

**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.

**Positioning for Success**

The development of an international business model is far more complex than the simple preparation of a legal agreement with some key commercial parameters

The Challenge

A key challenge in bringing the Pandora concept to Australia was creating a strong market awareness and pull for its products in conjunction with selecting the right business model determined by the issues and specific requirements of operating the business in the Australian market, rather than being based on the past domestic success or the limited view of familiar business models.

Pandora had to consider the following issues in developing its Australian business model:

- Close management of lead times and product supply from its offshore production facilities
- Sufficient support staff to support a geographically expansive distribution network
- A need for controls over distribution partners
- A need for strong marketing to position the company with Australian consumers

The useful life of International Business Models

Any international business model tends to have useful life of 5-7 years before change or evolution is required

The Solution

The choice of business models when expanding into international markets requires the development of a detailed economic, commercial, legal and country specific perspective and a multi business model strategy is a possible outcome.

The key issues faced during this phase commonly include:

- The development of a business model is far more complex than the simple preparation of a legal agreement with some key commercial parameters
- The choice of business model is often ill-considered or does not reflect the realities of the countries selected for expansion
- It is important to consider not only the entry business model, but also how the business model needs to evolve over time
- The integrity of the international business model is the major driver of future asset value which is more relevant than the number of countries

**The Outcomes**

Pandora Australia undertook a phased approach to developing its Australian distribution channel, gradually moving from pure distribution to store-in-store and dedicated stores. DC Strategy worked with Pandora Australia to develop a network strategy that involved the store-in-store and branded retail stores to increase the presence of the brand in the domestic market. Pandora Australia has developed a network of over 500 points of retail presence in just over three years.

The solution included the following elements:

- Development of a tiered distribution model
- Introduction of a store in store model
- Rollout of dedicated Pandora stores

Pandora Australia is continuing to expand its network across Australia and cement its position as one of Australia's leading jewellery retailers.

DC Strategy Contact Details**International Head Office**

Level 5, 530 Collins Street,
Melbourne VIC 3000 Australia

growth@dcstrategy.com

www.dcstrategy.com

Australia

Melbourne +61 (0)3 8102 9200

Sydney +61 (0)2 8220 8700

Brisbane +61 (0)7 3015 7600

Perth +61 (0)8 6222 1011

Canberra +61 (0)2 8220 8700