Strategic Brand Repositioning:

Accessing Upscale Markets

- A comparative study of Hästens Sängar and Arbesko AB

Master thesis within Business Administration

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Subject terms: positioning, repositioning, brand identity, touchpoints

Abstract

Introduction

Repositioning is perceived as a feasible mean for a strategic change that companies are willing to take in order to boost their competitiveness and differentiate themselves on a national and global scale. One of the possible strategies companies could use is to leverage their brand to access upscale markets, this promising higher margins, emerging high-end segments and fewer competitors. In exchange of the benefits of using this repositioning strategy, companies have to offer a higher level of quality and greater value proposition to the end-customer.

Purpose

The aim of this paper is to develop a framework for better understanding the key success factors of brand repositioning undertaken by companies intending to shift their brand’s value proposition to be able to target upscale markets. This purpose will be fulfilled by assessing the similarities and differences in this matter of two Swedish companies, the bed manufacturer ‘Hästens’ targeting the luxury segment and the safety and occupational footwear manufacturer ‘Arbesko’ targeting the premium segment.

Method

In order to be able to explore the brand repositioning as a phenomena there was a need to conduct a literature research in areas of positioning, repositioning, marketing strategies and upscale brands. This secondary data was collected from previous empirical studies. The primary data was collected from face-to-face interviews, phone interviews, guest lectures and company visits.

Conclusions

The research paper reveals a novel framework for better understanding the key dimensions for a successful repositioning to upscale markets and provides evidence of similarities in the brand repositioning process undertaken by companies in different industries. These key dimensions supplement the existing theories on brand repositioning, and serve as guidance for companies intending to access upscale markets. Nevertheless, as the model proposed by the authors was built upon the study of only two companies, it does not contend to serve as an universal solution for all the companies intending to reposition their brand to upscale markets.
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I Introduction

This chapter presents the topic of the thesis. It starts with the background information concerning the importance of the brand repositioning and continues with the discussion of the problem. Afterwards, the problem is narrowed down to the overall purpose, as well as the delimitations of the thesis.

1.1 Background

The repositioning is treated in the marketing literature as a process applied by companies that are aiming to transform their image and the customer’s beliefs about the brand or the product’s attributes. This measure is necessary for correcting deficiencies occurring at a time, in terms of image and the beliefs of customers regarding a brand, highlighting those attributes of the brand that are worshiped by the buyers, or developing a new model, with superior performance, which will match the firm’s capabilities with the market demand (Hooley, Broderick & Moller, 1998; Turner, 2003).

Repositioning is a process which is undoubtedly different from positioning. A strong differentiator is considered to be the element of ‘change’ inherited in the repositioning process (Porter, 1996; Turner, 2003; Zikmund & D’Amico, 1992; Ryan, Moroney, Geoghegan & Cunningham, 2007). Depending on the circumstances, the element of change could redound upon the product design, brand image, brand name, target segment, competitive position of the product in the marketplace etc. Moreover, as Ryan et al. (2007) provide that ‘the repositioning is feasible means of strategic change’ which is more intellectual than transformational (p.81). Therefore in the process of transformation it is more often that the brand identity has to be remodelled, while only minor changes have to be done to the product of the company itself. Kumar (1999), in addition, asserts that in a dynamic marketing environment the repositioning is of the same importance to the firm as the initial positioning strategy formulation. On the other hand, Temporal (1995) has a controversial view regarding this matter. According to him, most of the positioning is actually repositioning unless it is a company, concept or product that is completely new.

One of the possible repositioning strategies that companies could pursue is to leverage their brand to access upscale markets, this promising higher margins, emerging high-end segments and fewer competitors. In exchange to the benefits of using this repositioning strategy, companies have to offer a higher level of quality and also greater value proposition to the end-customer.

In order to understand the process of brand repositioning to upscale markets, this paper goes beyond exploring strategic brand repositioning as a notion and process, and therefore explains the key concepts that form the platform for brand repositioning. These are as follows: brand identity, brand touchpoints and brand positioning.

Moreover, apart from the theoretical studies done in the area of repositioning, a comparative study of two companies from different industries, that have repositioned their brand upmarket, has been undertaken. Therefore, two Swedish companies have participated in this research, the premium safety and occupational footwear manufacturer ‘Arbesko’ and the luxury bed manufacturer ‘Hästens Sängar’, which managed to successfully reposition themselves in the marketplace. The empirical study, based on the information acquired from these companies, intends to put forward the key success factors for a brand repositioning to upscale markets.
1.2 Problem

Repositioning is perceived as a feasible mean for a strategic change that companies are willing to take in order to boost their competitiveness and differentiate themselves on a national and global scale. However, the area of brand repositioning is less explored, although the amount of literature increased within the last two decades. David Aaker, Peter Doyle and Jack Trout are among those scholars that have published a significant number of articles, research papers and books on brand repositioning. These authors argue in their papers that the repositioning by going up-market is a difficult or nearly impossible process. The success depends to a great extent on the brand age, the money and effort spent on the promotion of the brand. In the case that the brand launch was accompanied by an active advertising campaign and the consumer perceives it as an economy brand, then convincing him to pay for the upgraded brand is virtually impossible.

Still, there are few empirical studies done in the area of strategic brand repositioning to upscale markets, that demonstrate that this could be a viable strategy. Among these are the success stories of Burberry, the fashion brand which has repositioned to the luxury market and Bulmers, the Irish Cider producer, which has managed to reposition it’s brand to the premium market. The key factors for their successful brand repositioning will be presented later in this paper. Even though the repositioning from mass-market to premium market, and from premium to luxury have been previously studied, still there is no empirical work that would assess the similarities and differences between the specific changes made at these different levels.

Therefore, the existing gap in the literature has made this study valuable and of high interest for the participants in this research.

1.3 Purpose

The aim of this paper is to develop a framework for better understanding the key success factors of brand repositioning undertaken by companies intending to shift their brand’s value proposition in order to be able to target upscale markets. This purpose will be fulfilled by assessing the similarities and differences in that matter between two Swedish companies, the bed manufacturer Hästens and the safety and occupational footwear manufacturer, Arbesko.

1.4 Outline of the thesis

The thesis has the following structure: theoretical background, methodology, empirical data, analysis of the data, discussions and conclusions. Theoretical background includes the academic literature on repositioning and key concepts behind the repositioning. Next section comprises methodology. Empirical data is provided based on the guest lecturers attended by the researchers, the in-depth and phone interviews conducted with the key employees of the two firms studied in this paper. The information from the previous section is further interpreted in the data analysis part. The discussion chapter presents the framework elaborated as a result of the analysis and comparison of theoretical and practical findings. The conclusions are presented in the last section. Figure 1, presents the outline of this paper.
This chapter presents the topic of the thesis. It starts with the background information concerning the importance of the brand repositioning and continues with the discussion of the problem. Afterwards, the problem is narrowed down to the overall purpose and research questions, as well as the delimitations of the thesis.

In this chapter the authors will provide theories and models which relate to the purpose and the research questions of the thesis. For a better understanding of the study the fundamental elements of the brand, which serve as a platform for brand repositioning, are first presented. By the end of the chapter, the main concept, the strategic brand repositioning, and the repositioning strategies are broadly described.

In this chapter the authors will present the scientific approach and the methods that have been applied when working with the thesis. The first part comprises the purpose of the research, followed by the research approach and then by the research strategy. The next section will carry on with the data collection, while the final part of the chapter will present a critical view of the study.

This chapter will include the data collected from the interviews and guest lectures. It will be divided into two parts, each referring to a distinct company. Within each part the company profile, the background to repositioning and the actual repositioning process will be presented.

In this section the authors will analyze and compare the empirical findings with the theories presented in the paper. The analysis will have the same headings as the theory part, but in a different order. It will start with the brand positioning, followed by strategic brand repositioning and the repositioning to upscale markets. It will continue with the brand identity and touchpoints.

This chapter will present the framework for a successful brand repositioning elaborated by the authors based on the empirical data analysis and comparison with already existent theories in the previous chapter.

This final chapter will include the final remarks, followed by theoretical and practical implications. Limitations to the current study and directions for further research will be presented afterwards.

Figure 1 Outline of the thesis (Source: the authors)
1.5 Delimitation

In the process of this thesis the researchers will not be able to measure the degree of feasibility of brand repositioning strategy to access upscale markets. Furthermore, the model resulted from the analysis of the collected data cannot be considered an universal model as it does not provide direct answers to the problem. Instead, it will supplement the existing theory on brand repositioning, and will offer guidance to companies intending to access upscale markets and will also serve as a threshold for further research in the area.
2 Theoretical background

In this chapter the authors will provide theories and models which relate to the purpose of the thesis. For a better understanding of the study the fundamental elements of the brand, which serve as a platform for brand repositioning, are first presented. By the end of the chapter, the main concept, the strategic brand repositioning, and the repositioning strategies are broadly described.

This part includes a broader spectrum of theories used in this research. The most important concept in this paper is brand repositioning to upscale markets. We define brand repositioning to upscale markets as a process that implies a strategic change in a brand's value proposition in order to be able to reach higher-end segments.

It is important to note that in the theoretical background the material is based not only on repositioning strategies as, in order for a brand repositioning to take place, there is a need to reconsider the fundamental elements of the brand (Figure 2). Therefore, before the strategic repositioning comes into effect, we consider that the company has to rethink its initial position, restructure its brand identity and create new touchpoints in order to appeal to the new target market the company is aiming for. The Figure 1 illustrates these fundamental elements of the brand:

![Diagram of fundamental elements of the brand](image)

Figure 2 Fundamental elements of the brand (Source: the authors)

Aaker (1996), defined brand identity as a set of desired associations with the brand that the companies wish to establish and maintain. According to Keller (2001) building a strong brand identity provides firms with possible benefits such as increased customer loyalty, less vulnerability towards competitors, higher profit margins and more favourable response of the customers towards the price fluctuations.

Brand touchpoint, based on Morgan, Deeter-Schmelz and Moberg (2007) is an information-bearing experience that a customer or a stakeholder has with a brand. For the companies competing in the upscale markets it is important to constantly add value by delivering increased customer experience (Davis, 2002). Positioning represents an act of designing the company’s offerings and image in order to establish a particular place in the consumer mindset (Kotler, 2000).
According to Atwal and Williams (2009), the marketing within the upscale market has become more complex since the products started to be associated not only with the performance, quality, and authenticity but also with the experience feature of a brand. They have also stated the importance of the touchpoint existence, as it enhances the customer experience in all of the three stages of the purchasing experience (ibid.).

Okonkwo (2007) affirms that the brand positioning of upscale goods happens on two levels: the broad level where the brand is positioned in the prospect’s mind as a high-end and expensive offering, while the second level, the narrow level of positioning, is more specific and regards those attributes that form the unique brand identity.

Therefore the brand repositioning is the interface for the 3 concepts: brand identity, touchpoints and brand positioning which will be thoroughly discussed further in the text.

2.1 Restructuring Brand Identity

Strong brand identity is perceived as one of the fundamental elements of a company that help tailor a brand image in the customer’s mind-set (Keller, 1993; Aaker 2003, Ghodeswar, 2008; McCormack, Cagan & Vogel 2004). Building a strong brand identity provides firms with possible benefits such as increased customer loyalty, less vulnerability towards competitors, higher profit margins, more favourable customers response to price fluctuations (Keller, 2001). It is important to note that in order for a successful repositioning to take place there is a need to restructure the brand identity. Temporal (1999) noted that some of the companies choose to change their brand identity completely. The change may include not only creating a new logo, but also a new name, brand personality and structure. These measures are taken in order to solve the company’s past problems that negatively impacted on the brand image and customer perceptions. Other companies are forced to revitalize well-known brands that have existed for a long time in order to position the brand and the product so as to adapt to the changing needs of the customers.

As a brand identity is of vital importance for the brand existence there is a need to look at the brand identity as it was first created and search for the possible opportunities to restructure it in a way that would fit the repositioning strategy (Temporal, 1999).

Brand identity represents a unique set of brand associations delivering a promise to the target market (Ghodeswar, 2008). The brand associations have a purpose of value generation based on assessing functional, emotional or self-expressive benefits (Aaker, 1996; Puglise & Cagan, 2002; Ghodeswar, 2008). Therefore, the brand is no longer only a source of tangible product representation, but also a source of relational variables that are able to affect the target market. Aaker (1996) moved further in expanding the benefit issues into the key four brand identity perspectives: brand as product, brand as organization, brand as person and brand as a symbol.

- Brand as a Product- according to Aaaker (1996, p. 78) product-related associations will in most of the cases be an important part of a brand identity because they are directly linked to brand choice decisions and experience. Product related associations include: product scope, product-related attributes, quality/value, associations with use occasion, associations with users, link to a country or region.

- Brand as Organization- this perspective concentrates on the features of the company rather than on the features of product or service, being able to contribute to a value proposition. The features of the organization could be: innovation, drive for quality, concern for the environment, culture, values, and programs undertaken by the company.
- Brand as Person- ‘brand personality can create a stronger brand by establishing a relationship between the customer and a brand and by helping create a self-expressive benefit that becomes a mean of expressing the owner’s personality.’ (Aaker, 1996, p. 84) Brand can be perceived as being: competent, fun, trustworthy, upscale, casual, intellectual, active, or other personality traits (ibid. p. 84).

- Brand as Symbol- a strong brand symbol is able to provide cohesion and structure to a brand identity which can further increase the brand recognition. Anything that represents the brand can be a symbol: brand inheritance, visual associations and a number of metaphors.

According to Janonis, Dovaliené & Virvilaité (2007) there is a need for a brand identity to maintain a number of parameters which would help a company focus on what should be achieved by using a brand as a tool for reaching the desired position in the market.

Each of the perspectives addresses different issues of a brand (see Figure 3), that a company has to address in order to be able to target the desired market. Additionally, the perspectives that create a brand identity are closely related to value proposition and credibility that create a relationship between the company’s brand and the customer. According to Aaker and Joachimsthaler (2000) ‘value proposition is created by the brand identity that may include emotional and self-expressive benefits as well as relationship construct’ (pp. 49-50).

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**Figure 3** Brand Identity System (adapted from Aaker & Joachimsthaler, 2000, p. 44)
2.2 Touchpoints

Brand touchpoint can is defined by Schultz et al. (1993) as ‘any information-bearing experience that a customer or stakeholder has with a brand’ (cited in Morgan et al., 2007). In order to match the company’s vision regarding the brand with the brand image in the marketplace there is a need for every touchpoint to be closely related to the brand identity. The pivotal touchpoint is the product itself and its added value in form of relationships, meaning and experience that it delivers to the customer. Physical products have a possibility to move further than only conveying information on brand and its associations. In the process of customer’s interaction with a product, the emotions and feelings are evoked. The relationships that developed over time due to the customer/product interaction highly influence the brand image of a company (Boatwright, 2009). In the process of repositioning, most likely, the relationship that existed before between the brand and the customer should be further enhanced by creating new touchpoints. Touchpoints are able to help in creating the emotional value to the end customer. Temporal (2009) emphasizes that emotionally based positioning, aimed at carefully selected market segments, should be supported by consistent, appropriate advertising, promotion, and distribution.

There are many touchpoints between the company or its brand and the customer. Therefore there is a need for the touchpoints to be ‘carefully designed and managed’ (Voss & Zomerdijk, 2007, p. 2). In the case of the repositioning, the touchpoints have to be re-designed or newly created.

According to Dunn and Davis (2003) touchpoints may be divided into three categories that represent different dimensions of a brand’s interaction with a customer (Figure 4). The categories and their experience touchpoints are:

- **Pre-purchase experience** - The touchpoints in this stage represent various possible interactions between the potential customers and the brand, before deciding to commit the purchase. These include: public relations, advertising, company’s presence in the internet, partnerships.
- **Purchase experience** – the purchase or usage experience touchpoints are those that move a customer from considering the brand to actually purchasing it. It includes: direct sales, point-of-purchase displays, an assortment of products/services.
- **Post-purchase experience** includes customer service, billing, loyalty programs, product quality, newsletters, surveys and regular maintenance. Davis and Longoria (2003) noted that ‘post-purchase brand touchpoints can be defined as all of the interactions that are created after the purchase experience stage is completed’, this being done in order to maximize total brand experience (p. 2).

According to Carbone and Haekel (1994) all of the stages in the total purchasing experience can be positive or negative, and to a greater or lesser extent memorable.
According to Hogan, Almquist, & Glynn (2005) many touchpoints have a limited impact on the increase of brand equity, however in the case if the touchpoints fail in the phase of interaction with the customer, it can create a destructive impact on brand equity. Hogan et al. (2005) as well mentioned that it is vital to indicate the touchpoints that have the greatest affect (positive and negative) for the behaviour of a customer and brand loyalty, and then to relocate the resources concentrating on those touchpoints.

2.3 Brand Positioning

Positioning is defined by Trout and Ries (1982) and Mardsen (2002) as the way in which a brand is positioned in the mind of consumers, not by creating something new and different, but by manipulating what is already present in the prospect’s mind. Kotler (2000) similarly defines the term positioning as ‘the act of designing the company’s offerings and image to occupy a distinct place in the target market’s mind’. The commercial utility of positioning resides in the unique and compelling brand values that affect the purchasing decisions (Mardsen, 2002). Sujan and Bettman (1989) consider that an important aspect of the brand positioning is the extent to which a brand is similar or different from other brands in the same product category. Okonkwo (2007) stresses that brand positioning is frequently intermingled with market positioning, which refers to a completely different strategy that represents the ‘competitive positioning of a firm in terms of size and market share’ (p. 116). By contrast, the brand positioning relates to the brand image, identity and personality which tie with customer’s mind and emotions.

Keller, Sternthal & Tybot (2002) put forward the essential steps for a successful brand positioning. Thus, in the authors’ view, positioning must start with the establishment of the frame of reference, which is intended to signal what a product is and the goals it serves. Subsequently, the points of parity must be carefully chosen in order to convince the consumer that a product is ‘legitimate and credible’ within the chosen frame (ibid. p. 8). Accordingly, the points of difference are the last step which consists in identifying those unique and powerful features of a brand that help differentiate it among the brands within the same frame of reference.
Furthermore, Okonkwo (2007) provides that the brand positioning of luxury goods can happen on two levels: the broad level where the brand is positioned in the prospect’s mind as a high-end and expensive offering, while the second level, the narrow level of positioning, is more specific and regards those attributes that form the unique brand identity.

Moreover, Park, Jaworski, and MacInnis (1986) suggested that the products could be positioned in such a way that will meet either the functional or the symbolic needs of the customer. The functional needs refer to practical consumption, while the symbolic ones should resonate with the self-image and social identification on the consumer side. The main implication of Park et al. (1986) is that the firms should ideally chose to position their brand such as to satisfy only one type of needs, otherwise they can confuse the customers and burden the brand image management. Betty and Reddy (1998), in turn, bring evidence of brands that have successfully positioned themselves by applying a brand concept that delivers both practical and symbolic brand associations.

Trout and Rivkin (2009) underline in their book that increased attention has been given in the specialty literature to the positioning notion, while it’s ‘twin concept’- the repositioning has been mentioned in the marketing field just in passing (p. 1). However, Trout and Rivkin (2009) consider that increased attention should be paid to repositioning due to three reasons, namely competition, change and crisis.

2.4 Strategic Brand Repositioning

Repositioning is perceived as a feasible mean for a strategic change that companies are willing to take in order to boost their competitiveness and differentiate themselves on a national and global scale (Ryan et.al, 2007). According to Temporal (1999) ‘most of the positioning is actually repositioning unless it is a company, concept or product that is completely new’ (p. 55).

It is a response to the changing market environment, and is enacted by a fundamental shift in the company’s value proposition (Porter, 1996; Turner, 2003). The firm may aim at attracting customers that they weren’t targeting in the first place (Jobber, 2001). The repositioning strategy of a firm may manifest itself through a change in the product design, brand image, brand name or formulation of the concept in order to modify the competitive position of the product in the marketplace (Zikmund & D’Amico). Furthermore, Ryan et al. (2007, p. 81) claim that ‘repositioning is a feasible means of strategic change’ which is more intellectual than transformational. Kumar (2008) contends that in a dynamic marketing environment the repositioning is of the same importance to the firm as the initial positioning strategy formulation.

However, there is a number of risks associated with repositioning. According to Hankinson and Cowking (1993) the main risk could be the loss of focus from the original proposition due to limitation on the management side in analyzing and thus understanding the market. The new proposition of the firm may not succeed also due to the failure to meet or exceed the expectation of the original customer base (Uggla, 2006).

Furthermore, as Trout (1996) claims, a firm aiming to reach new positions should take into consideration the fact that the consumer minds are limited and they select themselves what to remember, thus the firm has to come up with strong arguments in order to convince the potential customers.

According to Doyle and Stern (2006) there are three main reasons for a firm to reposition itself. Firstly, the target segment might be no longer attractive due to its size, competitiveness, profitability and stability. The other reason could be inherited in the product itself, its quality or features might not appeal to the target segment. Yet, another reason could be that the high product costs makes it less price competitive. Trout (1996) in turn provides that there are a number of
reasons which hinder companies from meeting the customers’ demand and consequently are forcing them to adopt a certain repositioning strategy. Among these reasons are: the fast pace of changing technology, the unexpected shifts in consumers’ attitudes, increase of competition within the global economy (Trout, 1996).

Temporal (1999) in his book “Strategic Positioning” presents an extensive explanations of those factors that force the companies to reposition

These factors are:

- **Poor or outdated image**, when the image of the company or its products do not match with the desired customer perception.
- **Blurred image**, which is caused by a poor or unclear brand identity, where the company has failed to adequately express what its product stands for and what makes it different from other brands in the same category.
- **Changes in the needs and wants of the target market**, due to the changes in the needs of the customer base or sometimes structural alterations in the market or industry forces the companies to reposition in order to keep up with these changes.
- **Changes in strategic direction**, usually in the case when a product category becomes too crowded due to increased competition which can eventually lead to the erosion of sales and margins.
- **New or revitalized corporate identity**, in order to overcome some problems from the past or pursue new opportunities, companies attempt to reposition their identity. This could be done through a change of the brand personality, name, logo or structure.
- **Changes in competitor positioning**, when the competition position is almost similar, repositioning could be a good strategy for moving away from the competitors.
- **Momentous event**, some products may experience “image crisis” due to “traumatic events”.

**Rediscovering lost values**, when taking into consideration the successful strategies of the past could be more appropriate than establishing a new position (ibid. pp. 60-68)

Hence, in order to keep pace with the changing market environment, companies have to apply repositioning strategies. Several types of repositioning strategies have been formulated by the scholars.

An overview of all the strategies identified in the specialty literature are illustrated in the table 1 which was developed by analyzing the most relevant papers written to date which have extensively addressed the issue of brand repositioning. Therefore, the table 2.4 illustrates the brand repositioning strategies which were collected from six distinct sources.
Table 1  Overview of the brand repositioning strategies in the specialty literature (Source: the authors)

<table>
<thead>
<tr>
<th>Authors</th>
<th>C of repositioning strategies</th>
<th>Implications of the strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corjens and Doyle (1989)</td>
<td>• Zero</td>
<td>→Focus on initial target market and competitive advantage</td>
</tr>
<tr>
<td></td>
<td>• Gradual</td>
<td>→Regular adjustments to match the offering with the market requirements</td>
</tr>
<tr>
<td></td>
<td>• Radical</td>
<td>→New target markets, sometimes change the competitive advantages</td>
</tr>
<tr>
<td>Aaker (1997)</td>
<td>• Vertical extensions: accessing downscale or upscale markets</td>
<td>→In both types choose between repositioning the entire brand or create a sub-brand</td>
</tr>
<tr>
<td>Doyle and Stern (2006)</td>
<td>• ’Real’</td>
<td>→Introduce New Brand/Change existing brand</td>
</tr>
<tr>
<td></td>
<td>• ’Psychological’</td>
<td>→Alter beliefs about the brand/Alter beliefs about competitive brands/Alter attribute importance weights/Introduce new or neglected attributes/Find a new market segment</td>
</tr>
<tr>
<td>Kumar (2008)</td>
<td>• Value-oriented</td>
<td>→Change value proposition</td>
</tr>
<tr>
<td></td>
<td>• Segment oriented</td>
<td>→Cater to another segment</td>
</tr>
<tr>
<td></td>
<td>• Brand enhancement and Segment-oriented</td>
<td>→Use of imagery to strengthen the brand association and thus enter a new segment</td>
</tr>
<tr>
<td></td>
<td>• Symbolism-oriented</td>
<td>→Expand the market using symbolic positioning</td>
</tr>
<tr>
<td></td>
<td>• Upmarket Technology-oriented</td>
<td>→Targeting the up-markets, however keeping the initial customer base</td>
</tr>
<tr>
<td></td>
<td>• Niche-oriented</td>
<td>→Premium brand aiming at expanding the customer base after creating brand awareness</td>
</tr>
<tr>
<td></td>
<td>• Change of Image-oriented</td>
<td>→Change the initial image to access upper markets, change perceptions.</td>
</tr>
<tr>
<td>Trout and Rivkin (2009)</td>
<td>• Stay with base brand</td>
<td>→If going down-market it’s better to sub-brand or start a new brand</td>
</tr>
<tr>
<td></td>
<td>• Launch a sub-brand</td>
<td>→If going up-market it’s hard to define which strategy will work</td>
</tr>
<tr>
<td>Rimms and Trott (2007)</td>
<td>• Rational repositioning</td>
<td>→Functional modifications and improvements</td>
</tr>
<tr>
<td></td>
<td>• Emotional repositioning</td>
<td>→Symbolic modifications</td>
</tr>
<tr>
<td></td>
<td>• Complete repositioning</td>
<td>→Modification at both symbolic and functional levels</td>
</tr>
</tbody>
</table>
Notably, there are several repositioning strategies a firm could pursue in order to boost its competitiveness, however this paper will mainly focus on the strategy of finding a new market segment. Notwithstanding, this is a risky strategy which may result in the loss of the current customer base without succeeding at the same time to acquire new customers, or, in a better case, it may take some time until the benefits of the strategic change of the firm are realized by the customers (Corstjens & Doyle, 1989).

Temporal (1999), names multiple repositioning the instance when companies want to adjust to the needs of the current customers and also penetrate new market segments. In this case, the repositioning changes are not the same as line extensions, when the product name or the company are extended to different product ranges and different customer groups. Instead, the initial name is extended so as to meet the same and new consumer groups without significant changes in the company’s offer. This kind of repositioning is however very complex because it require great skills to succeed in making a product which basically keeps the same attributes, features and values appealing for different target groups which have dissimilar needs and expectations (Temporal, 1999).

As provided by Aaker (1997), when a firm intends to change its market segment it has the following options: accessing downscale markets or accessing the upscale markets, both of which can be done whether through using sub-brands or through repositioning the entire brand. However, regardless which way a company decides to go, the biggest challenge is to leverage and protect the value of the original brand while chasing the new opportunity.

### 2.5 Accessing Upscale Markets

According to Trout and Rivkin (2009) ‘if a firm chooses to reposition itself by going up-market it gets a bit tricky’, and the probability of failure is therefore very large (p. 65). The success depends to a great extent on the brand age, the money and effort spent on the promotion of the brand. In the case that the brand launch was accompanied by an active advertising campaign and the consumer perceives it as an economy brand, then convincing him to pay for the upgraded brand is virtually impossible. The very first customer impression that a firm creates by launching a new brand is hard to break even under the force of advertising campaigns. On the other hand, if the brand hasn’t been long on the market, and has not yet had time to express itself, then the repositioning can prove to be successful to a higher degree.

Aaker (1997) provides that among the main reasons for companies to adhere to upscale markets are the ‘higher margins and emerging high-end segments which revitalize the entire groups of tired products’ (p. 141). However, this kind of radical repositioning is ‘nearly impossible’ and one associated risk could be losing the parent’s brand customer base (ibid. p. 142). Hence, before repositioning to upscale markets is being undertaken, a reality check through market research would be crucial in order to identify if the new position is feasible and whether the repositioning task is not too large and costly. Furthermore, the repositioning to an upscale market requires enormous investments, mainly for advertising and for delivering increased customer experience.
Figure 5 Repositioning in the consumer market (Adapted from Doyle, 1998)

The figure 5 implies that there is a linear progression from the economy to the mass-market and then to the luxury brand market. Therefore, it can be deducted that the marketing of the premium and luxury brands is different only in level and not in nature with the marketing applied for fast-moving consumer products and services. The upper the market, the more selective will be the brand in the distribution, the more expensive, image-driven, the higher the quality and the more abundant and intense the touchpoints (Kapferer & Bastien, 2008).

Furthermore, according to Aaker (1997) the premium brands are positioned at the low-end of the upscale markets, hence the luxury brands can be placed at the high-end of the upscale markets.

Brand repositioning strategy that aims at the upscale markets will have to offer a higher level of quality and greater value proposition for the customer. Uggla (2006) in his book explained that repositioning which takes place from the lower target market to the upper, results in an increased shift in price and quality (Figure 5). Furthermore, the company’s shift into another segment results in the rejection of the customers from the previous segment.

To better understand the repositioning to upscale markets, specifically premium and luxury markets, the distinctive features of the products and services in these market segments are further explained.

Fionda and Moore (2009) in their recent research paper have identified the most important dimensions of a luxury brand. According to the authors these are:

- Clear brand identity
- Marketing communications
- Product integrity
- Brand signature
- Premium
- Exclusivity
- Heritage
- Luxury environment and experience
- Culture

These characteristics put emphasis on those areas which need to be reinforced by the companies in order to successfully reposition to an upscale market. Furthermore, most of these dimensions
could be applied as well to the premium brands, but to a lesser extent which will be thoroughly illustrated in the empirical part of this paper.

According to Atwal and Williams (2009), the marketing within the upscale market has become more complex since the products started to be associated not only with the performance, quality, and authenticity but with attempting to sell experience as well. Authors stated the importance of the touchpoint existence, as it enhances the customer experience in all of the three stages of the purchasing experience.

Upscale repositioning has been largely neglected in the field literature, and there is even less empirical work done on the repositioning to upscale markets matter, thus only few case studies on repositioning strategies could be identified. Among these are the success stories of Burberry-the fashion brand which has repositioned to the luxury market and Bulmers, the Irish Cider, which has managed to reposition its brand to the premium market. The empirical study on the repositioning of the Burberry brand highlights the dimensions of a successful business model in the luxury brand segment. Thus, the defining elements of the Burberry’s model are first of all the establishment of a well-defined brand positioning, internal control over manufacturing and distribution, flexible approach to the management of foreign markets, building strong brand identity through media communications (Moore, 2004). The Bulmers case study proves that repositioning ‘is a feasible means of strategic change’ (Ryan et al, 2007, p. 81). This is being justified by a framework elaborated by the authors which underlines the importance of matching the internal environment—the firm’s capabilities with the external environment—the customer needs. Furthermore, the internal and external mindsets should be reconciled so that the strategic management thinking resonates in the marketplace image of the product.

Both of the examples have confirmed that repositioning to upscale markets is a feasible mean as long as companies stick to their true identity. An in the words of Temporal (1999) ‘if you change positioning, but basically remain who you are, celebrity status will be achieved whatever business you are in’ (p. 71).
3 Methodology

In this chapter the authors will present the scientific approach and the methods that have been applied when working with the thesis. The first part comprises the purpose of the research, followed by the research approach and then by the research strategy. The next section will carry on with the data collection, while the final part of the chapter will present a critical view of the study. An outline of the Chapter 3 and the interdependence between the headings is illustrated in the Figure 6.

Figure 6 Composition of the methodology applied (Source: authors)

3.1 Purpose of research: Primarily exploratory

There are three research design methods for conducting a research: exploratory, descriptive or explanatory (Churchill, 1991; Schell, 1992; Rowley, 2002; Yin, 2003). In order to fulfil the purpose of this paper, an exploratory study is considered to be the most appropriate, since the exploratory research is a flexible research design method used in order to gain insight and develop a hypothesis (Churchill, 1991). However, this paper cannot test a hypothesis based on the empirical evidence collected since the sample size is not big enough to fulfil this purpose.

Therefore, the exploratory study will serve as means to view the problem under the current study from a different perspective, while at the same time relating it to the existent literature (Hussey and Hussey, 1997). Thus, it will assist in gaining greater understanding in the field of repositioning and finding the dimensions for a successful repositioning to upscale markets. Nevertheless, the knowledge acquired from previous theories and from the empirical data collected would not provide direct answers to the problem, instead, it will supplement the existing theory on brand repositioning, it will offer guidance to companies intending to access upscale markets and will serve as a threshold for further research in the area.

3.2 Research Approach: Qualitative

Saunders et al. (2005) explained that qualitative data is based on meanings expressed through words, collections and results requiring to be classified into categories and afterwards, detailed analysis should be conducted through the use of conceptualization.

In accordance with the aim of this research paper, to better understand the brand repositioning strategies used by companies in order to make the transition from mass-market to premium brand positioning in case of Arbesko, and from premium to luxury brand positioning in case of Hästens, an exploratory qualitative approach is considered to be the most appropriate. Hence, the analysis conducted is based on the use of conceptualization.
3.3 Research strategy: Case study

There is a number of research strategies that can be utilized in a research. Each of the strategies according to Yin (2003) can be used for exploratory, descriptive or explanatory research. Although some of the strategies can be clearly identified as belonging to a deductive or inductive approach (Saunders et al. 2007). Yin (2003) identifies 5 research strategies: experiment, survey, archival analysis, history and case study. It is important to note that different strategies utilized address different questions in the research, may require or not an overall control over behavioural events, and may either focus or not on contemporary events.

The case study is one of the research strategies that specifically focuses on understanding the dynamics that are present within a single setting (Eisenhardt, 1989). A case study may involve single or multiple units of analysis (Yin, 1984).

According to Yin (1993, p.11) the case study method is used when there exists a need for the investigators to define topics broadly rather than narrowly, to cover contextual or complex multivariate conditions rather than simply isolating variables, rely on multiple number of sources of evidence and not on singular sources. Eisenhardt (1989) stated that the case study as a research strategy can be used for accomplishing different kinds of aims such as: testing theories, providing descriptions or even generating theories.

From the strategies discussed above, case study research strategy is the most suitable for this particular paper on brand repositioning. The research paper heavily relies on the multiple sources of evidence and not on singular sources, because of the lack of empirical studies in the particular field. In addition the aim of the research is partly to contribute to theory generation, as theory on brand repositioning from mass-market to premium brand and from premium to luxury brand is just emerging, therefore, usage of case study research strategy is of the great importance. According to Eisenhardt (1989) tying the emergent theory to existing literature enhances the internal validity, generalizibility, and theoretical level of theory building from case study research.

Yin (2003) distinguishes among six different data sources for a case study: documentation, interviews, direct observation, participant observation, archival records and physical artifacts. However, only the first three will be further explained and applied in this paper; the weaknesses and strengths of these data sources are presented in the Table 2.

Table 2 Six sources of evidence: strengths and weaknesses (Adapted from Yin, 2003)

<table>
<thead>
<tr>
<th>Source of evidence</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
</table>
| Documentation      | →Stable (can be viewed repeatedly)  
→Unobtrusive (not created as a result of the case)  
→Exact (precise references, names and details of the event)  
→Broad coverage (long span of time, many events, and many settings) | →Retrievability (can be difficult to find)  
→Biased selectivity (if collection is incomplete)  
→Reporting bias (reflects bias of author)  
→Access (may be deliberately withheld) |
| Interviews         | →Targeted (focuses directly on case study topics)  
→Insightful (provides perceived causal inferences and explanations) | →Bias (poorly articulated questions)  
→Response bias  
→Inaccuracies (poor recall) |
Yin (2003) claims that it is also feasible to combine these sources, this rationale being called *triangulation of evidence*, which enhances the reliability of the data collected.

The current study is based on multiple case studies, it includes the cases of two companies Hästens and Arbesko. Based on Yin (1993) two cases are selected in order to be able to replicate each other for predicting similar results (literal replication). Data collection

### 3.3.1 Exploring secondary data

The secondary data was collected from different sources, such as: one previous case study of Arbesko, as well as annual reports of both Hästens and Arbesko from the years 2007 and 2008, which should be regarded as an accurate source, since the reports have to correspond to the Swedish law. Yin (2003) suggests that various documents could be significant to every case study, however they should be carefully reviewed in order to select the appropriate data. In our case, even though the annual reports do not meet the purpose of the current research, some information has proved to be useful in adding to the knowledge about the companies studied in this paper. In addition to the company documents mentioned above, this study has also received a number of physical artefacts. Hästens has provided us with company brochures and catalogues, whereas from Arbesko we have received some printed material on the company’s background, market strategy and products description and the innovations in the product development.

### 3.3.2 Collecting primary data through interviews and guest lectures

In compliance with the purpose of this research to conduct an exploratory study in order to explore some phenomena that took place and assess it in a new way, there is no interest in collecting numerical data. Hence, it is appropriate in our case to use qualitative techniques for collecting non-numerical data (Saunders et al. 2007).

According to Silverman (2006), qualitative interviewing is an important tool for accessing the individuals’ attitudes and values which cannot be necessarily observed or contained when conducting a formal questionnaire. The interviews can be done in three ways: structured, semi-structured and unstructured interviews (Saunders et al., 2001). Semi-structured interviews were chosen because they are particularly helpful when undertaking an exploratory study (ibid). During a semi-structured interview the interviewees have a list of questions that aim to cover their topics of interest, however specific questions can vary from interview to interview. Some questions can be omitted or added when considered appropriate. And, when conducting semi-structured interviews it should be determined in advance which subjects and issues to cover, the sample sizes and which people to interview (Ghauri & Gronhaug, 2005).

This study thus has collected the qualitative data mainly through interviews. All the interviews were in-depth and semi-structured, lasting between one and two hours. The interviews allowed the respondents to reflect on the topic in their own words and share their perceptions of the issues addressed in the interview, thus providing deep insight and rich knowledge on the matter.
All the interviews took place in an informal setting in the field at the site, which for Hästens is their head office as well their flagship store located in Köping and for Arbesko in Örebro.

Furthermore, it is important to note here that two interviews at Hästens, with the COO and the production manager, were conducted during the factory tour. Therefore, the two employees were interviewed simultaneously by both researchers, and the questions addressed to them mainly aimed at gathering general information about the company, information regarding the manufacturing process, and about the improvements they made to the products. This has provided authors with the additional insight of the company. However, the information about one of the newest products of the company, which allowed to reposition themselves to the luxury segment, has been of main interest.

In order to have a more objective view upon the facts relating to the problem addressed in this paper the researchers have conducted in total a number of 9 interviews, 5 with Hästens’ key employees and 4 with Arbesko’s top management.

All the details about the names of the interviewees, the positions they occupy in the company and the years they have worked for Hästens and respectively, Arbesko, are listed in the Table 3.

Table 3 Hästens and Arbesko Case Study Interviews (Source: the authors)

<table>
<thead>
<tr>
<th>Company: Hästens</th>
<th>Number of interviews</th>
<th>Years in the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing and communication manager</td>
<td>1</td>
<td>4.5</td>
</tr>
<tr>
<td>Managing director of sales, region EMEA</td>
<td>1</td>
<td>3.5</td>
</tr>
<tr>
<td>Sales manager, region EMEA</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>COO</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>Production manager</td>
<td>1</td>
<td>16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company: Arbesko</th>
<th>Number of interviews</th>
<th>Years in the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>1</td>
<td>27</td>
</tr>
<tr>
<td>Export Sales Manager and Commercial Director</td>
<td>1</td>
<td>22</td>
</tr>
<tr>
<td>Sales Manager for Sweden</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>Regional Export Manager</td>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>

Apart from the face-to-face interviews, one telephone interview was also conducted with the marketing and communication manager at Hästens. Since, she was not present at the Hästens head office on the day when the interviews were conducted, we could not arrange an interview with her due to time, distance and cost considerations. The main deficiency with this kind of interview according to Saunders et al. (2007) consists in the loss of the opportunity to observe the non-verbal behaviour of the interviewee. Another issue would be the duration of the telephone interview, which is usually shorter than a face-to-face interview. However, in case of this paper, it was more a follow-up interview which aimed at getting deeper insight on marketing related
topics. Thus, all the questions were covered in 40 minutes, the whole conversation being audio-recorded.

An important source for primary data collection have been the guest lectures the CEOs of both companies held at Jönköping International Business School. The researchers attended these lectures both in the spring of 2009 and in the spring 2010. The information received during the lectures held in the latter year has been slightly different from the one in the former one. All of the guest lectures had three hours duration; they have been audio-recorded and in addition to that notes on the topics of interest were taken.

### 3.3.3 Designing interview questions

In the preparation phase, certain themes for the interview were derived from the scientific books and articles, as well as from our tutor and fellow students. Thus, we have created 2 files (see Appendix 1 and Appendix 2) which comprise a short description of the research topic and purpose, followed by the interview questions. We have designed open questions in order to allow the interviewee to provide a developmental and extensive answer, and disclose their own attitudes towards the discussed topics. The basic question addressed in the in-depth interviews was “Which strategies did the company use in order to reposition its brand so as to target the upscale markets?” Few closed questions were also used in the interview, these were mainly general questions concerning the years when certain events took place or the trends in the profits and revenues in the recent years.

In compliance with Saunders et al (2007) the questions were arranged in a logical sequence and the researchers have used the English language in order to make them comprehensible for both parts, the researchers and the interviewees. Consequently, in order to have a clearer focus and flow in the discussion, the questions were divided into three main themes, namely: general, repositioning and marketing related questions. This, has also made it easier in the course of the interviews to pick the right questions depending on the position occupied by the interviewee in the company. For instance, the general questions were predominantly addressed to the CEO’s and managing directors of the companies, and the marketing questions were in-depth touched upon when interviewing the marketing personnel.

### 3.3.4 Sample Choice

In order to answer the research question and to meet the objectives of this paper a sample chosen statistically at random is not possible and appropriate. Saunders et al. (2007) suggest that an in-depth study of a smaller number of cases selected for a certain purpose is more suitable. In this paper two cases have been addressed. This sample has provided us with a rich source of information for exploring our research question. And, the validity and understanding of the data will not depend on the sample size but on the data collection and analysis skills of the researchers (Patton, 2002).

In our case, the selection of the companies wasn’t done on a random basis, but to comply with the initial idea of finding two companies which have over the last three decades experienced an evolution to upscale markets. Finding the companies to suit our intended research purpose has been troublesome, thus in the end we have chosen two companies that are targeting upscale markets and allowed access to their internal information. Moreover, the sampling has been heterogeneous, since we intended to do a comparison study, and thus we selected two companies that activate in different industries. This could better assist us in describing and explaining the key theme of our research. And, as Patton (2002) argues, choosing a sample which contains cases that are completely different is not a contradiction, but ‘in fact it is a strength’. Further, the snowball sampling was applied. The main problem has been to establish the initial contact. Our
tutor has directed us to the professor which could provide us with the contact details for both companies. In the case of Arbesko several phone, mail and one face-to-face conversations with the company’s CEO has helped us identify the key employees, with management and marketing knowledge, to interview and has scheduled the interviews to take place at their head office in Örebro. In the case of Hästens, we had a short talk with the CEO and owner of the company after the guest lecture given by him, and he provided us with the contact telephone numbers and name of his personal assistant which has arranged for the interviews to take place at the Hästens headquarters and also have a tour of their factory. One interview, with the marketing director of Hästens had to be carried out however, via the telephone, due to unforeseen events (the volcanic ash cloud causing major disruptions to international air space).

3.4 Qualitative analysis of the data

Qualitative data analysis procedures assist in analyzing and measuring the data gathered in this case from the transcripts of the guest lectures and from the transcripts of the in-depth face-to-face and telephone interviews, thus allowing us to develop theory from this data (Saunders et al., 2007).

According to Yin there are three different general strategies which can be used for the analysis of the data from the case study. These are:

- **Relying on theoretical propositions**: the aim here is to follow the information that has led to the case, and is based on the research questions and the literature review (Yin, 2003:112)

- **Thinking about rival explanations**: this strategy aims at defining and testing rival explanations about a case study (Yin, 2003, p. 112)

- **Developing a case description**: this strategy consists in identifying and developing a descriptive outline for organizing the case study.

Yin (2003) affirms that the first strategy, relying on theoretical propositions, is the most preferred strategy to be applied. This paper has chosen the first strategy, therefore parallels were traced between the data from the literature review and the data collected from our two cases. Miles and Huberman (1994), provide that the next step after taking the decision of which strategy to use, is to start processing the data in an analytical way. According to the same source, the key to analysis is to separate the complex data into several components. Miles and Huberman (1994) distinguish between three concurrent sub-processes:

- Data reduction: refers to summarizing and simplifying the data collected and also focusing on the parts which are relevant to the purpose of the study.

- Data display: after condensing and transforming the data in the first place, it is further exposed in a more organized way which afterwards serves as a good means for conclusion drawing and verification.

- Drawing and verifying conclusions: in this last part the researcher interprets the relevant parts previously selected by noting the patterns, the explanations, possible configurations and proportions (Miles & Huberman, 1994).

This paper has made use of all three sub-processes. In the first instance, all the interview materials were audio-recorded and then written down word by word right after the interviews in order to get a complete picture of the collected data. Afterwards, only the relevant information was selected and divided into meaningful categories linked to the research topic. Thus, some informa-
tion was omitted because it was not related to the frame of reference or to the purpose of the study.

The next step was to assemble and display the information from the interviews by using quotations from the respondents or by rephrasing the interviewees’ answers in order to ensure a more comprehensible and formal language. Further, in the analysis section, a connection was drawn between the theoretical and the empirical part, in order to be able to identify the similarities and differences in the brand repositioning process of the cases analyzed. This, as a result lead to the development of a framework for better understanding the phenomenon under study. Moreover, the display of the data has served as a means for drawing and verifying conclusions in the final part.

### 3.5 Trustworthiness of the thesis

#### 3.5.1 Reliability

‘Reliability refers the degree of consistency with which instances are assigned to the same category by different observers or by the same observer on different occasions’ (Hammersley, 1992). Moinsander and Valtonen (forthcoming) recommend two ways to meet the reliability criteria in qualitative research:

- By making the research process transparent by describing the data analysis methods and the research strategy in an adequate in depth mode.
- By paying attention to the ‘theoretical transparency’ through providing an explicit theoretical standpoint from which the data can be interpreted as well allowing to produce or exclude some interpretations.

Both criteria was respected when working on the current study, however the nature of the semi-structured interviews which cannot be standardized rise the issue of reliability. Furthermore, when interpreting the answers the personal bias may reduce the reliability. In order to prevent this from occurring all the interviews were recorded and all the related documents have been saved, providing that both researchers analyze the data and thus add reliability to the current study.

#### 3.5.2 Validity

The validity is concerned with the accuracy of the data of the research and how well it matches the reality. The validity could be hindered by such issues as: incorrectly chosen samples, wrong research procedures, the interviewee could say what the interviewer wants to hear (Yin, 2003). In order to increase the degree of validity it is recommended to apply the triangulation, which in the case of a qualitative research refers to the combination of methods, theories, empirical materials and observers that will result in a more accurate and objective representation of the study (Silverman, 2006). Sources of evidence which helped increase the validity of this paper are: the documentation, the semi-structured interviews and the guest lectures. And, with the purpose of avoiding a potential loss of valid information, all the interviews were recorded and in parallel one of the researchers was taking notes. An issue which may decrease the validity in our case could be the fact that the interviews were conducted in English, which is not the mother-tongue of neither the respondents, nor the researchers. However, this is almost insignificant for the validity of this study, since the respondents both parties are fluent in English. Another issue which might decrease the validity of the study is the lack of experience of the researchers in conducting interviews.
3.5.3 Generalizability

Generalizability refers to the possibility of applying the results of a research to other cases or situations which are not related to the ones examined in the current study (Hussey & Hussey, 1997, p. 58). According to Silverman (2006) generalizability can be achieved by statistical sampling procedures, thus it is usually unavailable in the qualitative research. However, the sample of cases in this study has allowed to undertake an intensive analysis and further relate the observations to the existent theory. In order to increase the generalizability of the current research, the authors have chosen the companies that activate in different industries allowing to make a comparison study of the repositioning strategies applied by both parties. This has helped to identify the similarities and differences between the processes under study taking place at separate entities. This in turn has widened the theoretical significance of this research, allowing to further apply the findings to new settings (Saunders et al., 2007).
4 Description of companies

This chapter will include the data collected from the interviews and guest lectures. It will be divided into two parts, each referring to a distinct company. Within each part the company profile, the background to repositioning and the actual repositioning process will be presented.

4.1 Company profile Hästens

The company Hästens Sängar is the oldest bed manufacturer which has started its activity in 1852 in the city of Köping under the name of Nya Tagelspinneriet with Pehr Adolf being the founder of this family business. In 1917, the company has changed its name to Hästens Sängar AB. The Hästens brand name and the horse logo are a reminder of the company’s origin as a saddle making company (www.hastens.com).

‘The main aspects of the Hästens brand have always been the quality and the craftsmanship, and even nowadays the beds are still made by hands and using only natural filling material. The solid craft tradition has been passed down through generations’. (marketing director).

Nowadays Hästens Sängar AB is owned and controlled by the current CEO Jan Ryde, the fifth generation of the founding family.

The current CEO took over the company in late 1980’s when the company was going through a stagnation period when the average revenues were estimated at only about 2 million Kronor per year. Since the Jan Ryde took the helm at Hästens the sales of first quality beds (see Appendix 7) have risen by more than 30,000 percent (www.hastens.com).

The company is currently established in 28 markets and continues to expand organically in existing markets and also in new markets. Furthermore, the export part of the business is steadily rising with an increase from 4 percent in 1994 to 71 percent in 2005. Today, 1/7 of the bed sales are in Sweden, while not very long ago it has been a half. The rest of the sales are mostly in Europe. There are a total of 185 Hästens stores in Europe and 230 globally. The company has 3 main distribution channels:

- The retailer counter, a furniture store with few Hästens beds
- The shop-in-shop, a furniture store with a separate Hästens department
- The concept store, a mono store. Hästens has around 60 concept stores, which have an average of sales ten times bigger than the former channels.

Hästens doesn’t own the stores, it is a dealership, with the exception of the flagship stores in Köping and in Stockholm, which are both Hästens showrooms.

In Sweden, the target market segment of the company amounts to 2 to 5 % of the whole population. And, as the managing director of the sales in EMEA region states:

‘our target segment consists of people who read into our magazines, who are educated, with good income, they are international, they like good things, they have a big flat TV at home and maybe drive a good car’.
Hästens employs today around 200 people, many of them have been working for the company for about 15 years and thus have a considerable experience and knowledge about the bed manufacturing industry.

The marketing communications are very important for Hästens and it invests about 10% of it’s turnover on advertising and promotional material.

The main forms of marketing communications are the newspapers, magazines, such as life style, interior design and glossy magazines; PR through organizing local events or participating in exhibitions; TV commercials, Internet.

‘The marketing communications start when entering new markets, they never start up-front, thus the product is being pushed first in a small quantity in order to test the market’ (marketing director).

The advertising of the Hästens brand takes place on three levels: the local, the national and the global levels. The local advertising is usually sales advertising in local newspapers and magazines. The national advertising is brand advertising through glossy magazines and TV commercials. The third level, global advertising is mainly done through own homepage in the internet, newspapers and magazines: the Wallpaper magazine, Financial Times, Harold Tribune, Playboy etc. However, the Hästens company sponsors fully only the global advertising, the national in cooperation with the retailers and the local advertising is left at the disposal of the dealers and retailers.

4.1.1 Background to repositioning

In order to provide an insight into how and why Hästens undertook the repositioning strategies such aspects as positioning of the company, the brand identity prior to repositioning will be further revealed, the industry and other issues will also be considered.

4.1.1.1 Positioning

Initially, the company was manufacturing saddles and carriage furniture with occasional bed manufacturing on demand. The quality, craftsmanship and usage of natural filling materials, the horse hair being the central one, are among those features of the Hästens products that made them so exclusive from the very beginning and therefore allowed the company to charge high above the market price.

An important aspect for Hästens brand is being Sweden’s oldest bed producer, and the pioneer position has allowed the company to benefit from the first-mover advantages.

4.1.1.2 Brand identity before repositioning

‘Hästens has never been a low range brand, because it has from the very beginning used natural materials for its products’ (managing director of sales EMEA, sales manager EMEA & marketing director) And, when they started producing them, other mattresses were for instance made of hay.

A strong symbol of Hästens is the blue-white check with which the company came up in the 1970’ and thereafter it has become a clear symbol of the company’ quality beds. The company’s logo (see Appendix 6) which has the shape of a horse, with which the company started using in the beginning of the 20th century in the same period when the company has changed it’s name is also very representative for Hästens since it refers to its origin as a saddle making company.
In the words of the marketing director of the company:

‘the Hāstens brand has always been a premium brand as it always had its focus on the material and quality. From the very beginning the company has strived to create a brand that will earn the people’s respect, and Hāstens history has always been the backbone of the Hāstens brand identity. However, the company hasn’t been very clear in communicating that to its customers, in addition to that, the beds were not regarded before as being a luxury item’.

4.1.1.3 The competition in the bed manufacturing Industry and other issues

At the time when the company has started making beds, they were the pioneers in the bed manufacturing segment in Sweden. Afterward, around 20 years ago there were only few Swedish bed manufacturers and suppliers. Furthermore, there was no clearly distinguished luxury brand market, as in essence it was only Ikea and Hāstens. However, Hāstens has managed to create a reputation of being a premium brand which has consequently attracted followers which have tried to compete on price and quality, and thus there were about 20 other suppliers below Hāstens.

Approximately 10 years ago, the number of dealers has tremendously increased and Hāstens had 225 dealers only in Sweden, while now they’re down to 27. Some of the dealers expanded in size, other dealers shifted selling other products, some dealers went out of business. Company also started to screen their potential dealers in order to be certain that the product would be well represented in the market. Nowadays, the bed manufacturing industry is highly competitive. The company representatives claim that:

‘the Hāstens beds have no main competitor internationally, but there are few brands which have similar ideas, besides, most of the bed manufacturers produce low and mid-end products made of synthetic materials’.

In Sweden the main bed manufacturers are Ikea, Lectus, Carpe Diem, Dux and Kungsäangen. And, there is a distinction between low, mid and high-end beds. The low-end is focusing on selling a large quantity and thus they are outsourcing to economically developing countries. The mid-end try to compete with both the low-end and the high-end, and they fail in competing with the low-end because the latter have high presence in the internet and in magazines and on the other hand it is hard to compete with high-end due to quality issues. Due to reasons previously mentioned, the Hāstens representatives consider that the middle-end position is the most undesirable and at the same time the low-end is inappropriate, because Hāstens beds are produced in Sweden by highly-skilled workers and with the finest materials. These aspects of the brand are the nucleus for the marketing campaigns initiated by Hāstens.

Therefore, Hāstens differentiate themselves in order to be on top, and it’s the preferred position because ‘if you are on the top alone, you are alone’ (managing director of sales EMEA region).
4.1.2 Hästens’ repositioning

This section focuses on the repositioning periods that took place after the current CEO of Hästens took over the helm at Hästens in 1987, as illustrated in Figue .7

The year 1987 thus, characterized by a change in ownership, could be considered as the first and the most drastic phase in the repositioning process which took place in the last 23 years. At that time, the company had three product categories: bed mattresses, saddles and beds. The beds were the smaller part of the company, and out of 11 million in revenues they had in those years, only 1.8 million was the bed share in the total sum. However, as the sales manager affirms:

‘Jan Ryde took the risk and dropped the manufacturing of saddles and bed mattresses, even though that was the bigger part of the company, and decided to concentrate only on the manufacturing of beds. It was extremely risky also because in that period the only ones who owned a Hästens bed were the dealers and also the hotels ordered a small amount of the Hästens beds. The beds were even in that period considered very expensive to sell to the customers. For instance, the department chain NK bought only for 96,000 sek a year in those years. However, the new generation owner saw that there is a need to concentrate on the original product that Hästen has been since 1852’.

The second phase of repositioning took place in 2003 when the company came up with the idea of opening concept stores. Thus, they were the first ones in this industry in Sweden to launch this concept.

‘The main idea was to create a unique atmosphere in the store by combining the fictional fittings, the wall, the floor or the lightening look and feel, so if you go to Rome or Stockholm you can have the same feeling of the store’ (managing director of sales EMEA region).

Also, in this period the company started to sell outside Scandinavia, where the company also opened concept stores and kept the Hästens commercials in the stores.

The third big strategic change took place 3 years ago, in 2007, when the company has started to clearly communicate that they are luxury, and this process hasn’t finished yet. An important role in this strategy should be assigned to the launch of the Vividus bed, the most expensive product of Hästens to date, which amounts to 60,000 euros and took 2 years to develop. Once with the launch of the Vividus, the company started saying that they have a new image, changed the advertising. The company has been working closely with highly-qualified consultants that helped them spread the right message about the company. And, these have helped the brand to raise to another level and has made it difficult for their rivals to compete against it. So, ‘the Hästens brand is officially still young in the luxury segment, but it has always been in that position’ (managing director of sales EMEA region).
These repositioning stages were all initiated by the current CEO, his strategic decision being based on the forecasts and advices of the sales people. The management and marketing teams have been further responsible for the introduction and development of the repositioning process.

The biggest challenge in the first repositioning period when the company has quit the production of bed mattresses, saddles in order to focus only on the bed manufacturing was to convince the dealers to sell an expensive product that didn’t have yet a clear position in the customer mindset. Especially, when aiming to expand on the international market the big challenge was to compete against companies that were already present in the market and had already established a high degree of brand recognition. Therefore, in order to increase the sale both nationally and internationally, Jan Ryde decided to concentrate on the customers to see what kind of product they want and need. Several studies were undertaken, the CEO together with other employees went out in the market and have done several interviews with potential customers and asked them what was more important for their sleep. Consequently, the company started the product development.

For the Hästens brand, Sweden and the Netherlands have been the most difficult markets to reposition to. Even though these countries perceive the Hästens brand as premium, the dealers in these countries are used to selling big quantities, discounting, campaigns and low prices. Moreover, Hästens has points of selling beds in London and Paris and their strategy is to discount even for the luxury brands. This doesn’t suit Hästens philosophy and they are still working on strategies that will stop dealers and retailers from discounting. Thus, the company gives them the recommended price list, but they cannot interdict them to discount because European law states that every dealer has the right to sell the products for any price. In this case, Hästens rather recommends them to offer promotional material, for instance the latest one is to receive as a gift a Bang & Olufsen alarm clock when buying a Hästens bed.

Another issue with the Hästens brand is related to the product itself, as all the respondents from Hästens affirmed:

‘usually customers think that the blue-white check, which is the strongest brand symbol of Hästens, does not fit into their bedrooms. Another issue is that the Hästens brand is more expensive than others in the same segment’.

In order to overcome these issues, the Hästens brand is seeking to convince people that it is worth investing money in a good sleeping, thus ‘lifting up the bed to be a part of living of life, the importance of life’ (CEO, marketing director, managing director of sales EMEA region, sales manager EMEA region).

When the company representatives were asked if they ever considered the option of producing cheaper beds, they argued that it is not the best strategy because in the low and mid-range there is a lot of competition, there are about 25-30 manufacturers, while in the top-end there are only 3 or 4. Thus, the company chooses to stay on top and compete with 3-4, than going down the market and compete with 25-30.

Prior to the repositioning the main target market of Hästens was Sweden. However, only after the first period of repositioning, the company has managed to create a high brand recognition in the home country and started to target the upscale, luxury consumers. The brand awareness has been further established step by step in Scandinavia. And, as the company moved out in Europe to Germany, Netherlands, Spain, Italy, the targeted market segment was different from the one in Scandinavia.
Hence, ‘it was a diverse type of customers which requested something different than what we were doing in Scandinavia’ (managing director of sales EMEA region).

In order to comply with the requirements of the new markets no essential changes have been done to the product itself, but the packaging needed to be improved. As well, the interior of the stores was upgraded in order to create a luxury atmosphere.

The Hästens brand is more international now, it has won the ‘Wallpaper’ award, the Wallpaper being a internationally recognized magazine. The company works with world famous interior designers, thus the Hästens bed has been is a name among the interior decorators. However, as the managing directors of sales in EMEA region claims:

‘at the moment the Hästens brand is bigger than the company is, and the company further aims to come up with the sales that are as big as the brand is’.

The company representatives consider that the repositioning process has been quite succesful, since the company’ sales have, on the overall, increased. This has been the main key success factor, the sales have helped in spreading the world of Hästens and thus differentiate it from others.

Even though the company has gone through a lot of changes during the repositioning process, the core values haven’t changed much, the good night sleep and the natural materials still remaining the main values. On the contrary, other companies, when facing fast growth started to produce in developing countries, while Hästens chose to stay in Sweden in order not to give up those core values.

4.2 Company profile Arbesko

‘Arbesko is in the premium segment as it offers high quality products and the services involved for a relatively high price in the industry. The target market of Arbesko is the companies that are willing to pay a little bit extra for safety and occupational footwear that gives them the value they need’ (export sales manager).

Arbesko AB is a safety and occupational shoe manufacturer in Sweden with the history dating back to 1839. Anders Andersson established the company after manufacturing few of pairs and successfully selling them in the local Örebro market. The real beginning for the Arbesko AB is considered to be 1952, when the company sold its footwear production facilities to the competitor and therefore, concentrated on the production of safety and occupational safety footwear. The production of safety shoes was subcontracted to two factories, however afterwards company acquired some of the factories and concentrated the production in their own plants (Kerins, 2003).

The main characteristic of the Arbesko brand is a pioneering experience since the market was established, quality, functionality and innovativeness. Arbesko’s sales manager for Sweden stated:

‘We are a well known company with a well-known brand and we have a really good distribution, and our sales show that. It is important that we have high quality, functional footwear, we are looking to the user of the footwear more than our competitors, and we have worked both with the distribution and the products. The quality thus is one of our main advantages. It’s a big advantage, as well; that we are a Swedish company and that we are well-known. Arbesko brand name is a very important asset of the company’.

Arbesko is a well known brand in the safety and occupational footwear not only in Nordic countries but in Europe as well. The company has a 170 years history and it is owned by the same
family for five generations. Current CEO, Peter Geisler, is the owner and the managing director of Arbesko (www.arbesko.com).

Since 1983 the company is managed by the current CEO. It holds 80 percent of the Swedish market, producing almost 500,000 shoes a year. Presently, the company is a leading manufacturer in the industry of safety and occupational footwear production in Sweden. Arbesko is known for being innovative and focusing on continuous development work. Energy Gel shock absorption, Energy Gel Duo and the three different functional soles are among the numerous proprietary features of the company (see Appendix 4). All the development processes take place at the two production units of Arbesko based in Sweden.

The company employs 190 people, 25 of them work in the headquarters. The company’s annual turnover is approximately thirty million Kroner’s a year. The main market of Arbesko is Scandinavia as it has up to 75 percent of the market share, the sales outside Scandinavia providing only a small percentage of the total output. The company currently sells its products through distributors and retailers, as well as through direct sales to bigger companies. In the year 1983 the direct sales to the customers composed 70 percent and to dealers- 30 percent, now sales to dealers compose about 92 percent and other 8 percent are the direct sales. In this particular industry, the role of dealers and distributors, during the time, had substantially increased, due to the change in the customer preferences and the change in the global tendencies.

Marketing communications are of the increasing importance for the company, as it is increasing the presence in the international environment. Currently Arbesko spends 5 percent of their turnover for marketing communications.

The main forms of marketing communications are: advertisements in car and science magazines, union papers, radio commercials, event sponsorship, and presence in social media like Facebook, Twitter and Youtube. Arbesko actively participates in the annual safety equipment exhibitions, company as well sends direct mails to potential clients, it has an interactive website translated in 10 languages, and catalogs translated in seven languages. For the national advertising: ads in magazines and in union papers, radio commercials and the event sponsorships. For the global advertising company utilizes the presence in social media networks, annual safety equipment exhibitions, direct mail sending to potential clients and website are used.

4.2.1 Background to repositioning

In order to explore the key reasons behind choosing specific strategies of repositioning, such aspects as positioning of Arbesko, company’s brand identity before repositioning, the industry and other issues will be exposed in the following section.

4.2.2 Positioning

Until 1983, company was targeting a mass-market segment of safety and occupational shoes industry. Arbesko was offering two types of products: safety and occupational footwear. Each of the segments was represented by different brand. Stalex was representing safety shoes and Stilex was representing occupational footwear. Product price was relatively cheap adding little value to the product. Safety shoes would still maintain quality although they would lack in having additional functions or innovations. The company was relying on being a pioneer in the industry, having a recognizable brand, well developed distribution channel and no or little competition in the domestic market. In the year 1983 the company had a sales record in reaching nearly one million pairs of safety shoe sales.
4.2.2.1 Brand identity before repositioning

Before the repositioning, the brands of Arbesko were presenting trustworthiness and pioneering experience. Many of the existing and potential customers knew well the two brands that were representing the company. The strong side of Arbesko is that the two brands of the company at that time (Stalex and Stilex) represented the quality of the shoes produced.

‘Company was not thinking that much of the company’s brand 20 years ago. Within the last 10 years Arbesko started to think more about the brand and brand’s personality’ (sales manager for Sweden).

4.2.2.2 The competition in the safety and occupational shoe industry and other issues

From 1952 until 1983 the safety shoe industry in Sweden was ruled by Arbesko. It had 99 percent share of the Swedish safety shoes industry. Safety shoes at that time were strongly related to the worker shoes, and these kinds of shoes were the cheapest. According to the CEO of the company:

‘Safety shoes had always the problem with low quality low price position on the market for many years. It was same from 1952-1983 and in many points we had that problem. Later on, we started to produce the more expensive shoes.’

During the last years the situation in the industry has changed a lot. Due to the safety regulations in Sweden, there was a boost in demand for a safety shoes, therefore, by 1983 a record in sales was achieved by Arbesko, selling nearly 1 million pairs of safety shoes.

‘Scandinavian market is the most mature safety equipment market in the world when it comes to the number of how many workers in the work place use dominant part of safety equipment. Scandinavia comes to the first place in the world as rest of the world has a much smaller percentage as it is based on the industry development and the safety regulation laws’ (The CEO).

Prior to the repositioning process there was a dramatic fall in the sales of Arbesko products. Several reasons have lead to this, among which was the increase competition from the imports both European and Non-European due to the reduction of trade barriers in the early 90’s. After 1983 when the company was taken over by the CEO, the competitors entered the Swedish market. It was: one- French and two Finish companies that started to compete with Arbesko; competition mainly was based on price. Furthermore, between: 1990-1993, the Swedish economy has undergone a deep recession period which has lead to a decrease in demand and a high rate of unemployment.

According to the sales manager for Sweden: ‘the competition in Sweden and in other Scandinavian countries increased substantially compared to the situation which existed 15 years ago. 10 years ago there were mainly Finnish and the Swedish shoes that were sold in Sweden. Currently there are many safety and occupational footwear producers from all of the world that are competing in the market. There are up to 30 brands of safety and occupational shoes in the Sweden.’

The export sales manager of Arbesko commented on the current global competition in the safety and occupational footwear industry as being fierce. He stated that:

‘There are many of the companies in Europe that produce products more than just under one brand, and there in total may be about 250-300 brand names or private label, that
compete in the European market. Therefore, the importance of strong brand awareness is vital, for the company if it wants to be successful in the industry.’

4.2.3 Arbesko’s repositioning

The process of repositioning undertaken by Arbesko is illustrated in the Figure 8. It shows the periods of the repositioning and the company’s transition to higher segments. However, later in this section we overlook the first two layers in the brand positioning, and instead focus only on the repositioning to the premium segment.

![Figure 8 Repositioning of Arbesko (Source: Arbesko)](image)

From 1983 and afterwards, after evaluating the situation, the CEO introduced many of the changes in order to boost company’s competitiveness. Company changed the decision of the price making; it was no longer decided by the sales people of the company but by the board of directors instead. Arbesko concentrated the production into their own facilities, instead of keeping the sub-contractors producing a part of the orders. This led to the increase of the productivity in their own facilities and at the same time increased the profit margins, afterwards the company delocalized a part of the production by introducing “semi-redime” product manufacturing, creating a possibility of outsourcing part of production to the company owned by Arbesko in Brazil. Company started to increase the price as well by adding more values to the product; this started to lead the company to the repositioning from mass-market segment to upscale segment.
‘From the early beginning we decided to target the premium segment, based on our unique construction technique we add values that actually give ergonomically functional or technical or quality value’ (exports sales manager).

Up to 1988-1989 company was still in the journey to the top of the upscale pyramid, by offering high value added products to the customer. At the same time company increased the presence in the Nordic markets.

1992-1996 was the period when the company started to concentrate on their brand image. In 1992 the marketing and management departments moved to the new headquarter office in Örebro. Company decided to increase the international presence in the safety and occupational shoe industry. After marketing brand awareness studies and extensive research it was decided to merge two brands- Stalex and Stilex under one brand, namely Arbesko. This was done in order to ease the expansion to the international market and instead of promoting two different brands to promote one.

Prior to repositioning the brand was represented as a good. As a repositioning phase took place the quality, technical advancements (innovations added to the products), ergonomics and functionality were closely related to the new face of the company. Company has made many technical improvements to the shoes:

1. Stability System- which is the fundamental concept that guarantees footwear with comfort and quality
2. Energy Gel® - provides important shock absorption with an elastic gel cushion in each step
3. Energy Gel Duo® - double gel cushion brings even more shock absorption and relief
4. Moisture Transport System entails a combination of intelligent solutions that lead moisture away from the foot

One of the main steps to the brand repositioning was made after the slogan “Arbesko makes difference” was introduced. According to the managing director and the sales manager, after the slogan and two brands merging in to one in 1994, company started to tell the story of their products, values and what affect they have on the end customers. Company increased the concentration on brand marketing.

Before the repositioning took place, Arbesko was targeting the middle of the pyramid and after the repositioning, company had to go separate ways with some of the clients. This was inevitable, as Arbesko started to pursue the premium segment- the price of the products for the previous customers was not suitable much longer.

The repositioning strategy was a necessity for the company as the industry experienced changes due to the change in the distribution channels. As it was previously mentioned, in 1983 company sold 70 percent of their production through direct sales and 30 percent through dealer. The situation was changing as dealers and distributors of safety and occupational equipment increased their role in the industry. In order to keep up in the market company had to increase their brand image, and one of the strategies to achieve it was by positioning themselves different from the other competitors in the industry, offering additional values to the product and increasing the marketing communications in order to promote the brand. Interviewees stated that one of the most important steps that was needed to be made was to get everyone in the internal environment to understand the need for change, and have a clear direction of the change.
5 Data Analysis

In this section the authors will analyze and compare the empirical findings with the theories presented in the paper. The analysis will have the same headings as the theory part, but in a different order. It will start with the brand positioning, followed by strategic brand repositioning and the repositioning to upscale markets. It will continue with the brand identity and touchpoints which have been altered in the process of repositioning.

5.1 Brand positioning

Park et al. (1986) suggested that the products could be positioned in such a way as to meet either the functional or the symbolic needs of the customer. In the case of Hästens, the brand has been positioned such as to satisfy the functional needs of the customers. It’s focus has primarily been on the manufacturing of saddles and carriage furniture, the manufacturing of beds being only a very small part of the business. And, at the time when they started their activity, the products put forward by Hästens were regarded as necessity goods, thus they had no symbolic angle. However, from the beginning the company has used only the natural materials in order to offer high quality products to its customers. Consequently, this has allowed the company to charge a relatively high price for it’s products.

The horse logo and the blue-white check pattern of the Hästens bed which were introduced later, have also helped strengthen the position of the Hästens bed. Furthermore, a big advantage for the company’s future success was the pioneer position that it occupied, thus the companies that later tried to copy the Hästens business concept were regarded in the marketplace as followers. Hence, the Hästens brand has established a strong position from the very start due to high-quality products that it brought to the market and of great importance is also the fact that they were the first ones to do that. However, the main deficiency was that they hadn’t been very clear in communicating that to their potential customers.

Similarly, the Arbesko brand was positioned in a way that would meet the functional needs of its customers. The two types of shoes produced by the company, the safety and occupational footwear, were meeting the practical consumption requirements of the workers in various fields and they didn’t offer any symbolic value to their customers.

In contrast with Hästens, Arbesko initially produced relatively cheap products and they haven’t focused much on adding value to their products as their vision has been to constantly increase sales. In order to accomplish this, the company had mainly counted on the pioneer position that it also occupied, the lack of competition in the Swedish market and on the distribution channels it has developed over time. Furthermore, the Arbesko brand name didn’t have initially a strong position because the company was using the Stalex brand name when referring to safety footwear and Stilex brand name for the occupational footwear. However, even though separated into two brands names, Arbesko’s products were considered trustworthy due to the perceived quality of the occupational shoes and their pioneering experience.

Therefore, from the discussion above we could consider that for both Hästens and Arbesko their main competitive advantage was the pioneer position they occupied in their specific industries. And, regarding the functional and symbolic side of the product, it comes natural that they could deliver to the customers, at that time, products that would only meet their functional needs, because such items and beds were perceived only as necessity goods. It is only in the last few decades, when due to fierce competition and change in customer’s needs and wants, both companies started to deliver products that will have symbolic meaning additionally to the functional one.
5.2 Strategic brand repositioning

According to Temporal (1999), Doyle and Stern (2006) and Trout (1996) there are various reasons why companies choose to reposition themselves. These reasons have been extensively discussed in the theory part. Therefore, in this part the reasons that have forced the two companies, under the current study, to reposition will be analyzed.

The major reason for Hästens has been the blurred image of the Hästens brand in the marketplace. This has been caused by an unclear brand identity, where the company has failed to clearly communicate what their product stands for and what features make it different from other brands in the same category. Whereas, for Arbesko the central reason has been the need to change the strategic direction, because the product category they were bringing to the market became overcrowded due to increased competition which accordingly has lead to the erosion of the company’s sales and margins. The change in the distribution channels has also served as a rationale for the firm to undertake the repositioning strategies.

Furthermore, it could be the case for both companies that they were forced to undertake the repositioning strategies because the Swedish market is very demanding. And, as Hästens and Arbesko chose to produce in Sweden, they could not compete on price and mass volumes, but instead offer a superior product. Therefore, the repositioning was both a strategic and a natural process, caused by the changes in the market environment, which became more and more competitive.

Repositioning Strategies

The Table 2.4 in the theory chapter presents brand repositioning strategies that have been identified in the speciality literature. In this part the authors will link some of the strategies from the theory part to the companies that are analyzed in this paper.

According to Aaker (1997), companies that aim to extend their brands vertically have two options: one is to take the brand above the current position and the second one is to take it below the initial positioning. Hence, companies can opt for accessing upscale or downscale markets. Both companies studied in this paper have chosen the former option, to repositioning their brand in order to target the premium and luxury segments. This strategy applied by Hästens and Arbesko will be thoroughly discussed in the next part of the analysis.

Doyle and Stern (2006) distinguish between ‘real’ and ‘psychological’ repositioning strategies. Hästens has applied the ‘psychological’ strategy through altering the beliefs of the customers about the brand and putting emphasis on their product’s attributes, as well as starting targeting a new market segment.

Arbesko, on the other hand, has applied both strategies. The ‘real’ strategy has been when they combined two brands, Stalex and Stilex, each representing a different product segment, under the name Arbesko, which was as well the name of the company, however previously having a weak customer recognition. Subsequently, the company has used ‘psychological’ strategies to alter the beliefs about the brand through marketing campaigns and also through increasing the quality of the products and constantly adding value to them.

Rims and Trott (2007) identifies 3 types of repositioning strategies: the rational, emotional and complete repositioning. Both Hästens and Arbesko have gone through a complete repositioning process by adding functional and symbolic modifications to their products.
Therefore, a blurred image and increased competition have been the major reasons that forced Hästens and respectively Arbesko to adopt the brand strategies previously mentioned. Since both companies have chosen to take their brand above their initial positioning, they had to consequently upgrade the real and the psychological side of their brand. As well, the companies’ product itself had to go through functional and symbolic modifications in order to gain credibility in the new ‘upscale’ segment. Furthermore, this evidence is meaningful for the framework we intend to develop in the discussion part, since it emphasizes the importance of the improvements to the product on one side, and on the other one, the desired image in the customer’s mind. Therefore, these will support us in formulating the dimensions for our framework.

5.3 Accessing Upscale Markets

Corstjens and Doyle (1989) provide that the repositioning to upscale markets is a risky strategy for the companies to pursue as it might result in the loss of the initial customer base. And, this is the case for both Hästens and Arbesko, they had to give up a part of their customer base and opt for the customers in the upper segments.

The repositioning for Hästens started with the abandonment of the bigger part of the business, the mattresses and the saddles manufacturing, thus leaving behind the largest part of the customer base in order to start targeting the upscale consumers. In the case of Hästens it has been an evolution from the premium to the luxury segment.

As for Arbesko, the market segment has changed from the mass-market segment to the premium segment, and in some countries outside Scandinavia Arbesko’s products can also meet the criteria of luxury segments. Therefore, this upgrade has lead to the loss of those customers for whom the new price of Arbesko products was not suitable any longer.

According to Aaker (1997), when a company decides to reposition to upscale markets there are two options: whether use sub-brands or reposition the entire brand. The latter strategy was chosen by both Hästens and Arbesko. However, Hästens did not make significant changes to the company’s offer, the product stayed basically the same, they continued using only natural materials, the horse hair still being the central one, and they continued focusing on quality, periodically improving it in order to provide higher value to the customers. Instead, the company accentuated the experience accumulated along the years of its existence, constantly putting emphasis on the words quality and craftsmanship. Even now, with all the technological advances that took place, the company still respects the tradition of handcrafting because in their opinion ‘it is the best way to do it in order to have a product of superior quality’ (marketing director). And, in addition to that, they have started to clearly communicate this to the audience, telling a story about the historical roots of the company and constantly putting accent on the tradition, heritage and naturalness that have been passed through generations.

Arbesko, in turn, has repositioned its’ entire brand through making considerable improvements to its’ product. Thus, the company has improved the quality of the products by adding innovations, ergonomics and functionality to them. These improvements were further emphasized by the slogan adopted by the company ‘Arbesko makes a difference’. Similarly to Hästens, Arbesko started to tell their story, actually a more tailored one, about the quality and values added to their products and the effect that they have on the end-customer.

Fionda and Moore’s dimensions of a luxury brand

Fionda and Moore (2009) undertook a research study that helped identify the most important dimensions of a luxury brand. Therefore, these features could be applied to Hästens brand which targets the luxury market segment and to Arbesko brand to a smaller extent, since it targets the
premium segment. However, in the case of some markets outside Scandinavia, Arbesko also targets the luxury segment.

The first dimension proposed by Fionda and Moore (2009) is a clear brand identity. In relation to the Hästens brand, it has managed to establish a clear brand identity and point at the values that differentiate their product on a functional and emotional level. The quality and craftsmanship are the central values attributed to the Hästens brand. Arbesko has equally succeeded in creating a clear brand identity. An important decision was to go for a single brand name instead of using the brand names of Arbesko’s product categories and confusing the customers with three brand names at a time. Furthermore the technical improvements applied to Abesko’s shoes have strengthened their brand identity and consequently the brand image in the marketplace.

Secondly, the marketing communications helped Hästens and Arbesko to successfully reposition to upscale markets. Hästens has used marketing communications to officially communicate that they have elevated to another level. Furthermore, marketing communications have helped the company accentuate the amount of time spent in the bed and the importance of a good night sleep. A strategic move done by Hästens is to push the product first in a small scale in order to test the market and only afterwards start the marketing campaign. And then, in order to spread the word of Hästens, the company employs local, national and global communication tools such as PR, advertising in the local newspapers, specialty magazines, Internet, TV commercials etc. The percentage of the turnover (10%) spent on marketing can be considered relatively high.

Arbesko has been very proactive in using the marketing communications as well. They have been very important for the company, especially when entering new markets. Apart from traditional advertising Arbesko has been ahead of its competitors due to the early presence in the social networks. Moreover, PR and direct marketing have been also extensively used by Arbesko to enhance its’ brand awareness. The money spent on marketing communications, which amounts to 5% of the turnover, can be regarded as sufficient, however the percentage should be increased in the future as the company intends to expand internationally.

The product integrity is another dimension of the luxury product. For Hästens it has always been important to concentrate on the product quality and attention to detail. Furthermore, the natural materials and the craftsmanship confer longevity and desired quality to the Hästens beds. Arbesko’s product integrity embraces such elements as high-quality of the materials used, the continuous technical, ergonomic and functional improvements that will offer the maximum benefit to its’ end-customer.

The brand signature is inherent to the upscale brands. For Hästens the brand name and the brand logo are very important since they bond with the original Hästens product. Furthermore, the blue-white check has become a very clear signature for the Hästens brand, being extensively used in the TV commercials, because it is a symbol of the Hästens’ quality beds, which especially in Sweden is highly recognized. For Arbesko, the logo is also a distinctive feature for the brand. The brand name points at the industry the company belongs to. Arbesko was also very strategic in using a detail, the cap on the hill, this way differentiating the Arbesko shoe from others in the same industry.

Another dimension is the premium price. Fionda & Moore (2009) claim that charging a premium price is essential for the development of the luxury brand status. Therefore, the price of the Hästens beds reflects, apart from the quality and craftsmanship attribute, also the element of exclusivity. In the case of Hästens the exclusivity is ensured by increased control of distribution and accessibility of the brand. The high premium price of Hästens beds positions the brand on the top of the market and creates a barrier to entry. On the contrary, disregarding the fact that Arbesko is one of the most expensive in the safety shoe category on the market, it charges a
price that reflects the quality and the value added to its’ product, and the element of exclusivity is not included in the price.

The heritage is very important for both of the companies. Hästens clearly communicates its’ story which is dating back to 1952. And, for Arbesko, 170 years of presence on the market is an important asset for the company. Both companies have an interesting story, and each of them accentuated the importance of staying faithful to their historic positioning. Moreover, both companies chose to continue producing the core product in Sweden, the Swedish heritage today being associated with quality.

Luxury environment and experience is not characteristic for the Arbesko brand since it sells directly to its’ end-users or through intermediaries according to the amount demanded by them. The strategy of Hästens, on the other hand, is to offer superior service and to create a luxury environment that could enhance the customer in-store experience.

The culture is also a strong asset of both Hästens and Arbesko as it contributes to the brand identity. In both cases the culture was developed through the management of internal and external relationships. It reflects the expertise behind the brand, which for Hästens links to the craftsmanship and the use of only natural materials so as to offer the customer the best product. And for Arbesko, the culture reflects the high quality of its’ products and the safety feature, which both create a trustworthy image in the customer mind-set. Furthermore, for both companies, the culture also means having the right people, from top management to the workers in the factory, working on creating the brand.

Therefore, the Hästens brand meets all the criteria for a luxury brand as defined by Fionda and Moore (2009). The company has added or simply reinforced these features of a luxury brand during it’s repositioning process. Arbesko, on the other hand, does not meet all the criteria, since some dimensions previously discussed are less attributable to a premium brand. Similarly to Hästens, the Arbesko brand encompasses such features as clear brand identity, active use of marketing communications, product integrity, brand signature, heritage and culture. However, such dimensions as exclusivity, premium price, luxury environment and point-of-sale experience are not characteristic for the Arbesko brand.

After connecting each dimension of a luxury brand with the brands studied in this paper it could be asserted that the Hästens’ products have been repositioned as ‘something that everyone wants, but not anyone can have’. And Arbesko has managed to reposition its’ products as being superior to the others in the same industry.

5.4 Restructuring Brand Identity

Brand identity represents a unique set of brand associations that the company seeks to create or maintain in the mindset of the customers, this involves a promise for the target market given by the organization (Aaker, 1996:68). Hästens brand identity stands for craftsmanship, products made from natural materials only, longevity and quality of the product, exclusivity and 158 years of heritage. The luxury is deeply related to the brand identity as it helps to differentiate from the competition in the bed manufacturing industry. Arbesko as a brand stands for the pioneering experience in manufacturing safety and occupational footwear, representing high quality and innovativeness within the product and its values added. Company’s brand identity is built on such features that are characteristic for the premium segment. Furthermore, the Arbesko brand identifies itself as being the best in the industry of safety and occupational footwear when it comes to ergonomics, functionality, technology added and quality of the product.
→Aaker's and Joachimsthaer's model of brand identity system

After the empirical data was analyzed based on Aaker's and Joachimsthaer's model of brand identity system (2000) it can be admitted that both companies are fulfilling the model, but in different dimensions and to a different extent. In this section both brands will be analyzed from the product, organization, personality and symbol perspectives as well as based on the dimensions of value proposition, credibility and relationship with the customer.

**Brand as a product**

Hästens presents the product made of natural materials and with a high level of craftsmanship, having deep roots to tradition. The product itself is characterized by high quality and by the ability to deliver increased experience to the high-end user. The Hästens product and its packaging both look luxury. The latest model of Hästens beds “Vividus” has given the opportunity to finally position themselves as a company competing in the luxury segment, as the product is made of best materials, and applying the technology that considerably increases the sleeping experience. The blue-white check that is the most often type of pattern used for Hästens beds is a strong brand differentiator.

The design of Arbesko shoes cannot be perceived as the most fashionable in the industry, although the company offers high quality, functional, innovative (from the perspective of technologies applied to the products) and ergonomic products which deliver increased experience to the end-user. The footwear has an installed cap in the back front of the shoe, and Arbesko logo on every product. Arbesko uses special pre-packing system and adapts its product to the requirements of the customers.

Both of the companies concentrate on the product from the perspective of creating maximum end-user experience. Companies, as well, have increased attention on packaging, and additional designs added to differentiate the product from other competitors. Hence, Hästens focuses on such factors as natural materials, craftsmanship while Arbesko on adding values to their products. These differences exist mostly due to the fact that the companies belong to different industries.

**Brand as an organization**

Aaker stated that ‘organizational attributes are more enduring and more resistant to competitive claims than are product attributes as they may contribute to a value proposition’ (Aaker, 1996). Hästens as an organization can be characterized as being trustworthy, having a heritage of 158 years, being innovative as they were the first to come up with a concept store in the industry and continuously introducing new bed models and cooperating with well known designers. The organization’s main drivers are the quality and tradition. Therefore, it is using the best materials and equipment in order to produce the best quality beds in the industry. Hästens can be characterized as being a luxury brand due to the working environment, concentration on creating a luxury image for the company additionally to the image of its’ luxury products.

Arbesko as an organization is continuously striving for the technological commitment and innovativeness. The organization continuously searches for the ways to add values to their products through in-house research and development activities. The company can be characterized as well as being trustworthy and a pioneer in the industry. As it was previously mentioned, Arbesko has a heritage of 170 years and a position of a first safety and occupational footwear producer in Sweden.
Similarly both of the organizations are aiming to be the best in the industry through innovativeness, continuous development and focusing on high quality that contributes to high value proposition. Companies share the trustworthiness and the long lasting history of existence in the market. Although, Hästens organization has a focus on luxury since they are targeting the luxury segment. As for Arbesko, it could be characterized as a premium even though they are on the top of the pyramid, difference exists because of the specifics of the industry.

**Brand as a personality**

Brand personality can craft a stronger brand identity by creating a relationship between the customer and the brand, and by helping in to create a self-expressive benefit that becomes a mean for expressing the owner’s personality (Aaker, 1996). Hästens has a personality that encompasses feature like exclusivity, luxury, impressiveness due to the design and quality, trustworthiness and reliability, for instance, the company offers a 25-year guarantee covering spring or frame breakage, (www.hastens.com)

Arbesko, in turn, because of being in safety and occupational footwear industry, associates its’ personality mostly with comfort. Company stated that one of the main goals is to create a product that would deliver comfort to the end user. There is, however, a need for Arbesko to improve the brand as a personality by creating additional relationships with the customer or helping the customer to express his/her personality. Since the product targets an industry where the quality and comfort are the only and most important characteristics for the customers, there is no need to put much emphasis on the brand personality.

**Brand as a symbol**

The blue-white check (see Appendix 7) is one of the most important symbols for the company. The blue-white check is already widely recognizable in the market and at the same time it differentiates the product from the rest of the market. This particular symbol is a part of the company’s tradition since it was used for more than one generation. According to Aaker (1997), a strong brand symbol is able to provide cohesion and structure to a brand identity which can increase the brand recognition and any features that represents the brand can be a symbol. Hästens in addition has a logo of a horse that symbolizes company’s origins as a saddle manufacturer and the horse hair is one of the main natural materials used in present for producing beds. Concept stores are also an important symbol of the company as they enhance their luxury image.

The symbols of Arbesko are: the brand name of the company itself with a logo of so called “dancing people”, company’s slogan “Arbesko makes a difference” (see Appendix 3) and the special cap which is placed on the heel of the shoe (see Appendix 5). These are the main symbols that make their brand unique.

For each of the company, there are several strong symbols, this making the brand identity more distinctive and difficult to copy. Hästens has established relatively strong brand symbols that help to gain recognition and are easily recalled by the customers from the target segment. Arbesko also has symbols that help the end-user to recall the brand.

**Value proposition**

‘Value proposition is created by the brand identity that may include emotional and self-expressive benefits as well as relationship constructs’ (Aaker and Joachimsthaler, 2000, pp. 49-50). Hästens, as a brand, evokes a feeling for the buyer or user of the product during the purchase process and during the ‘consumption’ of the product. The concept stores are characterized
by a luxury atmosphere that increases the customers’ buying experience. Moreover, the customer gets a document that he bought a Hästens bed. During the interviews in the headquarters of the company it was noticed that the company even received the letters of satisfied customers, since the letters were put in a frame and hanged on the wall as a sign of customer satisfaction. A person has the opportunity to get a self-expressive benefit by buying a Hästens bed, as well, he may express the status of success by buying a the company’s beds. Looking from a relationship construct, the company creates a relationship with the customers that may resemble a personal relationship.

The value proposition for the customers of Arbesko creates a feeling of comfort that helps to save energy for the end-user and to spend it after the work. There is little of purchasing experience that is created because of the sales that take place through dealers. There is little of self-expressive benefits that a product or a brand of Arbesko could create for a customer, based on the segment company it is targeting. Assessing the brand from a relationship construct, the brand could be perceived as trustworthy. Comparing to Hästens, there is a need for Arbesko to concentrate more on emotional and self-expressive benefits.

**Credibility**

For both of the companies the quality and constantly added value to the product speak for the brand itself. Hästens is already a well known luxury bed manufacturer, recognized for producing high-end products; having a high value for the end customers. The company can also be considered as trustworthy because of being in the industry for 158 years. A number of Hästens products were designed by famous designers, and the models of the beds were published in design magazines implying the exclusivity of the product. Arbesko shoes are known for the comfort, quality and trustworthiness as well. As it was mentioned before, the company not only has 170 years of history, Arbesko is also the only one Swedish safety and occupational shoe manufacturer in the country. Hästens and Arbesko have established relatively good credibility position both in Sweden and in the international market. Companies are well recognized in the segments that the companies are aiming for.

**Relationship**

Hästens and Arbesko brands are both trustworthy therefore, having a possibility to create a very close relationship with the end user. This emotional bond may benefit both of the companies. It is important for the firms to maintain this relationship and foster it in the long-run. For Arbesko the relationship may guarantee the repetition of sales from the same customers, as for Hästens it may increase the positive spread of word of mouth.

When repositioning a brand, especially to the high-end segment, it is vital to put emphasis on restructuring the brand identity. As it was mentioned in theoretical framework a newly repositioned brand has to represent a unique set of brand associations that the company seeks to create or maintain in the mindset of the customers, this involves a promise for the target market given by the organization. Hästens managed to successfully restructure brand identity in creating a unique set of brand associations like: brand as a product, brand as an organization, brand as a personality, and brand as symbol. Nevertheless, there is a need to continue to communicate the perspectives in order to strengthen the brand identity. Similarly, Arbesko as well needs to continue communicating their restructured brand identity although more extensively, especially to the end-user. Both companies have created high value proposition and credibility all together creating strong relationship with the customer.
5.5 Touchpoints in creating positive customer brand Perception

According to Morgan (2007) brand touchpoint can be defined as any information-bearing experience that a customer or stakeholder has with a brand. Dunn and Davis (2003) ascribed touchpoints to three stages in purchase experience: pre-purchase, purchase and post-purchase experience. Hästens and Arbesko both incorporated many of the brand touchpoints that affect customers in all of the purchasing experience stages.

Pre-purchase

The touchpoints of pre-purchase experience stage represent a number of various ways of customer interaction with the brand before deciding to take a purchase decision (Dunn and Davis, 2003). Hästens Sängar uses a number of touchpoints in the pre-purchase experience stage in order to shape perceptions and expectations towards the brand. The company uses an interactive and easy to navigate website, catalogues, DVDs (extensive information about the company and products), advertisements in magazines and newspapers that have a global presence, TV advertisement, social media networks, concept stores and exhibitions. Hästens uses a large number of touchpoints in order to increase the brand awareness and the positive perception about the brand.

Arbesko uses websites, events sponsorship, for instance WorldSkills, ads in magazines and union newspapers, and social networks as a mean of creating touchpoints for the pre-purchase experience. Presence in social networks is a relatively new touchpoint for the company, although company already started to utilize it effectively through social networks like YouTube, Facebook and Twitter. Company is also participating in safety and occupational equipment exhibitions. Furthermore, Arbesko is contacting some of the potential customers directly, providing all of the needed information about the company and products.

Hästens Sängar and Arbesko have created similar touchpoints; the difference is that Hästens managed to create the touchpoints that have a global presence. Although Arbesko is using many of the touchpoints in the pre-purchasing stage as well, still there is a need to increase the touchpoint presence in the global market.

Purchase

According to Dunn and Davis (2003) the purchase or usage experience touchpoints are those that move a customer from considering the brand to actually purchasing it. Hästens uses the following touchpoints for the purchase stage: product assortment, packaging, delivery, purchase displays (concept stores), product performance and in-store sampling. Hästens has a large number of beds and the main models are displayed in the concept stores. Concept stores are designed in a way that will enhance potential customer experience and create the need for purchasing the product. Hästens is successful in using a large number of touchpoints in the purchase experience stage.

Arbesko is using similar touchpoints as Hästens: product assortment, packaging, delivery. Other touchpoints, for instance, purchase displays, products performance and indoor sampling are strictly dependent on the distributors and dealers. It is due to the specificity of the industry and the distribution channels. There is a need for the company to utilize more touchpoints in the process of purchase experience, as mostly relying on dealers and distributors may be relatively risky.
Post-purchase brand touchpoints can be identified as all of the interactions that are being created after the purchase experience stage is completed, this is done in order to maximize total brand experience (Davis and Longoria, 2003). The most important touchpoint for Hästens is the product and package performance. Hästens are known for the high performance products that offer the end user the maximum experience. Company uses packaging that is itself luxury and differs from others in the industry. All of the other touchpoints in the post-purchase stage depends mostly on dealers. There are not many touchpoints for Hästens in the stage of post-purchase because in most of the cases they don’t have repetition customers. Furthermore, the product has a 25 years warranty for covering spring or frame breakage.

Arbesko is offering a customer service desk that is responsible for any of the problems that may happen during the stages of purchase and post-purchase. One of the most important touchpoints for the company is the product performance, the same being applicable to Hästens.

Both of the companies lack of touchpoints in the stage of post-purchase experience. As it was mentioned before, Hästens faces a problem of non-repetitive customers in the segment although the increased experience in the post-purchase segment would increase the word of mouth and thus increase the brand awareness the company is aiming for. For Arbesko, it is important to add some of the additional touchpoints to the post-purchase stage. Both companies are making most of their sales through dealers and distributors, making them responsible for the creation of post-purchase experience as well. As for example, Hästens’ dealer in Germany annually organizes an event for the Hästens customers.

According to Carbone and Haekel (1994) all of the stages in the total purchasing experience can be positive or negative, and to a greater or lesser extent memorable. The absence of some of the touchpoints in any of the stages may harm the image of the brand. Therefore, it is important for every company to identify and concentrate on the most important touchpoints that enhance the customer experience and increases the brand image of the product.
6 Discussions

This chapter will present the framework for a successful brand repositioning elaborated by the authors based on the empirical data analysis and comparison with already existent theories in the previous chapter.

The repositioning in the consumer market, as provided by Doyle (1998), can be done on several levels. The figure 9 illustrates how the companies studied in this paper have moved up-market. Arbesko has switched from mass-market to premium level while Hästens has moved from the premium to the luxury segment, both segments targeting the upscale markets.

![Figure 9: Repositioning in the consumer market (Adapted from Doyle, 1998)](image)

In the process of repositioning Arbesko and Hästens had to significantly change their business models in order to be able to meet the requirements of the customers in the new segments. Therefore, internal and external changes had to be done by both companies in order to succeed.

Based on the strategic decisions applied by both companies in the process of repositioning, the researchers were consequently able to identify the similarities and differences in the techniques used in order to successfully reposition.

Therefore, the analysis of Hästens and Arbesko in the previous chapter has led to the emergence of a model which entails the essential dimensions of a successful brand repositioning strategy. The authors have identified 7 fundamental dimensions which are outlined in the Figure 10 and are afterwards thoroughly discussed in the text.
Employees’ commitment

This dimension is the engine of the repositioning process. Therefore, in order to succeed it is essential that all the employees, starting from the top management and ending with the workers in the factory, must dedicate themselves to the common goal. The cases studied in this paper have confirmed the previous statement. Hence, repositioning has started with the strategic decisions taken at the highest level of the organization and afterwards have been passed throughout the company. And, the employees from all levels have been encouraged to participate to the strategic change of the company, by putting forward new ideas on how the business model could be improved. For instance, at Hästens and Arbesko, the suggestions regarding the product improvement usually came from the workers in the factory and have been afterwards tested, and in some cases adopted.

Realignment of core values

Another important dimension is related to the core values of the organization. In the process of repositioning companies must realign and reinforce their core values and not replace them. Furthermore, Urde (2003) provides that ‘although the core values must be seen as lasting factors, they must also be dynamic by nature and continually be adapted and developed so as to encourage a sense of challenge and adventure that is relevant both internally and externally’ (p. 1035). Hence, a company might want to keep the same organizational structure, the management structure and the values inherited in the products itself, for instance, their quality, naturalness and reliability. What has to be altered is the strategic thinking of the top management to adopt ‘a culture of change’, directed towards both internal settings and the external market environment. Moreover, the image of the brand in the customer’s mind is a core value that has to be constantly upgraded in order to match with the changing needs and requirements of the customers. In order to achieve that, companies must revise the core values that are a fundamental element of their brand identity, and further translate them into messages that will appeal to the po-
tential customers. Therefore, firms must communicate to the external environment a story that will reflect the soul of the company.

Restructuring brand identity

Companies that are willing to reposition their brands also need to restructure the brand identity as it is considered to be the one of the core essences of the strategy. Firms have to decide what kind of a brand they want to be in order to be able to target the right target market. Companies have to redesign brand carefully considering all of the perspectives: brand as a good, brand as a company, brand as a personality and brand as a symbol.

Touchpoints

In the upscale markets touchpoints are of great importance as they help the potential customers to receive high level of experience during the whole process of the purchase. For the company that has recently repositioned to the upscale market, the touchpoints in the pre-purchase experience are of high relevance. In order to generate and sustain a coherent brand identity there is a need to concentrate on public relations, advertising via channels that reach the accurate target market, website and other social media networks. In order to increase customer’s purchase experience, the company is required to ensure an image of luxury in the point-of-purchase displays, product/service assortment must be present and visible to the customer, and sales personnel have to suit the desired brand image. Companies that seek to retain their customers need to, as well, increase the post-purchase experience through customer service, loyalty programs, newsletters and other possible touchpoints. Therefore, through experiencing all of the stages in the purchasing process, the customer is able to build his final perception of the brand image.

Improvements to the product

Companies that seek to reposition their brand to the upscale market segment have to improve their product as it has to meet the needs and expectations of the potential customers. Premium and luxury segments stand for high quality and enhanced experience between the product and the customer. It is important to constantly upgrade the products by increasing their functionality, and improving the design of the product and packaging. All the features previously mentioned need to highlight the product as being high-end and therefore, be able to differentiate itself from competition.

Distribution channels

Companies that are willing to access upscale markets have to take into consideration the distribution channels. Since the companies are aiming to target premium or luxury markets, distribution channels have to be chosen carefully in order to target the right segment. For upscale products the company has to consider the channels that are not used by the mass-market as it may deteriorate company’s overall brand image. The company has to put emphasis on screening potential retailer or dealers, it is extremely important when the company is considering to use a license distribution channel. In general, apart from controlling where the product should be distributed, the firm has to decide ‘how’ it should be distributed. It is important to decide the distribution method for delivering products that ensures that the products remain intact throughout the process.

Management of international markets

This dimension is extremely important in the repositioning process. A common characteristic of the two companies in this paper was the interest to penetrate the external market, this actually being an important phase in the repositioning process. Therefore, in order to gain market share
on the foreign grounds, the companies must adopt a flexible strategy in managing the international markets. Companies must localize their offer to a certain extent. In most of the cases, the core product and it’s attributes will be left unchanged, while the marketing campaign will be tailored to particular locations. For instance, based on the cases analysed in this paper, the local marketing communications were in most of the cases left at the disposal of the dealers. However, this has been done under the close supervision of Arbesko and Hästens, and frequently the dealers consulted with the company on marketing issues. Therefore, the management of international markets has to be flexible on one hand and very strategic on the other hand in order to maintain the company’s brand integrity.

Based on the findings in this study, we consider that all the dimensions of the framework have a major impact on the success of repositioning a brand to an upper segment. However, we presume that it has a stronger effect if all the 7 dimensions are simultaneously enacted.

6.1 Main drawbacks in the process of the repositioning process

Companies that are willing to reposition themselves to the upscale markets should take into consideration the possible drawbacks. The empirical findings in this paper confirm the statements in the theory on the issues of repositioning to upscale markets. Therefore, both sources theoretical and practical provide that the main drawback is the ‘loss of the customer base’ when going upmarket. This happens because the price is no longer attractive to initial customer, and furthermore, the additional features of the product will be perceived as having little or no value for him/her.

Moreover, another shortcoming could be ‘considerable investments’ needed in order to make the repositioning process possible. The biggest part of these investments would typically be spent on active brand advertising and other marketing communications. Likewise, a significant amount of resources could be invested in product improvements in the form of value added that will in turn deliver increased customer experience.

Lastly, another drawback could be the relatively ‘long period of time it takes for companies to fully reposition themselves’. The cases investigated in this paper revealed the fact that it might take even decades until the firms manage to completely reposition to a higher market segment.
7. Conclusions

This final chapter will include the final remarks, followed by theoretical and practical implications. Limitations to the current study and directions for further research will be presented afterwards.

This research paper reveals a novel framework for better understanding the key dimensions for a successful repositioning to upscale markets. Furthermore, it provides evidence of similarities and differences in the brand repositioning process undertaken by companies in different industries, the bed manufacturer Hästens and the safety and occupational footwear manufacturer, Arbesko.

The most significant similarities in brand repositioning process of Arbesko, targeting the premium segment, and Hästens, targeting the luxury segment, have been the restructuring of the brand identity by accentuating such elements as company’s history, heritage, and the pioneering experience in the industry. Furthermore, both companies have made extensive use of the marketing communications in order to create the desired image in the market place and therefore clearly communicate the core values of their brand. Moreover, both firms have improved the quality of their products in order to successfully reposition to upscale markets. Hästens and Arbesko have also changed the structure of their distribution channels.

However, Arbesko had a central focus on improving the product by adding unique features in order to charge a higher price than its competitors, while Hästens concentrated more on creating brand awareness through active use of marketing communications. Furthermore, during the repositioning process Arbesko has merged brand names of its two product categories under the company’s name, while Hästens has kept the same brand name.

Hence, the scale of change that occurred at Hästens was smaller than at Arbeko. For Hästens, the predominant change was mainly done to the customers’ mindsets. At Arbesko, on the other hand, it had a wider-scope. The change encompassed, apart from a altering the mindsets, also transforming the products manufactured by Arbesko.

The framework the authors developed in the last section emphasizes the key dimensions for a successful brand repositioning strategy aiming to reach upscale markets. The first one is the employees’ commitment which is the engine of this process, as it requires that all the employees, starting with the top management and ending with the workers in the factory, should understand the importance of this strategic change and thus dedicate themselves to this common goal. Another dimension is the realignment of the core values in order to match the needs of the upscale market segments. In the process of repositioning companies should also restructure their brand identity considering all of the perspectives: brand as a good, brand as a company, brand as a personality and brand as a symbol. Furthermore, touchpoints will help enhance the customer experience throughout all the stages in the purchasing process. This dimension is crucial for companies which intend to access premium and luxury segments. Moreover, companies should have a great focus on their distribution channels and therefore, carefully choose the retailers and distributors. Management of international markets is also an important factor in the brand repositioning process. It has to be flexible on one hand and very strategic on the other hand in order to maintain the company’s brand integrity.
6.2 Theoretical implications

This research paper has contributed to the area of brand repositioning, and more specifically to repositioning to upscale segments. Based on the previous studies, the authors elaborated a model that explains the concepts that serve as a building block for the repositioning process. Therefore, in order to understand this process all the aspects, namely initial positioning, brand identity and touchpoints should be taken into consideration. Separately, they will have only a limited effect on the firm’s success in repositioning. Furthermore, researchers have to take into consideration the fact that the brand identity and the touchpoints are those elements that can be restructured and reinforced, while the initial positioning has already created a brand perception in the customer’s mind, thus it can’t radically changed. Instead, in the process of repositioning the strong sides of the initial positioning should be emphasizes and at the same time the weak sides should be eliminated. Hence, this model that we created could be further applied to the analysis of the brand repositioning to upscale markets of companies from different industries. Moreover, this model can be used in studies on companies that have failed to reposition their brand upwards in order to understand and explain the main reasons for their failure.

Furthermore, this study has presented a novel framework for better understanding the key dimensions of successful brand repositioning to upscale markets. With this model we have complemented the previous studies on brand repositioning to upscale markets which, to our knowledge, are rather scarce. Furthermore, the dimensions of the framework are deeply rooted in the core concepts identified in the specialty literature. These seven dimensions could be applied by the researchers exploring the specificity of companies activating both in premium and luxury market segments. However, an important insight is that when applying our framework it is not certain if its elements will have the same expected effect when applied separately as when applied in combination.

Moreover, this study has confirmed the statement of Ryan et al. (2007) that repositioning ‘is a feasible means of strategic change’ by underlining the success factors in the repositioning of two Swedish companies. Thus, this study has brought evidence of success stories of companies that managed to reposition to upscale markets. We also affirm Ryan et al. (2007) perspective on the need to match the internal environment, predominantly the strategic thinking of the management, with the external environment, focusing on the image of the brand in the customer’s mind. Therefore, this standpoint has served as a rationale for us in building our framework for successful brand repositioning.

6.3 Practical implications

The findings in this paper were based on the successful brand repositioning cases of two existing Swedish companies. Therefore, this paper brings empirical evidence to the assertion that leveraging the brand through accessing upscale markets is a feasible strategy for brand repositioning.

The model that resulted from the analysis and comparison of theoretical and empirical data could further offer guidance to companies intending to access upscale markets. The framework underlines those main aspects that should be reconsidered by the management team when pursuing this brand repositioning strategy. Therefore, it can be applied by companies that pursue the strategy of repositioning to whether premium or luxury markets. And, we think that an important aspect that managers should bear in mind is that this model will have a stronger positive impact on the company’s repositioning process, when all the elements of the framework are activated.
Furthermore, as this framework was built upon the study of only two companies, it does not contend to serve as a universal solution for all the companies intending to reposition their brand to upscale markets.

Moreover, companies that are aiming to reposition their brand to upscale markets have to be aware of the possible drawbacks of this process. Based on the comparative study of Arbesko and Hästens the main drawback in their repositioning process which could be similar for other companies aiming to access upscale markets is the time frame. It might take several years or even decades until the company will manage to fully reposition itself. Furthermore, the access to upscale markets will require enormous investments, mainly for advertising and for delivering increased customer experience. Another drawback could be the loss of the initial customer base due to a substantial increase in price, and in some cases additional features of the product will be perceived as having little or no value for the end-users.

6.4 Limitations

The research conducted has methodological and theoretical limitations, as the purpose of the thesis was to provide a framework for better understanding the brand repositioning strategies and not to validate the existing theory.

Limitations could be identified in the process of the empirical data collection. The small number of samples is one of the main constraints. We have conducted 9 interviews with the companies’ representatives, which were chosen by applying the snowball sampling method. This might have been a reason for a subjective view upon the matters addressed in this paper. Furthermore, it might have been the case that the respondents presented only one side of the coin, the other one being hidden due to confidentiality issues. However, due to the nature of this study, it was not appropriate to test the data statistically, but instead generalize the existent theories in the area of brand repositioning.

6.5 Further Research

As there is still a limited research in the area of repositioning there is an increasing need to explore this concept by going beyond the current study.

Firstly, we acknowledge that our framework for successful brand repositioning, which is based on the study of a small sample, needs to be tested in different settings in order to see if it has the same effect outside the cases addressed in this paper. For this reason, further research within the topic should be undertaken and the results should offer additional insight into the specific research area.

Furthermore, another direction for research could be to explore the reasons why some companies have failed to successfully reposition to upscale markets. In this context, our framework for successful brand repositioning could be applied in order to see if all its elements have been enacted and to which extent, during this process. This would help to test the viability of our framework and also detect its major weaknesses.

Another interesting research topic could be to explore the dimensions of successful brand repositioning of luxury and premium brands that have changed their value proposition in order to target downscale markets.

Furthermore, another area of particular interest could be to examine the change in the customer behavior as a result of the company’s repositioning to another segment.
References


Todiras & Rafijevs, 2010


Todiras & Rafijevas, 2010


Todiras & Rafijevas, 2010


**Internet sources**


Appendices

Appendix I

Hästens Sängar

Thesis: Brand Repositioning Strategies

Repositioning is perceived as a feasible mean for a strategic change that companies are willing to take in order to boost their competitiveness and differentiate themselves on a national and global scale. It is a response to the changing market environment, and is enacted by a fundamental shift in the company’s value proposition.

The purpose of our research consists in elaborating a framework for better understanding the brand repositioning strategies of companies which aim to change their target market segment. By utilizing a case study approach our research will follow the similarities in the process of transformation of the business model, mainly focusing on the brand strategies, of companies activating in different industries, namely safety and occupational footwear manufacturer Arbesko AB and the bed manufacturer Hästens.

Sample Questions:

General questions
1. What was the image of luxury beds when the company first started to produce them? How is the product perceived now by people?
2. How could you describe the current bed manufacturing industry?
3. After Jan Ryde took over the company in 1980, the bed sales have risen tremendously. What strategies and tactics have served to stimulate this rise?
4. Did the change in ownership influence the strategic direction of Hästens?
5. What importance for the Hästens brand would be the following things: culture, company’s history, product design, distribution, brand management?
6. What distribution channels do you currently use?
7. Which are the characteristics that differentiate you from your competitors?
8. Who is responsible for the brand management in your company?
9. How many people does Hästens currently employ? The changes in the employment rate in the past 10 years?
10. The company revenues and net income before and after the repositioning?

Questions for repositioning
11. Who was responsible for the formulation and implementation of the repositioning strategy?
12. What was the main reason behind the repositioning? (Company before repositioning)

From the theory:

- Poor or outdated image,
- Blurred image
- Changes in the needs and wants of the target market
- Changes in strategic direction,
- New or revitalized corporate identity
- Changes in competitor positioning,
- Momentous event
- Rediscovering lost values

13. Do you consider that the strategic repositioning you went through is more a natural process or a strategic decision?

14. Did you have to change your target market segment during the strategic re-orientation?

15. What steps were undertaken during this process and which were the main changes in the internal and the external environments?

16. What were the key factors for successful repositioning?

17. How long did it take for the company to fully reposition itself?

18. What kind of problems did you experience in this period?

19. Which are the most important results of the repositioning strategies undertaken by Hästens?

20. Was the repositioning followed by an increase in the sales outside Sweden? (the fluctuations of the sales in Sweden and abroad)?

21. Rimms and Trout (2007) distinguish between 3 types of repositioning strategies:
   - Rational repositioning (functional modifications and improvements)
   - Emotional repositioning (symbolic modifications)
   - Complete repositioning (modification at both symbolic and functional levels)
Which of the above strategies was used by Hästens?

**Marketing Questions**

22. How did you manage to position your products as luxury ones? What would be the key success factors for your company in helping the brand to become a luxury in the customer mind set?

23. How did you manage to create and increase the customer brand awareness and sensitivity?

24. The characteristics that differentiate Hästens as a luxury brand:
   - Clear brand identity
   - Marketing communications
Are the dimensions mentioned above characteristic for the Hästens brand and to which extent, each of them? On which dimension you concentrate most of your attention?

25. How much did the core values changed from the ones that existed?

26. Would you state that your brand is recognizable for the segment you are aiming? What is your target market? How did you choose it?

27. By what means you manage to contain the brand image as a luxury one? (marketing communications)

28. To which extent do the marketing communications help your company create and maintain a credible and exclusive/luxury brand reputation? Which forms of marketing communications do you mostly use? How much do you invest in marketing communications?

29. How do manufacturing and distribution channels affect the brand management strategies?

- In the theory it is mentioned that distribution channels are of great importance for the luxury brands.

30. How could you describe your previous and current brand identity?
- brand as a good (quality, experience, price(premium), target segment)
- brand as company (features of the company, local or global)
- brand as personality (features, attributes, it’s personality(as compared with human traits), relationship of brand and consumers)
- brand as a symbol (visual, brand inheritance, ask about the creation of the logo)

31. There are 3 basic stages in the purchasing experiences:
- Pre-purchase experience - this includes public relations, advertising, company's presence in internet, partnerships.
- Purchase experience – direct sales, presence of physical stores, products/services.
- Post-purchase experience- customer service, billing, loyalty programs, surveys and regular maintenance.

Which ones in each subcategory do you find most important and concentrate the most?
Appendix 2

Arbesko AB

Repositioning is perceived as a feasible mean for a strategic change that companies are willing to take in order to boost their competitiveness and differentiate themselves on a national and global scale. It is a response to the changing market environment, and is enacted by a fundamental shift in the company’s value proposition.

The purpose of our research consists in elaborating a framework for better understanding the brand repositioning strategies of companies which aim to change their target market segment. By utilizing a case study approach our research will follow the similarities in the process of transformation of the business model, mainly focusing on the brand strategies, of companies activating in different industries, namely safety and occupational footwear manufacturer Arbesko AB and the bed manufacturer Hastens.

Sample Questions:

General questions

32. What was the image of the safety and occupational footwear when the company first started to produce them? How is the product perceived now by people?

33. How could you describe the current (occupational and safety) shoe industry both in Sweden and on Global market?

34. After Peter Geisler took over the company, there has been a change in the sales trends, thus a decrease in sales can be traced, however there was a rise in the company profits. Which strategies and tactics have served to stimulate this rise?

35. Did the change in ownership influence the strategic direction of Arbesko?

36. What importance for the Arbesko brand would be the following things: culture, company’s history, product design, distribution, brand management?

37. What changes in the distribution channels took place over the last 20 years?

38. Which are the characteristics that differentiate you from your competitors?

39. Who is responsible for the brand management in your company?

40. How many people does Arbesko currently employ? The changes in the employment rate in the past 10 years?

41. The company revenues and net income before and after the repositioning?

Questions for repositioning

42. Who was responsible for the formulation and implementation of the repositioning strategy?

43. What was the main reason behind the brand repositioning? (Company before repositioning)

60
(From the theory:

- Poor or outdated image,
- Blurred image
- Changes in the needs and wants of the target market
- Changes in strategic direction,
- New or revitalized corporate identity
- Changes in competitor positioning,
- Momentous event
- Rediscovering lost values)

44. Do you consider that the strategic repositioning you went through is more a natural process or a strategic decision?

45. Did you have to change your target market segment during the strategic re-orientation? (Distribution channel)

46. What steps were undertaken during this process and which were the main changes in the internal and the external environments?

47. What were the key factors for successful repositioning?

48. How long did it take for the company to fully reposition itself?

49. What kind of problems did you experience in this period?

50. Which are the most important results of the repositioning strategies undertaken by Arbesko?

51. Was the repositioning followed by an increase in the sales outside Sweden? (the fluctuations of the sales in Sweden and abroad)?

52. Rimms and Trout (2007) distinguish between 3 types of repositioning strategies:
   - Rational repositioning (functional modifications and improvements)
   - Emotional repositioning (symbolic modifications)
   - Complete repositioning (modification at both symbolic and functional levels)

   Which of the above strategies was used by Arbesko?

53. Peter Geisler, mentioned often the values added to the products, can you name few examples? (ex. the gel)

**Marketing Questions**

54. Can you assert that your products are premium product? (the value added, high price and high quality)

55. How did you manage to create and increase the customer brand awareness and sensitivity?

56. The characteristics that differentiate Arbeko as a premium brand:
   - Clear brand identity
   - Marketing communications
• Product integrity
• (Brand signature)
• Premium
• Exclusivity
• Heritage
• Culture

Are the dimensions mentioned above characteristic for the Arbesko brand and to which extent, each of them? On which dimension you concentrate most of your attention?

57. How much did the core values changed from the ones that existed?

58. Would you state that your brand is recognizable for the segment you are aiming? What is your target market? How did you choose it?

59. Did you try to change customer perception? If yes what methods did you use?

60. To which extent do the marketing communications help your company create and maintain a credible brand reputation? Which forms of marketing communications do you mostly use? How much do you invest in marketing communications?

61. How do manufacturing and distribution channels affect the brand management strategies?

62. How could you describe your previous and current brand identity?
   - brand as a good (quality, experience, price(premium), target segment)
   - brand as company (features of the company, local or global)
   - brand as personality (features, attributes, it’s personality(as compared with human traits), relationship of brand and consumers)
   - brand as a symbol (visual, brand inheritance, ask about the creation of the logo)

63. There are 3 basic stages in the purchasing experiences:
   • Pre-purchase experience - this includes public relations, advertising, company’s presence in internet, partnerships.
   • Purchase experience – direct sales, presence of physical stores, products/services.
   • Post-purchase experience- customer service, billing, loyalty programs, surveys and regular maintenance.

Which ones in each subcategory do you find most important and concentrate the most?
Appendix 3

Arbesko’s Logo
## Appendix 4

### Value added to the products (Source: [http://arbesko.com/added-value/](http://arbesko.com/added-value/))

<table>
<thead>
<tr>
<th>Values added</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Asymetrix and Active Plus" /></td>
<td>Asymetrix and Active Plus both reduce the risk of slipping, because of the construction of the shoe that creates exceptional slip resistance on dry and wet surfaces.</td>
</tr>
<tr>
<td><img src="image2" alt="Asymetrix Nitrile" /></td>
<td>Asymetrix Nitrile is company’s most hard wearing functional sole. The sole provides excellent grip on all types of slippery surfaces. And it is unbeatable in extremely hot environments. Asymetrix Nitrile can withstand temperatures of up to 300°C.</td>
</tr>
<tr>
<td><img src="image3" alt="ComfOrtho insoles" /></td>
<td>ComfOrtho insoles prevent and relieve aching heels, inflammations, tiredness and burning soles, front foot problems, an aching big toe and knee, hip, and back problems. ComfOrtho is tested and approved from a safety perspective. Can be used as a replacement insole in all Arbesko safety and occupational shoes.</td>
</tr>
<tr>
<td><img src="image4" alt="Energy Gel®" /></td>
<td>Energy Gel® is an elastic gel cushion placed at the heel of the shoe, providing optimum shock absorption. In tests, safety and occupational footwear made from Energy Gel achieves excellent results for shock absorption – on a par with many sports shoes (see table). And in a major study*, work absence due to muscle and joint pains decreased by a staggering 78% among industrial workers who wore Arbesko Energy Gel shoes!</td>
</tr>
</tbody>
</table>

*Todiras & Rafijevs, 2010*
| Energy Gel Duo® provides double shock absorption with an elastic gel cushion in the heel, and a pleasantly load-relieving gel disc in the tread section. The gel disc reduces strain on the pad of the foot and is especially appreciated by anyone who spends a lot of time standing on hard floors.

| Moisture Transport System is Arbesko’s proprietary concept for creating a pleasant environment for working feet. It is based on the shoes, soles and socks working together, on well considered constructions, interwoven air channels and innovative materials. An effective moisture transport system keeps feet dry.

| Poliyou® insoles are anatomically designed and constructed to create a dry, comfortable, odour free working environment for the feet. The special construction of PU foam with open cells ensures ventilation and moisture absorption. The core is made of bamboo, a natural material which absorbs odour and impedes fungal and bacterial growth. The sole is also pleasantly shock absorbing.

| Stability System is Arbesko’s proprietary fundamental concept for making shoes that are comfortable to stand and walk in all day long, last longer than normal and that are also ergonomically correct (which is good for the whole body). It is a seal of quality beyond the everyday standard.

| Arbesko offers leather with strong impregnation that withstands water for a full eight consecutive hours — a whole working shift. |
Appendix 5

Products of Arbesko (Source: http://arbesko.com/products/)
Appendix 6

Hästens’ Logo
<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VIVIDUS</strong></td>
<td>Vividus is the ideal bed when only the best is good enough.</td>
</tr>
<tr>
<td><strong>2000T II</strong></td>
<td>The 2000T II is one of Hästens’ most exclusive beds.</td>
</tr>
<tr>
<td><strong>EXCELSIOR II</strong></td>
<td>The Hästens Excelsior II is a continental bed for those with very high demands regarding sleeping comfort.</td>
</tr>
<tr>
<td><strong>EXCELSIOR II ROUND</strong></td>
<td>We are proud to present a round version of our exclusive continental bed, the Excelsior II.</td>
</tr>
<tr>
<td><strong>LUXURIA</strong></td>
<td>Hästens Luxuria is an incredibly comfortable bed, hand-stuffed with horse-hair and carefully selected natural materials.</td>
</tr>
<tr>
<td><strong>CITATION II</strong></td>
<td>Hästens’ most exclusive adjustable bed, the Citation II, is the bed for those who want a bed that is far above the ordinary.</td>
</tr>
<tr>
<td>Model</td>
<td>Description</td>
</tr>
<tr>
<td>---------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Experior</td>
<td>You can enjoy a Hästens Experior not only when you sleep, but when you want to relax too.</td>
</tr>
<tr>
<td>Comfortable II</td>
<td>The Hästens Comfortable II adjusts to any position you like. Comfortable natural material allows your body to breathe.</td>
</tr>
<tr>
<td>Superia II</td>
<td>The Hästens Superia is, just like the name implies, a bed that is superior to the rest.</td>
</tr>
<tr>
<td>Excel II</td>
<td>With the Hästens Excel II you can enjoy Hästens’ unique double patented Swedish spring systems.</td>
</tr>
<tr>
<td>Marquis</td>
<td>The comfortable Marquis is a completely natural bed. All Hästens beds have been built for generations according to the same philosophy.</td>
</tr>
</tbody>
</table>