



Pandora - The Business

Pandora is a Danish concept centred on a patented collection of high quality silver and gold charm bracelets designed for women who want to create their own look and signature style.

1999 saw the launch of Pandora's revolutionary charm bracelet in the Danish market. Consumers quickly embraced the concept, and Pandora grew hand in hand with the increase in demand – achieving distribution in major markets in the USA, Canada, Asia and Europe. Pandora has since developed into one of the world's largest jewellery companies, with products in 6,200 stores across 22 countries. Today millions of people around the world own Pandora jewellery with a new piece of Pandora jewellery sold on average every 2 seconds.

Pandora was introduced to the Australian and New Zealand markets in 2005, and since that time Pandora Australia has shown exciting growth and has firmly established itself in the domestic market.



Unparalleled Growth

Over a span of just 3 years Pandora increased its distribution presence in Australia alone from 6 to over 500

The Challenge

PANDORA's growth in the Australian market has been nothing short of outstanding, growing from 6 points of presence to over 500 in the space of 3 years. This success however hasn't been without its challenges, and as Pandora positioned itself for its next phase of growth the network was facing some very real challenges:

- Rapid and unplanned growth resulted in a network with high coverage but low market penetration and little span of control
- The PANDORA brand and products were being used in ways not congruent with the brand's image, effectively 'cheapening' the brand and sending the wrong message to consumers.

The Benefits of Diversification

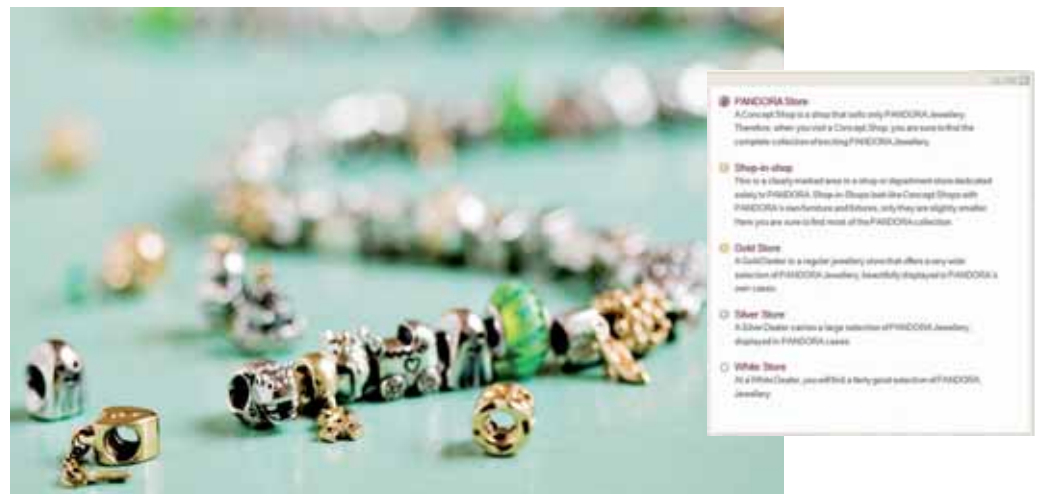
Diversifying distribution channels allows for maximum penetration –targeting the desired market segments with the right channel mix

The Solution

Pandora was ready to move to the ‘next’ level and achieve the dominance and market presence shown by its international counterparts in Europe and the US. Pandora undertook a phased approach to developing its distribution channel, gradually moving from pure distribution to store-in-store and dedicated stores. DC Strategy (DCS) worked with Pandora to develop a network strategy that involved the store-in-store and owner operator models to increase the presence of the band in the market.

The solution included the following elements:

- **Development of a Tiered Distribution Model** – classifying distribution partners into discrete groups facilitated a shift from the original high number of points of presence and low control model to a model with greater control over market positioning, branding and product supply
- **Introduction of a Shop in Shop Model** – The shop-in-shop concept allowed greater control over the brand and provided a distinct and focused market presence
- **Rollout of Dedicated Pandora Stores (utilising franchising)** – Key to the strategy was positioning the network for the rollout of fully branded ‘Concept’ stores which focus exclusively on the sale of Pandora. This phase was an essential step not only in repositioning Pandora as a premium, upmarket brand; but also in expanding the distribution network and creating greater levels of control in product supply and distribution.



The Outcomes

Following DCS’s engagement, Pandora is continuing to expand its Shop-in-Shop and ‘Concept’ store network across Australia. The network is a diversified combination of wholesale and retail business models that provide sufficient breadth and depth in the market. Pandora is well positioned to continue to drive growth in Australia and cement its position as one of Australia’s leading jewellery retailers.

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