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PREPARED BY:

MONIQUE MCLINTOCK  
SOLVEIG KREY  
CHRISTINA STEIMEL  
DUNCAN WILCOCK  
ALEXANDER STEMPFLE

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## INTRODUCTION

Red//Green is a Danish producer of high-quality sports fashion ware. It targets the market sector that wears clothes in order to radiate quality, health and activity. The age of the customer segment is 36 to 60 years. The target group are men and women who want to be identified with “the young, rich and beautiful”, and who have a large clothes budget at their disposal.

Until now, RED//GREEN has given high priority to the Scandinavian markets and the close European ones. As the company received a capital injection of DKK 80 million from private investors, it intends to expand globally. It is our aim as consultants to investigate the potential advantages and market potential that exists in Australia.

The authors will analyse whether the European concept of RED//GREEN will transfer successfully to Australia. We gathered information from a variety of sources, including the CIA World Fact Book, the Australian Board of Statistics, and the Australian Retail Association. In addition we conducted two telephone interviews – one with a RED//GREEN representative at the UK office and with an Australian reseller of RED//GREEN apparel in Sydney, Australia. The results of our investigations were critically analysed in group discussions and further developed from theory contained numerous textbooks and journals. A detailed reference list can be found at the end of the report.

## MARKET ANALYSIS

### MACRO ENVIRONMENT

#### *POLITICAL MACRO ENVIRONMENT*

##### **Political Relations between Europe and Australia**

According to the European Commission Delegation to Australia & New Zealand (ECDEL, 1997), the European Union and Australia remain natural political, economic and social partners. The EU is Australia’s largest economic trade partner in merchandise goods, services and investment. Politically, the EU and Australia have a similar democratic parliamentary system of government. Ministerial consultations between the European Commission and Australia started in 1976 covering a wide range of issues. They evolved from talks on bilateral trade issues to cover multilateral trade matters and international relations, development aid programmes, industrial cooperation, science and technology, environmental protection, education and training, competition and consumer policy.