

**UNIVERSITAT  
JAUME I**

**INTERNATIONAL MARKETING PLAN TO  
CHINA OF**



**Student: Àngel Beltrán Canós**

**Tutor: Dra. Beatriz Irún Molina**

**DEGREE IN BUSINESS ADMINISTRATION**

**AE1049 - FINAL DEGREE PROJECT**

**ACADEMIC YEAR 2021/2022**



# **INDEX**

<b><u>A. INDEX WITH TABLES</u></b> .....	<b>4</b>
<b><u>B. INDEX WITH FIGURES</u></b> .....	<b>4</b>
<b><u>1. EXECUTIVE SUMMARY</u></b> .....	<b>6</b>
<b><u>2. INTRODUCTION</u></b> .....	<b>7</b>
<b><u>3. SITUATIONAL ANALYSIS</u></b> .....	<b>8</b>
<b><u>3.1 Internal analysis</u></b> .....	<b>8</b>
3.1.1 Presentation of the company .....	8
3.1.2 Mision .....	9
3.1.3 Vision .....	9
3.1.4 Values.....	9
3.1.5 Resources of the company .....	10
<b><u>3.2 External analysis</u></b> .....	<b>13</b>
3.2.1 Macroenvironment (PESTEL) .....	13
3.2.2 Microenvironment (PORTER) .....	17
<b><u>3.3 SWOT</u></b> .....	<b>20</b>
<b><u>4. ANALYSIS OF THE COMPETITION</u></b> .....	<b>22</b>
<b><u>4.1 Levels of competence</u></b> .....	<b>22</b>
<b><u>4.2 Main competitors</u></b> .....	<b>23</b>
<b><u>5. ANALYSIS OF THE RESULTS</u></b> .....	<b>29</b>
<b><u>5.1 Particular characteristics</u></b> .....	<b>29</b>
<b><u>5.2 Consumer preference</u></b> .....	<b>31</b>
<b><u>6. OBJECTIVES AND STRATEGIES</u></b> .....	<b>32</b>
<b><u>7. ACTION PLAN</u></b> .....	<b>35</b>
<b><u>8. FINANCIAL PLAN</u></b> .....	<b>47</b>
<b><u>9. CONCLUSION</u></b> .....	<b>51</b>

<b><u>10. LIMITATION AND FUTURE RESEARCH</u></b> .....	<b>52</b>
<b><u>11. BIBLIOGRAPHY</u></b> .....	<b>53</b>
<b><u>12. ANNEX</u></b> .....	<b>55</b>

## **A. INDEX WITH TABLES**

<b>Table 1. SWOT analysis</b> .....	<b>25</b>
<b>Table 2: Positioning map</b> .....	<b>26</b>
<b>Table 3. Action plan</b> .....	<b>38</b>
<b>Table 4. Financial plan</b> .....	<b>51</b>
<b>Table 5. Budget</b> .....	<b>52</b>
<b>Table 6. Control plan</b> .....	<b>54</b>
<b>Table 7. Women's models</b> .....	<b>60</b>
<b>Table 8. Men's models</b> .....	<b>61</b>

## **B. INDEX WITH FIGURES**

<b>Figure 1. Workers of the company</b>	
<b>Figure 2. Shoemaker</b> .....	<b>11</b>
<b>Figure 3. Organizational chart</b> .....	<b>12</b>
<b>Figure 4. Shop of Calzados Segarra</b> .....	<b>12</b>
<b>Figure 5. Website of Calzados Segarra</b>	
<b>Figure 6. Payment of the web</b> .....	<b>14</b>

<b>Figure 7. Segarra T-shirt</b>	
<b>Figure 8. Company Raffles</b> .....	<b>14</b>
<b>Figure 9. Inflation rate in China</b> .....	<b>16</b>
<b>Figure 10. Poverty rate in China</b> .....	<b>17</b>
<b>Figure 11. Global CO2 emissions</b> .....	<b>18</b>
<b>Figure 12. Porter’s 5 forces</b> .....	<b>20</b>
<b>Figure 13. Shoes of Carmina shoemaker</b> .....	<b>26</b>
<b>Figure 14. Shoes of Berwick 1707</b> .....	<b>27</b>
<b>Figure 15. Shoes of Lottusse</b> .....	<b>28</b>
<b>Figure 16. Shoes of Pikolinos</b> .....	<b>28</b>
<b>Figure 17. Shoes of Pitillos</b> .....	<b>29</b>
<b>Figure 18. Shoes of Wonders</b> .....	<b>30</b>
<b>Figure 19. Shoes of Camper</b> .....	<b>30</b>
<b>Figure 20. Shoes of Panama Jack</b> .....	<b>31</b>
<b>Figure 21. Ansoff’s Matrix</b> .....	<b>35</b>
<b>Figure 22. Some examples of “Segarra Young”</b> .....	<b>40</b>
<b>Figure 23. Various transport agency</b> .....	<b>42</b>
<b>Figure 24. Logo of Teradata</b> .....	<b>43</b>
<b>Figure 25. Logo of Weibo</b> .....	<b>44</b>
<b>Figure 26. Golden Club of Segarra</b> .....	<b>46</b>
<b>Figure 27. Gift or accessories of Segarra</b> .....	<b>47</b>
<b>Figure 28. Chinese influencer, Viya</b> .....	<b>48</b>
<b>Figure 29. Premium women’s shoes</b> .....	<b>57</b>
<b>Figure 30. Premium men’s shoes</b> .....	<b>58</b>

## **1. EXECUTIVE SUMMARY**

Calzados Segarra is a footwear company with 140 years of experience, a company that is synonymous with quality and guarantee. Where customers are satisfied thanks to the consistency and good products of which the shoes are composed. This is something that makes a difference, as the shoes are made of top quality products such as cowhide leather. Nowadays it is quite difficult to see that the shoes are made of this type of products, as they are usually made with synthetic products of lower cost that simulate the products of first quality. Therefore this is a differential fact that Calzados Segarra has.

In this work directed exhaustively to sell our most select products to China, we have made an internal analysis of the company to know first hand how the company is inside and then an external analysis where we have seen mainly how the footwear sector is nowadays and of course we have also analysed our competitors to see how they work and we have also observed the consumer's behaviour directly.

Subsequently we have established 6 objectives that will help us to achieve our purpose and also 11 actions that we are going to take in order to sell our products in China, giving priority to enter fully into the digital world, in the young market and of course investing in technological advances. Taking into account also the budgetary constraints of the company as it is an SME, we have made a calendar where we see what our actions are and for how long we will carry them out, the budget that it would cost us to carry out the actions taking into account the above mentioned and finally also a control to the objectives that we have proposed to ensure that we will achieve these objectives.

## **2. INTRODUCTION**

To begin with, the international marketing plan that we are going to deal with, will be the sale of "Premium" footwear of the Spanish company Calzados Segarra to the most populated country in the world, we are referring to the Asian country of China. In this initial section we will focus, for example, on the cultural differences between Spain and China or the difference between shoe sizes in both countries, the footwear sector in China, retail for footwear in China or the current trends and consumption of this product in the Asian country.

As for the cultural differences between Spain and China, we can say that they are quite considerable, whether it is the different aspects of the traditions of each country or how differently the people of these two countries live their daily lives. For example, in China, there is a greater variety of religions, such as Buddhism or Taoism, although more than half of Chinese people do not believe in any religion, while in Spain 57.6% say they are Catholic (*CIS, 2022*). Religions have a strong influence on traditions and therefore also on culture. Chinese and Spanish people understand their perception of life differently. The differences obviously also influence the level of employment, since in China, for example, the minimum wage is €231.3, while in Spain the minimum wage is €1,125.8 according to macroeconomic data. Another interesting fact is that China exports 53,007 million dollars (2.1%) in the footwear and accessories sector and imports 6,488 million dollars (0.3%) in the same sector, (*ICEX, 2020*) figures that are increasing year by year. Another interesting fact is that China in the footwear industry is the second largest market in this sector, only surpassed by the United States, reaching a sales volume of 435,100 million RMB in 2019 and with an estimate that it will continue to grow steadily although the growth rate has slowed down (*ICEX, 2019*). Chinese footwear imports represent 3.2% in the world, which places China in ninth position among importers, with a year-on-year growth rate of 28% in 2018. (*ICEX, 2018*).

We can consider that Spanish participation in this type of market is important, occupying sixth place in the ranking of suppliers in the Asian country. Last year, Spain imported 86.8 M EUR, a figure that has increased considerably over the last 4 years, from 47.4 M EUR in 2014 to almost double in 2018. China's main supplier countries for this product are Vietnam and Italy. On the other hand, as we have already mentioned, Chinese exports in the footwear sector represent 31.1% of world exports, where it ranks first. As far as the Chinese upper class market is concerned, we can say that in the last 20 years the GDP has increased tenfold, currently standing at 14.72 trillion. The Chinese consume approximately 30% of the world's luxury goods (*EY Research Centre, 2018*).

China is the second country with the most billionaires in the world after the United States as well, with 698 people with more than 1 billion euros, this is also thanks to being the most populated country in the world. (*Wikipedia, 2022*). It is also worth noting that although China's upper class is growing, the social gap between the lower and upper class is still very wide.

The COVID-19 pandemic has obviously also had a major impact on China and has led to a change in some habits and has caused a shift to new consumer trends, such as a considerable increase in online sales on platforms such as Ali Baba, and the pandemic has also led to an increase in sales at night markets in China, and according to official data, retail sales have increased by 14% year-on-year. All these trends have led to improvements in products, new sales channels and greater knowledge of how to sell and cater for new consumer groups.

Finally, let's look at the differences in shoe sizes between China and Spain. For example, size 37 in Spain is size 235/84 in China, size 40 in Spain is size 355/90 while size 42 in Spain is size 290/95 in China, these being some of the most common sizes in order to know how sizing works in China.

### **3. SITUATIONAL ANALYSIS**

#### **3.1 Internal analysis**

##### **3.1.1 Presentation of the company**

Calzados Segarra is a company created in 1882 by Silvestre Segarra, in La Vall D'Uixó, a town in the province of Castelló in the Comunitat Valenciana, it began as a small workshop manufacturing esparto grass shoes, a few years later the company offered its product to the army, which wore esparto grass boots, thus having a great success and managing to multiply its sales in the army itself.

Later, in 1920, some master craftsmen developed an improvement in the leather and managed to design more resistant and comfortable shoes, thanks to an American patent they acquired for machinery that helped to increase production and produce leather boots, known as Good-Year Welt, thus becoming the main supplier of the army, which boosted the business to move from manual to industrial work. In the 40's, 5000 people were employed, thus managing to recover from the civil war and building schools, a working class neighbourhood, clinics and even sports facilities, being a leading company in Europe from 1940 to 1970 approximately, with different shops also spread throughout Spain.



Nowadays Calzados Segarra is a symbol of quality, producing comfortable, attractive products, with very good durable materials, thanks to more than 140 years of experience in the sector, offering a guarantee. The company has different sectors. It has the best offer in work, mountain, military and dress shoes.

**Figure 1. Workers of the company**



*Source: Website of Calzados Segarra*

**Figure 2. Shoemaker**



*Source: Website of Calzados Segarra*

### **3.1.2 Mision**

Calzados Segarra is a family group, with more than 140 years of tradition, with a team of people who produce and market, with passion and respect for traditional craftsmanship, the latest generation of footwear for the enjoyment of our consumers.

### **3.1.3 Vision**

Seeking to obtain the best possible footwear that the consumer desires in a comprehensive way.

### **3.1.4 Values**

Calzados Segarra bases its business strategy on four fundamental pillars that represent the brand: History, Collaboration, Effort and Passion.

### **3.1.5 Resources of the company**

**Human Resources:** As for the company's human resources, the current general manager of the company is Ernesto Canós, who is also responsible for sales and operations, while the other managers are Miguel Angel Beltrán, who is responsible for

finance, human resources and IT, Herminio Salafranca is responsible for quality and production, both of whom are also managers, and David Tur is responsible for marketing and advertising. Therefore, the organisation chart is as follows:

**Figure 3. Organizational chart**



*Source: Own elaboration*

**Physical Resources:** Calzados Segarra has its own shop and museum of the company's history in the Polígono Carmaday, Carretera Xilxes, 12600 la Vall d'Uixó, Castellón and also has a surface area of 15,000 m<sup>2</sup>, used for the central offices, factory and logistics warehouse, in the Polígono Industrial Belcaire, 0 Parc 601 602, also in the town of La Vall D'Uixó.

**Figure 4. Shop of Calzados Segarra**



*Source: Google maps*

**Domestic marketing: (Product, Price, Distribution, Communication).**

**Product:** The company offers different types of footwear products, since as we have mentioned, it is specialised in different types of shoes such as trekking, casual, military,

work and even accessories such as kits for the shoe to be kept in the best conditions or belts, the company also offers more premium dress shoes also known as "Goodyear", the latter being the specific product that we will focus on, since as we will see later, our goal is to sell in China, premium shoes to inhabitants of this country with a high purchasing power. For this reason we will focus on premium products.

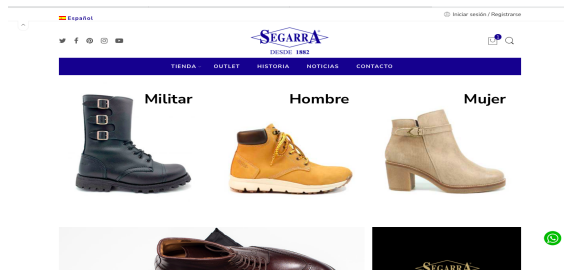
This type of premium shoes is aimed at both women and men and what we want is to expand the product to China, then we can see the different types of premium product offered by Calzados Segarra separating premium shoes for women and premium shoes for men. Where we will show 20 products for each gender with their respective names and colours. Among the products that we are going to offer, we are going to find booties or dress shoes, all of them made of top quality cowhide leather and also moccasins. As for the shoes for women, we will also find high boots apart from the booties. As for the sizes of the shoes in the models aimed at women we have from size 36 to 41, while in the models aimed at men we have from size 39 to 46. Subsequently, in the annex we will find the different models we have in the company that we are talking about.

**Price:** Price is one of the most important elements of marketing, as it really influences the buyer's final decision on whether to buy the product or not. In the case of these products, they are made with top quality materials such as cowhide and specific leather to make them as comfortable as possible for the consumer, with leather linings and insoles to maximise softness. The price will mostly be in the range of approximately 200/250€. In the price, as in the product, you will also find the different models below in the annex.

**Distribution:** As for the company's distribution channels, it is a level 1 distribution channel, i.e. its own or direct channel without intermediaries, where the company manufactures the products and they go directly to the warehouse and then to the shop. As mentioned above, the shop is located in Polígono Carmaday, in La Vall D'Uixó, with opening hours from Monday to Friday from 10:00 to 14:00 and from 17:00 to 20:00, Saturdays from 10:00 to 14:00 and closed on Sundays. Here the customer can purchase the product he/she considers necessary.

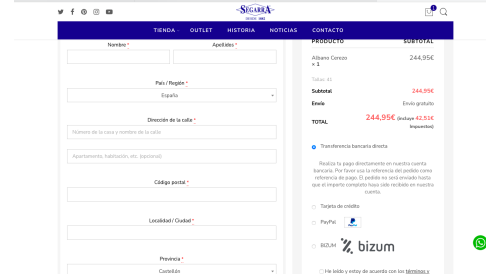
Another way to buy Calzados Segarra products is through the website [www.segarra.es](http://www.segarra.es) where you can easily buy the product you want without shipping costs and you can pay for the product by credit card, PayPal, Bizum or transfer. You can also contact the company with Whatsapp.

**Figure 5. Website of Calzados Segarra**



Source: Website of Segarra

**Figure 6. Payment of the web**



Source: Website of Segarra

### Communication:

The company uses different communication tools, such as advertising, where the company advertises through billboards in the locality and also appears in different magazines. Segarra also has T-shirts with the famous logo of the brand and in summer and Christmas they hold raffles of their products for people who come to the shop and want to participate where they can win some of the most coveted shoes of the brand.

Another tool they use is sales promotion, mainly their summer sales and Black Friday sales of up to 50% are well known.

Finally, the company also uses direct marketing as they have profiles on twitter, facebook, pinterest, instagram and youtube, apart of course from the website, being so present in social networks serves to be closer to the customer and they can see all the news that the brand brings to market. There are also sweepstakes for example on instagram, where following the page and mentioning another user, you can enter the draw for different lots of Calzados Segarra products. Finally, the company is also present at various events, such as the Sicur trade fair in Madrid, to attract customers who can enjoy the brand.

**Figure 7. Segarra T-shirt**



Source: Facebook of Segarra

**Figure 8. Company Raffles**



Source: Website of Segarra

## **3.2 External analysis**

### **3.2.1 Macroenvironment (PESTEL)**

As for the PESTEL analysis that we will carry out, we will analyse the external factors related to political, economic, socio-cultural, technological, ecological and finally legal factors, all directed towards China, as this is the country that we are going to direct our company towards. Starting with the Chinese political environment:

#### **Political factor:**

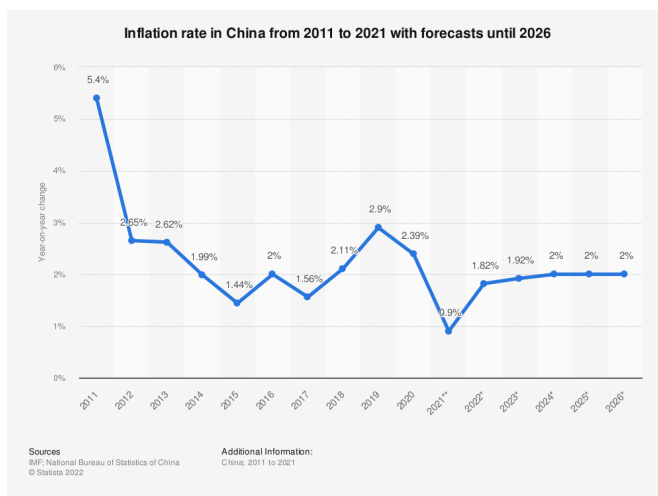
In this case the political factor is very important, as it can have a strong impact on our company. The political structure in China is really essential, so it is worth mentioning that the People's Republic of China is a capitalist state run for more than 70 years by a single party, known as the Chinese Communist Party, where the president, in this case Xi Jinping, also acts as supreme leader. Gradually, China's political transformation is taking place and political participation is becoming more and more important. As a result, China has achieved democratic political stability and control over its entire territory, and its political situation is stable. In 2020 it strengthened its control both externally and internally, so it is expected that the low global demand and tense international relations will increase the domestic market, causing an economic self-sufficiency, all this due to the pandemic. There are also many internal political problems due to corruption, bureaucracy, various trade restrictions and government-led competition regulation.

#### **Economic factor:**

As previously mentioned, China is the world's second largest economy, the country that exports the most and also has the largest foreign exchange reserves in the world, with one of the highest GDP growth rates, although with a certain slowdown due to the aforementioned COVID-19 pandemic, where new sectors such as e-commerce or online financial services are increasing, the IMF forecasts GDP growth of 5.6% in 2022, stable inflation in the same year of 2.6% and an increase in public debt of 71.2%. Sales

of luxury goods are rising, although due to the pandemic, the lack of employment recovery and falling household incomes, a full recovery of consumption is difficult (OECD, 2021). The current unemployment rate is above 3.8% and is also forecast by the IMF to fall to 3.6% in 2022 thanks to Chinese people's entrepreneurship and the new digital economy (Ministry of Human Resources and Social Security of China, 2020). Although the data is not 100% accurate due to China's political system and its secrecy about economic data within the country.

**Figure 9. Inflation rate in China**

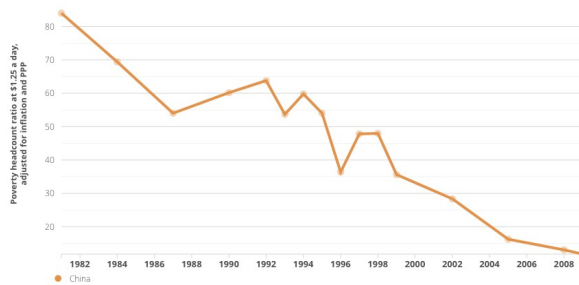


Source: Website of Statista

### **Social-culture factors:**

This aspect also plays an important role, as the demography is very important and is constantly increasing, currently counting more than 1.4 billion people, which also alternates social trends and values, the family is very strong in decision making, being a collectivist culture, the Chinese are mostly highly educated and make extensive use of the internet for shopping, being Taobao the most common website in the country where according to BCG the volume of internet will increase even more in the coming years. The Chinese minimum wage has been increased so the Chinese are spending more money on shoes, clothes and other accessories, which has increased the local market. This has also led to a gradual decrease of poverty in the country, lifting 840 million people out of poverty in the last few years, and in 2021 they announced that they will completely abolish extreme poverty in the country.

**Figure 10. Poverty rate in China**



Source: Website of libremercado.

### **Technology factors:**

As for the technological factors of this Asian country, as we have already mentioned, China is the country with the most internet users and in 2022 it is estimated that it will reach 975 million users. In 2018, 9 Chinese companies were among the 20 most important in the world, operating mainly in China itself.

Although the B2C payment system is not entirely secure as in China, they do not use the most secure system for paying on the internet, which is the credit card system. They pay by mobile phone via WeChat or Alipay, for example. Its main sites are for example Baidu, Alibaba or Tencent, being participants of a 30% of the total investment of the country and helping the rest of companies to grow thanks mainly to the synergies and a successful local ecosystem with a long duration. China has a technology development strategy drawn up by its government in 2016, placing technology development and artificial intelligence in sixth place in the government's strategy, which helps the growth of start-ups, achieving a more creative and technological model designed in the country itself.

### **Ecological factor:**

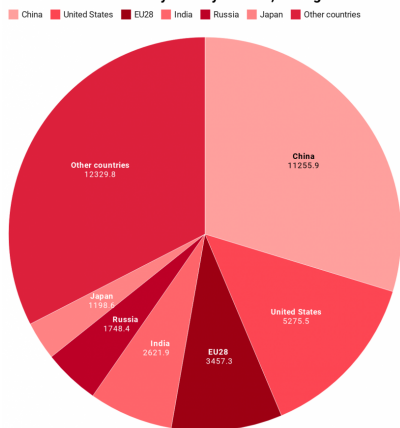
In terms of the environment, China's rapid economic growth has had a major negative impact on the country's environment, with high levels of air and water pollution, significant deforestation and a serious problem of industrial waste, further increasing deforestation.

The Chinese government has taken many measures in recent years to try to reduce this impact, such as a public awareness programme to protect the environment and decentralisation at local level, with ecological development being important for the

government to protect and consider it a key point to have a high quality economic development, adopting green measures, as well as wind energy, with China generating three times more energy than any other country in 2020. But China is still the country with the most air pollution by far, with 28.1% of the world's air polluted. (Statista 2019).

**Figure 11. Global CO2 emissions**

Global CO2 emissions by country in 2018, in megatons



Source: Crippa, M., Oreggioni, G., Guizzardi, D., Montan, M., Schaaf, E., Lo Vallo, E., Solazzo, E., Monforti-Ferrario, F., Oliver, J. G. J., Vignati, E. Fossil CO2 and GHG emissions of all world countries - 2019 Report, EUR 29849 EN, Publications Office of the European Union, Luxembourg, 2019, ISBN 978-92-76-11100-5, doi:10.2760/687805, jrc117910.  
 \* Created with Datawrapper

Source: *Green European Journal*

### **Legal factor:**

Finally, the legal factor in China, we will refer to the legal factor related to the world of labour, in this aspect China has been introducing different labour laws, such as the Chen administration of 2019 or the PRC labour contract law of 2017, where different topics of laws on labour disputes, labour standards laws and of course the remuneration laws that the workers received.

While in e-commerce, for example, China seeks to create laws that protect consumers, such as intellectual property law, consumer rights or different tax policies, although most of these policies are still in process, as this type of commerce is something new for the country and will ultimately help to improve the country's economy as well. Apart from e-commerce, in terms of intellectual property law, which we have just mentioned, China has the patent law of 1992 which lasts for 20 years non-renewable as seen in the PCT agreement, trademark law renewed indefinitely which can be seen in the international trademark register or also has the copyright law which lasts for life and 50



years after the death signed in different international agreements such as the Rome Convention or the Berne Convention.

It should also be noted that the highest court in China is the Supreme People's Court (Honk Kong and Macau are outside its jurisdiction), followed by the Intermediate People's Court, then the special courts and finally the Supreme People's Procuratorate of China.

### 3.2.2 Microenvironment (PORTER)

Now we are going to analyse Porter's 5 forces in order to know how the internal environment is and to achieve a competitive advantage over competitors and obtain a good strategy, thus taking advantage of all the opportunities offered by the market and facing the threats in the most efficient way possible. Therefore, Porter's 5 forces are: bargaining power of customers, bargaining power of suppliers, threat of new entrants, threat of new substitute products and rivalry between competitors.

**Figure 12. Porter's 5 forces**



Source: *Website of Sample dissertations*

### **Bargaining power of customers:**

The bargaining power that customers have can be said to be the power that they have to obtain good conditions and the price that customers consider necessary. Customers have a high bargaining power because if it is a small market, customers get power because of the low demand. If there are many competitors they also have a lot of power because they have many options to choose from.

Focusing on the footwear market, as we have seen, luxury products have increased considerably in China, therefore competition has also increased which causes the bargaining power of customers to be reduced due to the high demand, as they have many options to choose from premium footwear to buy, the demand for these products increases considerably as the purchasing power of the Chinese is constantly increasing. The exchange cost of the customer is reduced because customers can purchase the product through e-commerce, this benefits the customer as they do not have to travel to purchase a product, so in this sense the bargaining power of customers has increased.

### **Bargaining power of suppliers:**

While in the bargaining power of suppliers we can say that when the number of suppliers is small, their bargaining power increases, in our case raw materials such as cowhide are quite influential. Although they are quite specific products, there are considerable suppliers to manufacture premium footwear, so the bargaining power of the suppliers is medium-low, although of course the quality of these premium products depends to a high degree on the suppliers due to their quality and the guarantee of the product. Some of the companies that Calzados Segarra works with in order to achieve a guaranteed cowhide are for example the Spanish companies Palomares, Softleather, Serpiel or Picusa.

### **Threat of new entrants:**

As for the threat of new entrants, it depends to a greater or lesser extent on the barriers to entry that exist in the market. In order to set up a premium footwear company, companies need to take certain factors into account, such as:

- **Customer loyalty with existing companies:** Customers are very loyal to their companies because if they buy a product that makes them feel totally comfortable, customers feel as if they have the guarantee and security that the next product they are going to buy is of the same level or even better.

- **Lack of product and market expertise and knowledge:** people do not have sufficient capacity or skill and knowledge to deal with stakeholders, such as suppliers where they may not have the capacity to find the right suppliers or the ability to deal with government policies or imposed laws.
- **Initial capital:** For this type of product, being made of good quality materials, a considerable initial outlay is required, which many companies do not have the capacity to afford.

### **Threat of substitute products:**

Substitutes are products that satisfy the same need but actually have different properties and characteristics. Substitute products for premium footwear are not easy to identify, although for example in terms of materials, the cowhide leather in which most of these types of shoes are made, has as a substitute product synthetic leather also known as leatherette, which is made of different materials and its price is much cheaper. As for dress shoes, the substitute products that we could consider could also be trainers, which are generally cheaper and are also made of different materials, or in summer, sandals could be substitute products.

### **Rivalry between competitors:**

The rivalry between competitors in the Chinese market in the sale of luxury shoes is quite high, since as we have seen year after year the sale of premium dress shoes is increasing, as well as other products that could also be considered luxury, such as clothing or different accessories like belts or bags. The companies that sell these products, specifically footwear to China, apart from the local Chinese companies, come from Italy, for example, although we are going to focus on those that would really be our competitors, which would be Spanish footwear companies currently present in China, such as Lottusse or Pikolinos (handmade leather shoes), Pitillos that are dedicated to footwear for both men and women, Wonders or Camper that is both adult and children's footwear and other brands that sell their products through the internet which would be what we would do, such as Panama Jack, Carmina or Berwick, some

of these companies we will analyse in more detail later, as we can see there are multiple Spanish brands that have a presence in the Chinese market.

### **3.3 SWOT**

#### **Strengths:**

- **Brand:** One of the most important strengths of the company is the brand, as it is one of the best known brands at national level, due to its track record.
- **Quality:** Quality is one of the company's most definitive strengths, as the brand is synonymous with quality and guarantee, as the customer tends to repeat the purchase of the company's products.
- **Made In Spain:** The shoes are made entirely in Spain and this is very well regarded in China, as Spanish products are related to the good quality of their own.
- **Knowledge and experience:** The company has 140 years of experience, so it is fully established in the footwear market.

#### **Weaknesses:**

- **Little presence in the international market:** The company sells mainly in Spain although it also sells some of its products in France , Italy or Benelux for example, the company should have more presence in the world.
- **Branding recognition:** As a company that works mainly in Spain, the Segarra brand is not known throughout the world and it should carry out many sales and marketing campaigns in order to sell its products in quantity to China, for example.
- **Slowness:** Sometimes the company takes a long time to deliver its products due to the lack of supplies, which causes a notable slowness in some occasions.
- **Little presence among young people:** Segarra is much more focused on middle/older people, so young people do not feel identified with the brand as they identify it for older people, so marketing campaigns should be carried out, such as raffles on Instagram or promoting the product through influencers, for example.

#### **Opportunities:**

- **Rise of China:** the Asian country is increasing economically abysmally and is one of the first world powers, therefore China is a good market to penetrate foreign products as the economic capacity of the Chinese is increasing.

- Increase in the sale of luxury products in China: As we have seen, China consumes approximately 30% of the world market, therefore premium footwear is a good business that could be very successful in the Asian country.
- High presence of e-commerce: The Chinese are big consumers of e-commerce, in fact, as we have seen, it is the country with the highest presence on the Internet, which is the market where we want to market our products.

**Threat:**

- Pandemic crisis: The COVID-19 crisis is obviously still affecting all parts of the world very strongly, and this has affected footwear sales, which have declined due to the pandemic, but are gradually increasing and will return to the initial level.
- Chinese government: China is theoretically a communist country where the same party always rules even though they have a capitalist system, China still has many tariff barriers for products that go to the country and preferably consume their own products.
- Not being able to try on the product: Being an online business there in China, customers can not try on the product, so there may be errors in sizing.
- Competence: The competence to enter the luxury shoe market is high as we have seen and there is difficulty in getting your product to please everyone, also the constant entry of new competitors makes it difficult to enter the market successfully at first.

**Table 1. SWOT analysis**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- Brand</li> <li>- Quality</li> <li>- Made In Spain</li> <li>- Knowledge and experience</li> </ul>	<ul style="list-style-type: none"> <li>- Little presence in the international market</li> <li>- Branding recognition</li> <li>- Slowness</li> <li>- Little presence among young people</li> </ul>
Opportunities	Threat
<ul style="list-style-type: none"> <li>- Rise of China</li> <li>- Increase in the sale of luxury products on China</li> <li>- High presence of e-commerce</li> </ul>	<ul style="list-style-type: none"> <li>- Pandemic crisis</li> <li>- Chinese government</li> <li>- Not being able to try on the product</li> <li>- Competence</li> </ul>

Source: Own elaboration

## 4. ANALYSIS OF THE COMPETITION

### 4.1 Levels of competence

Calzados Segarra's competition is aimed directly at the Spanish companies that sell their products to China and which we have mentioned above, although there are different companies from other countries, such as Italy, that also sell luxury shoes to China, we are going to focus on the Spanish competition as this is the market we really want to penetrate and where we are going to have more competition. Competition is divided into four groups: product form, product category, generic and budget.

**Product competition:** The first level of competition is where there is a higher level of rivalry as here the companies offer exactly the same type of product and target the same market. In this case we find companies such as Carmina, Berwick or Lottusse that are also directly focused on premium footwear.

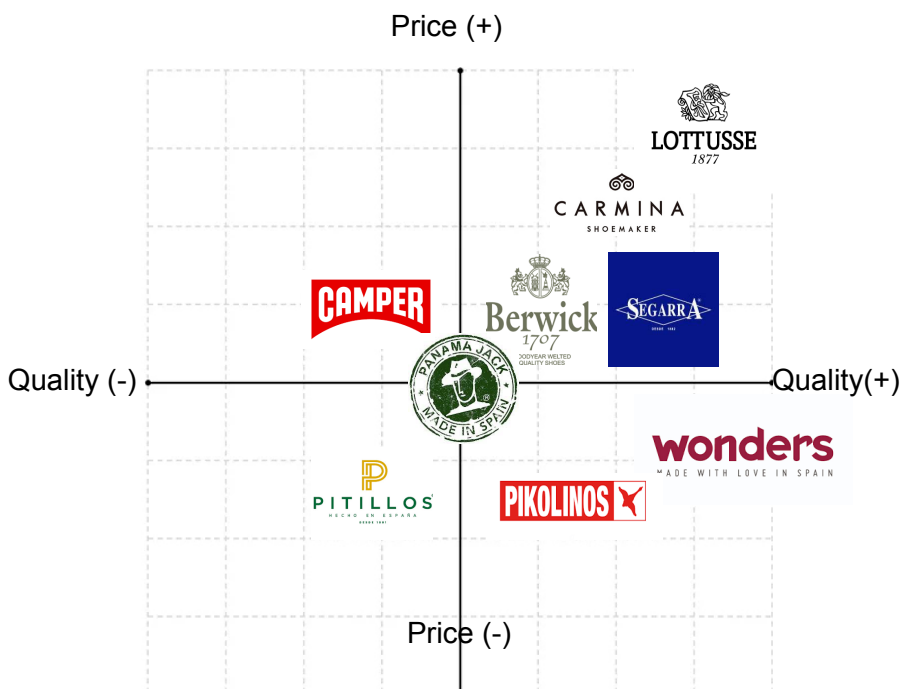
**Competition in the product category:** In this category we find similar products that have one or more attributes different from the one we offer. For example, we find Pikolinos or Pitillos, which are similar products to ours but made of different materials such as nubuck or nylon.

**Generic competition:** Here we find products that satisfy the same need where we would find Wonders, Camper or Panama Jack that offer different types of footwear such as sneakers made with a combination of leathers or sneakers with leather lining.

**Budget:** And finally we have the budget, which is where products or services that compete for the same budget of the same customer are considered.

Next we will see each competing company in detail and also which are their products and their approximate prices.

Table 2: Positioning map



Source: Own Elaboration

## **4.2 Main competitors**



**Carmina:** Carmina started as a family business in 1866 thanks to a bespoke shoe manufacturer called Matias Pujada who started the family tradition on the island of Mallorca, which would be followed by Mateo Pujada who opened one of the first Goodyear stitching factories in the Balearic Islands, In 1961 the great-grandson of the creator Jose Albadejo decided to open a shoe factory after the apprenticeship process in Florence, creating one of the most important companies in Spain. In 1962 he created the Moccasin 1330, producing two million pairs a year, and in 1997 Albadejo decided to create Carmina Shoemaker with the aim of creating one of the best handcrafted shoes in the world. In 1998 he opened his first shop in Madrid, 2003 in Paris, 2010 in Barcelona and 2017 in New York. Carmina has different handcrafted products for men and women, their shoes are made by expert craftsmen from the island with Goodyear stitching, as well as high quality lasts, leathers and soles, which is why they have a presence in Asia too. Their prices range between 250€ and 400€ approximately.

**Figure 13. Shoes of Carmina shoemaker**



Source: Website of Carmina shoemaker



**Berwick:** Berwick began in 1991, known as Milan Classic SA, in Almansa, a town with a long tradition of shoemaking, where in 1707 the French troops led by the Duke of Berwick won the most important battle of the War of the Spanish Succession, the Duke being of English origin, which is why the founders of the brand decided to make the brand loyal to the English tradition. Its prices are moderate, also produced by Goodyear Welted, being totally Spanish production, although the raw materials come from countries such as England, France or Argentina. It has different points of sale in Madrid and in Asian places such as South Korea and Japan. Its products are aimed at both men and women. Their prices range between 150€ and 200€.

**Figure 14. Shoes of Berwick 1707**



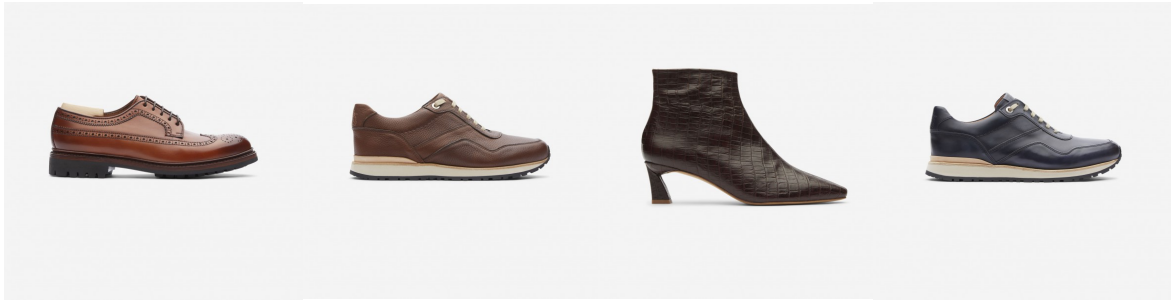
*Source: Website of Berwick 1707*





**Lottusse:** Lottusse was founded in 1877 by Antoni Fluxà in Inca, Mallorca as a workshop of handcrafted footwear, a well known Spanish firm in which apart from footwear are also made garments, accessories or belts, this brand has different points of sale distributed around the world, such as in Spain, United States and different parts of Asia such as Singapore and of course China, Lottusse is in its fourth generation leading the company has different collections either for women or men, their prices also range between 250€ or 400€ depending on the type of product you choose.

**Figure 15. Shoes of Lottusse**



*Source: Website of Lottusse*



**Pikolinos:** Pikolinos was founded in Elche in 1984 by its creator Juan Perán Ramos. In 1989 it began exporting to France, initially as a simple test, but exporting became its main source of income and nowadays Pikolinos exports 80% of its products to countries such as the United States, Italy and various Asian countries such as China, in 1996 they set up their offices and logistics centre in Elche, Pikolinos has ISO 9001 and 14001 certification for environmental management and by putting its resources into helping this cause, this company continues to increase its shops in places such as Miami and other important international locations, apart from footwear it also has accessories such as bags, scarves or socks for example. It has footwear for women or men of all kinds such as ankle boots, sandals, casual shoes or dress shoes. The prices of its products range between 100€ and 150€.

**Figure 16. Shoes of Pikolinos**

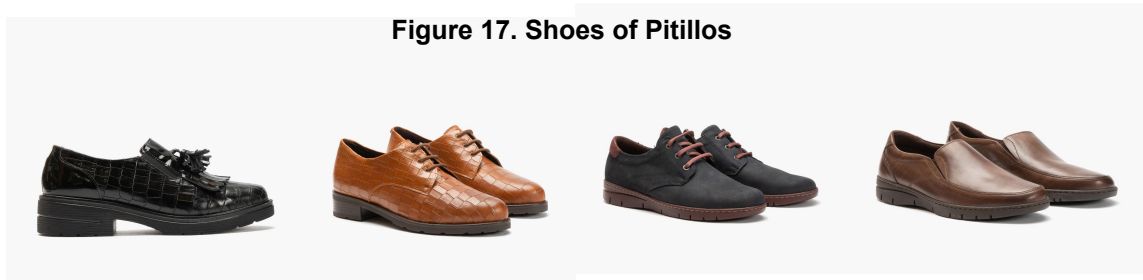


*Source: Website of Pikolinos*



**Pitillos:** The company Calzados Pitillos was created in 1981 in Arnedo in La Rioja, a town with a long tradition of shoemaking. Initially it was created the year before Naranjito to silk-screen print the famous mascot of the World Cup on the shoes. The first collection of shoes came out in the 90's and nowadays it has 4000 points of sale all over the world being also one of the most internationally recognised national brands with presence in Sweden, Norway, England and of course China, for example. It has products for both men and women, sports shoes, ankle boots, bluchers, oxford shoes and, as a curiosity, it also sells face masks. Their prices are quite low and range around 50€ approximately.

**Figure 17. Shoes of Pitillos**



*Source: Website of Pitillos*



**Wonders:** Wonders is also a Spanish brand that was founded in 1985 in the cradle of footwear, that is to say Elche, it is a 100% Spanish product and currently also sells internationally to different countries in the world such as some Asian countries like China, it has 5 factories and about 500 people work for them, a brand that is also

based on emphasizing the importance of its product being Made In Spain. They also have shoes for both men and women, their products are shoes such as sandals, wedges, sports or casual shoes for example. Their prices range between €80 and €120.

**Figure 18. Shoes of Wonders**

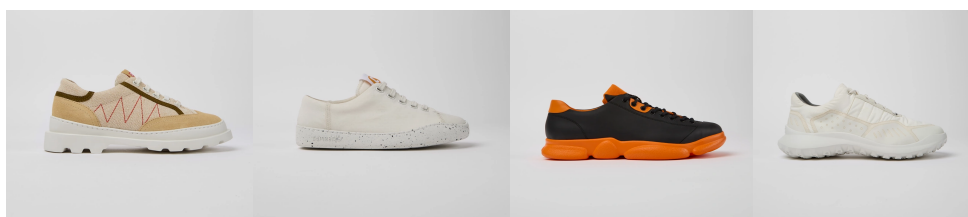


*Source: Website of Wonders*



**Camper:** Founded in 1975 by Lorenzo Fluxà in Inca, Mallorca. From a family tradition of shoemaking, Lorenzo used his knowledge as a master shoemaker to lay the foundations of this innovative company, these products continue to be developed in Inca together with a team of designers to create approximately 500 models per season, with shops in more than 40 countries. Camper works for women, men and also for children and makes many different types of shoes such as sneakers, ankle boots, dress shoes, non leather, boots, ankle boots or sandals for example. Their prices are between 100€ and 150€.

**Figure 19. Shoes of Camper**



Source: Website of Camper



**Panama Jack:** Panama Jack was created in Elche (Alicante) in 1989 by Antonio Vicente who was already dedicated to the footwear industry and created this label, this brand is one of the most recognized internationally and is part of the Forum of Renowned Spanish Brands, the brand allocates 70% of its products to the foreign market and has a presence in the United States, Mexico and China for example. It also has different products for both men and women and its best known product worldwide are its famous Panama Jack boots used to dress many people in Spain and also outside Spain. Other products they have are for example sandals or sneakers. Their prices are between 140€ and 220€ approximately.

**Figure 20. Shoes of Panama Jack**



Source: Website of Panama Jack

## **5. ANALYSIS OF THE RESULTS**

### **5.1 Particular characteristics**

After doing the market research, in terms of the analysis of the results we want to know what the consumer is looking for, where the main market for shoes is, so that we know where we have the opportunity to establish the strategy to access the market, helped by all this information.

To begin with, it is necessary to remember that China is the second largest footwear market after the United States, its national production is concentrated in certain clusters such as Canton, Zhejiang, Sichuan and Fujian in the south of the country.

Little by little its national production is decreasing due to delocalisation and imports, in fact China occupies the number 10 position of countries importing footwear from Spain, with 2.5% in the 2018-2019 season, the main imports are footwear with soles made of rubber, plastic, natural or regenerated leather and natural leather uppers or also uppers made of textile material. Therefore, as the per capita income and the income level of the Chinese middle class has been increasing, the demand for footwear has also been increasing for women, men and children. (*ICEX, 2020*).

Another feature to take into account in the Chinese market are the current regulations that exist in the country and the regulations imposed where it is required to comply with the standards of the Chinese country and it can be dangerous because if you do not comply there can be fines and penalties. Although the main sales channel is physical sales and the ones that generate the most sales are the Outlets, to our benefit, online sales of footwear have also increased considerably due to the global pandemic and it also helps the facilities offered to be able to look closely at different prices, to see the offers and to be able to see all the products you want and compare them. So the consumer is now informed about products online rather than in person, also for the sake of convenience. Some of the most popular online sites in China and therefore the most transactions are made of all kinds of products and of course among them footwear are the Jd.com or T-mall sites being the most powerful B2C companies that serve mainly for local Chinese and international companies to sell their products to Chinese citizens, T-mall in 2020 was the third most visited website after Google and Youtube.

Being this very important, the ways to enter the Chinese market are for example through direct export through a local distributor would be the way for small and medium-sized companies, also for large corporations the local establishment in order to have representative offices or franchises in the country for example. And of course,

one way to enter the Chinese market is to sell online through cross-border trade or through a local platform provided by the distributor, for example.

It should be noted the importance of the authentic Spanish leather, which are known in the Asian country and are highly regarded by the Chinese, known as products of quality and an exclusive and exquisite design, thanks to the tradition we have in our country of working with leather and currently supported by new technologies, this helps this product as a product in high demand within the quality and with a medium / high price being affordable luxury or premium as Calzados Segarra. The Made In Spain footwear is seen as a very affordable quality/price product or therefore more profitable than other competing countries such as Italy where they have high quality products but the prices are much higher. It is also necessary to register the brand in China and you have to be aware that you are entering a country with a totally different culture to that of the West, which is why we have carried out a specific market study to find out what the conditions are for entering this country.

In terms of GDP, China is growing steadily, growing by 8.1% in 2021 compared to 2020. Quite a few provinces have managed to be above average and have increased their GDP growth rate more than the national average, for example Hubei by 12.9%, Hainan by 11.2%, Shanxi by 9.1%, Jiangxi by 8.8%, Jiangsu by 8.6% and Beijing by 8.5% (*Irun, 2022*). While the cities with the highest GDP in China in the first half of 2021 are as follows: Shanghai (20105.5), Beijing (19228.0), Shenzhen (14324.5), Guangzhou (13101.9), Chongqing (12903.4), Suzhou (10684.7), Chengdu (9602.7), Hangzhou (8646.0), Wuhan (8251.5), Nanjing (7622.8). Expressed in billions. (*CGTN*) according to the Statistical Bureau of various places in China. And finally, it is also interesting to comment on the cities with the largest foreign populations to help define the market access strategy. China is home to more than ten million foreigners (IOM), most of whom come from Hong Kong, followed by South Korea and Brazil, and it is worth noting that male immigration in China is much higher than female immigration. Immigrants are mostly concentrated in China's metropolitan areas, i.e. mainly in Shanghai, Beijing and Shenzhen, which are the main cities in China where there are more jobs and opportunities for people migrating to this country.

## **5.2 Consumer preference**

While the preferences and therefore the behaviour of the Chinese consumer, i.e. his demand, is characterised by a market that is totally divided and fragmented into two segments: the luxury sector and obviously the necessity sector. Chinese consumers are mainly looking for the convenience of the product although this does not mean that

they are looking for poor quality, in fact, quite the opposite, they do not want to sacrifice quality, they want a comfortable product with guaranteed quality. As we have already mentioned, in China the authenticity of products is very important, especially products that are exclusive and innovative, and this is becoming increasingly important for the Chinese consumer. Being closely related to our product and being very important the type of footwear that leads the demand by type of product in China, is the sector to which Calzados Segarra is dedicated to a great extent, that is to say, leather and fur footwear. It is also true that in China the demand for sports footwear and sneakers has increased, especially among young people, who are gaining a lot of importance in recent years in their country. We must also take into account a very important factor and that is the social networks present in China, which are generally not the same as those present here, so Chinese influencers have become a very important factor and are the determinants of the success that the brand can obtain in order to promote its product in a satisfactory way.

## **6. OBJECTIVES AND STRATEGIES**

### **Objectives**

**Overall objective:** To enter the Asian market, specifically the Chinese market, to make the brand known and to offer the best possible service through e-commerce. To offer guarantees and quality to customers and to faithfully export the good name of Made In Spain products.

### **Specific objectives:**

- **Objectives of trade relations:**

1- Increase relations with potential retail customers and therefore increase relations with Chinese distributors by 10% in the next 12 months, in order to gradually enter the Asian market and make the Chinese people aware of the brand.

2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months, to increase brand awareness and make the Chinese population more aware of the brand and keep it in their sights.

3- To obtain a 90% satisfaction of the Chinese customers in 12 months, in order to get good opinions of the customers and that they visit the website more times and thanks to these positive comments that in the word of mouth the quality and the guarantee of the brand of the company is transferred.

4. To ensure that 0,5% of Chinese inhabitants are familiar with the Calzados Segarra brand.

- **Management objectives of marketing activities:**

5- Increase sales in the Chinese online market by 5% in the next 3 years through market penetration and consolidation in the youth market.

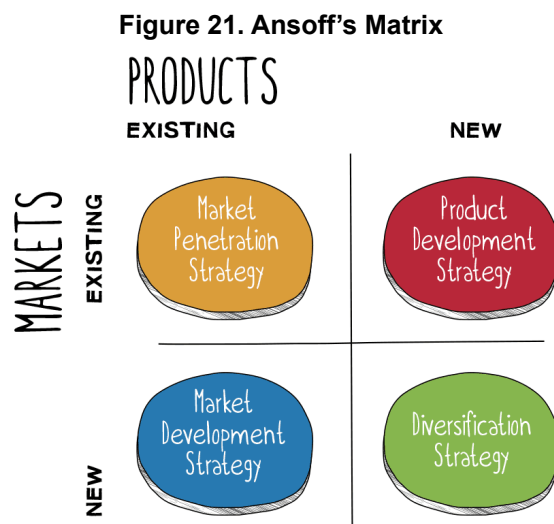
- **Financial objectives of the company:**

6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years, as this is a complicated task and practically we would have to start from the beginning in this market, therefore the general financial objective would be the company's exports in the Asian market.

**Marketing strategies:**

- **Growth and diversification strategy:**

To observe the growth and diversification strategy that we are going to use in Calzados Segarra, we will use the Ansoff growth matrix.





*Source: Smartinsights website*

After observing Ansoff's growth matrix, we have chosen the **market penetration strategy** because what we want in Calzados Segarra is to increase market share with our existing products, we want to increase market share in the Chinese market, being aware that it is a complicated process but we will achieve it by means of the objectives we have set out above and with the actions we will soon see, we also want to increase the share of the youth market and therefore penetrate this market as well. It is clear that Calzados Segarra is a brand of guarantee and national quality, but we want to export these values, in this case, to the Asian market and thus export our existing products to the market as we consider that the catalogue we offer is extensive and there is no need to make or offer new products. Therefore we are looking for a market penetration strategy to enter the Chinese market and attract customers through our premium quality products also through Chinese e-commerce and marketing that we will use as for example through Chinese influencers to capture the Chinese youth market, also thanks to internet advertising that we would offer in China and the number of sweepstakes and presence in social networks so that the citizens of this Asian country know us.

- **Competitive strategy:**

As for the competitive strategy that the company Calzados Segarra should implement, it would be the strategy of specialised niches, as the company does not seek to compete to try to be the market leader in the footwear market in China, it would simply seek to specialise in the sale of premium footwear to the Chinese inhabitants, in principle, as we have already mentioned, through the online sale of products. As we have already seen, Calzados Segarra is a brand with a lot of experience in the sector and eager to explore new worlds, so it is no problem for the company to specialise in the niche market of selling premium footwear to people with high purchasing power in the Asian country. The company will therefore focus on the sale of dress shoes mainly for both men and women and also try to enter the youth market, also playing in its favour that the products are fully produced and made in Spain, something that is also sought after by the Chinese inhabitants. Competing against its competitors by means of the quality/price that the brand has in order to gain customers who were formerly customers of the competitor.

- **Strategy as competitive advantage**

While the competitive strategy that Calzados Segarra should follow would be the strategy of differentiation. The company also seeks to differentiate itself from competitors, as we have said, through quality/price, demonstrating that the brand is synonymous with guarantee and is a product totally made in Spain and the Chinese people will not regret buying these products and will be able to observe the good standard of the shoes and it is also essential for us that they are totally satisfied with the product and that when they want to buy dress shoes again, they will buy Calzados Segarra products again. For this it is also important to have an accessible website, in this case, for the Chinese inhabitants and therefore it would be interesting that the page is in Mandarin Chinese, it is also important to provide facilities to the customer when the product is defective and therefore it is also important to have a good system of returns and that is easy for the customer, we seek that the service of the company is as simple and as satisfactory for the customer.

## **7. ACTION PLAN**

### **Summary of action plan:**

**Table 3. Action plan**

Actions	Objectives
1. Create a new line of products aimed at young people.	2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months. 4. To ensure that 0,5% of Chinese inhabitants are familiar with the Calzados Segarra brand. 6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.
2. Cut prices 25% for the first 6 months and that in no case will any Segarra product exceed €200.	2- Increase visits to the company's online shop by 15% of the Chinese 3- To obtain a 90% satisfaction of the Chinese customers in 12 months. 4. To ensure that 0,5% of Chinese inhabitants are familiar with the Calzados Segarra brand. 5- Increase sales in the Chinese online market by 5% in the next 3 years. 6- To increase Calzados Segarra's profits in

	the Chinese market by 5% in the next 3 years.
3. Get Chinese distributors or representatives to help promote the brand.	1- Increase relations with potential retail customers and therefore increase relations with Chinese distributors by 10% in the next 12 months.
4. Automate processes to facilitate the retrieval of order data to optimise the process.	1- Increase relations with potential retail customers and therefore increase relations with Chinese distributors by 10% in the next 12 months. 3- To obtain a 90% satisfaction of the Chinese customers in 12 months.
5. Find and provide a database of customers and potential customers in order to know them better and also to know exactly what products they demand.	1- Increase relations with potential retail customers and therefore increase relations with Chinese distributors by 10% in the next 12 months. 3- To obtain a 90% satisfaction of the Chinese customers in 12 months. 5- Increase sales in the Chinese online market by 5% in the next 3 years. 6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.
6. Create an account on Weibo (Chinese social network) for Calzados Segarra.	2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months. 4. To ensure that 0,5% of Chinese inhabitants are familiar with the Calzados Segarra brand. 6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.
7. Promote the company and its products in China, on transport, in the television or on the streets.	2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months. 4. To ensure that 0,5% of Chinese inhabitants are familiar with the Calzados Segarra brand. 6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.
8. Create a mobile application of the Calzados Segarra website for both iOS and Android devices, so that customers can access it more easily.	2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months. 3- To obtain a 90% satisfaction of the Chinese customers in 12 months. 6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.
9. Get a 15% online discount on the website if you buy Calzados Segarra products and subscribe to Segarra Premium.	2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months. 3- To obtain a 90% satisfaction of the Chinese customers in 12 months.

	<p>4. To ensure that 0,5% of Chinese inhabitants are familiar with the Calzados Segarra brand.</p> <p>5- Increase sales in the Chinese online market by 5% in the next 3 years.</p> <p>6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.</p>
<p>10. Reward the first 100 customers who buy 5 or more Calzados Segarra products per year with a gift or a present.</p>	<p>3- To obtain a 90% satisfaction of the Chinese customers in 12 months.</p> <p>5- Increase sales in the Chinese online market by 5% in the next 3 years.</p> <p>6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.</p>
<p>11. Promoting sweepstakes through Chinese influencers.</p>	<p>2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months.</p> <p>5- Increase sales in the Chinese online market by 5% in the next 3 years.</p>

*Source: Own elaboration*

### **Product Decisions:**

**Action 1:** Create a new line of products aimed at young people.

#### **Objectives to which it contributes:**

2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months.

4. To ensure that 0,5% of Chinese inhabitants are familiar with the Calzados Segarra brand.

6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.

**Implementation period:** 6 months.

#### **Description:**

Calzados Segarra intends to open a new line of products aimed explicitly at young people, as we already know that the young market is currently an emerging market in which we can see an opportunity to penetrate and acquire this market niche. Young people have for some time been using the fashion of leather shoes such as boots, a market in which Calzados Segarra has been working for many years and therefore has a lot of experience in this sector. So this company would launch a new line of products known as "Segarra Young" this line of products aimed as we have said to young people would have about 15 products approximately of different types of leather boots or

leather where people under 30 years would get a 15% discount for purchasing these types of products. In China, young people are also very fond of using this type of product, which was traditionally used more by older people but is now used by all types of people, both young people and older people and of course regardless of gender, both men and women make use of this type of footwear. It is therefore an interesting market opportunity that would make the brand known to more people and make both their customers and potential customers notice the quality and guarantee of their products.

**Figure 22. Some examples of “Segarra Young”**



*Source: Website of Calzados Segarra*

**Price Decisions:**

**Action 2:** Cut prices 25% for the first 6 months and that in no case will any Segarra product exceed €200.

**Objectives to which it contributes:**

- 2- Increase visits to the company's online shop by 15% of the Chinese
- 3- To obtain a 90% satisfaction of the Chinese customers in 12 months.
- 4. To ensure that 0,5% of Chinese inhabitants are familiar with the Calzados Segarra brand.
- 5- Increase sales in the Chinese online market by 5% in the next 3 years.
- 6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.

**Implementation period:** 6 months.

**Description:** The price itself is mainly driven by the consumer's perception, as they know that they are buying a premium product with top quality material and a product that has a considerable guarantee and experience behind it. So in this case the price we can see below in the annex is the price par excellence of Segarra's products. In other words, the prices are between 200 and 300 euros. However, some measures will be taken in terms of price to capture the Chinese consumer, because as we have seen

on several occasions, they do not know the brand and do not know the product. It is therefore normal that they will not initially make this company their first choice. For this reason, it will be essential to reduce prices by 25% in the first year and in no case should any Segarra product exceed 200 euros, i.e. no more than 1400 Chinese lustrums, to give us an idea, 1 euro is equivalent to approximately 7 lustrums. Therefore, in order to attract customers, this action related to prices is really interesting, which would help us to gradually make them aware of the brand in China.

**Distribution decisions:**

**Action 3:** Get Chinese distributors or representatives to help promote the brand.

**Objectives to which it contributes:**

1- Increase relations with potential retail customers and therefore increase relations with Chinese distributors by 10% in the next 12 months.

**Implementation period:** 12 months.

**Description:** What we want with this action is to obtain contacts of Chinese representatives or distributors, as it is a totally new market for us and we need people who can guide us and above all guide and explain to us where we should go, which are the market opportunities that we can not miss and get into the market for the sale of premium footwear in this Asian country, all this will help us indirectly in all our objectives and that way we will be present in this market and therefore we will be known more over there. Therefore, the distribution of the product is very important and helps us directly to launch the product to an unknown market, so finding the right distributors and representatives will be one of the priorities for the company and thus enter the Chinese market fully.

**Action 4:** Automate processes to facilitate the retrieval of order data to optimise the process.

**Objectives to which it contributes:**

1- Increase relations with potential retail customers and therefore increase relations with Chinese distributors by 10% in the next 12 months.

3- To obtain a 90% satisfaction of the Chinese customers in 12 months.

**Implementation period:** 8 months.

**Description:** Here what we are looking for is to optimise the orders that you can place with us, to avoid confusion, delays in deliveries or errors in the delivery itself, we want everything to be perfect. Therefore, on the website itself we will make sure that as soon as you enter the company you have the option to buy the products and add your details

if you wish, so that you are already registered and do not have to enter them again later. Currently it takes 3 clicks to buy the product, so it would be interesting that before entering the product and the option to buy the product and the customer's details, the product could be purchased in 2 minutes. Give the order to the distribution department that would automatically prepare the order and send it by a transport agency although here it would cost more than 25€ to send to China depending on the weight, therefore it would have a lot of cost, the best option would be an agreement with T-mall of Shanghai, company implanted in FTZ (free trade zone), leave it in their stock and from there distribute it, lowering costs.

**Figure 23. Various transport agency**



Source: [www.genei.es](http://www.genei.es)

**Action 5:** Find and provide a database of customers and potential customers in order to know them better and also to know exactly what products they demand.

**Objectives to which it contributes:**

- 1- Increase relations with potential retail customers and therefore increase relations with Chinese distributors by 10% in the next 12 months.
- 3- To obtain a 90% satisfaction of the Chinese customers in 12 months.
- 5- Increase sales in the Chinese online market by 5% in the next 3 years.
- 6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.

**Implementation period:** 12 months.

**Description:** In this action what we want is that our company has an optimal database of both customers and potential customers, as to open up to new markets this is very necessary especially to attract new customers, thanks to the databases or big data we can get information from customers to know what exactly are the products they demand, so take into account and produce more or less products that these customers want. Nowadays it is very important to have systematically perfect databases, to be

able to advance in the market and to face the powerful competition that there is always in the markets. Therefore, we will work with the American software company Teradata, an expert in data analysis, big data and IT strategy consulting. This company would develop enterprise software for databases and data analysis on a subscription basis. This company operates in different continents such as North America, Europe and of course Asia.

**Figure 24. Logo of Teradata**



*Source: Website of Teradata*

**Communication decisions:**

**Action 6:** Create an account on Weibo (Chinese social network) for Calzados Segarra.

**Objectives to which it contributes:**

2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months.

4. To ensure that 0,5% of Chinese inhabitants are familiar with the Calzados Segarra brand.

6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.

**Implementation period:** 2 months.

**Description:** In this important action what we want to do is to introduce ourselves directly into the Chinese social networking market, as we can see this application is not present in Europe, as it is an explicit Chinese application, which can be perfectly similar to Facebook, although it is controlled by the Chinese government, but we find it interesting to create a profile of Calzados Segarra in this social network and promote it so that the Chinese people know the brand. This application is also compatible with Android, iOS or Windows devices for example. To make publications is quite similar to twitter for example as it has character limitation, you can republish the publications we make by another user and one of our goals would be to achieve verification of the account as this is synonymous with reliability for users and therefore we would be very



interesting to create an account so that users can interact with us and thus achieve new customers. Since this is one of the applications that has more users with more than 500 million profiles.

**Figure 25. Logo of Weibo**



*Source: Website of Weibo*

**Action 7:** Promote the company and its products in China, on transport, in the television or on the streets.

**Objectives to which it contributes:**

2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months.

4. To ensure that 0,5% of Chinese inhabitants are familiar with the Calzados Segarra brand.

6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.

**Implementation period:** 4 months.

**Description:** In this action to begin with, we must comment that Chinese advertising is quite different from Spanish advertising, for example, Spanish advertising can be more creative. While in China brands are promoted in a more serious way and it is very important as it gives a lot of confidence to the customer and there are more restrictions for advertising, one of the most effective brand promotions are those of television although they are expensive, we will promote our product on Chinese television CCTV, for a year, so that we are known, once a week at 18:00 in the evening before prime time when there are already enough people watching television. We will also promote our product in means of transport such as buses, subways or aeroplanes as it is a very

common advertising practice in China and also in the street in places such as underground stops or bus stops, as people use public transport a lot and therefore there are many options for Chinese people to see the advertising.

**Action 8:** Create a mobile application of the Calzados Segarra website for both iOS and Android devices, so that customers can access it more easily.

**Objectives to which it contributes:**

2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months.

3- To obtain a 90% satisfaction of the Chinese customers in 12 months.

6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.

**Implementation period:** 1 month.

**Description:** One of our new measures to reach a wider audience in China and in this case also around the world, is to create an application where the user, customer or whoever wants to download the application can see everything they want about the products we have and even buy orders or book them from the application itself without having to enter the website, therefore from the electronic device itself, whether mobile or tablet for example, the person who wants will have the application installed and when they want can enter and look at the news and also consult any questions with the company as we will put a section in the application of consultations so that they can have all their doubts clear and of course also as we have said to book the products that they like and even pay from the application itself to have a more effective service, easier and above all closer to the customer.

**Action 9:** Get a 15% online discount on the website if you buy Calzados Segarra products and subscribe to Segarra Premium.

**Objectives to which it contributes:**

2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months.

3- To obtain a 90% satisfaction of the Chinese customers in 12 months.

4. To ensure that 0,5% of Chinese inhabitants are familiar with the Calzados Segarra brand.

5- Increase sales in the Chinese online market by 5% in the next 3 years.

6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.

**Implementation period:** 12 months.

**Description:** This action is already directly aimed at the most loyal customers of our company, as currently the company Calzados Segarra already has an option to fill out a form and therefore subscribe to a service known as Golden Club where you sign up and have different advantages when buying a product, complementing this option what we want to do is that after subscribing to this option customers have a 15% discount on all products of the company, to also ensure that they subscribe to the company and therefore also achieve more customer data and this will help us to improve our service because the information we get and the opinion that the customer has is very important, so we think that to get more customers offer this option to the most loyal customers would help us to enlarge the brand and that people who do not know us get to know the quality and experience of this brand.

**Figure 26. Golden Club of Segarra**



*Source: Website of Segarra*

**Action 10:** Reward the first 100 customers who buy 5 or more Calzados Segarra products per year with a gift or a present.

**Objectives to which it contributes:**

3- To obtain a 90% satisfaction of the Chinese customers in 12 months.

5- Increase sales in the Chinese online market by 5% in the next 3 years.

6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.

**Implementation period:** 5 months.

**Description:** In this action, also related to communication and also related to the previous action, what we also want is to reward the most loyal customers, therefore, as we have seen, customers who buy more than 5 products in a year would receive a gift or a present from the company, i.e. a Segarra brand accessory. In this way we would also thank the customer for the trust they have placed in us, because for us, as we have seen, the opinion and loyalty of the customer is what is most important to us. To also please the customer after consuming 5 products or more we will give them one of our accessories totally free depending also on the products they have bought from us, we can give them a maintenance kit, a waterproof spray, black or white ecological cream and finally there is also the option to give them a Segarra belt.

**Figure 27. Gift or accessories of Segarra**



*Source: Website of Calzados Segarra*

**Action 11:** Promoting sweepstakes through Chinese influencers.

**Objectives to which it contributes:**

2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months.

5- Increase sales in the Chinese online market by 5% in the next 3 years.

**Implementation period:** 3 months.

**Description:** In this action we intend to enter the young market of Chinese people through social networks, in China it is very popular that influencers help to promote

products, as there the influencers are really famous and therefore charge for their services and help promote the products of the companies, therefore China being a country that has so many people in social networks and therefore having the influencers so important and so much influence we think it is very interesting to contact influencers in China so they can help to promote the products of the companies, therefore China is a country that has so many people in social networks and therefore having the influencers so important and so much influence we think it is very interesting to contact influencers in China so they can help to promote the products of the companies. Therefore, we thought it would be very interesting to contact the Chinese influencer Viya being one of the main influencers in China, she is a singer, has more than 120 million followers in China, is one of the Chinese influencers with more followers who is dedicated to selling items from different companies through Taobao Live broadcasts that therefore helps companies to become better known thanks to the well-known influencer marketing.

**Figure 28. Chinese influencer, Viya.**



Source: [www.elperiodico.com](http://www.elperiodico.com)

## **8. FINANCIAL PLAN**

**Timeline:**



10. Reward the first 100 customers who buy 5 or more Calzados Segarra products per year with a gift or a present.														
11. Promoting sweepstakes through Chinese influencers.														

**Budget:**

**Table 5. Budget**

<b>ACTIONS</b>	<b>Who does the action?</b>	<b>Budget</b>
1. Create a new line of products aimed at young people.	Own development.	20000€
2. Cut prices 25% for the first 6 months and that in no case will any Segarra product exceed €200.	Developed by the marketing and financial team of Calzados Segarra.	0€
3. Get Chinese distributors or representatives to help promote the brand.	Own development.	8000€
4. Automate processes to facilitate the retrieval of order data to optimise the process.	Developed by an engineer.	5000€
5. Find and provide a database of customers and potential customers in order to know them better and also to know exactly what products they demand.	Own development and develop by an engineer.	4000€
6. Create an account on Weibo (Chinese social	Developed by the Marketing Team.	2000€

network) for Calzados Segarra.		
7. Promote the company and its products in China, on transport, in the television or on the streets.	Own development and developed by the marketing and commercial team.	80000€ per year
8. Create a mobile application of the Calzados Segarra website for both iOS and Android devices, so that customers can access it more easily.	Developed by IT specialists and own development.	1000€
9. Get a 15% online discount on the website if you buy Calzados Segarra products and subscribe to Segarra Premium.	Developed by the marketing team and own development.	0€
10. Reward the first 100 customers who buy 5 or more Calzados Segarra products per year with a gift or a present.	Own development.	500€ per year
11. Promoting sweepstakes through Chinese influencers.	Own development.	10000€

**TOTAL BUDGET= 130500€**

**Control:**

**Table 6. Control plan**

OBJECTIVES	MEASURING FREQUENCY	CONTROL METHOD
1- Increase relations with potential retail customers and therefore increase relations with Chinese distributors by 10% in the next 12 months.	Quarterly	Observe by what percentage the commercial department has increased the contracting with Chinese retailers and distributors.
2- Increase visits to the company's online shop by 15% of the Chinese population over the next 12 months.	Biannual	That the marketing team observes statistically the number of visitors to the website coming from China.



3- To obtain a 90% satisfaction of the Chinese customers in 12 months.	Four-monthly	Conduct a satisfaction questionnaire with Chinese consumers asking them mainly what they thought of the service they were given.
4. To ensure that 0,5% of Chinese inhabitants are familiar with the Calzados Segarra brand.	Four-monthly	Do a street survey of 10,000 Chinese people and ask if they know the brand.
5- Increase sales in the Chinese online market by 5% in the next 3 years.	Biannual	Review the previous year's sales to see if sales in the Chinese online market have increased.
6- To increase Calzados Segarra's profits in the Chinese market by 5% in the next 3 years.	Biannual	Review the profits made in the previous year in the profit and loss account to see if profits are increasing in the Chinese market.

*Source: Own elaboration*

## **9. CONCLUSION**

We can conclude that although it is really very difficult to enter new markets that are totally unknown, if you are ambitious and willing, you can succeed even if it is just to break into this market. In this case, the Chinese market, a market that as we have seen is very controlled by the government and which is characterised by protectionism and the difficulty of being able to enter this market without any type of control by the government. Although being the footwear market we think that it is not so complicated to enter this market, since the government also benefits in part that there is more competition and the footwear market is not at all suspicious of standing up to the government or saying something they do not like, which is what the government tries to avoid.

Therefore, in the world of premium footwear in China we can see how there is an abysmal growing competition, mainly from European companies such as Italian or Spanish, but also partly from the United States. Thanks to the fact that China is gradually increasing as an economic power and is already the largest power in the

world and therefore this also makes its citizens have more purchasing power and want to buy these products considered luxury.

We think that with all the actions and objectives that we have proposed, there is the possibility of having some success in China, as we have prioritised, for example, entering the digital world fully in China and also that the most loyal customers get prizes and discounts. Since we think it is very important to offer incentives to our customers and of course that they see that we have a presence in social networks so that they can follow all the news and the latest movements of the company, that is to say, that they are up to date with the company. This is one of the essential things nowadays, together with the investment in new technologies such as Big Data, in order to be able to face the competition, which is becoming more and more difficult.

## **10. LIMITATION AND FUTURE RESEARCH**

After finishing the study and the corresponding research mainly on China, a world that is quite unknown in our country, therefore the cultural differences between the 2 countries that we have seen and commented on must be taken into account. Very significant differences that when doing business can have an influence because also the personality of the Chinese people should also be taken into account as they are also people with cultures and thoughts really different from ours, so it is important to take into account all this.

As for the competition, as we have observed, we have analysed Spanish companies that are dedicated to the footwear sector, mainly luxury footwear. But we must know that there are many more brands outside Spain, which we have not taken into account, coming from Italy or USA for example, which are obviously also our competition and that is why the competition in this world is so fluctuating and with so many companies fighting to be the companies that sell more premium shoes in China. We have taken into account only those from Spain, because as we have said, are the companies that we have more direct competition we have, as they meet the same characteristics as us, ie, are Spanish and therefore have the quality brand highly appreciated by the Chinese "Made In Spain" is why we have considered the Spanish companies the most important competition for us.

Finally, we would like to comment that what we have sought in this work is also to make the reader aware of the Chinese characteristics in the market and thus observe that it is not impossible to enter Chinese trade, as most people thought that entering Chinese trade was impossible due to the protectionism that exists on the part of the government. Therefore, in this study we show how there are different companies that do operate and trade in the Chinese market and make a lot of profit. This study has also shown us the most essential parts of the marketing mix that help us to move forward and obtain benefits of all kinds. Although it may seem a costly path, nothing is impossible and it is perfectly achievable.

## **11. BIBLIOGRAPHY**

- ICEX (2019) “Confección, calzado y complementos en China”. 2 Oct. Downloaded from:  
<https://www.icex.es/icex/es/navegacion-principal/todos-nuestros-servicios/informacion-de-mercados/paises/navegacion-principal/el-mercado/estudios-informe/s/DOC2020846129.html?idPais=CN>
- El Confidencial (2018) “La nueva clase alta china dispara los ingresos de la industria mundial del lujo”. 26 Dec. Downloaded from:  
[https://www.elconfidencial.com/empresas/2018-12-26/industria-lujo-perfumeria-cosmeticos-informe-bra\\_1713382/](https://www.elconfidencial.com/empresas/2018-12-26/industria-lujo-perfumeria-cosmeticos-informe-bra_1713382/)
- Irun, B, (2022): “VIU observa grandes diferencias en las economías europeas” 15 Feb. Ed. Diario Abierto. Downloaded from:  
<https://www.diarioabierto.es/598636/viu-observa-grandes-diferencias-en-las-economias-europeas>
- ICEX (2020) “El mercado del calzado en China”. 13 May. Downloaded from:  
<https://www.icex.es/icex/es/navegacion-principal/todos-nuestros-servicios/informacion-de-mercados/estudios-de-mercados-y-otros-documentos-de-comercio-exterior/DOC2020852280.html>
- ICEX (2021) “Red de Oficinas Económicas y Comerciales de España en el Exterior”. Downloaded from:  
<https://www.icex.es/icex/es/navegacion-principal/todos-nuestros-servicios/infor>

[macion-de-mercados/paises/navegacion-principal/el-pais/informacion-economic  
a-y-comercial/sector-exterior/index.html?idPais=CN#28](https://www.opportimes.com/exportaciones-de-calzado-de-espana-3373/)

- Opportimes (2020) “Exportaciones de calzado de calzado de España alcanzan US\$ 3,373 millones” 26 May. Downloaded from:  
<https://www.opportimes.com/exportaciones-de-calzado-de-espana-3373/>
- Santander Trade (2022) “Política y economía China” March. Downloaded from:  
<https://santandertrade.com/es/portal/analizar-mercados/china/politica-y-economia>
- Santander Trade (2022) “Entorno Legal en China” March. Downloaded from:  
<https://santandertrade.com/es/portal/establecerse-extranjero/china/entorno-legal>
- ICEX (2018) “China, referente tecnológico mundial” Sept. Downloaded from:  
<https://www.icex.es/icex/es/navegacion-principal/todos-nuestros-servicios/informacion-de-mercados/paises/navegacion-principal/noticias/NEW2018801456.html?idPais=CN>
- Yuval Atsmon, Jean-Frederic, Jeongmin Seong (2012) “Building brands in emerging markets” 1 Sept. Ed. Mckinsey. Downloaded from:  
<https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/building-brands-in-emerging-markets>
- Hispanoasian (2017) “La Publicidad en China” 28 Aug. Downloaded from:  
<https://hispanoasianbusinessconsulting.wordpress.com/2017/08/28/la-publicidad-en-china/>
- Xuetong, Yan (2019) “Leadership and the Rise of Great Powers”, Princeton: Princeton University Press.
- López-Tarruella Martínez, Aurelio (2012) “El comercio con China”, Valencia: Editorial Tirant Lo Blanch.
- Irún Molina, Beatriz (2016) “Comprar en china. Recursos clave para el emprendedor.” Valencia: ESIC

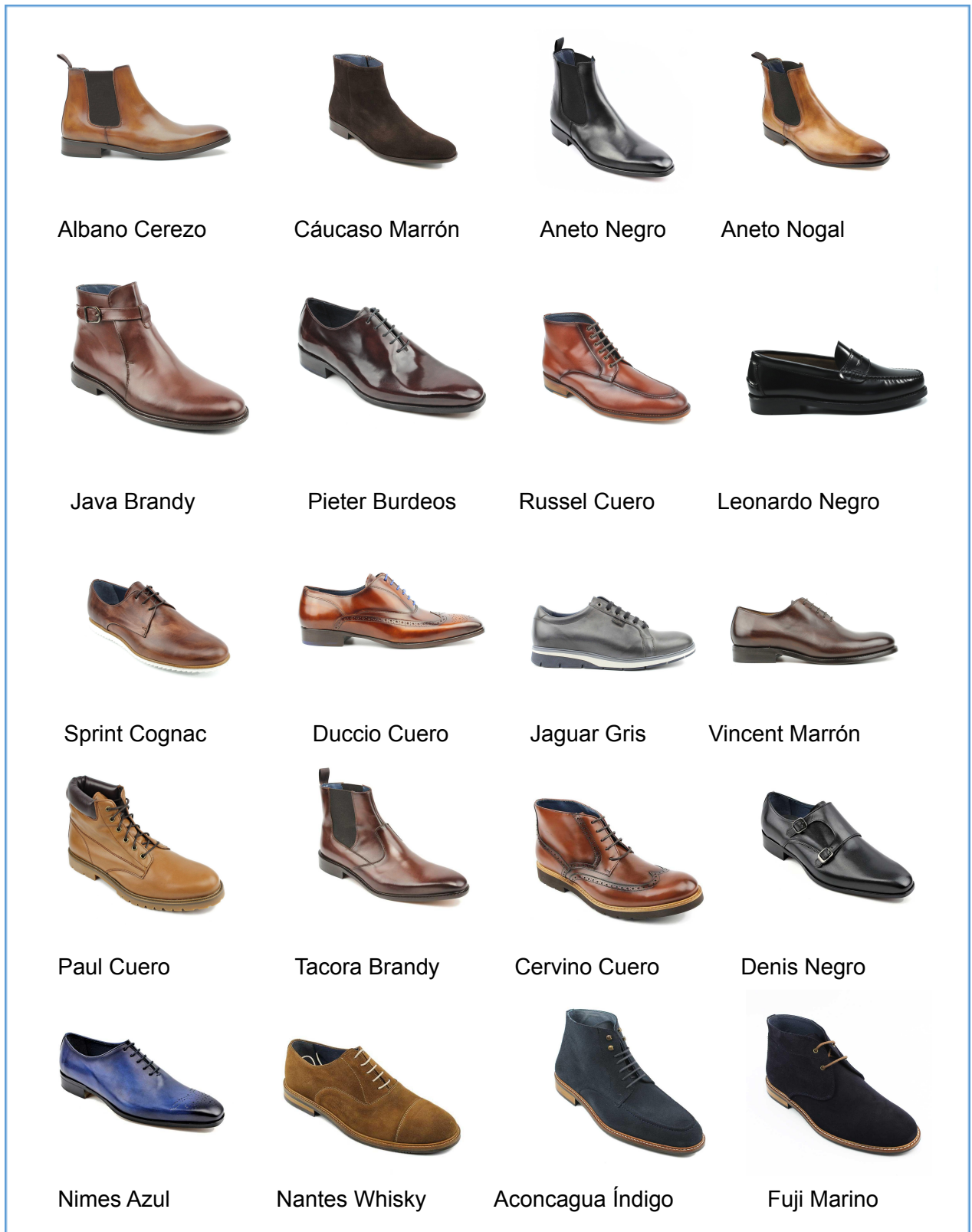
## 12.ANNEX

Figure 29. Premium women's shoes



Source: Website of Calzados Segarra, own elaboration

Figure 30. Premium men's shoes



Source: Website of Calzados Segarra, own elaboration

**Table 7. Women's models**

<b>Models</b>	<b>Price</b>
Mary Brandy	<b>234,95€</b>
Grace Negro	<b>239,95€</b>
Cosette Brandy	<b>250,95€</b>
Ingrid Negro	<b>230,95€</b>
Amelie Brandy	<b>250,95€</b>
Brynda Brandy	<b>243,95€</b>
Brynda Negro	<b>243,95€</b>
Cosette Negro	<b>250,95€</b>
Monica Negro	<b>215,95€</b>
Brigitte Taupe	<b>242,95€</b>
Brigitte Negro	<b>242,95€</b>
Martha Burdeos	<b>239,95€</b>
Aline Marino	<b>242,95€</b>
Helena Negro	<b>234,95€</b>
Lorena Brandy	<b>260,95€</b>
Samantha Rosa	<b>201,95€</b>
Anabel Negro	<b>242,95€</b>
Nasau Cuero	<b>228,95€</b>
Alexa Testa	<b>215,95€</b>
Bely Negro	<b>218,95€</b>

*Source: Own elaboration*

**Table 8. Men's models**

<b>Models</b>	<b>Price</b>
Albano Cerezo	<b>244,95€</b>
Cáucaso Marrón	<b>236,95€</b>
Aneto Negro	<b>238,95€</b>
Aneto Nogal	<b>238,95€</b>
Java Brandy	<b>240,95€</b>
Pieter Burdeos	<b>225,95€</b>
Russel Cuero	<b>240,95€</b>
Leonardo Negro	<b>149,95€</b>
Sprint Cognac	<b>216,95€</b>
Duccio Cuero	<b>225,95€</b>
Jaguar Gris	<b>179,95€</b>
Vincent Marrón	<b>545,95€</b>
Paul Cuero	<b>224,95€</b>
Tacora Brandy	<b>236,95€</b>
Cervino Cuero	<b>225,95€</b>
Denis Negro	<b>227,95€</b>
Nimes Azul	<b>225,95€</b>
Nantes Whisky	<b>214,95€</b>
Aconcagua Índigo	<b>236,95€</b>
Fuji Marino	<b>209,95€</b>

Source: Website of Calzados Segarra, own elaboration