

How Can a New Brand Enter the U.S. Market: A SWOT Analysis of the Amor Dance Company

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Driven by the trend of DanceSport, Amor Dance wants to enter the North American market to sell its high-quality and well-designed professional/amateur dance shoes. In the current study, a Strength/Weakness/Opportunity and Threat analysis is adopted to analyze the customer and the current market. Based on the results, two strategies are proposed: (1) to use Amor Dance's higher quality to attract more professional dancers, for whom price is not an important consideration in the North American Market, and (2) to manufacture in China in order to reduce the cost.

Keywords: SWOT Analysis, DanceSport, marketing strategy

Introduction

Market background: Driven partly by the popularity of TV show "Dancing with the Stars", which is shown in more than 30 countries, the DanceSport market has grown tremendously, receiving a good deal of attention from people who are not professional dancers. Competitive ballroom and Latin dancing have been popular for many decades. Since its founding, the World DanceSport Federation has grown to 92 national member associations, with nearly 23,000 individual members. Another international organization, the World Dance Council (WDC), was established in 1996 with representation from Australia, Austria, Belgium, Ceylon, Denmark, France, Germany, Great Britain, Holland, Ireland, Italy, Japan, Norway, South Africa, and Switzerland (Dudzik & Gröppel-Klein, 2005). Whereas participants were initially mostly confined to a fairly narrow age group, today events under WDC regulation welcome dancers from their early teens to their 70s.

One major factor in the increasing interest in ballroom dancing is the widespread popularity of television shows "Dancing with the Stars" in the United States and "Strictly Come Dancing" in the UK. In the US, the show has run for 16 consecutive seasons, broadcasting over 400 episodes, each attracting nearly eight million viewers (Chu & Wang, 2012). Versions of this show are produced and broadcast in 31 countries including Germany, Australia, Argentina, Sweden, France, South Africa, and Colombia, confirming a strong, popular interest in ballroom and Latin dancing across the world. This sustained interest suggests that, in addition to offering a sport, a healthy pastime, and a social vehicle, DanceSport represents a significant business opportunity.

In the US, there are 66,614 dance-related businesses, and the revenues from dance schools alone are nearly 3 billion US dollars (Ershova & Smirnov, 2019). Dance students range from those who want to learn to dance

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for fun to those who seek to become professional dancers. There are over 52,000 competitive dancers in the world; these competitive dancers earn around \$25-35K per year through coaching and other dance-related services (Polonsky & Speed, 2001).

The World DanceSport Federation (WDSF) is just one of several international bodies that oversees, organizes, and sanctions international, regional, and local dance competitions. Recently, WDSF alone sponsored 76 competitions around the world in just one weekend. Each competition has the potential to attract over a thousand participants, and the more popular competitions can attract several times that number (Gürel & Tat, 2017). Like almost any other sport, sport dance contestants require shoes specifically made to support their feet and ankles while allowing for the intricate movement that the dance requires. The three main types of shoes for DanceSports are teacher shoes used for coaching class or practicing for long periods; Latin shoes used for Cha-cha, Rumba, Samba, Jive, and Paso Doble; and Standard shoes used for Waltz, Tango, Foxtrot, Viennese Waltz, and Quickstep (Choi, 2004). Competitive dancers usually own 2-10 different pairs of shoes, which wear out quickly after just a few competitions and must be replaced (Gu, Ren, Li, & Rong, 2010). Shoes designed for female dancers are usually elaborate, elegant, and eye-catching and can cost from fifty to several hundred dollars per pair. The total amount spent on shoes depends on the dancer's skill and popularity: a skilled dancer who has won a national title is likely to be sponsored by a shoe or dance wear company. Professional DanceSport participants without sponsorship can spend up to 30,000 USD a year on equipment, travel, etc. (Meenaghan, 1991).

Company background: Amor Dance produces and sells dance shoes to amateur and professional ballroom/Latin dancers who are seeking comfortable and fashionable dance footwear. Amor Dance produces dance shoes in three main categories: Latin, Standard, and Teacher/Practice shoes.

Amor Dance was established in February of 2020 as a Limited Liability Company (LLC) under the laws of the State of Massachusetts. A model of a DanceSport shoe for women was developed in-house and sent to China for manufacture (Ceglowski & Golub, 2011). A prototype was received in July 2020, and in August, Amor Dance placed an order for 50 pairs in three different sizes. These were received in September 2020. This initial order was intended to be used for promotional purposes but, beginning in January 2021, and some of the shoes have been sold to sport dancers.

Amor Dance aims to double the number of shoe pairs sold in the first five months of 2021, hoping to reach a total of 400 pairs sold among these three categories: Competition shoes for professional sports dancers; Competition shoes for amateur sport dancers; Practice shoes for both professional and amateur sport dancers. With the right capital available to ramp up the business, within the next three years the company expects an annual output of 2,000 pairs of dance shoes. Within five years, it expects to sell more than 10,000 pairs of dance shoes each year. Currently, the product is shipped from the factory in China to the Amor Dance distribution center in Massachusetts, and then the customer. In the near future, the company expects to initiate direct shipment from the factory to the consumer (Lee, Hyun, & Kim, 2018). A more detailed account of the performance-to-date status can be found in the SWOT analysis of financial factors.

To increase profitability and sales, Amor Dance needs to continue producing high-quality products while focusing on marketing to establish a stronger brand image. Information gained from the SWOT analysis will guide Amor Dance on strategies based on financial and marketing factors.

SWOT Analysis

In this section, we offer a SWOT analysis (Helms & Nixon, 2010) that can help develop strategic planning by assessing the four aspects of Amor Dance business.

Strengths

A strength that Amor Dance exhibits is in the way in which the product is available in a variety of custom designs. This is an attractive feature of dance shoes and represents a strength in attracting different types of consumers (Visser, Gattol, & Helm, 2015). Consumers can customize the heel height to their specified level, choose from a wide variety of colors and styles that suit their personality, and select from different types of materials that they feel are most comfortable to wear (Pickton & Wright, 1998).

Another strength that Amor Dance exhibits is its target-marketing strategies that focus on both professional and amateur consumers. Targeting each category separately is essential, since the professional group will choose high quality over price, and amateurs tend to choose price over quality (Jain, 2001). Launching both professional and amateur dance shoes will tap into the demand for both high-quality, high-priced shoes as well as more value-priced options serving a greater number of consumers and therefore earning greater profits.

Weaknesses

One weakness facing Amor Dance is the challenge of competitive pricing. The current business model has Amor Dance designing dance shoes in the US and having them manufactured in China. While this reduces manufacturing costs, there are shipping fees, taxes, and tariffs to be considered (Lepthien & Clement, 2019). As a result, the US retail price of the same model shoe sold to the customer in China is higher. Comparing Amor Dance prices to the price of other American local dance shoe companies, such as Capezio, reveals that Amor Dance shoes are nearly double the cost, coming in at anywhere from \$85 to \$100 per pair (Radelet & Sachs, 1998).

Another weakness is brand awareness. The company is relatively new and has not yet developed brand loyalty within the dance community, which hurts their bottom line when trying to compete with more well-known brands. Therefore, an increased budget to support more aggressive target marketing is crucial to place Amor Dance shoes as a preferred option for dancers.

Opportunities

There are many popular social media platforms such as TikTok, Instagram, and Facebook in the U.S that provide effective and efficient marketing opportunities to reach potential consumers and advertise the product. Working directly with one or more social influencers in the sport dance world or even simply posting videos of a popular dancer wearing Amor Dance shoes could attract consumers attention and make the brand more recognizable in the market (Potts, 2007).

Sponsorship is another opportunity to grow brand awareness internationally. Sponsoring national (Simmons & Becker-Olsen, 2006) or international competitions (Cavusgil, Knight, & Riesenberger, 2011) will target both new and more experienced professional dancers.

Tapping into the current popularity of ballroom dancing in Russia is another opportunity for expansion and brand awareness. The Russian market is huge, and Amor Dance has thousands of potential buyers in Russia who will be seeking new styles.

Threats

In the dance shoe market, many international companies are relatively well-known competitors of Amor Dance. These competitors are the current sponsors of world top dancers who bring their credibility and fame to the companies, helping them gain the trust of their target market. International Dance Shoes, Aida Dance shoes, and BD dance shoes are considered Amor Dance's top three competitors since they all have large shares of the American, Russia, and Chinese markets.

As mentioned earlier, the current and future states of export and tax policies have the potential to derail profits or even cause the company to cease manufacturing overseas (Prantl & Spitz-Oener, 2013). Amor Dance plans to continue manufacturing in China; as a result, they are vulnerable to any changes in trade policy because this can lead to huge cost increases on the retail end. Unexpected difficulties in importing and exporting products can occur if the trade relationship between China and the U.S. continues to degrade. The US and China have not been on the best trade terms, but the election of a new administration in the US may ease tensions, although it is difficult to predict the future trade relationship between these two countries.

Table 1

SWOT Analysis

Strengths <ul style="list-style-type: none"> • Design variety • Different categories for consumers to choose • High quality • Uniqueness 	Weaknesses <ul style="list-style-type: none"> • Financial support • Supply chain
Opportunities <ul style="list-style-type: none"> • Russian market • Sponsoring competitions 	Threats <ul style="list-style-type: none"> • Trade policy • Foreign image • International dance shoes • Aida Dance shoes • BD Dance shoes

Conclusion

In this paper, we analyzed the products, market, supply chain, and the competitors of Amor Dance Shoes through the lens of the SWOT analysis, and we concluded that (1) the strength of Amor Dance Shoes is in its wide variety of design and high quality. This can attract more world-class dancers to purchase the dance shoes and in turn reach other target markets; (2) The weakness of the company is its low brand recognition and that it does not have a reliable and well-developed supply chain; (3) the opportunities of Amor Dance Shoes come from increasing brand recognition through sponsoring social media influencers and professional, well-known dancers; and (4) the threats the company faces are other dance shoe companies who have strong brand recognition and consumer loyalty. Based on SWOT we developed the following strategies that will open the market and promote profitability for Amor Dance.

Marketing Strategies

Three major marketing initiatives, all in the digital communications arena, will help develop brand awareness and loyalty. One is to target well-known, competitive sport dancers who can serve as marketing ambassadors for Amor Dance by wearing and promoting Amor sport dance shoes in competitions. Currently, Amor Dance directly sponsors three couples, and the list of sponsored athletes will expand to reach a larger audience. Another is to target social influencers in the world of dance to act as spokespeople by promoting

Amor shoes on social media in return for free competition and practice shoes. The company needs to take full advantage of social media channels such as WeChat, Instagram, Facebook, SnapChat etc., segmenting their target to sport dance enthusiasts.

The final recommendation is to build a convenient shopping channel directly through Amor Dance Website (<https://www.aloriadance.com>) so that dancers can order shoes directly from the company's website, avoid the middleman, and enjoy the interaction with the customer service representatives who are employed by Amor Dance, helping create a more personalized experience.

Pricing Strategies

A thorough analysis of its competitors' pricing and its relation to the quality of its products shows Amor Dance is equalling or exceeding their competitors' quality while keeping prices slightly lower for similar shoes. Amor Dance actively seeks customer acquisition by discounting prices in the run-up to holidays and by targeting celebrations and national dance competitions. We suggest that Amor Dance use price skimming as a tactic to build a strong customer base.

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