of markets, where some markets are changing a lot.

“If you look at Norway right now there’s some fluctuation going on, where from October, November, December people actually stop to buy in Oslo for some reason. There is some macro economic things going on, and of course that influences us and everybody else” (Normann, 2014).

He additionally adds that even though macroeconomics is hard to control it could also prove to be positive, where in all the years there has been financial crises, Ole Lynggaard Copenhagen has had its top sales years – all of them. The reason behind it is because they are not mainstream, but rather highly focused on a particular segment to which their communication is targeted. Even though they are not quite where they want to be yet,

Kromphardt (2014) says it is important for them to compare themselves with other high-end brands like Bulgari and Cartier to stay in that league and to get the right positions, also when it comes to building their stores. Whilst the export market is much more exclusive, and the retailers they get into are at a much higher level with different demands, it has got them started on the process of lifting their stores to a new level. They think this challenge is interesting for them as a jewellery brand, because it can also lift the awareness and the level to where they want to be.

Sub-conclusion

Ole Lynggaard Copenhagen had a good start, but still has a long way to go internationally. They are very much focused on doing it step by step, as they have limited marketing funds and limited sales resources. They are extremely selective with their locations and dealers and are highly concerned about finding the right people to sell their products. Even though they are meeting new challenges, a lot of their success can be related to their experiences over time from the domestic market, and so hypothesis 1 is supported.

7.5 Artistic vs. Commercial Logic

Table 7.2 – Analysis scheme for H2: *When expanding a creative company to new international markets, it can generate tension between the artistic and commercial logics in the company.*

	<i>Positive</i>	<i>Negative</i>	<i>Surprises</i>	<i>Result</i>
<i>Michel Normann</i>	New production cooperation to reduce pressure in Denmark.	Commercial pressure is getting higher.	No outsourcing.	Some internal issues but no tensions in terms of outsourcing.
<i>Nina Dalkiær</i>	More structure and more people but still the same family values.	Higher commercial pressure. Creativity more leaned to the export markets.	Need to be even more exclusive in display and deliverance internationally.	Commercial and artistic logic is working together in making the brand grander.
<i>Birgitte F. Kromphardt</i>	More creativity with visualisation of products.	Commercial pressure is making the demands harder.	None.	The company is working hard together to lift the products a level up.
<i>Birgitte Boye</i>	More edgy and viral, coming out with new marketing films.	None	None	Have not experienced any tensions. The designers have the final say and people respect that.

Source: Own production

7.5.1 Analysis for H2

As the company grows bigger, it is fair to assume the demand will follow, and since they are “only” 45 goldsmiths working from the headquarter in Copenhagen, I was curious to see if they considered outsourcing their production in order to meet the demand in a more efficient and affordable way. Normann (2014) explained that they at one point considered if to outsource their production to Asia, but decided not to. Their conclusion was to keep the base production in Scandinavia because the handcraft is such a big part of the company, and also because the whole production process is a part of the innovation for the company. So they realised that if they outsourced the production, they would also outsource the entire innovation processes. Therefore they kept the production as it was, and decided not to grow it but rather increase their flexibility. Ole Lynggaard Copenhagen went into cooperation with a

Japanese partner located in Bangkok, where they wanted to make sure that when they grew, the growth would come from Bangkok. That way they could put volume productions in Bangkok and still maintain the production in Copenhagen, thus they would not have to outsource in order to grow. In the question relating to if there were any tensions in the company, Normann simply stated there are no tensions, because they never outsourced. He further added that for anyone working as a goldsmith and experiencing all other companies starting to outsource, of course it can create some nervousness, but since that is not the case for this company they do not need to be concerned. Ole Lynggaard Copenhagen looks at the production as being a very important investment in the process of innovation so outsourcing is not a focus for them.

After expanding to international markets they have increased their sales teams, and the commercial side of the company is now bigger than it has ever been before. As a smaller company, Ole Lynggaard Copenhagen did not see the need for a lot of structuring from headquarter, every sales person made their success through their own routines. Now that the company has a lot more employees they are taking it one step further, getting more organized and making strategies for what to sell where so all the sales people are following the same strategy. Dalkiær (2014) further explains that on the product side they are now more focused on the export customers than the Scandinavian market when they develop products. They see it, as high priority to be close to the customers and make sure that the products developed is right for these customers.

“So I would say we are more international focused, making sure that everything we do works in the international markets and not just in the Scandinavian. In Scandinavia we are a big brand, we don’t have the competition from Pomellato, Cartier, Tiffany” (Dalkiær, 2014).

On the marketing side Boye (2014) says they are focusing differently on the different markets, and they are starting with new and different types of marketing than before. They are now making films like “Share the Passion” that is displayed on their website which has some more edge in than the typical Ole Lynggaard Copenhagen campaigns. The message will still be very sophisticated but with a more edgy message to the end-consumer and that is a path they are heading towards more and more. With all these new high-end competitors on the international markets they need to step one step up on all areas in order to be attractive and

live up to the new standards. By now the company have a pretty good customer base, thus the process of ensuring they are up to speed and verifying they can manage it all - starts now.

In terms of design Normann (2014) states they are totally design managed. The company strongly believe in their designers so if the trend is not green and the designers come up with something green, they create a green trend. He explains further that the strong confidence they have in the designers is a vital part of their success. Dalkiær (2014) also stated the same in her interview where she clarified that in the end it all comes down to the creativity of this company. She further expressed that when Charlotte Lynggaard introduced the Lotus series with all the colour stones, (see picture in appendix 8), all the sellers in Scandinavia was very cynical and had no faith in the new design. Nevertheless, Charlotte was very determined that this was what she wanted to do, hence they started convincing their own sales people first, and formerly the sales people had to convince the dealers that this is was going to work. The Lotus series became a huge success, and ended up as one of their most sold series. It all comes from the creativity of Charlotte, and being determined about her work - that is the core of the company states Dalkiær (2014).

Sub-conclusion

In relations to commercial and artistic tensions in the company after internationalizations there has probably been a minor few, but the major decisions they have made have been for the better of both parts. Nevertheless, it is clear that the designers are the heart and core of the company, and so even though the commercial side is much bigger now they are holding tight on to the family values. With the designers and especially Charlotte Lynggaard being involved in both commercial and artistic side it creates a red line and special harmony in the company. Subsequently, H2 is not supported in this case.

7.6 Competitiveness

Table 7.3 - Analysis scheme for H3: *High competition in the market is a critical cause of constant renewal of products and services.*

	<i>Positive</i>	<i>Negative</i>	<i>Surprises</i>	<i>Result</i>
<i>Michel Normann</i>	Hold on to the old, but also come out with news.	Tough competitors in the high-end industry.	More improving than renewing.	Renewals of products are important but not critically as it is long lasting jewellery.
<i>Nina Dalkiær</i>	Long lasting jewellery, but still need to renew.	Strong competition on the international markets.	None	Important to renew even though it is jewellery made to but not change too much – just add.
<i>Birgitte F. Kromphardt</i>	Work a lot with new visual merchandise and marketing material.	High competition on window space.	Renew visualisation of products is even more important.	It is critical for the vision of the products to have a new look.
<i>Birgitte Boye</i>	The designer's creativity drive.	A lot of re-runners as its not a fashion brand.	None	Need to come with something new but it is not a fashion brand.

Source: Own production

7.6.1 Analysis for H3

Further in the interviews questions were concentrated on competitive advantage. Kromphardt (2014) stated that as one of the largest goldsmiths in Northern Europe with 45 goldsmiths in-house and a long history of craftsmanship their competitive advantage is already strong. The fact that Charlotte Lynggaard can go down stairs in the goldsmith's workshop when she comes up with an idea and make it alive is very unique for this company. Normann (2014) also enlightens that everything comes from talent. In order to have something to compete with in this industry, the designer talent is a necessity. He further adds that not everyone can be a designer, but Ole Lynggaard Copenhagen has those talents who are able to create something totally unique that has never been seen before from their inspiration. These two designers are the whole heart of the company. When you look at their products one can recognize the four core inspiration elements: Scandinavian style, the wonders of nature, life's small moments

and usefulness. They are also inspired from traveling the world, and all the expressions they are exposed to on a daily basis, which is why the inspiration elements continually change.

“Bringing my wife Charlotte to Paris was great inspirations for her and a lot of the series we see today are directly inspired from various experiences she had in Paris. I would say design comes from design talents and their inspirations” (Normann, 2014).

In the question concerning if there are any special designs or product lines more successful than others the answer was no. They have a lot of product lines and make continues changes for each year, where many of them are exceedingly successful. Normann (2014) follows by saying that of course some of the products are more icon products than others, but in recent years they have been much more attentive on focus-collections rather than a broad collection. The reason for this is so when people travel and see the collections around the world there should be no doubt in their minds this is a Ole Lynggaard Copenhagen collection.

Twice a year, during spring and autumn, Ole Lynggaard comes out with new products that are being added to their existing collections elaborates Dalkiær (2014). The main introduction of new products within the international markets happens at Baselworld every autumn.

Baselworld is a big international fair in Basel in Switzerland where all the big brands come and show their products and then dealers comes and buy in products for the next year.

Dalkiær (2014) further explain that this is really the main showcase for high-end brands to display their new products and collections. Even though it is important to show something new, the most important part for Ole Lynggaard Copenhagen is that it feels new to the customers. It can be small product and decoration changes, so it still stays within the brand and the story, but tells the story in a new way.

“You may have a look at a ring and go back and might take you a year to decide to buy a product so what we have a lot of focus on is activating our existing assortment and then adding in the news to make a good combination” (Dalkiær, 2014).

Boye (2014) adds that they have some small drops collections like Forest and the Christmas collection, hence they do small flash collections sometimes, but there are mainly re-runners

adapted to the season. Subsequently, it is also about helping the dealers that already bought the items from last year to sell out the old items as well. Dalkiær (2014) explains that they think of all the products in a very holistic way, and sometimes they organize initiatives to help dealers turn around their stores and get the products sold. They do not sell in more products to the dealers until they have sold out what they already have in the store. Kromphardt (2014) also describes it as long lasting jewellery people buy for life - not like fashion jewellery brands that need to come up with a whole collection every year. She also stresses the importance of reintroducing the way the products are presented in the stores. With some decorative flowers or birds that come down in the vitrine, they want it to catch people's attention and get them curious of the jewellery. Displaying the same products in an altered way also shows that it is products you not only use one season and then take it out, which in the end adds value to the product. This is a fairly new approach for the company, but they feel it is an important step in the process of lifting the brand.

Kromphardt (2014) emphasises that since every piece is handmade with a story to tell it is really important who is selling the products. Very few end-consumers will go into the store and take an Ole Lynggaard piece off the shelves and buy it impulsively, so the sellers really need to get the customers into the story since the universe of Charlotte and Ole Lynggaard is what is truly unique. The marketing material is also very unique compared to other brands. The brand book is full of Charlotte Lynggaard's hand drawings and every detail in there is picked out with careful considerations - almost like sitting with her notebook.

In relation to their strongest competitor, all the informants agreed that it varies with the markets, but the Italian jewellery brand Pomellato is the one they identify themselves with the most. Normann (2014) states that there are no comparable companies in Scandinavia so they associate themselves with the bigger international brands, besides Pomellato he also mentions H Stern from Brazilian as a comparable brand. Tamara Comolli in Germany and other brands they have in the stores like Bulgari and Chapa, was also mentioned by Dalkiær (2014). As the visual merchandiser manager for the company, Kromphardt (2014) explains that a lot of times they also compete about window space in the stores and Pomellato are in a lot of places. Meanwhile, they are learning that the more they work as a concept and offer the export markets things that are at a higher level, they are also getting much more space.

“When we sell there are a lot of brands, the money are the same so its one pocket, so it’s about where you put them” (Kromphardt, 2014).

At the end of the competitive advantage section in the interview with Boye (2014), she pointed out that Charlotte Lynggaard’s strong characteristics and the fact that it is a family run business is something no one can go out and copy. The history, the DNA and the passion that runs in the company makes it very unique and that is the concept they are selling. Boye (2014) emphasizes that this is the most important part of the company, much more than the market, the price or the advertisement. It is essential that people can feel what is Ole Lynggaard Copenhagen.

Sub-conclusion

The high-end jewellery industry is not like the high-end fashion industry where they launch completely new collections year after year. The jewellery Ole Lynggaard Copenhagen is producing is made of the pure metals to last for life, so they do not renew their products as often as one might assume. Nevertheless, they do see it as important to display new products, which they do twice a year, but what is even more essential to them is change the visualisation on the products. Hypothesis H3 is therefor supported.

7.7 Differentiation through branding

Table 7.4 – Analysis table for H4: *A strong local brand will differentiate a creative company and provide a better basis for competitive advantage when entering new markets.*

	<i>Positive</i>	<i>Negative</i>	<i>Surprises</i>	<i>Result</i>
<i>Michel Normann</i>	Have the requirements for being a strong luxury brand	Need to prove the brand on the new markets	Uses storytelling to reach the consumers emotions for brand loyalty.	It is about more than just the brand for a creative company.
<i>Nina Dalkær</i>	Added “Copenhagen” in the brand name to differentiate more.	Went from being leading on the domestic market to extremely small on the international market.	None	A strong brand can make a difference but it requires time and dedication to become a well-known brand.
<i>Birgitte F. Kromphardt</i>	Consistent and clear when developing on new markets	Small products can be hard to display when the brand is unknown	Use the brand differently in the varied product categories.	Visual artefacts can be just as essential to be recognized.
<i>Birgitte Boye</i>	A strong brand on the domestic market has helped them differentiate and grow in Scandinavia.	Strong brand does not provide better basis for competitive advantage in new markets if it is not known.	The model they used provided a better basis for competitive advantage than the brand itself when they expanded.	A strong brand does not get you far if no one knows it, but other elements with more acquaintance might.

Source: Own production

7.7.1 Analysis for H4

In the section about differentiation and branding, terms like “creativity”, “unique” and “consistency” was mentioned several times from all informants. Normann (2014) specified that when you define yourself as a luxury brand, it is a fundamental to be unique because that is the definition of being a luxury brand. The vision for the brand and for the company is for Ole Lynggaard Copenhagen to become the biggest Scandinavian luxury brand in Europe. It might change over time, but it is what they are striving for at the moment. He further adds that being recognized, as a luxury brand also requires them to be unique in the way they communicate through their design and concept. Subsequently, even though they are a company selling products, they are concentrating very much on the story and feelings around

them. The brand book is a big part of this because it gives an insight to their story in a very personal and descriptive way. Every year there is a new brand book showing the Ole Lynggaard Copenhagen universe, but the focus is always that it should provide the same feeling once you enter this universe year after year. The brand book does not actually show any products until page 18, where they only show one product. In the first 17 pages you are being guided through a story expressed by drawings about a boy chasing a balloon around the world. Normann (2014) explains that the thing about being a luxury brand is that it is not a choice about a feeling - it is about passion and about women wanting to go into this universe. Charlotte Lynggaard and her thoughts of inspiration and creativity is the most essential part of differentiation in this company, states Dalkiær (2014). There has also been a good conducted consistency with the brand, in packaging, the models they use and communication. She explains that when being a new luxury brand in the market it is important to prove that they are serious and wants a long-term relationship with the customers - not just a one-year thing.

“I think especially since we are in this high-end price of the market you need to be very consistent, and it’s very much about getting the consumers to rely on the brand and get to know the brand, and that takes time. So the more consistent you are, the more reliable you are and the stronger the brand is” (Dalkiær, 2014).

On the visual merchandising side they work with differentiation in diverse categories like gold jewellerys, silver jewellerys, and bridal jewellerys. Here it is important to figure out where they want to brand themselves and what is important for the products. That could be the lighting, as lights must be different if you display gold or if you display silver. It could also be the vitrines that they present the jewellerys in, where the gold collections should have a different look and be displayed as more important than the silver collections. Charlotte Lynggaard is also very much involved in this process, as it is import to envision what she want to express through the products, and all these details are being cooked down to the elements that helps lift their story. Kromphardt (2014) further explains how important it is that all the visual elements are something that surrounds the jewellery, and not take over and become too dominating. However, they are working with very small objects and sometimes it is important that people can see the products from far away, consequently they use effects that

can lure them to the cabinet and hopefully make them enter the store. Everything is made to lift the jewellery and to make them stand out more.

Since the domestic and international market has so different needs, Ole Lynggaard Copenhagen is now considering differentiating the products between the two markets. This means that they would be delivering some materials to the international markets that would not be displayed in Scandinavia. Kromphardt (2014) clarifies that the brand will still be communicated in the same way and the stores will also primarily look the same, but they would have small adjustments to personalize since the requests are so different. Because they still such a small brand worldwide they find it important to contain a red thread so that when customers travel around, they will recognize the Ole Lynggaard Copenhagen brand. Kromphardt (2014) explains that they have a specific carpet and wall fixtures that they use, and they also use a lot of velvet in their displays, which is standard for all the shops. She further enlightens how central this is to every brand, and the way their competitor Pomellato is known for using some kind of silk for their props, Ole Lynggaard Copenhagen is known for the velvet. The reason they specifically use the velvet is because it highlights the feminine and bohemian values of their products and brand that they want their customers to recognise.

“You have to be clear in your communication about what your values for the company are and have that as a consistent message in all communication that you do” (Dalkiær, 2014).

When they first launched on the international market their brand did not help them much as it was highly unknown to most people. Boye (2014) expressed that their biggest asset at that point was Helena Christensen (appendix 8) that they used as a model in all marketing for their jewellery. She was a famous fashion model and that actually helped them a lot in enhancing the brand awareness in some areas. In relation to their brand name, they changed the name from only Ole Lynggaard to Ole Lynggaard Copenhagen, and Dalkiær (2014) says it was a very conscious choice to add Copenhagen to their brand name to use it to differentiate the product offering on the international market. Boye (2014) also stresses how crucial it is for them to actively use terms like “Danish design” and “made in Copenhagen” through all marketing channels and in social media. Charlotte Lynggaard is personally also very involved in these channels; on her Instagram profile she posts a lot of private photos and comments.

Boye (2014) explains this is all a part of her branding, to engage the end-consumer and invite them into her world.

Sub-conclusion

All the informants agreed that having a strong brand is imperative, especially when you classify yourself as a luxury brand and strive to become the biggest Scandinavian luxury brand in Europe. They are continually working to sharpen their profile and brand so people easily can recognize their uniqueness, but they soon learned that while they had a strong brand in Scandinavia it did not help them much when they expanded to new international markets. Their jewellery model Helena Christensen, which was a world known fashion model and used on a lot of their marketing material was something people responded to. Henceforth hypothesis H4 is not supported.

7.8 Quality control

Table 7.5 – Analysis table for H5: *Well-developed routines for quality control are important to improve the business success even if the products are artistic.*

	<i>Positive</i>	<i>Negative</i>	<i>Surprises</i>	<i>Result</i>
<i>Michel Normann</i>	Quality control in every department, with a separate quality control department for the production of the jewellery.	None	None	Quality control is even more important with the artistic products in this company because of the industry.
<i>Nina Dalkiær</i>	They prioritise to rather spend resources on a few high quality processes that are perfect, than many processes almost flawless.	Limited resources.	None	In the high-end jewellery market, securing high quality is a must to be able to succeed.
<i>Birgitte F. Kromphardt</i>	Inconclusive	Inconclusive	Inconclusive	Inconclusive
<i>Birgitte Boye</i>	Do not compromise on anything.	Time consuming and expensive.	None	Even though it is expensive to always use the best alternatives, they never compromise.

Source: Own production

7.8.1 Analysis for H5

It was a general trend between the different departments at Ole Lynggaard Copenhagen to practice quality control as a fundamental part of their development and improvement. Dalkiær (2014) expressed how important this is since the products are done by hand and they demand a high price for their products, consequently the quality has to be on top. Normann (2014) told about the in-house quality department they have for the production in Denmark and also for the production in Bangkok. Further, all other departments of the company have high emphasis on quality in every operation - never compromising on anything. This also includes the way their concept is presented, their distribution, communication and customer support.

He further explains that as a value-based company, they base everything they do on their values, and one of their values is quality and quality above all.

“In the high-end jewellery market, high quality is a must in order to compete.”
(Dalkiær, 2014)

Dalkiær (2014) said that they do a lot of field research to know what is happening on the market and to make sure they are up to speed with the other competing brands. She stresses that this not because they need to do the same as the others, but they use it as a tool to stay on track with the standard on the rest of the markets. If they find something they need to upgrade, they use that as a positive point when meeting the dealers, explaining that they choose to invest more in this area so they have an advantage. It could be the decoration materials that they want to change for something special, or it can be something like the brand book, which is extremely expensive but it was highly prioritized. By knowing what the other brands are doing and what the dealers get gives them an advantage to figure out exactly where they want to spend their money to differentiate from the others.

In the marketing department Boye (2014) explains it is a question of only sending out visuals when they are perfectly aligned with the overall marketing concept, and that Charlotte Lynggaard also likes them. Everything being launched online or print has to be top quality adapted to the materials. They use recourses to adapt technically, so the pictures always look sharp. The paper they use is sent from the United States, since there is only one place that makes this kind of paper - everything has to be in the best way possible. She adds that their mentality is to rather do a few good things with top quality that they are 100% satisfied with, than many things done half way. It is important for the Ole Lynggaard Copenhagen brand that everything is controlled and nothing is approved unless it is perfect, that is what people expect from the brand and to that price.

Sub-conclusion

Quality control is heavily incorporated in the entire company of Ole Lynggaard Copenhagen, especially the artistic products, since they are handmade and competing in the high-end jewellery market. Every department have their own type of quality control, whether it is

pixels on a pictures going out or making sure that their services is up to speed with the rest of the market. With the major decisions, Charlotte Lynggaard is highly involved to ensure that the expression as the designer and values of the company are being implemented. Consequently, hypothesis H5 is supported.

7.9 Challenges and sub-conclusion

Finally, there will be presented some of their views concerning their biggest challenges at the company nowadays and some concluding remarks for the analysis chapter.

Normann (2014) clarified that their biggest challenges are definitely internally much more than externally. The reason for this is because they now work with a very selected distribution and has succeeded greatly in getting the absolute right clients. The biggest challenge is therefor to secure an internal organization that can sustain the quality and secure that they live up to what they have promised. Subsequently, referring to Ole Lynggaard Copenhagen as the biggest Scandinavian luxury brand requires a lot of commitment, and they need to work hard with having all the processes in place to secure the quality in everything they do. This is also the reason they have not yet entered The United States or Brazil or China even tough the interest is there, they have not got the necessary resources in order to actually sustain that today. In the end he says that once they have become a world known luxury brand it will be much easier to expand whether it is The United States or China.

Through this analysis five main subjects with following hypotheses have been researched to provide a better understanding and answer the problem statement of this thesis. All informants that were interviewed works as managers within different sections of the company and contained different views on the subjects researched. Through the insight of this analysis, the research will continue in the next chapter with the discussion, where the relevant empirical findings from the analysis will be further explored from a theoretical viewpoint.

Chapter 8. Discussion

This chapter will present the key findings in the analysis and elaborate on the subjects. The identified theoretical considerations will be discussed with the empirical findings to further conclude with some recognized findings for this paper.

In the beginning of the analysis after a quick introduction of the employees, the subjects presented were product and consumers. It was a mutual feeling from all the informants that the products they are creating and selling is not just fine jewellery with precious metals, there is also a story and a feeling behind the unique design. Even though the company is working a lot with emphasising the history and emotion around the products, they also realize that a good quality product is significant to any successful company. Their consumers are mostly women in there forties with an eye for design, caring for a personal story and with good economy. Because they would like the average age of the consumer to be a bit younger, Ole Lynggaard Copenhagen is launching a silver collection to more affordable prices that are targeted to reach the younger generation and enhance their market segment. Furthermore, all the products are launched in different product lines, but they can still be mixed and matched as the customer may please. The company can see that many consumers that buy one article often come back to buy others in the same or another product lines because they go so well together. They have a diamond club, which is used to stay close to the end-consumer and to build and maintain a long-term relationship.

The first hypothesis on internationalization pointed out that for a company such as Ole Lynggaard Copenhagen that operates in the high-end jewellery industry, they needed to expand from the domestic market if they wanted to continue growing as that brand within that industry. They had reach the goals they had set for their home market and the business was going well, so it made sense to expand to new international markets, even though this would require them to spread their risk. In the Uppsala internationalization process model by Johanson and Vahlne (1977) they focus a lot on the importance of experience and emphasises the lack of knowledge as an important exploratory variable for companies entering new markets. Through the informants at Ole Lynggaard Copenhagen it was clear that this was something they considered before entering the new markets. They made an expansion plan in

2005 where they assessed their current position (state) including their objective and experiential knowledge and made a plan to allocate their market commitments. After three years and a lot of changes, gaining knowledge on the new market and hiring new people, they felt the company was ready and the timing was right to launch on the international market. Ole Lynggaard Copenhagen went into the following stage (change), where they made some commitment decisions so the dealers would know they were serious as a brand and committed for the long run. Their current business activities were also adapted to strengthen their position on the new market as they discovered that the international market had a much higher standard with the competing brands. As a fine jewellery company they are very selective as to where they want to be placed and whom they want as dealers so the internationalization process takes time, but they are slowly expanding to more and more markets mainly in Europe. Internationalization also has its challenges, especially with SMEs where their resources are lower and the risk is bigger. There are macroeconomic changes that can be hard to predict and control for companies and even though the financial crises turned out to be Ole Lynggaard Copenhagen's highest years in profit, they are experiencing some trouble on the Norwegian market for example, where people more or less stop to buy in the last three months of the year. The reason why they are not affected by a lot of the bigger trends and crises' happening worldwide is because they are not mainstream and their production is in-house, even though there will always be some challenges they cannot avoid.

Furthermore the second subject concerned the balance between the artistic and commercial logic that often occur in creative companies especially when going through internationalization and the company changes. With regards to Negus and Pickering's (2004) understanding on creativity being an individual expression and therefore conflicting with any form of control is not consistent with this company. All the informants at Ole Lynggaard Copenhagen explained with no doubt that the centre of the company and the most important part is the two designers and so the strategic teams work around them. Even though the designers are the artistic part of the company they are also the founders and still very much involved with the strategic decisions as well. The CCO, Normann (2014), explained that there was a time where the company considered outsourcing the production to Asia, which raised some concerns internally in the company since a big part of their head office in Copenhagen is production. In the end they decided not to do it, because the handcraft is such a big part of

the company, and they would also lose their whole innovation process. Furthermore they did go into cooperation with a Japanese company located in Bangkok, which handles the bigger volume productions and that has worked out well so far.

Cowen's (1998) claim that commercialization has enabled cultural or creative productions so they are not working as counterparts anymore, and that capitalism and mass production have made it possible for more artists to create and sell their work is to some degree accurate for this case. Even though this theory is seen from a more individual artists perspective, I would say commercialization has helped these two counterparts in working together. The world has gotten smaller with all the technology and the communication between the producers and consumers is much more direct now than it was a decade ago. The charms kit Ole Lynggaard Copenhagen first launched when they entered the international markets turned out to be a huge hit, and not long after there was various copies made from different brands all over the world. However, they were the originals and it helped them greatly through the first steps of the internationalization process. In this company, as in many others they may arise tensions from time to time but it is clear who has the last words. When Charlotte Lynggaard created the Lotus collection, she was met with huge resistance and doubt because the design was so different from everything else on the high-end jewellery markets. The sellers did not believe in it, the dealers did not believe in it, but Charlotte had faith and was determined this was going to be a success. After some time convincing the management, the seller and then the dealers the product line turned out to be a huge success. The company believes very strongly in their creative logic and then the commercial logic comes second.

Concerning the theory on competitiveness it was referred to as a multidimensional process, consisting of price, place and product as the dynamic factors. Through the interviews, the informants were asked questions regarding all three factors, but mainly concerning the product. Being in the high-end industry it is essential to be located around other high-end brands, so they can benefit from each other's customers. The prices are high in this industry and the customers also expect it to be since it is luxury goods, made from the best materials with the unique designs. So the products are what differs the most in this industry, having a design and brand that attracts people can be very beneficial. As Kromhardt (2014) pointed out, the money is the same and it comes from one pocket, so it is all about where you put them. As Ole Lynggaard Copenhagen is making long-lasting jewellery they do not turn around

their whole collection from year to year, they simply add new products to the existing collection twice a year. They see it as significant to bring something new to the market so the consumers do not see the same stuff all the time. Subsequently, they work a lot with visual merchandising, which involves everything surrounding the products, and in that way it gives a new look even though the products might be the same. This fits well with the model by Buckley et al. (1988) where they look at their performance to improve, and goes through a process to reach their ultimate potential. Ultimately, they focus a lot on distinguishing themselves from other competitors by using the story behind the designs, so they are not just another luxury product on a new market.

In regards to the topic about differentiation through branding the informants was asked if their brand is helping them differentiate on the new markets. Ole Lynggaard Copenhagen has worked hard for many years to become a strong recognized brand in Scandinavia, but it was not necessary going to give them a competitive advantage on the new markets. Even though Germany, which was the first country they launched in, geographically is not that far from Denmark, the brand Ole Lynggaard Copenhagen was completely unknown to most people. The model they used in all marketing campaigns, Helena Christensen, was a world-known fashion model and she actually helped them raise the brand awareness a great deal as a new brand on the market. Regarding their brand name, they changed the name from only Ole Lynggaard to Ole Lynggaard Copenhagen, and it was a very conscious choice to further differentiate the product offering on the international market. Danish and Scandinavian design have been a famous brand on its own since the sixties, so it made sense to add it for increased brand awareness. They are also very conscious on staying consistent and clear when they communicate as a relatively new brand on the market. Consistency is argued in many brand theories as being an important factor to build a strong brand. Furthermore, Normann (2014) specified that uniqueness is the essence of being a luxury brand and with the vision of becoming the biggest luxury brand in Europe; they are putting a lot of resources in strengthening the brand through every communication channel. Morrison and Crane (2007) argued in their theory how emotions have become an essential part of branding strategies, and now plays an important role in the consumers mind when it comes to selection, satisfaction and brand loyalty. This is something Ole Lynggaard Copenhagen is actively working on. Starting with their brand book, the first 17 pages is a story expressed in drawings about a boy

travelling the world to find his red balloon. Fog et al., (2010) has created a model based on exactly this, branding through storytelling. Schank, (1999) further states that stories help individuals understand the experience and concepts better since it is based on the notion that human's memory is story-based, hence it is a smart move by Ole Lynggaard Copenhagen to try and visualise their story in connection to the brand. Throughout the social media Charlotte Lynggaard is also very involved posting a lot of private photos and comments, which again is a part of the branding and a good tool to stay close to the end-consumers.

It became clear pretty early that quality control was well integrated throughout the entire company. Since the products are handmade and they demand such a high price for their products, it is essential that the quality is high at all times. For the in-house production they have a quality control department, securing that everything is where it should be. Additionally, in all other departments of the company they have high emphasis on quality in every operation - never compromising on anything, including the way their concept is presented, their distribution, communication and customer support. Normann explained that as a value-based company, they base everything they do on their values, and one of their values is quality above all. Furthermore it was expressed that to be able to succeed in the international high-end industry where the competition is so strong, high quality must be in order. Pedersen, (1997) expressed through his theory that it requires good and close dialogue with the customers to provide quality products at all times and the business should constantly update their knowledge about the industry to identify market needs and expectations. This is also something Ole Lynggaard Copenhagen has identified as important, and Dalkiær (2014) explained that they do a lot of field research to stay updated on the different markets and to make sure they are up to speed with the competing brands. By knowing what the other brands are doing and what the dealers get gives them an advantage to figure out exactly where they want to spend their money to differentiate from the others. Furthermore all the materials they use, whether it is pictures for the web-site or paper for the brand book, they always make sure it is exactly how they want it to be. If it is 98%, they will rather use more time and money to change the last 2% so it is perfect before it gets published. With limited resources as a small brand in the high-end jewellery industry this creates a lot of restrictions as to what they can do, but quality comes first hence that is what they prioritize.

Chapter 9. Findings

9.1 Findings in internationalization

What I discovered through the subject on internationalization at Ole Lynggaard Copenhagen was that marketing research, timing, the right seller and dealers, the location and the product kit helped ease the internationalization process. While the challenges seemed to be the increased risk that comes with more markets, the organization effort, trouble reaching the level they should be at compared to other brands and dealing with dealers that have the wrong perception of the brand. Furthermore it was surprising to find out that the financial crises was the years they had the best profits, and that they went from being a strong and recognized brand in Scandinavia to becoming completely unknown in a market only miles away.

9.2 Findings in artistic and commercial logic

The discoveries found within artistic and commercial logic was on the positive side that they went into cooperation with another company for the volume productions to reduce pressure and keep the production in Denmark. Furthermore, even though the company has more than doubled their amount of employees, they have managed to maintain the same family values in the company. The creativity is also highly supported within visual merchandising and the company is coming out with a new and more edgy look in new marketing films. While on the other side, the company is sensing the increased commercial pressure, which makes the creativity more leaned towards the international markets. It was also surprising to discover that they have not outsourced, and that they need to step up their exclusiveness on the international markets.

9.3 Findings in competitiveness

The findings revealed in the importance of product renewals to stay competitive was that they keep many of their older collections as they are producing long-lasting jewellerys, but they still see it as important to come out with new products twice a year. They also work a lot with creativity and renewing their visual merchandise and marketing materials to attract new

customers. Nevertheless, they find the competition tougher than imagined in the high-end industry and on the international markets, especially the competition on window space.

9.4 Findings in differentiation through branding

On the topic of differentiation through branding within Ole Lynggaard Copenhagen I revealed that they do have the requirements of being a strong luxury brand, they are just not there yet on the international markets. It has increased value to their brand by adding “Copenhagen” to their brand name, and they are working hard to maintain a clear and consistent message with the brand. Furthermore they are using storytelling to reach customers emotions when they hear Ole Lynggaard Copenhagen, as it plays an important role in the consumers mind when it comes to selection, satisfaction and brand loyalty. However, they realize they have a way to go for the brand to become strong on the international markets; it was a big change for them going from being a leading fine jewellery brand on the domestic market to becoming a small and unknown brand when they expanded. Their products they are selling are small items and can be hard to sell when the brand is so unknown. It was surprising to find out that they use the brand differently in the varied product categories (bridals, gold, silver) and that the famous fashion model they used has helped them increase the brands awareness.

9.5 Findings in quality control

In the last subject I was pleased to discover that they do practice quality control in every department with special to the production of course. They prioritise to spend their resources on a few quality accomplishments rather than many that is incomplete compared to the standard they want it to be. The downside was that they have limited resources as a small company and quality is time consuming and expensive but it is also one of their main values so they are certain it will pay off in the end.

Chapter 10. Conclusion

This thesis is based on the following problem statement:

“Why and how is Ole Lynggaard Copenhagen as a creative company, balancing the importance of artistic and commercial logic together with other crucial factors to ensure a successful growth on the international market?”

With this as a foundation of this thesis I have worked with five hypotheses, which was analysed and discussed in the previous chapters. From the analysis, I would like to organize and gather the most essential data to the problem statement to draw some conclusions. I first wish first to draw conclusions for each one of the hypotheses, followed by the main conclusion for the whole thesis that will answer the problem statement. I want to begin with a brief summary in the hypotheses chart where it is illustrated which of the hypotheses are supported and which are not before going into detail of the conclusion for each hypothesis.

Table 10.1 Hypotheses chart

Hypothesis 1	By using experiences from the domestic market when expanding to international markets increases the probability of success.	Supported
Hypothesis 2	When expanding a creative company to new international markets, it can generate tension between the artistic and commercial logics in the company.	Not supported
Hypothesis 3	High competition in the market is a critical cause of constant renewal of products and services.	Supported
Hypothesis 4	A strong local brand will differentiate a creative company and provide a better basis for competitive advantage when entering new markets.	Not supported
Hypothesis 5	Well-developed routines for quality control are important to improve the business success even if the products are artistic.	Supported

Source: Own production

10.1 Conclusion H1

Based on my findings I have identified that by using past experiences from the domestic market together with gaining new knowledge about the new markets can increase the probability of success in the internationalization process. It is also important to make sure the resources are distributed the right way between the right people and dealers at the right time. Furthermore it is important for a jewellery company in the high-end industry to be located in the right area to stay close to the target group.

10.2 Conclusion H2

Through my findings concerning tensions between artistic and commercial logic at Ole Lynggaard Copenhagen when expanding to new markets, I have acknowledged that there has been some internal issues and concerns related to if the business would outsource the production, but since that was declined and they are keeping their main production in-house there was no major tensions. The commercial and artistic logic is working well together in lifting the products up a level and making the brand stronger. Furthermore, I think a lot of the reason they have so few tensions on this subject is because the founder/designers' recognition as the core of the company, subsequently they have the final say and people respect that.

10.3 Conclusion H3

What I found in the subject on the importance of product renewals to stay competitive was that renewals of products are important, but not crucial as it is long lasting jewellery and so it is more important to supplement the existing collection with some new items. What was revealed as more important is the change of visual expression of the products to give them a new look even though it often will be the same products.

10.4 Conclusion H4

The findings indicate that differentiation through a strong local brand does not necessarily lead to increased competitive advantage on new markets. A strong brand can differentiate, but it requires time and consistency to become a recognized brand on new markets even though the brand has a strong position on the domestic market. Subsequently I learned that visual

artefacts and famous models fronting the jewellery could be even more effective in increasing brand awareness and become more established on the new markets.

10.5 Conclusion H5

The analysis showed that a quality control system is an essential management tool to secure quality in the products and through all segments of the company. It helps to ensure the promised quality criteria's, which is extremely high when the product is a luxury good in a incredibly competitive industry. The hypothesis is therefore consistent with the collected findings, and I can conclude that high quality routine is vital to succeed in the high-end jewellery industry even though it is expensive to always use the best possible alternatives and never compromise.

10.6 Main conclusion

Through my inspiration on how creative companies can start with one simple man and grow into successful companies with hundreds of employees in this highly competitive industry, I found it interesting to investigate a specific creative company to understand how and why this is can be done in a successful manner. The thesis was based on the five central factors in relation to the problem area: internationalization, artistic and commercial logic, competitiveness, differentiation through branding and quality control for Ole Lynggaard Copenhagen to ensure successful growth on the international market.

Throughout my analysis and findings I found that Ole Lynggaard Copenhagen has a unique product through the talented designers that are valued as they heart of the company. As product manager, Dalkiær (2014) stated, the product must work for the company to succeed, so in the end it all comes down to the product. This company has been true to their brand and product since Ole Lynggaard opened his goldsmith in 1963 selling fine jewellery, which initially made them a leading high-end jewellery brand in Scandinavia. Nevertheless, even though the commercial aspects of the company are working around the creations to reach their goals, the two aspects work very closely together. Because they are in the high-end industry, uniqueness is key and so the designers are free to create whatever they are inspired by. Of course they are influenced by new trends fluctuating and their surroundings, but they always

have the support of the rest of company to create a completely new trend if they like, hence the creations are not controlled in any ways. They have identified the company's history and brand as very unique and personal, which differentiate them on the market and they use the story behind the brand actively through all marketing channels to gain competitiveness and add brand value. Furthermore they are working hard to secure top quality throughout the entire company, as it is essential to succeed as a luxury brand on the high-end market.

In conclusion, all the related factors are seen as crucial for the company to ensure successful growth on the international markets, and throughout the research on all subjects it has become clear how and why Ole Lynggaard Copenhagen are sustaining a successful growth.

10.8 Further research

Taking point of departure in the findings concluded in this thesis it could be interesting to look further into the following considerations.

- A lot of the processes like the close collaboration between the artistic and commercial aspects of the company and the strong managerial involvement from the two designers is currently possible because of the relatively small size of the company. This might potentially have to change with time, as the company grows bigger.
- The founder and one of the two designers, Ole Lynggaard, is now 78 years old, and even though he is still involved in the company it is likely his involvement will decrease in a few years, which means that Charlotte Lynggaard will be the sole designer at a company increasing in growth.
- If the company keep expanding, it is also a question if they can manage to keep the main part of the production in Denmark or if they would have to outsource and only keep a small production in-house for innovation purposes.
- Furthermore, since their brand is so tied up to their handcraft and personal story, it could potentially harm the brand if they change the company too much and outsource the production, as they grow bigger.

Chapter 11. Bibliography

- Arbnor, L., & Bjerke, B., (2009). *Methodology for creating business knowledge*. United Kingdom: Sage Publications Ltd.
- Berg, Bruce L., (2009). *Qualitative research methods for the social sciences*. Boston: Allyn & Bacon.
- Blumberg, B., R. Cooper, D., and S. Schindler P. (2008). In Cooper Donald R, Schindler Pamela S (Eds.), *Business research methods* (2nd edn). London: McGraw-Hill.
- Buckley, P. & Ghauri P., (1999). "The Internationalization of the Firm. A Reader", 2nd ed., International Thomson Business Press, London.
- Buckley, P., Pass C., L., & Prescott K. (1988). Measures of international competitiveness: a critical survey. *J. Mark. Manage.*, 4 (2) pp. 175-200.
- Caves, Richard E., (2000). *Creative Industries, Contracts between Art and Commerce*. Cambridge, Mass, USA: Harvard University Press.
- Cooper, H., Schembri, S., Miller, D. (2010). "Brand-self identity narratives in the james bond movies." *Psychology & Marketing*, Vol. 27 (6), p. 557-567.
- Copenhagen Business School (2005). *The Danish Design Industry, Annual Mapping 2005, Copenhagen Business School May 2005*. Frederiksberg.
- Corbett, C., Wassenhove, L., V. (1993) "Trade off? What trade off, competency and competitiveness in manufacturing strategy?", *California Management Review*, Vol. 35, pp. 107-22.
- Cowen, T. (1998). In praise of commercial culture. Cambridge, Massachusetts: Harvard University Press.
- Csikszentmihalyi, M. (1997). *Creativity: Flow and the Psychology of discovery and invention*. New York: Harper Perennial.
- Danish Enterprise & Construction Authority, (2007). *The Vision of the Design2020 Committee*. Rosendals Schultz Grafisk Distribution. Copenhagen.
- Denzin, N. K. and Y. S. Lincoln (2005). *The Sage Handbook of Quality Research* (3rd edn.) London: Sage
- Dubois, B. and G. Laurent, S. Czellar (2001). "Consumer Rapport to Luxury: Analysing Complex and Ambivalent Attitudes, " Consumer Research Working Article No. 736, HEC, Jouy-en-Josas.

- Feurer, R. and Chaharbaghi, K. (1994), “*Defining competitiveness: a holistic approach*”, *Management Decision*, Vol. 32, pp. 49-58.
- Fog, K., Budtz, C., Munch, P. Blanchette, S. (2010). “*Storytelling: Branding in practice*”, Second ed., Springer Berlin Heidelberg.
- Gunasekaran, A., Bharatendra K., Rai and Griffin M., (2011). Resilience and competitiveness of small and medium size enterprises: an empirical research. *International Journal of Production Research*, Vol. 49, No. 18: 5489-5509.
- Heldbjerg, G. (1997). *Grøftegravning i metodisk perspektiv, et videnskabsteoretisk og metodoloisk overblik*. København.
- Ietto-Gillies, Grazia. (2012). *Transnational Corporations and International Production: Concepts, Theories and Effects (2nd edn.)* Great Britain: Edward Elgar Publishing Limited.
- Johannessen, A., Kristoffersen, L., and Tufte, P. A., (2004). *Forskningsmetode for økonomisk-administrative fag*. Oslo: Abstrakt forlag.
- Johanson, J., & Vahlne, J.-E. 1977. The internationalization process of the firm: A model of knowledge development and increasing foreign market commitments. *Journal of International Business Studies*, 8(1): 23–32.
- Kotler, P., Keller, K., Brandy, M. Goodman, M., Hansen, T. (2009). “Marketing Management”, *Pearson Education Limited*.
- Kvale S. (2007). *Doing Interviews*. Los Angeles, Cardif. London.
- Kvale, S., Brinkmann, S., Anderssen, T. M., and Rygge, J., (2009). *Det kvalitative forskningsintervju*. Oslo: Gyldendal akademisk.
- Labrecque, L., Markos, E., Milne, G. (2010). “Online personal branding: Process, challenges and implications.” *Journal of Interactive Marketing*.
- Linde, C. (2001). “Narrative and social tactic knowledge”. *Journal of knowledge management*, Vol. 5 (2).
- Majkgård, Anders. (1998). “*Experiential knowledge in the internationalization process of service firms*.” Uppsala University, Department of Business Studies.
- Man, T., W., Y., & Lau T., and Chan K., F. (2002). The competitiveness of small and medium enterprises: A conceptualization with focus on entrepreneurial competencies. *Journal of Business Venturing*. Vol 17, Issue 2, p.123-142.

- Morrison, S., & Crane, F., G. (2007). "Building the service brand by creating and managing an emotional brand experience." *Journal of Brand Management*, Vol. 14, pp. 410-421.
- Murray, J. (2002). "The politics of consumption: A re-inquiry on Thomson and Haytko's (1997) Speaking of Fashion" *Journal of Consumer Research*, Vol.29 (3), p. 427 – 440.
- Nanand S. (2005) "An exploration of the brand identity – brand image linkage: A communications perspective." *Brand Management*, Vol. 12 (4), p. 264-278.
- Negus, K., & Pickering, M. (2004). *Creativity, Communication and Cultural Value*. London: Sage publications.
- Nelson, R. (1992). Recent writings on competitiveness: boxing the compass. *California Management Review* 34 (2), pp. 127-137.
- Nielsen, Bo. (2008). Internationalization of Danish SMEs. Published in *Handbook of research on European business and entrepreneurship*. (11): 171-182.
- OECD. 2000. Enhancing the competitiveness of SMEs in the global economy: Strategies and politics. *Conference for Ministers responsible for SMEs and Industry Ministers*.
- Persaud, Nadini. "Primary Data Source." In *Encyclopedia of Research Design*, edited by Neil J. Salkind, 1095-98. Thousand Oaks, CA: SAGE Publications, Inc., 2010. doi: <http://dx.doi.org.esc-web.lib.cbs.dk/10.4135/9781412961288.n333>.
- Pedersen, P., Å. (1997). *Kvalitetssikring: et ledd i verdiskapningen!* Bekkestua: NKI forlag.
- Peterson, R., A. & Anand, N. (2004). The production of Culture Perspective. *Annual Review of Sociology*, 30, pp. 311-334.
- Porter, Michael E. (1992). *Konkurransfortrinn*. Oslo: Tano.
- Ritchie, J.R. Brent, og Geoffrey I. Crouch. 2003. *The competitive destination: a sustainable tourism perspective*. Wallingford: CABI Publ.
- Saunders, M., Lewis, P. and Thornhill, A., (2012). *Research Methods for Business Students*. Financial Times, Prentice-Hall.
- Schank, R. C. (1999). " *Dynamic Memory Revisited*" Cambridge University Press.
- Scolari, C. (2008). "Online brands: branding, possible worlds, and interactive grammars" *Semiotica*, Vol. 169, p. 169 – 188.
- Shiu, E., Hair, J., Bush, R., and Ortinau D. (2009). *Marketing Research*. New York: McGraw-Hill Higher Education. London.

- Shewhart, W., A. (1939). *Statistical Method from the Viewpoint of Quality Control*. Department of Agriculture. Dover, 1986,
- Thorton, P. H., & Ocasio, W. (1999). Institutional Logics and the Historical Contingency of Power in Organizations: Executive Succession in the Higher education Publishing Industry, 1958-1990. *American Journal of Sociology*, 105(3), 801-843.
- Turk, B., Scholz, M. and Berresheim, P. (2012), "Measuring service quality in online luxury goods retailing", *Journal of Electronic Commerce Research*, Vol. 13 No. 1, pp. 88-103.
- U.S. Government Accountability Office, Program Evaluation and Methodology Division. (1990). *Case study evaluations*. Washington, DC: Government Printing Office.
- Utami, R. M. and Lantu, D., C. (2014). Development Competitiveness Model for Small-Medium Enterprises among Creative Industry in Bandung. *Procedia – Social and Behavioural Science*. Vol. 115: 305-323.
- Whetten, D.A., (1989). "What Constitutes a Theoretical Contribution?" *Academy of Management Review*. Doi:10.5465/AMR.1989.4308371.
- Yin, R.K. (2014). *Case Study Research: Design and Method* (5th edn). London: Sage Publications.

11.1 Websites

- Business Dictionary. (2014). Accessed 19th of October 2014.
<http://www.businessdictionary.com/definition/luxury-goods.html>
- Collins Dictionary. (2014). Accessed 17th of September 2014.
<http://www.collinsdictionary.com/dictionary/english/internationalization>
- Copenhagen Capacity. (2014). Accessed: 5th of August 2014.
<http://www.copcap.com/BusinessOpportunities/Creative%20Industries/Facts#sthash.5cbtdMKl.dpuf>
- Danish Business Authority (2014). Accessed: 14th of June 2014.
<http://danishbusinessauthority.dk/creative-industries>
- DesignDenmark (2007). Accessed: 04th of August 2014.
<http://erhvervsstyrelsen.dk/file/7260/designdenmark.pdf>
- Kay, Internationalization, (2011). Accessed 08th of August 2014.
<http://www.cryoutcreations.eu>

- Norwegian Encyclopaedia. (2014). Accessed: 16th of July 2014.
<http://www.snl.no/konkurranseevne/%C3%B8konomi>
- Ole Lynggaard Copenhagen. (2014). Accessed: 20th of August 2014
www.olelynggaard.com
- Small Business Chron. (2014). Accessed: 15th of October 2014
<http://smallbusiness.chron.com/importance-quality-control-supply-chain-management-80588.html>
- Proudly Europe. (2014). Accessed: 19th of August 2014.
<http://www.proudlyeurope.com/Denmark/Ole-Lynggaard-Top-Design-Company.aspx#>
- UNESCO. (2006). "Understanding Creative Industries.pdf." Accessed: 11th of May 2014.
http://portal.unesco.org/culture/es/files/30297/11942616973cultural_stat_EN.pdf/cultural_stat_EN.pdf

11.2 Interviews

- Boye B. (2014). *Interview*
- Dalkiær N. (2014). *Interview*
- Kromphardt B. F. (2014). *Interview*
- Normann, M. (2014). *Interview*

Chapter 12. Appendix

Table of Content

Appendix 1: Relevant situations for different research methods	80
Appendix 2: Interview request	81
Appendix 3: Overview of the interviewees	82
Appendix 4: Recordings of the interviews	83
Appendix 5: Interview guide for Michel Normann	84
Appendix 6: Interview guide for Nina Dalkiær, Birgitte F. Kromphardt & Birgitte Boye	86
Appendix 7: Transcribing and coding the interviews	88
Appendix 8: Pictures of the Lotus product line	106

Appendix 1: Relevant situations for different research methods

METHOD	(1) Form of research question?	(2) Control over behaviour events or not?	(3) Focuses on contemporary events?
Experiment	How, why	Yes	Yes
Survey	Who, what, where, how many, how much	No	Yes
Archival analysis	Who, what, where, how many, how much	No	Yes/no
History	How, why	No	No
Case study	How, why	No	Yes

Source: Yin (2014)

Appendix 2: Interview request

Dear

My name is Sandra, and I am master student at Copenhagen Business School. I study Management of Creative Business Processes, where I am in the process of writing my thesis now. In this regards I wanted to write for a creative company dealing with strategy and creativity on a daily basis, which have achieved good results doing so. As I have done some background research on Ole Lynggaard Copenhagen, you seem to be just what I am looking for. After talking to Michel, he has agreed to let me write my thesis with Ole Lynggaard Copenhagen as the case company. In this regard, I am now in the process of colleting data, and I would therefore like to hear if you could be interested in doing an interview with me given your position in the company and the knowledge you comprehend.

My problem statement is as follows:

“Why and how is Ole Lynggaard Copenhagen as a creative company, balancing the importance of artistic and commercial logic together with other crucial factors to ensure a successful growth on the international market?”

When the paper is done and if you are interested, I can send you a copy of the results. In relations to time and date for the interview I am very flexible, but I would prefer it to be within the next two-three weeks. I expect the interview to take about one hour. It would be highly appreciated if you could take the time to participate and help the answer my problem statement.

In advance, thank you very much. I am looking forward to hearing from you.

Sincerely yours,

Sandra Andreassen

Appendix 3: Overview of the interviewees

Name of the interviewee	Current job position	Professional experience
<i>Professionals in Ole Lynggaard Copenhagen</i>		
Michel Normann	CCO	<ul style="list-style-type: none"> • Carlsberg, Managing Director for subsidiarity in France, Paris. • International Marketing Manager for Carlsberg • Regional Manager for Lego on the export market.
Nina Dalkiær	Product Manager	<ul style="list-style-type: none"> • Cand Merc + MBA • Consulting • 13 years with George Jensen (from 2000) as product manager, business manager for different product groups. And marketing manager. • Started at OLC in November 2013, as Product Manager.
Birgitte Friis Kromphart	Visual Merchandise Manager	<ul style="list-style-type: none"> • Lived three years in Japan, studying Japanese • Educated textile designer • Worked in Italia for nine years as a merchandiser for Diesel Jeans and Coin • Store planning and visual merchandiser for Dyrberg/Kern • Global visual merchandiser manager for Georg Jensen • Started at OLC in april 2014 as a Visual Merchandiser Manager
Birgitte Boye	Marketing Manager	<ul style="list-style-type: none"> • Education in marketing and culture • Been working with marketing for the last 15 years • Marketing assistant for Givenchy • Marketing project executive for Dyrberg/Kern • Brand Manager for By Groth • Brand Manager for Benedikte Utzon • Marketing Manager for Birger Christensen • Started at OLC in the beginning of September 2014, as Marketing Manager.

Appendix 4: Recording of the interviews

The recorded interviews are on the CD-ROM enclosed.

Appendix 5: Interview guide for Michel Normann

Thank you for taking the time to do this interview with me. For research purposes I hope it is okay that I record this interview, and you are of course free to reject answering any questions if you wish to do so. I will start by asking some questions about you and your work here at Ole Lynggaard, before I go into some questions about your products. After that I will get into the four main areas: internationalization, competitiveness, differentiation and quality control. In the end you are free to give any concluding remarks if you like.

General questions:

1. Could you very briefly present yourself and your background?
2. Could you please give me a short elaboration on your products and services?
3. What makes *you* so unique?
4. What is your target group?
5. Are there many frequent customers? Memberships etc.? Is this something you value?

Cooperation and organization:

1. How is the company structure? Flat? Hierarchic?
2. How many designers, producers, administrative, marketeers etc. do you have?
3. How is the communication process between them?
4. How has the structure changed since the internationalization and outsourcing? Any tensions?

Product development:

1. You have four inspiration sources (naturens vidundre, hverdagens små øyeblikk, skandinavisk stil og anvendelighet), but how is your process of constantly developing new products and designs?
2. How do you choose the good products and designs from the “bad”? Marketing research?
3. What was your most successful product line, and why?
4. Do you have a peak season? If yes, do you do something extra to get the numbers up in the low season? Do you ever have sales?

Brand quality:

1. Do you practice some form of quality assurance systems?
 - In what ways?
 - To what purpose?
2. Is quality a means you use through distribution and marketing?
3. How do you assure top quality from the outsourced production?

Recruitment:

1. What is the total amount of employees today?
2. How is your recruitment process to ensure the right people?
 - Do you have any kind of policy in relations to employment that is common in the various departments?
3. Since the new strategy came in place in 2005, how many people have you hired?
4. Do you use your employee expertise as a tool in marketing?
5. What measures/incentives do you use to motivate your employees?

Challenges:

1. What would you say is your biggest challenge today?
 - Competitors
 - Customers
 - Localization / location
 - Season/ market demand
 - Further development
 - Other?

Conclusion:

Do you have any concluding remarks you would like to add?

Once again, thank you so much for taking the time to participate in this interview.

Hope you enjoy the rest of your day.

Appendix 6: Interview guide for Nina Dalkiær, Birgitte F. Kromphardt & Birgitte Boye

Thank you for taking the time to do this interview with me. For research purposes I hope it is okay that I record this interview, and you are of course free to reject answering any questions if you wish to do so. I will start by asking some questions about you and your work here at Ole Lynggaard, before I go into some questions about your products. After that I will get into the four main areas: internationalization, competitiveness, differentiation and quality control. In the end you are free to give any concluding remarks if you like.

Introduction:

1. Could you please tell me a little bit about your background before you started working at Ole Lynggaard Copenhagen?
2. What does your current position here at Ole Lynggaard entail?

Product:

1. The creative industry can be tough to succeed in, what do you think made you so successful?
2. Was Ole Lynggaard always a luxury brand or when did you take on this profile?
3. How would you describe your products?
4. How often do you renew your products?
5. Who is the typical Ole Lynggaard customer?

Internationalization:

1. When and why did you decide to expand to international markets?
2. Which factors have been important in the internationalization process?
3. How has it changed the company?
4. What was your biggest challenge in the process?
5. How is Ole Lynggaard positioned internationally?

Competitiveness:

1. Who is your biggest competitor?

2. New markets, meant new competitors, how well did you research the markets before entering them?
3. Is it important to constant renew products to stay competitive? Why?
4. What gives you competitive advantage?

Differentiation:

1. When creating a new product line, what is usually taken into consideration? Trends?
Your four inspiration sources?
2. How do you differentiate from other luxury jewelleries?
3. How important was your brand in differentiation?
4. Do you use the fact that you are Scandinavian or Danish in international marketing?
5. Do you think your uniqueness have made you more attractive on the market? Why?

Quality Control:

1. How do you practice quality control in your department?
2. How important do you empathise this at Ole Lynggaard?
3. Is there a direct link between your quality and your success? Why?
4. Does your level of quality different you on the market? Why?

Conclusion:

Do you have any concluding remarks you would like to add?

Once again, thank you so much for taking the time to participate in this interview.

Hope you enjoy the rest of your day.

Appendix 7: Transcribing and coding the interviews

Interview with Michel Normann

Products

2:10 - 3:24

“Well, we are a company selling feelings, not products. The whole idea of the company is to make women feel beautiful and unique and that’s what we are focusing on when we do our strategies and communication and then we do our design and we actually come out and launch our concept so in reality we say we don’t sell products, we sell concepts. So it’s you coming into our universe but of course its products as well so we are very much focused on the feeling around the product, much more than the product itself. It’s within what we call fine jewellery’s where we look at the basis and such we have fine jewellery and then the mainstream and such have the mass-produces if you like, so we are in the fine jewellery business. In Scandinavia you don’t have any similar companies so we compare us selves with bigger international brands. That could be Pomellato from Italy, or H Stern from Brazil, that’s the brands we compare us to”.

Uniqueness

3:30 - 5:34

“When you define yourself as being a luxury brand you need to be unique cause that’s the whole definition of being a luxury brand and our vision for the brand and for the company is for Ole Lynggaard Copenhagen to become the biggest Scandinavian luxury brand in Europe, that’s our current vision and that can develop but that’s we’re working with now. Just the fact that we call us selves a luxury brand it requires that we are unique in our design and concept - the way we communicate. We have a brand book, which tells our stories. Every year we come up with a new brand book, it changes, it’s a universe and again it’s a feeling once you go into the universe of Ole Lynggaard Copenhagen you go in and you actually get feeling for what this is all about. So here we are a company selling products but it’s actually very much about the story around them and the feelings. This is also illustrated well in our brand book, where we don’t actually show any products until page 18 where we’re showing one product. That is the thing about being a luxury brand, this is not a choice about a feeling, it’s about passion - it’s about women wanting to go into this universe.”

Target group

5:38 – 7:10

“So, when you want to be a luxury brand and you actually go into a market then you say who would that be, the women that you would target, and for us, if we just take an example going into the German market we say: we want to target top 2-5% of the quality conscious women in Germany, so it’s the top top segment. What we have to is definitions of who are we actually talking about when we talk about these women, so we describe the women, we describe which magazine’s are they reading and what other brands do they use, cloths brands, bags and shoes. Where is she from day to day? Is she sitting in her couch strolling with her iPad? Where will she be? All the communications is then focused on exactly that, we need to be where she would be. We are very focused on this segment that is also why our communication is not at all mainstream focused, it not focused on anyone other than this particular woman. We are trying to do a standard and communication is then mainly made for women between

the ages of 25 and 35, its because all women of all ages feel like being 35 or in that age range.”

Frequent customers

7:28 – 8:40

“What we see is once you get into our universe and buy one jewellery within our universe all the jewellery’s they mix and match, they work together and you see that when you go into our universe as well in our brand book so we create a loyalty very quickly once they go in and get passionate about it and they start to collect within our universe. Of course it is very very popular for us to be very close to our end consumers so we have a diamond club and in that club we collect all the passionate women and we communicate to all these women on a regular basis and invite them to events where we do showings on our new collections and sometimes we also invite other similar brands that could be of interest and their husbands. So we work a lot with creating a relation between us and the end consumers, everyone has to do that today so that’s probably one of the primary communication tools today, to be very direct with the end-user of the products.”

Company structure

8:53 – 10:24

“The company structure is extremely flat or we actually say we are not an organization - we are an organism. With that we mean that its very flat, its direct communication everywhere so everyone within the company can contact whoever. We work in teams and we work with competence so its very important that everyone that comes on board is competent and fulfil the position in the company and we will also fulfil our responsibility in the company. We very much believe in freedom and in trying to explore the potential to each individual, so you can develop yourself and develop within the company and be passionate about what you do. And its very important for each one that they are passionate about the task they are taking. You need to have a passion and style in all your retail staff, you need to have a passion in a PR Manager taking care of our communication around the world or brand Manager she need to be passionate about exactly that position where she is. With the gold smith we have the best goldsmith in Europe and they are all extremely passionate about the handcraft, so it goes all the way through the organization.”

2 Designers, Ole Lynggaard and Charlotte Lynggaard

45 Goldsmiths at Hellerup + Japanese production company in Bangkok

73 Administrative divided between the different departments

Expansion and outsourcing

14:09 – 15:17

“We decided not to outsource, we decided to have a base production here in Scandinavia so when everybody else decided to outsource and out all their production out to China and anywhere else, we said no that’s wrong and especially wrong for us because the handcraft and whole production here is also innovation for a company so all the innovation processes we would actually outsource if we outsourced the production. So we keep the production as it is but we are not going to grow the production we are going to make sure we are much more flexible and in that way we actually went into cooperation’s with our Japanese partner. Saying lets make sure when we grow, the growth will come from Bangkok so we can actually

put volume productions out to Bangkok and still maintain out production in Copenhagen. The fact is we haven't outsourced, we have just expanded our production outside of Denmark, and it's not our entity."

Tensions

15:24 – 16:00

"No tensions, because we didn't outsource. But anyone who works in a company as a goldsmith and all other companies are starting to outsource, of course they can be a bit nervous about that and if we are going to outsource our production sometime, but that's not the case for us. That's not a focus for us at all. We look at the production as being a very important investment in our innovation so that is not the case."

Product development

16:27 – 17:37

"Those four cores inspiration elements are also changing, but I mean everything comes from talent. We need to have design talent in our organization in order to have something to upgrade with. We cannot all of us be designers, we need to find some talent that can actually create something totally unique and that's what we have so I will say that the whole heart of this company is out two designers. They are able to actually create something that has never been seen before and it comes from their inspiration and they are inspired by traveling the world and of course also from nature and everywhere else. You need to put some words on it and those four inspirations that's the story today – could be another tomorrow. Bringing my wife Charlotte to Paris was great inspirations for her and a lot of the series we see today are directly inspired from various experiences she had in Paris. I would say design comes from design talents and their inspirations."

Market research

18:00 – 19:06

"We don't do any market research, we don't go in and say is this good or bad for the market and we don't go and say should it be red or green. In terms of design we are totally design managed, if you like. Of course we believe in our designers and we believe that's the right thing to do so if the trend is not green and we come up with something green, we create a green trend. That we very much believe in cause we have so much confidence in our designers, and that's is also part of the reason for our success. But that doesn't mean that we are going in and looking at the right combination of price points and of metals and actually coming out with some price points that are commercially fruitful in the market. So of course we look at it but we are from a design perspective very much operating with the design."

Most successful product line

19:22 – 20:00

"No special one. We have a lot of product lines and we change a lot each year and a lot of them are very successful. Of course some of the products are more icon products and others but what we have done in recent years is that we have been much more focused so its much more focus collections than a broad collection. Its much more together so when you go out and you see our collections around the world there is no doubt this is us, this is our collection, this is our footprints, this is our DNA. Go through the catalogue and you will see."

Peak season

20:15 – 21:33

“But the thing is we are spreading our risk very much over a number of markets and we are all over Europe now and Australia and Scandinavia or own core market, and of course some markets they are changing a lot. If you look at Norway right now there’s some fluctuation going on, where from October, November, December people actually stop to buy in Oslo for some reason. There is some macro economic things going on, and of course that influences us and everybody else. In all the years we have had financial crises, or we call it financial crises, all those years have been out top sales years – all of them. Because we are not mainstream, we are focused very much on a particular segment and we are communicating. And what actually happened in Central Europe is that we came in with our brand and we actually started to develop ourselves over Europe. We compared ourselves with a lot of Italian and French brands and they actually, we drew their brand, and we drew their investments in the brand communication because of the crises and that made a lot of room for us, so for us it’s been good. We have not actually had a crises in that sense, if any it comes from inside not outside of the company.”

Quality control

21:43 – 22:04

“A lot! I mean we do quality assurance all the time but that’s production questions so I shouldn’t really comment that much on it. But we are very much down to quality and I mean its quality in everything we do and we don’t compromise. We have a quality department.”

Quality in marketing

22:14 – 22:50

“We are a value based company so we base everything we do on our values and one of our values is quality and quality above all. So when we say we want quality its also in our communication and customer support. It’s in the way our concept is presented and in our distribution, so it’s all over. Of course, we have quality control both in Bangkok and here.”

Recruitment

23:06- 23:34

“Today we are almost 120 people and we are developing slowly and we don’t want to become... I mean we have very big ambitious for the future, but we don’t want to be a lot of people. We want to work in a very scalable way and operate with our partners around the world.”

Recruitment process

23:42 - 25:25

“We do a lot of interviews, we do a lot of interviews where different people come in. It more about personality, we do personality... its not a test but we do personality checks. So we get to know people and then we do these personality checks and then we try to get to know them one more time and then we discuss their personality versus everyone else in the company. It’s so important whom we take in, we have a very fragile culture in the company and once you take a new person in, the person will become part of the culture but also influence the culture. We’ll become a new company so that’s also why the company is changing all the time, with new people coming in with new impressions and also in considerations to what’s happening with our customers and on the market, so recruitment is essential point for us. When we did

an expansion strategy back in 2005, we said the one major investment we are going to do with the company is within recruitment to actually get the absolute best people on our team and that's all you could see here. That is the major investment from our side. Since the expansion strategy came in, we have at least doubled our staff."

Incentives

25:50 – 26:32

"The sales staff has got incentives but we haven't got any incentives as such. I believe that if you create an environment that is motivating for the people in the team and they all feel good and are very passionate about that they do that's the best incentive you can give actually. We haven't got any special incentive programs. We are all measure on the same KPI's, of course all measured on sales, brand development and brand strength."

Challenges

26:45 – 27:54

"The biggest challenge is definitely internally much more than externally, because we are now... we work with a very selected distribution and we are very successful in getting the absolute right clients. The biggest challenge is that you secure an internal organization that can sustain the quality and actually secure that you are what you say you are. So if you say you are the biggest Scandinavian luxury brand, it do require a lot of commitment, you have to committed to that and also secure that in everything you do you actually act as the biggest Scandinavian luxury brand. And that is a challenge, because you really need to have all your processes in place so you can secure the quality in everything you do. That is also why we say no to the states and to Brazil and to China today, because we haven't got the necessary resources in order to actually sustain that today. Once we are an actual luxury brand in the world its much easier for us to expand whether we want to do it in the states or in China."

Interview with Nina Dalkiaer

Job as a product manager at OLC

2:13 - 3:34

"The connection between logistics, involved with the coordination with new products when they are launched in the market. Close communication with the sales teams. Planning their collections for the next year. What news to sell when. As much of our sales in the jewellery company, well we are not a fashion company so we don't turn around the whole assortment every six months. The new products that we add in comes on top of the existing assortment and of course we take some out. It's very much about integrating the new in to the existing assortment and together with the sales teams; make a plan strategy for what products to sell into which customers. We have divided the customers into different categories and we plan on making the sales strategy for the sales people knowing what's coming. We also coordinate the marketing plan with the vision merchandiser and the marketing so they do their part of the launches."

Product

4:00 – 6:35

"Well I think we have some amazing design and creativity, and I think that is basically what is key for all successful companies, the product is the key. You can take away all marketing,

all everything; if the product is not working you don't succeed so it all comes down to the product. In this company there is also a special spirit, it's a family company and I think it of course the whole team around it is very dedicated, it's a very close collaboration, close connection in between the employees and the sales people are also working as a very close unit. Then I think a strong point has also been the consistency, as it is a family company the same people have been running the company so you stick to what you decided. There is a consistency in the communication to the market, so the marketing profile is very consistent. Whereas some other companies change a lot in the image, and I think especially since we are in this high end price of the market you need to be very consistent and its very much about that you rely on the brand, get to know the brand and that takes time. So the more consistent you are, the more reliable you are and the stronger the brand is. The brand here has been good in keeping the same models and not that you should do that for 10 years but its not just a one-year thing and it takes longer time. So it's all in packaging and everything that we do. You have to go in and prove in the market, especially when you go into the dealers that you want to sell the products with, they have to rely on you that you're not just there for one year, but that it's a long term relationship with our customers. Yes, so I think the creativity and the consistency have been a big part of our success."

Always a luxury product

6:45 – 7:22

"Yes, it's always been high end products, like 18-carat gold and true diamonds. We never had zirconia or the glass or what ever, it always been the precious metals, so yes it has started up in the high end. I also think at the same time, we also started with a small selection in silver at a more affordable price point but the main volume has always been in the gold section."

Description of the products

7:30 – 10:36

"Precious metals, always a lot of attention to the details so the quality has to be right. Very little compromise and that's where I think this company is a bit different than other companies. As Charlotte has a very strong opinion about the products and she's doing because she is still a goldsmith, not to make a commercial product. So she feels that this ring has to have this white in order to feel it's a good product and then we make it like that, even though the price might be extremely high in the market. And where I am from a more commercial point of view say we can sell a lot more if the price is lower, if we take out some of the gold and make it a little bit lighter it can be cheaper, but you know creativity spirit here. Sometimes its good, sometimes its not so good, but I think its kind of your soul that the products look exactly like this because someone designed it like this and has an idea behind it that it should be like this. So the products are very personal in that way, it's all made with a lot of details down too every little bend in the product so the visual expression of the product is very important. **Differentiation:** Then I think, because I look a lot on the prices of competitors and different looks and I think compared to other brands we have a strong story behind the brand, because of the family and also the handcrafted thing, that we do have 40 goldsmiths employed here to do the products. Where you know some Italian brands can be much more cleanly in a way, commercial and not that personal, and I think the personality even in the catalogues that we have, Charlotte is doing it and it all comes from her heart. It's a more personal more story telling around the products, and then from a design angle I think the products are more kind of organic, more poetic but you know that's the style of Charlotte and

her universe that she wants to bring into the market and I think that again makes it a strong selling point cause its in that way different from what other brands are putting on the market. It always has a story that goes into a universe, that's what you're selling.

Renewal of products

10:47 – 13:02

"Yes, we add on the existing products. But mainly its twice a year we come with new products. We sell in new products, and then of course they are delivered different times over the year. The main introduction of new products within the international scene is at the Baselworld, which is a big international fair in Basel in Switzerland, where all big brands come and show their products and then all dealers comes and buy in for the next year. That's really the main showcase for high-end brands to got there and show what your new things. I think the challenge for a company is not to be only news driven, its very easy just to say what's new, what's new, sell, sell, sell but it makes it really difficult to have a nice display in the stores and these really high-end products don't turn around so quickly. You may have a look at a ring and go back and might take you a year to decide to buy a product so what we have a lot of focus on is activating our existing assortment and then adding in the news to make a good combination. And its also about helping the customers, the dealers that already bought the items from last year, helping them sell the old items as well. Because their sell-out of the store are also our success, we don't sell in more until they have sold out what they already have in the store. So we have to think of all the products in a very holistic way, that sometimes we do initiatives just to help them turn around their stores, even though they have already bought them, but we'll help them to sell out of the stores."

Typical OLC customer

13:12 – 14:52

"That's quite many... its hard to say cause it's a lot of different once. But I think internationally, cause we split in international and export markets. Export markets which is actually everything outside Scandinavia, there we are positioned as a prosperous brand, precious jewellery, so there its 40+ year old women. Even though we would like it to be a bit younger but the price kind of make it up in that area, and then its people caring for a personal story and interested in design and being able to afford the jewellery as well. In Denmark I think the target group or the buyers are a bit more wide spread, both youngsters and now we are coming out with a more "young" – but I think a lot of older women might buy it also – but more affordable prices in silver, a collection in silver-gold mixed items. But I think in Denmark, because the brand has been around for such a long time that a young girl might have look at a ring and after five years she can buy it. So the age group is much wider in the Scandinavian markets."

Internationalization

15:04 – 19:14

"Well we started, I think Ole Lynggaard has always been in all Scandinavian markets since the beginning. I know Ole travelled to Norway and Sweden when he was all by himself, so we see Scandinavia as our home market. Then I think it was 5, 6, 7 years ago we through, there is a limit to how much we can grow in Scandinavia cause we don't want 100 dealers in Denmark, and we have closed down some stores because it is a high-end brand. We made some regulations to what they need to display, we need to have a place in the window, it need to be decorated in the right way so there's only a number of stores where we want to be and

want to have as dealers and that limit was kind of reached in Scandinavia. So if the right brand wanted to grow we had to go outside Scandinavia. So Germany was the first market really to expand in and there we were not known at all in Germany. There was a strategy where we were selling a kit, it was only the bracelet and the little charms, and it was a really pluck and play type of concept with the packages and the bracelets and little charms in a little cabinet. So all stores that we wanted to go into actually had the space to place a little counter, so it was like having a little foot in the door making sure that the dealers had a success with this and then you kind of expanded into rings, earring etc. That was quite successful and partly also because the whole idea about bracelets and charms was new at that time and you now, a lot of other brands have picked up and taken it much further into other price segments. But at that time it was something new in the market and that kind of helped to open up the doors, so from there the German market grew. And then we've been able to take that success in German speaking markets into the German speaking parts of Switzerland and Austria and those are going pretty well and now we're having just employed a salesperson in Belgium talking care of Belgium and Holland. And Belgium by it self has just been a very successful market it's very much about getting the right dealers. It's about personality having the store, if they are into thinking Ole Lynggaard is great then it triggers down to the staff in the store and that makes the whole difference. So if you don't find the right people you can forget about it. This year we are putting more effort into France, opening up in Paris and hoping that's going to be a success, it demands a lot of work, but hopefully that will be the first foot in to the French market. So we need to do more marketing in French speaking magazines and such, so it's a long process to go internationally. I think its important to do it step by step, cause you only have limited marketing funds, limited sales resources so you need to focus on one area making that a success until you go into the next, not spreading out too much."

Important factors of internationalization

19:24 – 20:44

"Well, definitely for Germany, with the first expansion making the that little product kit, that kind of an affordable package easy to sell in, they had all room for it. The international dealers they only have certain space in the window so if you come in as a new brand its really difficult because you have to get one of the excising brands out in order to have room, so opening up a new jewellery and because we want the high-end, the once that got Rolex and Patek Philippe and all the high-end brands. You know they don't just switch one day to the next so it's like building up a very long relationship. But maybe the timing was right with the new product, with that bracelet with charms and we made it easy for them to go in even though it was a small assortment, but you know the first step in the door was important. And then finding dedicated people to do it, both from our side but also the dealers have to make them understand that we are just a small brand trying to grow.

Changes after internationalization

20:54 – 23:30

"Yes, I think we are now more sales people than we have ever been and I think that was also why I was employed to make more structure in what we do. Because before when we were not so big we didn't need so much packages and structure from headquarter. Every sales person could just kind of make their own success but now when we're so many they would be all over the place. So we are taking it one step further trying to get more harmonised and organized, making strategies for what to sell into what so all the sales people are following the same

strategy. Before they were making their own sales strategy and that just... also because you reinvent everything, learning from each other's successes. On the product side we are just more focused that now when we develop products we have the export customers in mind, more than the Scandinavian markets, cause you really need to be close to the customers and really... its hard work. So you have to make sure that the products that you develop is right for these customers and they can use it. So I would say we are more international focused, making sure that everything we do works in the international markets and not just in the Scandinavian. In Scandinavia we are a big brand, we don't have the competition from Pomellato, Cartier, Tiffany, so we can get along with a lot of not so professional things but when you are in the dealer that have all the other brands you know, you have to live up and you need to have better decoration materials. Basically in all areas we need to step one step up in order to be attractive. So I think that is the process that is starting now, to really making sure we are up to speed because we have now a pretty good customer base and now we just need to prove that we can manage it."

Biggest challenge in internationalization

23:44 – 24:45

"A little bit of everything, organizing it and again I think the whole thing comes down to the right people, with the right sales people from our side and targeting the right dealers. We have had experiences where some dealers they didn't have the same vision as we had, they didn't understand our brand and we had to close down. So you have to make those decisions once in a while also, but don't spend time on that, rather spend time on the good once. And then its about prioritising what we do, its so easy to do everything, but we only have limited marketing funds and limited people here so we have to make sure we send our recourses in the right way."

Positioning of OLC internationally

24:53 – 25:43

"We are very much...even though we have been many years, its still an upcoming brand but I think we are still high-end in terms of the precious metals and we are defiantly in the luxury segment, a bit more on the creative and artistic side than some other brands. Yes, artistic, creative, craftsmanship, not so fashion driven we make our own fashion."

Competitiveness – biggest competitor

25:51 – 26:28

"Of course it varies with the markets, internationally its Pomellato they are very strong, and there's a brand called Tamara Comolli in Germany. Then you have all the other brands like Bulgari, Chapa, and those brands they have in the stores. But I think most people would compare us to Pomellato – the Italian brand."

New markets, new competitors

26:48 – 27:47

"Of course we do some marketing research but I think the most important decision before going into a market is whether we find the right person to bring the brand into the market. So if we find a very dedicated person, it's important that person lives in that country so they have

the network. But we can say we would like to go into whatever country but if we don't find the right person its not going to be this year, maybe next year. But you know, that's the first key to find the person. So of course market research is good we know very easily where we want to sell our goods so it's more about finding the right person to do it."

Renewal of products to stay competitive

28:00 – 28:24

"Yes, you have to have something new or make a new constellation, a new expression for customers visiting the stores. You know what new. Not change it too much but little changes, so it still stays within the brand and the story, but telling the story in a new way."

Competitive advantage

28:31 – 28:40

"Yes, I think again the brand and the creativity and the expression of the brand is the difference."

Differentiation

28:59 – 30:07

"This company is all about Charlottes thoughts, of course she gets inspired by brands and what she sees but it's all her creativity. When she introduced the Lotus series with all the colour stones, everybody in Scandinavia was basically saying: oh we can't sell this, no no, no, how is that going to go. But Charlotte was very determined that this was what she wanted to do and then just convincing, first our sales people, then the sales people convincing the dealers that this is the new thing and this is what's right. And it has been a huge success, but again it just comes out from Charlotte, so we don't go by trends or anything, it's the creativity of Charlotte that's they key or the core of the company. So its about feeling strong that you can do it."

Differentiation from competitors

30:16 – 30:20

"Again the creativity."

Branding

30:46 – 31:01

"You have to be clear in your communication about what your values for the company are and have that as a consistent message in all communication that you do."

Scandinavia is a brand

Answered later on e-mail because of lack of time.

"Yes, we stress Copenhagen in our name and use it to differentiate the product offering."

Uniqueness = more attractive

Answered later on e-mail.

"Yes, especially in the export markets, we offer a look/design that is not available in the market – the boheme, artistic style in fine jewellery."

Quality Control

31:38 – 33:03

“Well, products are one thing and they are getting checked down there, and what we do, of course we check a lot that we are up to standard with what other brands are doing. I do field research so we know what’s going on. Not that we need to do the same but we need to know what the standard in the markets, so you also use that as a positive point when you go to the dealers saying we choose to invest more in this so you have an advantage. Maybe the decoration materials, that we make it something special or it can be like the catalogue, its very very expensive but this has really been prioritized. We want to spend the money here, cause we think that’s important so its like prioritizing what we do. And then knowing what the other brands are doing and what the dealers get and then we say this is where we want to be special.”

Importance of quality at OLC

Answered later on e-mail because of lack of time.

“Very important. We demand a high price and quality has to be in top. All done by hand.”

Link between quality and success

Answered later on e-mail because of lack of time.

“Yes, seeing the craftsmanship in the production of the jewellery is important – gives a feeling of buying something exclusive.”

Level of quality more unique

Answered later on e-mail because of lack of time.

“In the high-end jewellery market high quality is a must in order to

Interview with Birgitte Friis Kromphart

Job as a Visual Merchandiser Manager at OLC

3:29 – 3:54

“Basically Ole Lynggaard hadn’t used this kind of profile before, Charlotte was the one who was mainly deciding before but she needed somebody to take over and could also bring in new things around the visual identity and who could make things happen.”

4:37 – 8:28

“So my current position here is basically right now to upgrade the existing concept and developing on that to upgrade and make Ole Lynggaard go to the next step. Mainly for export it will be to kind of cluster different clients, export 1, 2, 3, 4 are different levels of customer categories. To define how do we want to look out there and what do we deliver and what is it that they can get from here. So define these things, it’s everything around the product, the decorations, if you see a vitrine or something that’s developing of these things, what is the best way to present our jewellery. To get customers in the store, what should our windows look like? I also have Amanda that I work with, who is working on windows for flagship stores together with Charlotte. I work also very much on wholesale because you know we have most of our businesses is wholesale driven. Our retails are really good but we have only four retail stores and a lot of wholesale customers, so that and guidelines for the stores. We never had guidelines before so right now I’m working on a guideline explaining principles about visual merchandising, why is it so important and why do we need to work with it and

how can you work with it. This is also to secure our visual representation out there to educate the field sales managers, how exactly they want this to look. And they can also use it as a training tool with our customers, so we will secure that they will have this...we work on having our genius look all over. Then I also have fairs, like Basel fair, which is a very large jewellery and watch fair. I have the main responsibility for that on the visual side and also the practical thing about how should it look and all the communication with the fair, its once a year. And then layout in stores, rebuilding of stores, we are rebuilding the store in Kastrup airport so we are doing a lift on that store and that's my responsibility as well, taking care of these things. Finding new suppliers also that can produce our things, our fixtures and finishes. And quality control so it's all from development to when it stands in the stores. I took care of all the steps there.

Internationalization

8:53 – 10:31

"Well, if you look at what markets are working really well you can see Germany, which is one of our biggest export markets has a lot of future growth possibilities there. So that's why we focus on that market for example, but its not – we are not in Asia, so we try to keep our focus because we are also not a lot of people so we try to make it good in fewer places. And maybe later we will expand to other parts but right now it's mainly Europe and the Australian and New Zealand market, which is also mainly driven as the Scandinavian market actually. We treat Australia and New Zealand the same way as we treat Scandinavia, but Scandinavia is much more mature than export and they have two different needs. The export market is much more exclusive, we get in to retailers that are much higher levels with different demands, so of course that is interesting for us as a jewellery brand, because it can also lift the awareness and the level of where we want to be."

Important factors of internationalization

11:13 – 12:34

"Of course for mine point of view it's also if you go into a new market location is very important, who is our neighbours so we also can benefit of the customers that's there. We need to stay beside the right stores so we can benefit from their customers also. We are very picky also about the locations that we pick. We are not in a lot of cities still, but we are very picky about where we want to be placed." Interviewee: Is it mainly the big cities you go for? "Yes, actually we also talked about Vienna the other day, and also it's a possibility. And now we are, I don't know if its decided yet but we are changing also locations in Stockholm to a better location, and we are going into France so of course Paris would be a very interesting location for us."

Positioning of OLC internationally

12:53 – 16:53

"We are not... if you go around and ask if people know Ole Lynggaard, a lot of people will say no, because we're not known. But the level is very high, it's a fine jewellery brand, its handmade and it goes on level with Bulgari and Cartier, and Nina (product manager) made a lot of studies on that as well so she can also say a lot more about that. But we need to compare ourselves there, also when we build our stores. For us to stay in that league and to get the right positions, if you go into department stores or something we need to benchmark ourselves up against Bulgari and Cartier. And to leverage on everything we do, and that's also why we're working on our stores now because they need to be lifted." Interviewee: Do

adjust the store with the different markets, still keeping the Ole Lynggaard profile? *“Actually we are thinking about differentiating from export to Scandinavia, because Scandinavia is different from export so we are thinking about differentiating and doing things... delivering some materials to export that you cannot get in Scandinavia, but it all goes together its not that you look at it as two different brands, its just that the requests are different. But our stores mainly look the same. You see towers, tall towers in Scandinavia – we would never deliver them in export, and we are also not producing them anymore because they are also a lot of fashion brands using those so we are working on something else now that can bring the brand to the next step, also in Scandinavia. Mainly they would look the same, because we need a red thread. Customers will travel around and they will need to recognize our brand, we’re so small that we cannot really afford to not do that. Of course you can always personalize, bring in a gimmick or something but mainly they will look the same so they look the same in Sydney and Stockholm. Retails look the same. We also have the carpet that we use, the wall fixtures that we use and the velvet, so there are different elements that are always in our shops. I think Pomellato use some kind of silk for their props, we are known for the velvet. We use a lot of velvet and that’s kind of what symbolizes us, feminine and a bit bohemian.”*

Competitiveness – biggest competitor

17:09 – 18:46

“I think it depends where we are positioned. I can tell you that a lot of times within my field we also compete about window space and Pomellato is in a lot of places, and we compete with them also about getting space and I can see that the more we work as a concept we can offer the export markets, things that are at a higher level, we get much more space. Because they love our jewellery so that’s more where my area competes, and that will definitely be where we deal with Pomellato. When we sell there are a lot of brands, the money are the same, so its one pocket, so this about where you put them. And I think Nina knows more about that also because its different categories if you talk bridal or golden, it depends I think in what segment you buy in to and also who would be the closest competitor.”

Renewal of products to stay competitive

19:27 – 21:23

“I think that a lot of them have a long lifespan, it’s a jewellery that you buy for life and its not as a fashion jewellery brand that you need to come up with a whole collection but you can bring in new things. What I think is important out in the stores is also that we renew the way we present them and Ole Lynggaard has not worked so much with that before, and we try to put more small giving’s in so you might see the same jewellery sometimes but it’s the small eye catch, the flower you put in or the birds that come down in the vitrine. That’s what catches your eyes and then you go to the jewellery so you see it in a different way, and I think that is what is really important and we just started working with that now. Because otherwise customers see the same all the time, but I don’t think its important to come with a whole new collection I mean then you also need to take something away because you cannot keep filling up. It is important to launch something new sometimes, but I think it’s also important if you really want to lift your product that you show that it’s just not something you use one season and then take it out. I think that adds value to the product also.

Competitive advantage

21:33 – 25:48

“Well definitely I think we have about 45 goldsmiths sitting here in-house and that’s very unique, we are one of the largest goldsmiths in Scandinavia and Northern Europe. With a long history and a lot of craftsmanship and I think, just the fact that when Charlotte is coming up with an idea she can go down straight in the goldsmiths workshop and make it alive. Its so unique, every piece is handmade and I think what is really important is who is selling it, they really needs to know the story, its not enough, you cannot just take it off the shelves and sell it, yes some Chinese people might do that but what is important is when you sell it you really get the customers into the story cause that’s what’s so unique, the universe of Charlotte and Ole Lynggaard also of course. You can involve people and I think that’s an advantage like in the catalogue. I mean there are her hand drawings and everything is picked so with thoughts, the paper is not a coincident, nothing is a coincident in the brand book so it is more like you nearly had her notebook from the table. I think that marketing material is very unique compared to other and she really goes into everything.”

Differentiation

26:17 – 28:40

“From my area, well creating a new product line, for me its important when I create the a... the universe around the jewellery, for example its not the jewellery but I work for example with the gold and then I work with the silver and with bridal so for me it’s not all one. It depends on what category I go into. Then I look at where we want to brand ourselves what is important for the products, that can be the lighting, lights must be different if you display gold or if you display silver. The vitrines that we present gold in should have a different look and look more important than the once we have in silver. And then I listen to Charlotte and hears what she want to express, what is important and all these things are being cooked down to the elements that helps lift the story. It’s always important that this is something that surrounds the jewellery, that it doesn’t take over and become dominating so everything is down to lift the jewellery and to make them stand out more. You can work with a colour block like putting in just one different colour. We work with very small products so sometimes its important also to do a visual that people can see from far away or that can lure them to the cabinet and to go there.”

Interview with Birgitte Boye

Job as a marketing manager at OLC

1:50 – 2:25

“I am marketing manager, and I do all core marketing areas. I am taking care of all online advertising, websites; we are launching web shops so I’m taking care of that. Advertisements, local advertisements invites for events, event dealing, everything that concerns core marketing actually.”

Product

2:41- 4:40

“I think first of all, of course Charlotte Lynggaard is very creative, she’s and artist and you can see it all the collections, she never compromise with the design. She doesn’t think too commercial; she’s still true to her own DNA so I think that’s very important actually.”

Secondly it's a family run business and I think it makes it very strong and it makes that we all know really in which direction we are going we can feel the heart of Ole Lynggaard and even if I've only been here for three weeks I can already feel that passion in the company, so I think that's very important actually. And then of course that not only design is very nice and very close to Charlotte but the whole craftsmanship is the best possible way that doing the jewellery so its also very important that the quality goes along with the design and its all handmade here in out facilities in Copenhagen." Do you think there is a strong team around Charlotte? "There is a very strong team around her, I don't know it exactly yet but I have a feeling there is a strong team and the people in my team in the graphic area they have a very close connection with Charlotte so they are actually taking her design and transmitting it into marketing so that's also very important that everything comes from Charlotte. And if you walk around here, in the kitchen she decided which kind of cups we should have, everything has to look alike so everything is very much Charlotte Lynggaard design."

Description of the products

4:46 – 5:13

"The products are like art for me, it's beyond jewelleries I think. They are very nice, very fine and artistic. They are like arts, and they are of course very glamorous and that's what women likes with diamonds, but still very close to art."

Renewal of products

5:29 – 6:12

"We have... twice a year we make a relaunch of the big assortments but many are re-runners cause again its not a fashion thing Charlotte is making, she's making a long lasting design so it goes on and on but of course for spring season and fall season she's adding on new items. And then we have some small drops collections like Forest – the newest collection so that can be Christmas collection, it can be different small flash collections. But mainly re-runners adapted to the season."

Typical OLC customer

6:20 – 7:16

"It's women really aiming for high design, sophisticated design and with a very high interest in arts and beauty of course and who can afford the jewellery." Would you say it is the same in Scandinavia as internationally? "We aim it as the same, kind of the same women yes we do. Of course there are small differences between the markets but in general it's the kind of same women. But then for example for Forest we have a new target now, it's for the younger generation, it's a silver collection. So it's for women around your age, you are not the typical Ole Lynggaard customer yet, but for Forest yes."

Internationalization

7:35 – 8:03

"I know why... of course we have to go global, we have to make the image global being international and of course we have to also spread honestly the risks, so have different markets. From an economic perspective of course we should not only be based in our home market, but the timing we are doing it and exact reasons why I cannot tell you, I don't know it yet."

Changes after internationalization

8:33 – 9:24

“There are some differences on the Scandinavian market versus the export markets but a lot of the same materials have been used. But we are focusing different for the different markets, and that’s all I can say about it at the moment actually. Now we are starting doing different kind of marketing, we are starting doing films “Share the passion”, you can see it on our website with some edge in than the typical Ole Lynggaard campaigns and that we will try to do more and more. Still being very sophisticated but have a little more edge, have a little more message to the end-consumers, so that will be changed from now on. That’s for the whole market group we will do that, we will do it more and more.”

Positioning of OLC internationally

9:39 – 10:13

“We are strongest in Scandinavia of course, that is totally our main market. And when I say... yes, our home market is Denmark, Sweden, Norway, Scandinavia yes. Then we have added on new markets for example Austria is going very well, we have Germany is quite good, and there is a big potential so we have to grow further but its defiantly Scandinavia being the biggest parts.”

Competitiveness - biggest competitor

10:20 – 10:57

“Yes, you don’t have to ask me, Pomellato I think, I hear it all the time but I’m not 100% sure on that. The boring answer would be Georg Jensen but it is still different jewellery actually. Of course we compare ourselves with Georg Jensen, but it’s still not the same kind of women so it’s not totally comparable. Pomellato I hear a lot, Thomas Sabo but its not, we are more artistic still, it has a different layout so it’s difficult for me to say.”

New markets, new competitors

11:14 – 11:46

“We do a lot actually, we do a lot of research. I don’t know the details but I know that we all the time, for example now when we are making a web shop, we are looking at all different brands. It can be like Amies, it is also a competitor even though it’s not a jewellery brand, but it’s a high luxury brand. Of course we take a look at Amies, we take a look at Cartier we take a look at different brands, so I think that’s my impression that each time we are launching a new thing we are looking at competitors.”

Renewal of products to stay competitive

12:06 – 12:54

“It is, but sometimes you just adapt the visuals actually, but that’s important that it looks new – not surprisingly new, it should still look like the brand Ole Lynggaard you don’t have to change the visuals completely but you still have to make it different each season to surprise the end consumers. And that you have to do each season, and you have to adapt to if it is spring or if it is fall that’s important. The products you can also adapt, but its less important than the layout I think. If you were in the fashion industry it would be important to change the fashion I think, that’s different but not for long-lasting jewellery brands.”

Competitive advantage

13:03 – 13:34

“Charlotte! Charlotte and then we are a family run business that you cannot just go out and copy, its something deep in our DNA so that makes us very strong and then the organization around it, you cannot copy either so I think that’s very important, the passion in the team. That’s very important, much more important than the market or the price or the advertisement. I think people can feel what is Charlotte Lynggaard.”

Differentiation

13:56 – 14:30

“A lot of different inspirations yes, Charlotte she is in a different artistic world being inspired from a lot of different things what makes her collections. And often its nature, so if you go to our website you can see some of the inspiration spots she’s using. She’s using a lot of inspiration from nature, arts, cultural events etc.”

Differentiation from competitors

14:40 – 14:54

“The story behind it, the long lasting design, the spirit from her father that’s still in the company, the heritage in the company.”

Branding

15:03 – 15:51

“In the time where we are expanding? It’s important but if people don’t know it you cannot use it for anything and I think in some of the markets our big assets was actually using Helene Christensen because she was well known and that was enhancing the brand awareness in some areas. Because not all countries... when you enter a new country is not necessary well aware of the brand, so Helene Christensen was defiantly helping us in this process.”

Interviewee: Was she personally involved or? *“No, just her pictures. She was well known so we became know well-known easier.”*

Scandinavia as a brand

16:00 – 16:27

“Yes, all the time. Each time we are posting anything on Instagram, its Danish design, handmade, made in Copenhagen, yes. It’s so important.” Interviewee: I can also see that you now use Ole Lynggaard Copenhagen. *“Yes, its our brand name. Not Ole Lynggaard, but Ole Lynggaard Copenhagen – that’s our brand name. It is defiantly very important for us.”*

Uniqueness = more attractive

16:33 – 16:54

“Yes, because it is rare with a brand as Ole Lynggaard Copenhagen. Yes it is rare I think what we have here is unique, it’s authentic.”

19:50 – 20:19

“The uniqueness is also that Charlotte is very personal in her design, if you check on Instagram she is putting up a lot of private things actually. So she is very involved herself, she is the brand actually so when she’s cooking she makes pictures because its part of her branding so everything surrounding Charlotte is also the brand and that’s what makes it more interesting for the end-consumers I think. You get a part of Charlotte each time.”

Quality Control - practised in the Marketing department.

17:07 – 18:21

“It’s a question of always sending out visuals when we really think they are totally aligned with the total marketing concept, that Charlotte likes them first of all, and then the technical part that they are... when we do something online it has to be 100% with enough pixels, it has to be a good quality adapted to the materials both in print and online. We adapt technically, I mean the pictures are sharp. And when we do prints of course we use only the best quality, we get the papers from the states, there’s only one place that makes this kind of paper so everything is just like it has to be in the best possible way to do it. So we think its better to do a few nice things than a lot, so just choosing the best possible things both online and on print actually. So that’s the quality control, we never send out anything that’s in-between or just good enough, it should be perfect or not. That’s the criteria - yes.

Quality in marketing

18:31 – 19:01

“ Not like a procedure but I don’t approve anything without that I feel its perfect and if I’m in doubt I ask if they have talked with Charlotte about this, so I check up that everything is aligned with Charlotte and myself. I can see if it works and if it is nice, yes. So it’s integrated each day that we always control what we send out.”

Link between quality and success

19:09 – 19:40

“Yes, if you start, sometimes sending out something not good enough because you are stressed, then its not good for the brand so yes I think that when you are a brand like Ole Lynggaard Copenhagen you have to be sure that everything we do is perfect. Personal, but perfect! Also because people expect it from the brand and the price.”

Level of quality more unique

20:30 – 20:33

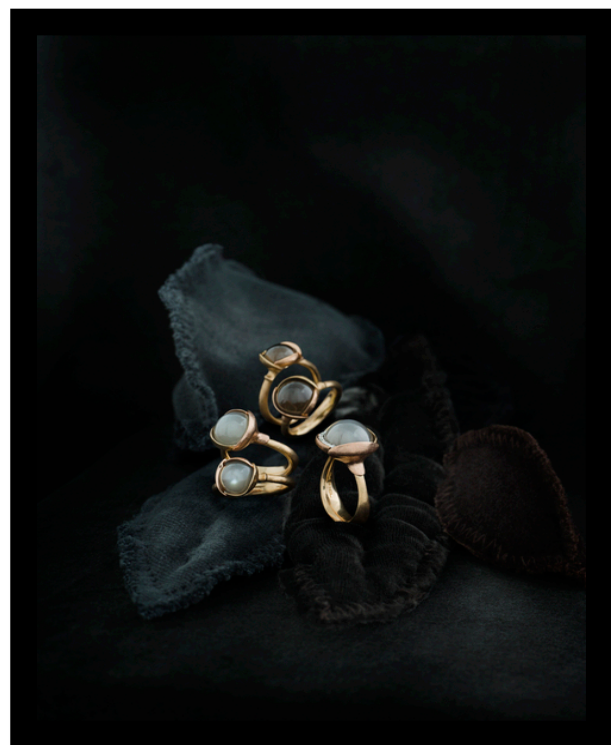
“Yes!”

Concluding remarks

20:50 – 21:00

“The keywords is that it’s a high level of design and its very personal and that makes it unique.”

Appendix 8: Pictures of the Lotus product line



(Source all three pictures: Ole Lynggaard Copenhagen, 2014)