

Sélectionner le marché

Introduction Raidlight

Raidlight was founded by Benoit Laval in 1999, a textile product designer and a world-class train runner. Raidlight began like many other start-ups, in a garage with skilled and motivated employees, 10 products, a small website and 2 trestle tables at races. Now, it is a small and medium enterprise which sells sportswear products, especially for trail. Raidlight sells trail products and accessories (shoes, jackets, bags etc..) with innovative and light designs. 60% of their products are made with recycled polyester. Raidlight provides quality, innovative and eco-friendly products, made in France that is one of their main strengths. We could also add the values of the company with a friendly atmosphere that is really the DNA of Raidlight. As they mostly work in BtoB and BtoC, they sell their products in stores and also e-commerce which is not only in Europe, but also outside Europe like Australia, Chile, Vietnam, and Guatemala.

However, today Raidlight wants to expand into another market and it is faced with a choice between the Switzerland or Austria market.

2 Switzerland's profile

Switzerland is a country in Europe with its capital city called Bern. It's a small country with a total population around 8 million people. As Switzerland is home of diversity, they have 4 official languages which are German, French, English and Italian.

Concerning the level of development, Switzerland is considered as a high-income country with the fourth largest capita in the world. And also in the first rank of human development index over 191 countries. Switzerland is classified in A2 level in terms of country risk, and A1 for business environment.

Swiss's profil :

- Very patriotic and favors products made in Switzerland.
- They have high requirements for products such as innovation, very quality, etc.

Austria's profile

Austria is a country that belongs to the UE, its capital is Vienna. It is a country of approximately 9 million people. German is the spoken language of Austria.

Concerning the level of development, it is one of the highest in the EU with a GDP of 44 135€ per capita which makes them in the rank of 15 richest countries in 2021, the rank of Austria in the human development index is 19. The country's risk rating is A3. The business climate rating is A1. Austria is dependent on Foreign trade since Austria's economic exports account for 55% of its GNP in 2018/2019 and it continues to go this way until now. Which means Austria's market is an open market for outside businesses.

Austrians profile :

- Austrians are in capacity and ready to pay more for an article with better quality because it's an important criteria for them.

Criteria	Weighting (1 - 5)	Switzerland		Austria	
		Score	Weight	Score	Weight
Geographic/demographic aspects of the countries : - Environmental aspects - Accessibility with transports - Level of development of the country	4 2 3	4 2 3	16 4 9	4 1 2	16 2 6
Accessibility of the market : - Political agreements, - Economical aspects - Business climate	4 2 4	4 2 4	16 4 16	4 2 4	16 4 16
Market potential : - Consumer's behavior - Image of french products - Evolution of the demand - Competition in the market	5 3 3 4	2 1 1 4	10 3 3 16	4 2 3 4	20 6 9 16
Final Score	34	29	97	31	111

Criteria explication and argument

Geographic/demographic aspects of the countries :

- Environmental aspects

Switzerland has over 65 000 km of hiking and running paths. If we compare its size, Switzerland has an area of 41,285km². Which means there is 1,5km hiking path every 1km². This translates to the fact that sport culture, especially in trails, has grown abundantly.

Austria has the largest portion of the alps among the eight Alpine countries, roughly 29%. The Alps cover 63% of the country's territory. It plays a big role in hiking and trail culture in Austria. It also makes it an attractive destination for all outdoor enthusiasts, from skiers, mountaineers, and hikers inside or outside this country. This has been proved by the big numbers of ski stations they have, around 254 stations. This also makes them one of the most ski practicing countries in the world after Switzerland. The Austrian Alps offer different levels of hiking and trail tracks from beginner, intermediate until professional.

- Accessibility with transports

For both Switzerland and Austria, these 2 countries are pretty much Geographically accessible from Raidlight's office. It's one of the opportunities for Raidlight in terms of the company's mobility. As we are aware, Raidlight has only 40 employees and it would be easier for their staff to travel. Either by plane, train, bus, shuttle, night train or car. However, we scored less for Austria just because of the distance which is a little bit far than Switzerland.

- Level of development of the country

For both countries, we can consider that they have a good level of development even if Switzerland is a bit better than Austria. Which means, Switzerland occupies the first rank in the Human Development Index, while Austria is on 19 rank. And in terms of GDP, Switzerland occupies the fourth place and Austria is on 15 rank.

RÉSUMÉ :

Accessibility of the market :

- Political agreements.

France is a priority partner of Swiss foreign policy. Relations between the two countries are governed by numerous bilateral treaties and by the agreements concluded between Switzerland and the EU. Bilateral cooperation focuses in particular on economic matters, cooperation in research and innovation, and infrastructure projects

It goes the same way as France and Austria. What's more, they have friendly and close relations. For example, when they join the Declaration on Counter-Terrorism in 2020 together, etc.

- Economical aspects

Both Switzerland and Austria have a good economical relation with France.

France is Switzerland's sixth most important trading partner. In Switzerland, there are 1,500 French companies, employing around 71,000 people. More than 200,000 people cross the Swiss-French border every day to work in Switzerland

While France is Austria's seventh largest supplier.

Austria's economy keeps increasing and it favors more and more innovation and ecological products. The economy of Austria comes from tourism in different fields and most of the tourism is from the EU. Also, according to statistics in 2020 and updated in April 2023, more than 350 subsidiary companies of French groups are present in Austria, which employ more than 21,500 people and have a turnover of 7.3 billion euro.

In addition, Austria has a high-performance niche economy and its economy is mainly driven by SME. IT favors Raidlight as SME !

However, Austria has a close relation with Germany. Germany is by far Austria's most important economic partner. With an annual trade volume of around 100 billion euro. Numerous German companies have branch offices and production facilities in Austria. Austria is also dependent on Russia's gas. Because the price of gas is increasing after the Ukraine War, Austria now is facing inflation with 2 % more in 2024 according to Statista and the value of goods and services will probably increase.

- Business climate

Both countries has A1 level in business climate

Market potential :

- Consumer's behavior

The Swiss consumer has one of the strongest purchasing powers in the world. The local culture searches for performance and innovation. Which means Swiss people think about quality over price. For example, they have a budget of 2500 Swiss Franc every year for sports. However, the Swiss are quite nationalist. They favor more Swiss products.

Austrians are ready to pay more for an article with better quality because it's an important criteria for them. There are only 2.5 million online shoppers in Austria for now or 39% of the country's population. And by 2024, more than half of Austrians will shop online. Austrians also like to be physically present when the product is delivered, which is why they are increasingly having it delivered to their workplace even if they do it online.

- Image of french products

According to the French government website, France is Austria's seventh largest supplier. French products are located at the 7th rate for Austrians. it means, they have a good perception and consideration of products made in French according to Statista in 2023.

- Evolution of the demand

People in Austria are increasing from 8.54 million in 2014 to 9.22 million in 2024. Austria has one of the best GDP/capita in purchasing power parity in the EU which is 44 135€/capita in 202. According to Statista, the sports that normally Austrians do are hiking (in the top list), swimming, cycling, fitness and running which are practiced by people at age 18-64 years old. So, the need for products like Raidlight's products will increase too. Moreover, Austria is one of the most tourist places in the EU too. Which means, the demand of raidlight products will be Austria people and at the same time their tourism.

- Competition in the market

France's market share in Austria is 3% which represents exports around 4 billion € in 2019. Meanwhile, the French market is an important benefit for Austria since we are its 5th largest customer in 2019 with €6 billion in imports. However, Austria has a small market already well covered by competitors such as Germany, Italy, China and the United States.

Moreover, the international brands like Nike, Adidas, don't have a wide range like Raidlight. We could identify 2 main competitors : Salomon and The North Face. Those 2 brands are popular for many products and are also developed for winter sports. On a local scale we could identify competitors such as Komperdell, Dachstein. These 2 brands seem to have similar products with identical values that could create competition if Raidlight internationalizes their products.

Nevertheless, according to The Directorate General of Economics of Austria, the current "Market Strategies" of Austria are to establish a business-friendly environment and promote innovation and new technologies, assist start-ups and ensure unrestricted access to the market.

And since Raidlight has a good perception of the product, it can always try to enter the market by relying on their values (quality and eco-friendly product, etc). And one of the most important is that there are no tariff barriers for Raidlight to enter Austria's market thanks to the EU trade agreement.

3 financial and implantation :

After reflection we think that the country with the most potential would be Austria because the culture of trail is constantly increasing in Austrian's mind. The main criterion is the fact that Austria's economy is made through SME, The patriotism of Switzerland's would be a disadvantage for Raidlight especially with the big competitors present on the market (On, Revario). Raidlight won't have to face the tariff barriers that are a crucial point for their expansion.

In Austria, Raidlight will firstly be present on an online shop with German language and delivery available in Austria. It will also be present on sportswear stores such as Intersport that is really present in Austria and also in specialized stores such as Alpin Loacker Gmbh If the internationalization works,