Invisible Branding
Creating brand value from invisibility

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Abstract

Problem: Branded products can be seen everywhere around us at all time, and is a way of communication for the buyer of the product. But, what if one cannot build a brand based on visibility, an example is underwear, then how is it possible to create a brand and add value to it? Is it actually feasible to create a strong brand when not leveraging upon visibility? The organization Stargate Brand Group and its brand Frank Dandy Superwear have been used in order to obtain a deeper understanding around the topic.

Purpose: The purpose of this thesis is to research how to create brand value for an invisible brand within the fashion industry.

Method: To help fulfill the purpose a qualitative approach has been used. Personal interview with the CEO of Stargate Brand Group, telephone interviews with 20 fashion retailers combined with focus groups consisting of potential underwear buyers. The authors believe this approach helped to understand customer behaviour, branding techniques and how to create a brand value from an invisible branded product.

Result: The most important elements in order to create brand value for an invisible brand are quality and perceived quality. To become a successful underwear brand, since that is the invisible brand that the authors choose to focus upon, quality must be highly emphasized, and offering a high quality product is one way of creating brand value to customers.

The overall understanding of invisible products and brands is that they are bought primarily to fulfill the customer’s need of feeling comfortable and leverage upon people’s desire of well-being. An invisible brand cannot leverage upon its user to the same extent as other products, since it is not shown to the public.
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1 Introduction

In the introduction chapter the background of the subject is presented. The problem statement is formulated and the purpose of the thesis is introduced. The delimitations of the study and important terms are presented in the definitions part. Finally the authors give a brief historical background of Stargate Brand Group.

1.1 Background

“A product is something that is made in a factory; a brand is something that is bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless.” (Aaker, 1991 p.1)

There has been written thousands of dissertations and theses within the field of branding. Therefore a legitimate question would be: why branding is of such an interest?

A simple answer is that the brand differentiates the product or service from competing products, which in the post-modern economy has an increasing importance (Duncan and Moriarty, 1997). This means that the buyer will prefer the branded product and therefore not replace it with another. The brand creates value to the customers and can also become a competitive advantage for the firm (Kotler et al., 2001).

There are some dimensions which are important to customers that concerns branded products. According to Grace & O'Cass (2002) these are feelings and self-image correspondence. Apparel is especially a way of communicating one’s self-image to the surroundings. Clothes and shoes that individuals use are part of the first impression people get of an individual. Thus, buying a branded shirt or a pair of jeans does not only give value to a person’s wellbeing but it is also a reflection of the personality.

The apparel industry is one business where branding is a common way for companies to differentiate from competition and gain competitive advantage. Although one branded t-shirt may not differ from another when it comes to quality, the brands are different, and this will lead to a perceived diversity between the products. However, underwear differs from external and visible apparel in general, due to the fact that they are actually hidden underneath other clothes. Underwear cannot, unless in certain situations, communicate the wearer’s self-image to the surroundings. Therefore it can be assumed that branding in the underwear industry will differ from branding of other apparel.

There are many examples of companies that have been successful in branding clothes in general and underwear in particular. Yet, this strategic decision is usually due to a brand extension, meaning an extension of the already existing product line, in example going from producing t-shirts to selling underwear and socks with the same name. This is a popular way of introducing new products among many companies.

What if a firm would enter the underwear industry with a new brand? How does a firm build a brand in the underwear industry? Furthermore, it becomes natural to ask what makes people buy these brands.
1.2 Problem Statement

Brands and branding are getting more and more important. Branding is today an important marketing tool for manufacturers (Motameni and Shahrokhi, 1998). The values of a brand and the perceptions of it control purchasing patterns of products and services (Kotler et al. 2001).

The competition between corporate organizations is high and it continues to grow. In order to keep up with the market’s ongoing pace, awareness is an important factor. Being in control of a strong brand is a competitive advantage and opens windows of opportunities in order to maintain it as well as strengthen the competitive position.

Furthermore, building relationships with the customer is an essential aspect. It can determine whether a company will be successful or not. Having a good customer relationship and being keen to the needs and demands of the customer is of great importance for the firm. Developing a reliable relationship with customers is a corner stone in order to establish a long term relationship. This can be the prerequisite to a loyal customer and thus, higher sales to the company (Reynolds, 2002).

When a customer purchases a branded product, the purchase is carried out with the intention that the product and the brand shall reflect the buyer’s image and lifestyle (Baskin, 2003). This becomes a way to communicate ones personality. It can especially be observed within in the clothing industry where individuals’ clothes reflect parts of his/her image. Due to the fierce competition within this industry, the barriers of entry are high. When building a brand it is central to create visibility, build associations and create differentiation in order to develop a deep customer relationship (Aaker & Joachimschaler, 2000).

If one cannot build a brand based on visibility when worn, then how is it possible to create a brand and add value to it? Is it actually feasible to create a strong brand when not leveraging upon visibility? How is that possible? For instance, a pair of branded underwear are often more costly than an unbranded pair. Obviously customers are willing to pay extra for an article of clothing which is branded but not shown to the public.

The brand could for instance be promoted through advertising and promotion, but how is it actually possible to convince the public that it is actually worn if no one can see any customers wearing it? If one starts out with an invisible product that is branded, is it feasible to say that a brand value is created.

The concept of invisible branding has not been elaborated. This is why the authors will explain and comment their thoughts within this new concept and give a definition to it. To fulfill the purpose of the thesis the authors intend to examine how Frank Dandy Superwear (a Swedish brand of underwear and apparel) has managed to become successful in the underwear industry, and what customers’ value when purchasing underwear.

1.3 Purpose

The purpose of this thesis is to research how to create brand value for an invisible brand within the fashion industry.
1.4 Delimitation

The purpose is concerning the fashion industry, the research is conducted in Sweden and the Swedish market. Therefore the Swedish fashion industry is of most concern. Furthermore, the authors have chosen to focus upon underwear, since that is argued to be an invisible branded product. The main focus is based upon male underwear.

Interviews with Frank Dandy Superwear (FDS) gave the authors ideas about where to find its retailers. Since FDS’s retailers are located all over Sweden the authors decided, due to lack of time and money, to conduct telephone interviews instead of face to face interviews. The authors are aware that this concept can be applicable in other industries, but the authors found it interesting to focus on the underwear industry.

1.5 Background Stargate Brand Group

Stargate Brand Group was established in 2000 and the company is committed to design and marketing of functional quality clothes and accessories without compromising on style and fashion. Stargate Brand Group’s business idea is “to build internationally recognized trade marks within the fashion market. The company is based on the principles of profitability distinct proprietary design, well thought product exposure in stores and a high service level” (M. Olsson, personal communication, 2005-11-22). The organization has 10 employees and the projected turnover for 2005 is 35 million SEK. The company was founded in Jönköping, today the organisation has offices in both Jönköping and Gothenburg.

Stargate Brand Group has a brand portfolio consisting of three brands; Smartcaze, Frank Dandy Superwear and Cojak. Smartcaze is a light, sleek wallet made of metal, where one can have its money and credit cards. It is a smaller kind of wallet that is designed to be noticed when used and discreet in other occasions. FDS started as a fashion underwear brand giving high function and innovative design to both men and women. The third brand in the portfolio is Cojak, a high quality fashion brand focused towards men. Cojak has high quality collections of suits, jackets, shirts, knits, tees and accessories, all made for men. The first product that the firm launched was Smartcaze. This item was a success all over Scandinavia and made it possible for the founders to release some other dreams about other product they wanted to introduce to the market. In end of 2002 the idea of an underwear brand was realized and FDS was introduced to the market. Along with the underwear FDS has today extended its brand to top quality apparels such as hoodies, knits and accessories. Cojak is more about image, “dress like a star, there is always someone watching”. FDS on the other hand has a more playful attitude. The slogan of FDS “Expect the unexpected” and the meaning of it (be prepared in case someone will see you) is quite the opposite of Cojak. It also refers to FDS roots as an underwear brand and the fact that one does not know when the underwear will come handy - therefore prepare yourself (M. Olsson, personal communication, 2005-11-22). Since Stargate Brand Group’s brand portfolio consists of three brands, synergies could be found within the portfolio, in terms of the distribution system. When Stargate Brand Group launched the Smartcaze a lot of connections with fashion stores and boutiques were made. These connections were later used to launch the other brands in the portfolio. Next, the target group for the three brands is more or less the same, namely the trend conscious man (in the case of FDS also women). The marketing channels used are the same for all the brands. Since the organisation gained a lot of experience when launching Smartcase, the competences and connections were of good help when launching FDS and Cojak (M. Olsson, personal communication, 2005-11-22).
1.6 Definitions

The authors will refer to branded underwear and products with similar features as “invisible brands”.

An invisible brand is “A branded product, rarely exposed to others than the user” (The authors’ definition). The authors argue that the branding strategy taken by the firm and the attributes valued by customers should be different for invisible brands than what is stated in the literature as general for branding. One has to separate between an invisible brand and a brand extension of an already existing brand. An invisible brand is i.e. underwear, soap and toothpaste. However, in the case of for instance Armani, its underwear line is just an extension of the Armani brand. This is very important to understand and to be able to differ between.

Frank Dandy Superwear: To simplify for the authors and the readers Frank Dandy Superwear will be written as FDS through out the entire thesis.

1.7 Disposition

First Chapter - the introduction chapter, a background of the subject is presented. A problem statement is formulated and the purpose of the thesis can also be found. The delimitations of the study and some important terms are presented in the definitions part. At last a short background of Stargate Brand Group is done.

Second Chapter - In this section the theoretical framework will be presented. The summarized theoretical models will be used in fulfilling the purpose. The authors decided to use the concepts of Brand Creation, Brand Management, Customer Behavior and Brand Value both for customers and the organization as a whole. This will work as a frame of reference to support the analysis and conclusions later on.

Third Chapter - In this chapter a presentation how the study was conducted is publicized. The authors present how the choice of subject was made and a reasoning why the certain method was chosen. Further presentations of how the data was analyzed and a presentation of how the interviews and the focus groups were conducted are presented for the reader. Finally, the reader can comprehend a part of some criticism of the method chosen.

The empirical part of the thesis is shown in the Forth Chapter. They are presented as following: First interview with the Stargate Brand Group will be presented, the findings with their retailers will be next and at last the results of the focus groups.

The Fifth chapter concerns the issues of analysis. Here the theoretical part and the empirical findings be analysed in order to fulfill the purpose of the thesis.

Sixth Chapter of this thesis within marketing and branding the conclusion part. Here the analysis will be concluded and the authors present a derived model.

In the Seventh chapter of the thesis, the final discussion, will be presented and some issues for further research.
2 Theoretical framework

In this section the theoretical framework will be presented. The summarized theoretical models will be used in fulfilling the purpose. The authors decided to use the concepts of Brand Creation, Brand Management, Customer Behavior and Brand Value for Customers, and Brand Equity for the organization as a whole. This will work as a frame of reference to support the analysis and conclusions later on.

2.1 Introduction

Figure 2-1 – The authors’ approach

The authors have chosen to approach the thesis in the way described in figure 2.1, by breaking down the purpose and then, step by step analyzing the elements constituting the topic of investigation.

Firstly the authors need to investigate the concept of branding and how to actually create a brand, if there is no brand, there can be no brand value. But this is not sufficient; once a brand has been created it must be managed carefully. If managed wisely the brand can become very valuable to the firm (brand equity) and create value for customers. Brand equity will be analyzed with focus on the connection to brand value. On the other hand, customer behavior will determine consumer perceptions and influence how the brand is perceived by customers and thus, affect brand value to customers as well. What is of
interest to the authors is the path from brand creation to brand value, and what decisions regarding branding are made along the way. In addition what are customers preferences regarding invisible brands and what do customers value in invisible products.

2.2 Branding

To understand branding and thereby be able to understand invisible branding, one must first understand what constitutes a brand.

“A brand is a name, term, sign or symbol, or a combination of them intended to identify the goods and services of one seller or group of sellers” – (Keller, 2003, p.3).

“Branding is to help achieve and maintain a loyal customer base in a cost effective way in order to achieve the highest possible returns on investment” – (Costantino, 1998 p.60).

The word brand originally comes from the Old Norse word *brandr*, which means “to burn”. The livestock owners historically used to burn their animals to differentiate them from other owners’. Branding livestock to branding goods is a small step. In the Greek and Roman eras branding became more popular, shop-owners used signs to present what goods or services that were offered. The brand was used as a mark of identification and the good craftsmen were hoping the customers would be looking for their particular mark on the goods. Early branding was both a sign of authorship and a way to differentiate the products (Costantino, 1998).

It is important to recognize that a brand must deliver an added value. The difference between branded products and commodities is due to the extra value delivered with the brand. With commodities, customers have a hard time to differentiate the products; one pot is very much like another pot. With commodities the purchase is usually based on price and availability. Branded products on the other hand have additional attributes which may be considered as intangible, but still important to the customers. If customers value a brand they should also be willing to pay extra for that particular brand (Costadino, 1998).

According to Kotler, Armstrong, Saunders and Wong (2001) the brand can be divided into four different levels.

- **Attributes:** A watch can be nice looking, have many technological features and be expensive.
- **Advantages:** An expensive watch may give the owner a certain status, or one with many features may help the owner be on time. One should look upon the advantages with the attributes in mind.
- **Values:** The buyers of a specific brand will most likely share values with the brand, i.e. the customers of BMW probably value performance, comfort and prestige.
- **Personality:** One can compare a brand with human attributes, and if the brand was actually a person what type of person would it be?

The authors will try to identify how each of the presented level(s) of the brand contribute to the invisible brand (underwear) and if any level(s) is of more importance.
2.2.1 Four phases of differentiation

As pointed out in the thesis, branding is a mean of differentiating a product. In order to become aware of how and at what level of the product invisible brands (underwear) are differentiated, and how they should be differentiated to become successful the authors will examine the four phases of differentiation.

Levitt (1980) argues that there is nothing that could be referred to as a generic product. He stresses that all products and services are differentiable. He argues that the real value of any product or service is the use by the customer. Furthermore, he states that the customer attaches value to a product with ability to solve the customer’s problems and meet its needs. According to his concept the products or services consist of different stages of performance towards the customer and its needs. Levitt describe these layers as generic, expected, augmented and potential performance.

![Figure 2-2 – Product levels (Levitt, 1980)](image)

The generic product is the fundamental product sought by customers. The expected, also known as the actual product, represents the minimal essential customer expectations. The augmented product is the addition of extra benefits exceeding normal customer expectations. Finally the potential product refers to new or improved methods, technologies and services used to attract and keep customers. Thus, from being just a generic product a product can be improved to a potential product by passing through different stages in form of services (Levitt, 1980). The authors will focus on the two latter layers (augmented- and potential product) since this is where branding can be identified, although a quick review of the two former layers will be included in the analysis. The concept of four phases of differentiation is presented by the authors in order to introduce the reader to the concept of branding and thereby clarify what the authors wish to communicate.

2.2.2 Communication through fashion brands

Fashion and clothing are forms of non-verbal communication since they do not use spoken words. The theory presented below will be used in order to examine how and if an invisible brand can communicate. Roach and Eicher (1979) mention that the unifying function of fashion and clothing serves to communicate membership of a cultural group both to those who are members of it and to those who are not.
When customers are purchasing new clothes, they tend to alter their mood and become happier and more satisfied when wearing them (Barnard, 1996). In order for people to satisfy their needs, it may sometimes go to the extreme when people become addicted to the feelings they get when wearing something new. Within fashion clothing as well as other items such as cosmetics and perfumes, the added value is often emotional, and the brands therefore become symbolic devices. It is not necessarily the functional capabilities of the purchased item that are the primary motive for buying a certain apparel or product. People tend to purchase a branded article because it communicates something about themselves through the design, packaging, price or even the effort they have made in the selection process of the desired product (Costantino, 1998).

Roacher and Eicher (1979) propose that the emotional survival of humans somehow depends upon their ability to find a balance between meeting the requirements of the society and protect a sense of self identity. Some colors and joyous lines can be used in attempt to change a person’s mood. Fashion and clothes are ways for people to differentiate themselves and declare a form of uniqueness (Barnard, 1996).

2.3 Principles of brand creation

Kapferer (1992) identifies five principles useful when creating a brand. These principles will be used in order to present how a brand can be created and thereafter the authors will investigate how Stargate Brand Group created the FDS brand in the light of the presented model. Moreover, route development as presented by Riezebos (2003) will thereafter be used in order to identify what route is appropriate for an invisible brand. Finally the authors will introduce the concept of brand extension, and what implications it may have on brand value.

The first principle identified by Kapferer is defining the brand’s identity. When launching a new product questions of relevance are: Who is being targeted, what is the product positioning – its distinctive advantage and competitive area, and finally what promises and benefits can the consumer expect (Kapferer 1992)? Another important question when creating a brand is: Who is the brand? Hence, one must first know who is speaking, why the brand exists, what are its values, goals etc. (Kapferer, 1992). When analyzing powerful brands it is shown that they have a physique – know-how, and an essential product to which they are not entirely restricted. Furthermore they have a culture (a system of values) and a certain type of relationship, consumer’s reflection, and self-image (Kapferer, 1992).

The second principle is determining its imaginary sources. Major brands do not solely derive their identity from functional sources. The choice of a brand’s imaginary source is just as important as choosing what products of the range to advertise (Kapferer, 1992). Kapferer (1992) further mentions the example that Apple alludes to Californian high tech and counterculture.

The third principle is choosing products with a meaning. The more ambitious the brand is the greater is the degree of care required when choosing the product or service to launch a brand campaign. The focus should be on the product which best represents the brand’s intention, thus the one which best supports the brand’s potential to bring about change. All products included by a brand are able to do this. A campaign must be backed by a product which reflects the brand’s own image (Kapferer, 1992).

Brand campaign or product campaign is the fourth principle. When a brand is created, two alternative strategies may be chosen. Firstly by communicate the brand meaning, its
Theoretical framework

imaginary significance, and its intention direct to the consumer. Or secondly, indirectly build it through promoting a representative product. This decision depends on the firm’s ability to pick out a product that illustrates the full meaning of the brand (Kapferer, 1992).

The last principle argued by Kapferer is brand language and territories of communication Firstly brand identity are rich in meaning and therefore it cannot be reduced to a single word or a concept. The vocabulary of today does not take a uniquely verbal form. In fact the visual part is just as important. Taking a glance at the television or the ads in a magazine, the picture stands out more than the words. Brand language facilitates the expansion of the brand, due to lack of a personal language, communications are more complicated. By not knowing what language to speak, the same words or picture keep reappearing, leading to the whole brand message becoming restrained. Due to a desperate desire to create a common image the different campaigns will end up as near clones (Kapferer, 1992).

Finally, Kapferer (1992) presents brand language as serving as a means of decentralizing decisions. Subsidiaries worldwide may adapt the theme of a message to their local markets and product requirements but at the same time maintain the singularity and nature of the brand, and thereby there is a common language.

2.3.1 Route development

Advertising has an important role in the brand development. Advertising could be used to position a brand, and to help enhance awareness and familiarity of a brand. Using advertising is costly and requires a high budget, therefore this strategy is called high budget route. There is an alternative though, the low budget route, which is a cheaper version where image transfer can play an important role. The route chosen for the brand development is based on the budget size. Not only the marketing budget decides what route to chose, an organization could chose the low budget route based on two other principles. Firstly, choose the cheaper way if the target group is rather small and the advertising would not give a satisfying return on invested capital. Secondly, the firm wants to choose a way where the differentiation is low, in other words choosing a low-cost strategy (Riezebos, 2003).

When choosing a high budget route, one should have an indication of the advertising budget needed. To indicate this, a determination of how big the target group is must be done and further analyze if advertising is valuable enough to reach the target group (Riezebos, 2003).

2.3.2 Brand Extension

Since brands reflect a certain image, brand extensions are a natural move for several organizations. The customers’ brand loyalty, preferences and recognition of a certain brand, makes it possible to transfer a certain image to a new product. This could be a good strategy in order to increase revenue. If implemented successfully the customers will buy the same brand in the new product category (Forney, Park and Brandon, 2005).

Forney et al. (2005) argue that to allow the customer to spend minimal time at point of purchase, the idea of habitual shopping of mainstream brands is interesting. By brand extension organizations can gain from this, and a strong brand name could automatically have the customers buying products from a different category. A strong brand name would reduce the risk of introducing a new product, by building on customers’ familiarity and knowledge of an already existing brand. Another benefit would be that companies could enter a new market segments without the expenses of launching a new brand. This can
reduce the costs of acquirement of distribution and/or boost the effectiveness of promotional costs (Forney et al., 2005).

A brand extension that broadens a successful brand name by launching new or modified products or lines offers customers wider access to that brand in multiple product contexts (Kotler et al., 2001). Branding a product is important when building a product image and it also affects the experiences value, which leads to an added value for the customers and further to a brand loyalty that enhances the effects of brand extensions (Cleary, 1981; Forney et al., 2005). Riezebos (2003) argues that brand extension could influence brand name acknowledgment and image when entering new markets. But if the brand extension is unsuccessful the core brand could be damaged.

Customers are becoming more aware of trends and more selective when it comes to products, therefore it is important that the retailers are well aware and educated in order to meet the needs of different kind of customers. An offering of a set of products that can be linked to a specific lifestyle is an interesting approach to reach and keep customers (Forney, Park and Brandon, 2005).

### 2.3.3 The link between product and brand within the fashion industry

Within the fashion industry it is crucial to distinguish between the product and the brand and see the relationship between them. Without a good product the brand would not survive. The brand is used as a strategic way to differentiate the firm from its competitors and can be used to sustain a competitive advantage. This tool for distinction is especially important for products within the fashion industry, since within this particular industry elements such as symbolic and evocative are more important than technical and functional ones. Fashion is linked to a short term horizon, the season, which have led to companies putting a lot of effort into product oriented strategies (Saviolo & Testa, 2002).

The trend today however, is that products are more homogenous and the developments in the market are controlled by a few large brands, which are creative when it comes to innovation of new designs. But at the same time the modern customer seems to express a more individualistic identity and is more independent from the factors controlling the industry (Saviolo & Testa, 2002).

The lifestyle of the customer controls what brands that are possible to be leaders within each market segment. The distribution organizations select a few strategically industrial suppliers on an international level. The relationship between the firm, the distribution organizations and the consumer requires a long term relationship which could not be built around the product, since it changes over time a long with the fashion trends. Brand identity allows creating a bridge between the long term and short term, and also a connection between product and brand. The relationship with the customers certainly depends on the connection between product and brand; therefore it is also critical to separate the expressions of product and brand. The product is what the firm delivers, but the consumer buys the brand. While products last during a shorter amount of time, since the lifecycle is short. The brand could last for ages and represent a long-term asset for the firm (Saviolo & Testa, 2002).
2.4 Brand management

Once the brand is created, the value of it must be sustained for the brand to survive in the long term perspective. This section concerns the aspect that the management should have in mind when managing a brand. The model presented by Saviolo (2002) shows in three steps why brand management is important and what way the management team should go. Concerning the way to go, the last part of this section is not connected to Saviolo’s model, but it contributes to the brand management in another way, explaining what retailer to chose.

According to Saviolo (2002) branding is a way of organizing and extracting value from limited resources in the fashion industry is:

- The supply system (obtain access to the best skills and suppliers worldwide)
- Creativity (designers, architects, advertising agencies, creative people in general and creative teams that are difficult to find and manage)
- Location (it becomes more and more difficult to be present in the top location at a global level)

The authors will exclude the supply system in this thesis, since the authors did not have time to make a thorough examination.

Branding requires a great awareness of medium to long term strategies, a clear market positioning, consistent product innovation and product range policies. Thus, branding will act as a mean to better organize and select the network of suppliers, designers and the rest of the creative people working for the brand vision (Saviolo, 2002).

Brand management begins with the concept of brand identity, where brand identity is defined as a word or a logo related to a product that in the beginning does not truly have any meaning. However, as the years go by it becomes significant due to the products and the communications of the past (Kapferer, 1993).

Firms must manage the brand through the brand identity as perceived by the market. Brand image evolves as the overall perception of a brand identity in the marketplace, driven by brand personality and positioning. The personality and positioning of a brand is the result of the interplay between different elements, all affecting the values and the symbolic meaning of the brand. The brand identity can be defined as a system of attributes. In particular importance is three types of brand attributes: corporate brand history and core competencies, product and stylistic identity, and visual identity (Saviolo, 2002).
History and core competencies

Stylistic Identity

Brand Identity

Visual identity

Figure 2-3 – Brand Identity – (Saviolo, 2002)

History is a very important asset of a brand and it has a fundamental role in defining the brand authenticity and what it stands for. History reveals the original competencies which constituted the brand and its credibility. A brand acquires legitimacy and growth potential from its core competencies. History and competencies are the starting point, and the key to building a credible brand identity (Saviolo, 2002).

Stylistic identity is the definition of the long term stylistic codes belonging to a brand (forms, colors, materials, and product categories). In fashion and style based industries the stylistic identity is the main point of the product and brand systems. In these industries arise as an original product and a distinctive concept, and by leveraging upon this they build a strong brand identity and a wide range of products that are always bound to the product and its aesthetic. The brand identity should be part of the corporate story and consist of daily practice, techniques, designing and constant innovation (Saviolo, 2002).

The definition of the visual identity is long term codes the characterize brand communication. Message, tone, atmosphere, the media strategy, point of sale, and merchandising are, if employed correctly, able to make the corporate image distinguishing. It is necessary to have a strong consistency between stylistic- and visual identity in order to build a strong brand (Saviolo, 2002).

However, this does not mean that the stylistic-and visual identity has to become rigid, but instead keep focus on its target group and always be relevant. The difference between brands that maintain their leadership year after year and brands that just last for a couple of seasons is their skillfulness in making the brand identity evolve together with the market evolution. To permanently being dynamic is maybe the most important concept in brand management. The key issue for luxury and fashion brands is how to be relevant to new generations. It is not always the case that going back to the roots, hence the historical essence of the brand is the right cure to revive a brand. Thus, returning to the past ideals of a brand is not always the right solution. Instead a successful brand should connect with an image that is relevant to the identity of the customers at that point in time. To maintain leadership, brands need to transfer themselves across generations. In fashion clothing and accessories this transfer is particularly difficult due to the fact that clothing is within such a symbol intensive product category (Saviolo, 2002).
2.4.1 What retailing path to choose

Gehlhar (2005) stresses the importance of retailers and what retailing path to be chosen. The authors therefore find it interesting to examine how the path chosen affects an invisible brand and if it will influence the brand value.

To reach the customers through department stores is advantageous due to the prestige, exposure, and sales volume they can provide, since the relationship with them strongly can reflect the sales (Gehlhar, 2005). Having a close relation with the retailer could also be a good competitive advantage. Department stores are really focused on sales volume and if the product is not selling well, the risk of dumping the item is high. Therefore it is important to be consistent with the relationships and work hard. The choice for new designers should be more focused towards small boutiques and work with them until the brand or product is well established. Small boutiques are more flexible regarding delivery and they are also helping to share the risk (Gehlhar, 2005). In smaller stores the owner is usually the buyer, he/she often knows the customers and could purchase goods especially for them. A good relationship with a smaller store is a good way to reach the market at a first phase. It has challenges though; the process of finding the right stores and the need of serving them all separately could be a problem. Since smaller stores are less known compared to department stores, the turnover is not as high and they could be seen as an economic risk (Gehlhar, 2005).

Gehlhar (2005) also presents another way to reach the customers and that is through the internet. Selling from a company’s own homepage, combined with using other already existing sites, is a good way to reach a wider market. Following up the sales is an advantage, since the firm could track exactly where the products were delivered, as well as knowing where potential returns were made and why. Doing this, gives the designer or the firm that are producing the goods, a chance to meet the customer directly, leading to a possible higher margin. On the other hand, the negative aspects of using the internet as a distribution channels are that the customer cannot use all their senses when buying. The fact that some customers want to have the product in his/her hands before the purchase could be an important aspect that is left out when using the internet as a distribution channel. If the product, when it comes to fashion products, does not fit there is a problem as well, a problem that could have been resolved before the purchase in an ordinary store (Gehlhar, 2005).

2.5 Brand value

Riezebos (2003) states that brand value refer to the fact that a branded product has more value for the customers than the bare product. He also argues that the brand has to have some kind of importance to the consumer in order to add any value to the product.

In order to explain different components of brand value, the authors will present a model derived by Aaker (1996) in the book *Building Strong Brands*. The background of the model is to present how to build a strong brand and why it is important. This model focuses on how the brand can be valuable for customers. This model consists of brand loyalty, brand awareness, perceived quality and brand associations. Another important issue that concerns brand value is image transfer, but it is not connected to Aaker’s model.
Theoretical framework

2.5.1 Brand loyalty

Brand loyalty is the most important measure of a brand’s value. If customers are indifferent to the brand and make their purchase based on features, price, and convenience with little concern to the brand name, there is probably low brand equity. However, if customers continuously purchase the brand over competitors’ with superior features, price, and convenience, brand value actually exists. This means that brand loyalty can be thought of as a measurement of the customer’s attachment to a brand (Aaker, 1996).

Levels of brand loyalty:

1. Committed buyer
2. Likes the brand – considers it as a friend
3. Satisfied buyer with switching costs
4. Satisfied/habitual buyer, no reason to change
5. Switchers/price sensitive, indifferent no brand loyalty

2.5.2 Brand awareness

The ability of a potential buyer to recognize or recall that a brand is a member of a particular product category is called brand awareness. Thus, a link between product class and brand must be involved (Aaker, 1996).

In contrast to brand loyalty, brand awareness is the simplest form of brand equity. A familiar brand makes the customer feel more confident (reduces risk) of the product, thus its chances of being considered and selected are increased. Evidence supports the fact that customers prefer brands which they are familiar with. Furthermore, by choosing a known brand the buyer justifies the decision, in other words it explains the actions of the buyer. The justification also acts as a social role, indicating that the person has bought something of value (Aaker, 1996).

2.5.3 Perceived quality

A known brand is often attached with a perceived quality (good or bad). I.e. Gillette makes high quality razors or Apple products are user friendly. Perceived quality is how the customers perceive the overall quality and superiority of a product with respect to the alternatives. The perceived quality is defined in relation to the intended purpose and the set of alternatives. Perceived quality is not equal to satisfaction since a customer can be satisfied because of the low expectations about the level of quality. In contrast, high perceived quality is not consistent with low expectations. Instead perceived quality is intangible and can be thought of as the overall feeling of a brand (Aaker, 1996).

2.5.4 Brand associations (image and positioning)

A brand association is anything customers link with the brand. The link to a brand will be stronger the more experiences and exposures it is based upon. Further it will be stronger when it is supported by a network of other links (Aaker, 1996).

Subjective and emotional associations are an important parts of brand value. These include personal associations and a good example of this is celebrity endorsement. Associations may also be of an emotional character, relating to lifestyle or personality etc. Strong
associations can also be with the type of customer or user of the product or geographic region. Together these associations make a brand personality that suggests situations when a brand is and is not appropriate (Aaker, 1996).

### 2.5.5 Image transfer

Image transfer refers to when “the associations valuable to customers are carried over from one brand to another or, in the case of extensions, from one product to another” (Riezebos, 2003, p. 74.). If there is relatedness between the products, the image transfer has a greater chance of success. When suffering from relatedness the process of image transfer can still be successful, but additional advertising will then be needed to overcome this problem (Riezebos, 2003).

When a set of associations are put together they constitute a brand image. According to Olshavsky (1985) brand image often serves as an informational cue used by buyers to form assumptions and conclusion about a store’s brands and products’ quality. An example of an image transfer can be a store selling Coca Cola. The Coca Cola brand can give a hint to the shop’s image, since customers might get the apprehension that the shop’s assortment is of high quality too. Well known brands will influence people’s perceptions about the retailer and its other products. If buyers do not have complete information about a store and its brands, they make assumptions from available informational indications before forming perceptions of the store (Monroe & Krishnan, 1985). This perspective suggest that brand- and retail managers need to be concerned, not only with the influence that specific anchor brands’ images have on a retail store’s image, but also that the overall image of the brand mix of a store has on buyers’ perceptions of a retail store’s image (Porter & Calycomb, 1997).

### 2.6 Brand Equity

A brand’s value is not only valuable for customers, but also for an organization. This value is a result of the success of the previous brand strategy presented such as brand creation and brand management. It is also affected by other external factors. The organization’s value of a brand is to a large extent based on the value that the brand have to its customers. Consumer would rather buy a brand with a high value, and in some cases customers would be willing to pay extra if a brand could deliver a high added value. The term brand equity originally derives from the idea that a brand is a financial asset for a firm. The authors nowadays use the term for the more broad aspect of brand value, it is not only the financial parts that are important to the firm (Riezebos, 2003; Aaker, 1991). The brand equity for a firm could be described as four components from whereas the value could be determined for the organization. The size of the market share is the first component that is of value for the firm. This aspect is seen from what the customers’ value of a brand. If the brand could deliver a high added value for the consumer, the market share would increase if the brand delivers value for the customers. From this it is possible to say, that a brand with a high value has a big market share (Riezebos, 2003).

Next of the four aspects of brand equity is the stability of the market share. One could argue that stability of the market share is connected to brand loyal customers. An organization with a stable market share both has a financial advantage and a strategically one. On the financial advantages the higher guarantee of future income and the low marketing communication budget are significant. Changing the angle and looking from a strategically point of view gives the organization an advantage since a brand with a stable market share could scare away potential competitors and thereby oblige retailers to include the brand in
their collection, this in order to keep old customers and preventing them from choosing a different store (Riezebos, 2003). There is a correlation between the two first components, market share and the stability of the market share and these two strongly depends on the added brand value for the customers.

The third important aspect to have in mind about brand equity is the margin that the firm can realize on the branded article. This is connected to the price of the product; the margin could be calculated from “the difference between the selling price set by the organization to be taken over by the retail trade (for producers: the end-factory price) and the cost price of the branded article” (Riezebos, 2003, p.270). If the margin is high, it would add more value to the organization, which has a strong connection to added value delivered to the customers. The final component is the right of ownership; this is related to issues concerning patents and legal protection (Aaker, 1991). This aspect is not connected to the added value for the customer; it is more independent to the customers buying behavior.

2.7 Customers

Branding is somehow always linked to the customer, since the customer is the buyer of the branded product and the actions is known as the buying behavior. How the customers behave in the buying decision, and how they affect the brand’s success in the market is an important issue. As mentioned, there is a need to convince the customer in order to get successful. Convincing is important, and the relationship with the customers could be a way to accomplish that. Customers tend to choose certain product and services that are associated with their own lifestyle. The lifestyle influences the choices made by the customers in their own consumption or purchase of lifestyle products. The lifestyle purchases reflects the trends and fashion expressions (Brandon et al., 2003).

According to Grossman & Shapiro (1998) the brand could sometimes be very important to the customers; this is shown by the willingness to buy counterfeit products by Gucci from street vendors. The products are not authentic and do not have the same quality, despite this the customers buy these products since they are branded with a well-known brand, hence that the brand is forged. This shows that a brand name is a potential complement in consumption behavior and that increase customers’ willingness to pay a premium price.

Kotler et al. (2002) argues the buying behavior around new products is a process of having the product fit in the customers’ mind, to prepare them mentally before purchasing the product. This mental phase later decides whether the customers are ready to use the product or not. Kotler et al. (2002) further stresses that there are several roles in what the customers are indifferent to during a purchase a product. The first of these roles are the innovators; these customers are ready to try a new product in a real early state, to fulfill the adventurous feeling around being the first one with a new product. Early adopters chose to try the product to a less risk of being first, these person are often the influencer to others in the circle of acquaintances. The most traditional customers are the laggards. These customers are suspicious and do not try a new product before it is fully accepted by the community (Kotler et al., 2002)
Theoretical framework

2.7.1 The customer in focus

According to Lehmann and Winer (2005) there are a few questions concerning the customers in general:

- who buys and uses the product
- what customers buy
- how customers choose
- why customers prefer a product

2.7.2 Who buys and uses products?

For several consumer products the customer must be broken down into several different entities within the household. The following roles presented by Lehmann and Winer (2005) are important for marketers to distinguish:

1. Initiator (the one who identifies the need for product).
2. Influencer (the one who has informational or preference input to the decision).
3. Decider (the one who makes the final decision through budget authorization).
4. Purchaser (the one who makes the actual purchase).
5. User (the one who uses the product).

The identities of the presented roles could vary. When an organization wants to choose marketing strategy, these roles needs to be clear. For some consumer products like cereal, toys and fast-food meals, parents are the purchaser, but the user is often a child. The needs and benefits sought for these different roles are different. Therefore the marketing approach needs to be customized to fit all the different roles.

2.7.3 What customers buy

To answer the question of what a customer buy is basic, it is a product or a service (this including brand, purchase amount, features and benefits). An organization has to focus on delivering good features that make the consumer buys them considered as benefits. Provide good features for the customers and a competitive advantage might appear. The problem is though, for the organization to understand what benefits that different segments and customer groups are looking for. Some other important aspects to keep in mind are: attributes, benefits and values. The definitions of these are presented by Vriens and Ter Hofstede (2000); a concrete attribute is a directly observed physical characteristic of a product; the examples are price, color, weight etc. Benefits are not as easy to observe directly of a brand or a product. They are a combination of several attributes and are created by the customer using the product. Values can be defined cognitions and beliefs that are assumed to have a strong motivation impact on the purchase. When knowing what attributes, benefits and values that are important to customers in a certain segment, will help when working on brand assessment and also the brand positioning. Promoting the attributes, can create a reason why the consumer should invest. The associated benefits of the product attribute could further help to support the advertising. Then have the values to help increase strength for the product in the customers’ minds.

The use of a product is how, when and where the customer uses the product. Here the experience around a product is created. Sometimes customers can find their own uses for a product (Vriens & Ter Hofstede, 2000).
2.7.4 How customers choose

The customers’ choice is based upon all the information about the product that is available for the customer such as advertisements, brochures, in-store personnel and the increased usage of internet (Lehmann & Winer 2005). Instead of focusing on the information retrieval for the customers, it is interesting to what process that was used when the decision was made. Often the trend is that the purchase is based upon feelings for the moment, emotional, holistic, it can be an automatic process or just a spontaneous. To have an understanding about how the choice is done is important for marketers. However, this process could be described as rational (Mazis, Ahtola & Klipple, 1975).

2.7.5 Why customers prefer a product

The most critical component of customer analysis could be how to determine why customers prefer a certain product and what influence buyer in the purchase decision. One of the most central concepts here is customer value; what the product is worth to the customer (Wyner, 1998). The customer value often depends on the benefits offered and the costs involved hence, the value is different from cost. An item costing only a dollar to produce may be worth thousands of dollars if it resolves a key problem in an efficient mode. On the other hand, a product that is expensive to produce may have a low value. Knowing what values a customer is looking for makes the pricing decision easier. According to Lehmann and Winer (2005) the customer-value of a brand consists of three basic essentials:

1. Importance of the usage situation
2. Effectiveness of the product category in the situation
3. Relative effectiveness of the brand in the situation

Sources of the customer value can be divided into three relatively broad groups: economic, functional and psychological. The economic benefit that a consumer derives from using a product is what the economic value can be for the customer (Wyner, 1998). It can also be described as: “the economic value to the customer in net dollar value from using a particular product instead of a relevant substitute” (Lehmann & Winer 2005 p.184). The functional value is defined by those aspects of a product that provide functional benefits to the buyer; an example is luggage capacity of a car. The functional value is concerning mostly services, even if a product is involved, services often play a significant role. Customer value is build from a functional process, therefore providing good service, is for sure increasing the value for the customer. Here choosing the right retailer is important (Wyner, 1998). Psychological approaches are another important issue that will help increase and create customer value. Here the image of the product is essential; this includes the feeling surrounding the product. Furthermore, it also concerns whether the feeling of the product matches the image that the consumer wants to projects. The price strategy is strongly connected to product image, hence one might argue that a high price contributes to a more positive image, either because the customer views the price shows that the product has high quality or engage in conspicuous consumption. The importance of image was highly focused upon when Coca-Cola changed its formula and a strong positive reaction to a reintroduction of Classic Coca-Cola (Aaker, 1991). Image is simply explained as the premium a customer wants to pay for one product over another when the economic and functional attributes are identical. The image is also connected to brand equity (Aaker, 1991).
There are several signs of value for a product that are visible without extra ordinary efforts to measure them (Lehmann & Winer 2005). A first there is price, it is the company’s evaluation of the product’s value. Price sensitivity is affecting the value of a product in a way of sales volumes when price increases, is the product value that good that it will not be affected by a price increase. Making a survey, can measures the satisfaction of a product, could evaluate the customers perceived value. More focusing on the customer is the complaints and compliments, the number of these could give an indication of the product’s value. One of the most powerful ways to promote a product is word-of-mouth (Silverman, 2001). The sales volume could also be an aggregated measure of the value of a product considered by the market.

2.8 The authors’ summary of literature used

There is a lot of research conducted within the area of branding. Multiple theories have been found during the work of creating a theoretical framework. A drawback that the authors found motivating to mention is that invisible branding is not something that exists in the theory. Therefore branding theories around branding focusing on ordinary (visible) products have been used. There are several factors that could be used for an invisible branded product; these will be more highlighted in the analysis and the conclusion of this thesis.

The approach used by the authors is presented in the framework model in the beginning of this chapter. This was used in order to give the reader a better picture of the subject in matter. The theories presented starts within the branding subject, where the need of the brand is presented, whereas the reader can continue to read about Kapferer’s theory about how to create a brand. When a brand is created, the organization must manage it and that is presented in the next topic within the chapter. Following this, the most important issue of the thesis is covered, brand value. Here a theory presented by Aaker (1996) is used. Hence that the authors found it of high concern to put extra focus on image transfer, since this is argued to be of high concern for an invisible branded product. The value of the brand for the customers is of great importance also for the organization, since brand equity can be an important asset for the organization. Finally, a presentation of the customer behavior is presented. This is important in view of the fact that the buying patterns are interconnected to the value of the brand for the customers. A final opinion from the authors is that the invisible branding is something of high importance and deserves to be examined.
3 Method

In this chapter a presentation how the study was conducted is publicized. The authors present how the choice of subject was made and a reasoning why the certain method was chosen. Further presentations of how the data was analyzed and a presentation of how the interviews and the focus groups were conducted are presented for the reader. Finally, the reader can comprehend a part of some criticism of the method chosen.

3.1 Choice of subject

The authors found it interesting to research the willingness of buying branded products that are not shown to the public. After a discussion, the contact with Stargate Brand Group was made, this because the organization has a successful history of promoting branded underwear and the company has also created brand value around an underwear brand and recognition in the market.

3.2 Choice of method

There are generally two types of research methods, quantitative and qualitative. These methods can be used together or separately, one should choose the method most appropriate to the purpose of the thesis (Cantzler, 1992). The two approaches mainly differ in how to collect and analyse data. Quantitative method is focusing on statistical instruments and how to prove relations between different variables (Morse & Richards, 2002). Furthermore, it is characterized by a large sample which is examined via forms, statistical methods and analysis of the data. An advantage of quantitative research is the high degree of objectivity and due to the large scope of observations it is possible to make generalizations.

Qualitative method on the other hand, means research that generates descriptive data (Taylor & Bogdan, 1984). It is said that the qualitative method reflects upon something and that the data collection in this method is focusing on so called “soft” data. The researcher gets access to this information through interviews or by analysing text documents (Patel et al., 2003).

The qualitative approach is characterised by a higher degree of intimacy between the interviewer and the respondent (Holme & Solvang, 1997). When conducting qualitative research the sample population is usually pretty small not more than 30 responders (Cantzler, 1992).

This research method is usually built upon interviews and case studies, which in turn foster an interactive environment where the interviewer gets the chance to respond through following up questions. Obviously the results of the different interviews will differ and to put all the data together demands a lot of resources such as time and money. Due to these facts the sample data is usually not more than 30 (Cantzler, 1992).

The purpose of the thesis is to research how to create perceived brand value for an invisible brand within the clothing industry. When investigating upon how a company creates brand value one has to take the company’s brand strategy in consideration. A research of a company’s brand strategy based upon the quantitative approach would be quite thin and it is not the authors purpose to examine if there are some variables in brand strategy that are similar between different companies. Instead the focus goes in depth and
to truly understand the process of thinking when a company creates brand value for an invisible brand.

The authors have chosen to focus the research within the qualitative approach since the authors believe that the purpose is most suited for this type of study. It would be difficult to turn respondents’ thoughts into numbers. Instead the authors find it more meaningful to understand the intentional strategic actions taken by the firm in order to create perceived brand value for customers. The qualitative approach fosters a creative and innovative interaction between the interviewer and the respondent (Holme & Solvang, 1997).

The organization Stargate Brand Group will be used in fulfilling the purpose. In order to fulfill the task the authors have done a study by interviewing Stargate Brand Group, its retailers and the company’s customers.

A qualitative approach is chosen as a method. This method will help understand customer behavior and also how to create a brand value from an invisible product. To help the researches to get a real life case, the Stargate Brand Group was interviewed, this seen as the first of three aspects. The organization is successful within the underwear industry and argued to be interesting in this thesis. The information received during the interviews was analyzed with help of the next aspect, which is interviews with their retailers, in this trying to find the some critics to the accomplishments and also trying to find the real truth about the organizations success story. Having these two aspects in mind, the third and last one is the customers that will be interviewed within focus groups. This is one of the best qualitative approaches to gather information from private persons.

### 3.3 Data analysis

This thesis consists of both primary and secondary data. The primary data is needed to fulfill the purpose, the information received during the interviews and focus groups are an essential part of the thesis. It also gives the researches a more specific understanding about the subject (Christensen, 2001). The secondary data is collected from existing information sources such as books, articles from business databases. The frame of reference was mainly built upon secondary data. Books and articles concerning branding, the fashion industry and marketing in general have been used. The authors tried to use as reliable sources as possible for our secondary data, this to help increase the trust worthiness of the study.

After the interviews were done, the taped information was transcribed. This means that the spoken words are transformed into written word (Bryman, 2001). This gives the authors a better overview of what was said and it is also making sure that no important information was lost. The next step in this process is to code and systemize the information (Bryman, 2001). After this was done the analysis of the collected data was easier to interpret and conclusions could easier been drawn. All these steps were followed by the authors; it was a rewarding and contributed to the analysis.

Analysis between the empirical finding and the theoretical framework is presented in the analysis part of this thesis. Moreover, the authors strive to develop a model of how to promote and create brand value for an invisible brand within the clothing industry.

### 3.4 Interview method

Interviews are chosen to gather information, a good way for authors to get informed about the current situation. The interview will help collecting data leading to solve the purpose of
the thesis (Maxwell, 1996). In order to obtain a thorough understanding of the Stargate Brand Group and the organization's perspective upon how to create brand value and promoting an invisible product, the authors decided to interview one of the co-founders of the company. It is not simple to define a qualitative research, as stated by Lekvall and Wahlbin (2001). A qualitative approach should be focusing on relatively small samples and the interviews should be low structured and be analyzed with verbal reasoning. Different persons within the organization could give dissimilar opinions about different issues and it could be colored by the person’s knowledge, position and interests, therefore the choice of person interviewed within the organization is essential (Lekvall & Wahlbin, 2001). Hence, the in-person interview has according to Lekvall and Wahlbin (2001) one big advantage, since it has unlimited possibilities when choosing questions. The possibility of follow up questions is also an advantage. The authors believe that it is an advantage to have the opportunity to use a wide selection of questions and it will show that our interviews are in-depth covering the subject concerned.

Miller and Salkind (2002) mention the importance of high percentage of returns that increases in a personal interview. People often use visual gestures and spontaneous reactions when discussing which could add weight to the answers that would not be the case using an e-mail questionnaire or a telephone interview. The final advantage of using a person interview is that the interviewer can control that it is the intended person who answers the questions and not someone else who might have less or even incorrect information (Miller & Salkind, 2002).

According to Svenning (1997) it is important that the interviewer is objective and do not try to influence the answers, furthermore it is of relevance that the interviewer is a good listener and tries to avoid argumentation. It is also appropriate to criticize the information received during the interview. This is important to the authors, therefore it was wanted that the interview was as professional as possible.

According to Lekvall and Wahlbin (2001) there are two types of personal interviews. The structured version is where the interviewer is following a questionnaire and asks identical questions to every respondent. The other type is more unstructured and is made through a discussion of a subject. In the last case it is common that the interviewer is using an interview guide consisting of a couple of wide questions concerning the subject. The authors have decided to use an unstructured model in order to reach a high flexibility during the interviews. During these kinds of interviews Chrazansowska (2002) believes that the interviewer must be prepared for unexpected situations. Because of this we have decided to construct an “interview template” before the interviews. We also decide to have some structured standard questions for all the respondents, this to make sure that nothing was forgotten and we got answer to all the questions that we have.

To make sure that no information was lost during the interview, a tape recorder was used, this is important for interviews according to Svenning (1997). A tape recorder also helped the authors to be focused during the interview. Focus is needed since one of the major reasons is that during an interview not only what the respondent say is important, it is also the way it is formulated. Another positive aspect of using a tape recorder could be that the researches found it easier to ask follow up questions, by doing this a deeper discussion would be possible (Svenning, 1997). Notes during the interview is also important, since technology could not always be trusted, therefore notes is an important back-up.
All the interviews that are done concerning this thesis have been made in Swedish and then translated. This is because the researches argue that more information is retrieved from the respondents if they were able to speak in their mother tongue.

3.4.1 Telephone interview

The authors’ intended to interview twenty retailers of FDS, and therefore chose between three interview methods: telephone, e-mail and in-person interview. Due to lack of time and money, the authors’ decided not to do in-person interviews. A telephone interview differs in a number of ways compared to the e-mail questionnaire (Miller & Salkind, 2002). According to Miller and Salkind (2002) the e-mail questionnaire is the cheapest, and could also be preferable if the respondents have a busy schedule, as in the case of a shop assistant who the authors have been interviewing. The telephone interview is limited on the verbal communication, unlike the e-mail interviews, the telephone interview often generate quick audible responses. Further advantaged of telephone interview is that the e-mail is easy to ignore, therefore a human calling on the telephone, particularly one who sounds pleasant, is not so easy to dismiss (Dutka, 1993). This will in turn reduce the bias for a non-responded e-mail. The shorter amount of time to complete an interview conducted by telephone is favorable e-mail since there is no wait until the questions are received (Dutka, 1993). Furthermore a telephone interview is preferable when the respondents need to have some kind of qualifications, such as shop assistants’ customer knowledge, as well as when the sample that being studied is small (Miller & Salkind, 2002). The authors have chosen to do telephone interviews to get the best result of the study. Since one of the authors had good experience from telemarketing, it felt natural to chose him as an interviewer. By using a computer and the Skype software it was possible to record all the interviews that were done. This helped the interviewer to stay more focused to the questions and there was no need for him to take notes during the interview. Once the interviews were over, they were typed out and analyzed.

3.4.2 Limitations of telephone interview

The chosen method also has some critical aspects that could affect the trustworthiness negatively. The authors will mention disadvantages of using the chosen method.

Being interviewed by telephone is a new experience for many people, and the respondent may need time to think answers trough. The first seconds are crucial in determining whether or not a successful interview will take place. Although a telephone interview will be quite time efficient it has limitations as well. The negative aspect of quick answers is the adequate time for in-depth thinking.

The fact that the authors interview people that have assignments commitment to their job could be one reason why they do not will be able therefore be able to go through a telephone interview. We have limited this drawback by offering to call them at another time or day. A person being interviews by phone will only be able to respond with audible signals; therefore it will be difficult to determine the mood and demeanor, as well as visual signals of the respondent (Alreck & Settle, 1995). The fact that a person’s patience is less over phone can contribute to shorter interviews and therefore it could be difficult to get more into to depth answers (McDaniels & Gates, 2005).
3.4.3 How the interviews were conducted

The authors conducted interviews with the CEO of Stargate Brand Group AB, as well as twenty FDS retailers (of which eighteen were telephone interviews). Furthermore, two focus groups with customers were held. Considering the qualitative approach of the thesis the number of interviews may seem unusually large. The authors chose to conduct a large sample of interviews in order to ensure the validity of the research. In order to get in depths understanding of FDS branding strategy the authors met with Mattias Olsson, CEO and cofounder of Stargate Brand Group AB. Moreover, to achieve an even better understanding the authors conducted personal interviews with retailers. The twenty retailers interviewed consisted of fifteen Carlings stores, two interviews with Carlings region managers and three interviews with independent boutiques. The authors’ first priority was a geographical spread in the interviews, which was achieved. Unfortunately due to lack of time and travel expenses, the majority of the interviews could not be carried out face to face. The interview with Mattias Olsson took place at the Stargate Brand Groups office in Jönköping and lasted for about two hours. The telephone interviews with retailers lasted for approximately fifteen minutes each. The aim of personal interviews is not exclusively to ensure high quality and in depth answers, but also observing the respondents non-verbal communication and how he/she responds to the questions. Disadvantages of personal interviews are interview bias, different interview techniques among the interviews and lack of respondent anonymity, which may lead to misrepresenting answers. Telephone interviews lack visual support and the possibility to observe the respondent (Zikmund, 2002). The authors are aware of the problem, but consider the advantages to compensate the disadvantages.

3.5 Focus Groups

The interviews in this thesis will be with employees within the Stargate Brand Group and its retailers. To understand why people buy branded underwear and other invisible products focus groups will be conducted. This is a good way of receiving the customers perceptions about the area covered. Furthermore, it is not as time consuming as it would be to interview all the different participants in the group one on one, a more natural environment is created since the participants are influenced by and influence other members in the group. The goal of a focus group is creating, collecting, identifying, discovering, explaining and generating thoughts, feelings and behaviors about a certain topic (Fern, 2001).

The process of a focus group consists of three phases: planning, interviews and analyzing the results. The first part, the planning part is the most essential one for success. It mostly concerns the purpose of the focus group (Krueger, 1994).

The interviews during the focus group sessions were lead by a moderator. The questions asked were of different kind; Opening questions, introductory questions, transition questions, key questions and the ending questions. The questionnaire used for our focus groups can be found in Appendix 3. Follow up question to raise awareness around certain topics were also used.

To gather information for this thesis two different focus groups was conducted, one before interviewing the main organization and its retailers, then one afterwards to see if the reflections received during these interviews correlate with the perceptions of the customers. The purpose of the first focus group, is to support the authors with their creation of interview template and assist in focusing on important issues during the first interviews,
also work as a test phase, a form of a pilot focus group in order to prepare the authors more for the second focus group.

Focus groups produce qualitative data that provide insights into the participants’ attitudes, perceptions and opinions. To get this information from the members in the group open-ended questions should be used to create an informative discussion. The groups are typically composed of 6 to 10 people. This size have two important factors to consider, first it must be small enough so that everyone will have the opportunity to contribute with insights and yet large enough to provide diversity of perceptions (Krueger, 1994).

The group should be composed of people who are similar to each others. Focus groups have traditionally been composed of people who do not know each other. Using close friends or family members is not recommended, since they could influence the discussion in a way that is not good for the result (Krueger, 1994). The focus groups will be conducted by the authors of this thesis. One to be the moderator and the two others working as assistants are listening, observing and eventually analyzing. They will also help and support the moderator in his work, trying to make the ongoing process more qualitative.

In order not to lose any information the discussions will be recorded and printed out, after that they will be analyzed. Also notes will be taken during the interview session, this to help the moderator in his work.

The authors believed it was hard to find interested people to join to focus groups. Emails were sent out to the high school professors in the Jönköping area, but without any luck. The possibility of sending emails to all the students at Jönköping University was limited. The school did not accept us sending an invitation through the schools systems. Therefore posters were printed and posted all around the campus. Despite some drawbacks enough people were found to conduct two different focus groups.

3.5.1 Limitations of focus groups

The limitations of this gathering method exist and are important to have in mind when gathering data. The first one is that the researcher has less control in the group interview as compared to a one on one interview. The participants influence each other, and this could make the discussion go into irrelevant issues. To avoid this, the authors will make sure that the moderator controls so that this does not happen (Krueger, 1994).

Another negative aspect can be when s participant in the group do not contribute with its own thoughts and values since he/she might feel insecure or for the reason that they do not want to make fool out of themselves in front of the others (Krueger, 1994).

Next limitation is that the data received is hard to analyze. The information received must be viewed upon where it is received and in this case it is received in the context of a social environment. The analysis of the group must take into consideration that one participant’s position will change after interactions with others (Krueger, 1994).

The forth limitation is that this technique requires a well-trained moderator. This is to make sure that the members of the group are not influenced by the authors. The role of the moderator is hard to master and routine is needed. Trying to avoid this, the moderator has been well prepared before the focus group was conducted. Also the support of the other authors will help the moderator to keep focus. The next limitation is that every group has unique characteristics, the same result will not be found in different group. Therefore, it is
Method

important to be accurate when choosing members for the assembly (Krueger, 1994). Our approach of selecting member will be that the members are randomly chosen and we are also trying to find people with an interest within the fashion industry. To assembly the group is difficult. The focus group requires time and that the members can take time and wants to put effort into the group (Krueger, 1994).
4 Empirical findings

The empirical findings will be presented as follows: first an interview with the CEO of Stargate Brand Group, Mattias Olsson will be presented. The findings retrieved from interviews with 20 of its retailers are next, followed by the results of the two focus groups.

4.1 Interview with Stargate Brand Group

4.1.1 Introduction

The interview with Mattias Olsson (MO), CEO of Stargate Brand Group, gave a professional impression and his commitment to the organization was truly shown. The questions asked by the authors can be found in the appendix.

A personal interview was held the 22nd of November 2005 at Stargate Brand Group’s office in Jönköping, Sweden. The interview was recorded and later analyzed by the authors.

The 9th of December a second, short interview was conducted with MO by telephone. The authors had found questions of relevance which had not been presented in the first interview, and therefore decided to do a complementary interview. The findings are presented under 4.1.3 Findings from telephone interview.

4.1.2 Findings

Background of the organization

The idea of underwear evolved from the fact that underwear in Sweden had not experienced any changes for nearly ten years. The dominating colors were black and white, there was according to MO a window of opportunity and someone just had to open it. Observing men’s increasing interest for fashion and the vain men of the 21st century MO with his co-founders realized that the world was ready for a stylish underwear brand for men, FDS was born. According to MO traditional underwear brands take themselves too seriously. FDS on the other hand emphasizes a playful and laid back mentality. To become profitable in underwear it is important to get a high volume. Therefore by choosing a niche, one may not get a sufficient piece of the market share. Instead MO and his co-founders made the strategic decision to target the trendsetting men in each city. If the product was accepted by the trendsetters it would be accepted by the vast majority as well. Therefore the trendsetters became FDS initial target group. To amplify this strategy, FDS involved pop stars such as A-teens and Papa Dee in their campaigns, to help promote the brand towards the right target market. FDS encountered few problems and obstacles, much thanks to its already established relations with retailers, and the fact that the timing could not have been better. There were concerns about if customers and retailers would embrace the product or reject it. Moreover with the company’s limited financial resources it was important to get good advertising prices. FDS also had to convince people to buy underwear on hangers and persuade retailers to buy and promote the FDS underwear stand. The more serious problems that did evolve were concerning quality of color and fabrics, something that could have caused serious trouble if it had continued.
Empirical findings

The way to the customer

MO argued that in order to reach the customers, retailers were vital. The Stargate Brand Group had very good relations with trendy fashion boutiques in Sweden, Norway and Denmark since the founders had earlier delivered the Smartcaze to the same boutiques. Due to the enormous success of the Smartcaze, Stargate Brand Group had already established a relationship with the retailers. In other words, it did not take long for the firm to convince the retailers to buy the FDS products which lead to FDS reaching the trendsetters. FDS has negotiated preferable prices in some lifestyle magazines (such as Café, Plaza and Plaza Woman) and therefore its message has reached a lot of people at a fairly cheap price. Buying advertisement in this type of magazines is a form of securing the connection to the customers and FDS knows that it will reach its target group. MO’s vision however, is to do a street attack and to find new “unexpected” channels of communication. Further MO thinks that it is important that marketing does not become a routine.

Product / brand

FDS mainly sells an experience, namely the experience of being cool. According to MO there is something almost magic about underwear, and people tend to wear their most elegant pair of underwear when going clubbing. It simply gives a feeling of satisfaction when wearing fancy underwear. This is something ladies underwear has acknowledged a long time ago and MO could not see why men’s underwear does the same? By purchasing FDS, the buyer guarantees that he/she is cool and that the buyer has chosen the underwear with the most attitudes. Taking of the pants should be a fun experience. Further the organisation wants to communicate a glamorous, glorified St. Tropez feeling with a strain of playfulness. MO means that fashion should not be deadly serious; instead it should be more playful. Still, to communicate the brand was not the main focus in the beginning. Instead it was more important to make the product itself a success and then make the brand capitalize on that success. MO thinks it can be dangerous to focus too much on the brand in proportion to the product. In order to create value for the brand MO had several words that the company tried to associate with the brand. These were: cool image, comfortable, attitude, self-esteem, unique and enjoyable. MO believes that all these associations in some way and to certain extend have been transferred through FDS to the customer.

The brand name (Superwear) contains many product groups and FDS more or less decided already in the beginning to implement brand extension. The brand was accepted very fast by the customers, therefore scarves, hats and other branded apparels were added at an early stage. The thought was to make the brand visible and thereby making people like the brand on the inside, the vision is for FDS to become a whole concept of its own. According to MO as long as the quality of the underwear is still great FDS will not loose credibility and the effects of the brand extension would not affect the core brand negatively. Besides, there are many layers for a product to pass by until it reaches the market. Therefore it is unlikely that a completely wrong product would enter the market. However if Stargate Brand Group constantly would show the retailers bad products, the retailers would loose trust in the brands and this could hurt sales. The quality of Stargate’s other products is connected to the retailers perceptions of FDS. It is important to deliver the experience the customer expects. Moreover, due to FDS uniqueness wearers often get comments and commendations since people find them cool. Therefore people tend to repurchase the branded underwear. It was crucial to get the retailers to believe in the product and buy it. The most important thing is the distribution and the product uniqueness; this is the way to the customers. FDS implements sales contests among the store personnel and sales
Educations. The philosophy within the organization is to never lose a customer without making everything to keep him/her. As soon as MO and his colleagues sense that sales in one store are dropping, the firm tries go there and find and analyze the problem. The competitive advantages for FDS are once again, people want to be cool and in somewhat original. The underwear has a nice fit and they simply feel good to use. Moreover customers often get a positive surprise when they try the underwear in front of the mirror at home.

Competition

The product in itself was very much unique, no companies (at least in Sweden) before had emphasized colors and patterns as FDS. Therefore the product was distinctively different from competitors. However, recently competition has launched products with similar attributes as FDS. According to MO the FDS products are more aggressive with new colors and patterns. Furthermore the price 199-299 SEK is fairly attractive in comparison with competition. The main competitors are: Björn Borg, Calvin Klein, Dolce&Gabbana, H&M and Salming. In this collection of brands, Björn Borg is the major competitor since the brand recently has shifted focus to colors and patterns as well. In addition Björn Borg’s target group consists of both men and women just as FDS. The major part of the underwear market today is the “everyday underwear” (Underwear that are not too nice to be worn everyday). The big challenge for FDS is to find out how to conquer market share and establish the brand as one of the major competitors among “everyday underwear” in the future.

There is an extreme longing in customers to be cool, the media buzz and the commercialism feeds people with the message that in order to become somebody one has to buy certain products. Thus, shallow reasons lie behind the purchasing decision. The companies working the market try to convince the customers that they need these products. All brands with a trendy attitude capitalize on the vanity and the shallow ideals of society of today, as well as peoples seek for identity and belonging. Men are less changeable than women when it comes to products, but since FDS offers something fairly unique it becomes interesting for the consumer to try the products and hopefully like the product and continue buying it.

4.1.3 Findings from telephone interview

Strategy and goal

The initial strategy and goal of FDS was to make something new in the market for men’s underwear, and furthermore to become one of the three dominating underwear brands in Sweden. This would be accomplished by making a unique product and by having a relaxed attitude towards fashion. MO considers the initial strategy and goals to have been met when it comes to brand awareness and the appearance of the underwear. FDS has in a short period of time become trend leaders and the brand awareness within its target group is high. However when it comes to volume, it is believed that this goal not yet has been met. FDS short term goal and strategy is to find more distributors outside of Scandinavia, and to take a substantial market share within the basic segment, hence single colored underwear. On the other hand the long term goal and strategy is to secure the position as a top three underwear brand in Sweden. FDS’ philosophy is not to become the biggest men’s underwear brand, but the best – best quality and be most trendy. This is something that FDS constantly can and has to improve. Moreover, finding new markets is of major importance as well.
Core competence and legal protection

The company has excellent designers, is very confident in its creation, meaning the company dares to be controversial in its design and is not afraid to do the little extra. In addition the company has huge network of contacts and distributors, which is a major advantage. MO would claim that all of this is part of FDS core competence. The name of the brand is registered, but more importantly FDS owns the rights to all its patterns.

4.2 Interviews with the retailers

4.2.1 Introduction

This part is based upon the interviews done with FDS’s retailers. A number of 20 retailers have been chosen. They are located all over Sweden.

Telephone interviews have been done with 20 retailers; since the companies are spread out all over Sweden the telephone solution seemed to be a good decision. All the interviews were based on the same questions and these can be found in the appendix. All the interviews took place in week 47-48 2005.

4.2.2 Findings

Purchasing decision / buying behaviour

The purchasing behaviour of invisible items such as underwear varies to a certain extent compared to clothes in general. The buying behaviour connected to invisible items is strongly connected to a person's own feelings and thoughts.

When buying underwear, most of the interviewers believed that people are more price sensitive, due to the fact that underwear is a relatively unpleasant item to spend too much money on. The respondents also believed that buying underwear is an impulse purchase decision that refers to the salesmen's skill of selling an additional product to the customer. Often the underwear is placed next to the cashier thereby making it easier for the customers to add in their purchase when waiting in line before paying for another item. Another detail presented by respondents is about buying underwear. It appears as if women prefer to buy underwear on a more regular basis compared to men. Several of the respondents claim that there is a relation between the prices the consumer pays for other clothes when choosing what underwear to buy. If a person normally does not spend a lot of money on clothes in general, he/she will probably not buy expensive underwear. According to some answered received, men's underwear has a tendency to be more important today than it was a couple of years ago, this could be due to the high competition within the market and that mean are more aware of what they wear, another answer to this issue could be that there are more brands for the customers to pick from. Furthermore, fashion has today led to that the whole concept is important and customers tend be more conscious about what is worn underneath. The respondents agree upon that especially boys and men tend to care more about the brand when buying fashion products, including underwear. This behaviour may have been transferred from the female buying behaviour, since females always have been aware of this.
Empirical findings

The respondents believe that those who buy branded underwear are not in a particular segment. It can be every person between 15 and 45 who care about what clothes that they are wearing. The customers who are around 18 or older have a tendency to spend more money, and thus more expensive underwear compared to those who are younger. Reasons for this can be that people above 18 have more money to spend, and the fact that underwear becomes more expensive due to brands and quality.

Some of the respondents assumed that a person who suffers from low self-esteem can increase his/her confidence by purchasing branded underwear. It might also be peer pressure that influence especially youth’s way of buying underwear as well as clothes in general. Furthermore the shop assistants believed that people who buy FDS underwear want to be a little bit cooler and trendier than other people.

The empirical research also revealed that underwear is a popular gift. Compared to a pair of jeans, which one has to try in order to know it suits, underwear is easier to buy. From this perspective it was claimed that FDS has a competitive advantage since if one wants to buy underwear in gift one would choose a pair of colourful and fun underwear over a pair of traditional black or white underwear.

Product / Brand

Almost all retailers interviewed by the authors believed that branded clothes are more important today than ever before. The authors found different opinions of whether the brand or the product is of most importance concerning underwear. Some argued that the product was most important and others argued the opposite. However all respondents agreed that quality was of high concern and in that sense if the quality is low the brand value will be low as well. Hence if the product is good the brand will benefit. Although, when one is purchasing new underwear for the first time, the brand becomes important. If the underwear is of high quality customers will repurchase the brand, and if quality is low they will not. If the product has got a good reputation it seems to be more people purchasing a product due to the well-known brand instead of the bare product.

Furthermore, some of the interviewed retailers believed that the brand can help someone who does not know what kind of clothing item to buy. In this case a well-known brand secures that an item is not completely out of style or fashion. A negative aspect of following a brand can be when a low quality product will be sold just because it has a high status brand. One of the shop assistants said that a brand has succeeded when it can do almost whatever it pleases with a product and still sell very well.

Frank Dandy Superwear / Stargate Brand Group

When the authors asked the interviewers what they associate FDS with, the most common answer was short model of underwear with the characteristic patterns that comes in a huge variety of colors. Compared to its competitors, FDS seems to have a sexier attitude exposed in a cool and different appearance. One of the respondents argued that just looking at a pair of FDS underwear is like seeing the pattern delivering a message of coolness and attitude. This was claimed not to be the case for a regular pair of white or black underwear, and therefore the respondent claims that a pair of FDS is something one want to show to someone else.
Empirical findings

According to the respondents, the relationship between a small company like Stargate Brand Group and its retailers has to be a good; otherwise it will be difficult for a small brand to be accepted. About 90 percent of those who were asked about their relationship with Stargate Brand Group said claimed it to be good or very good.

The retailers’ apprehension of Stargate Brand Group and the personnel working at the customer support is very good. The pleasant treatment from the company, and the overall communication that FDS represents, seem to be very much appreciated. One shop assistant mentioned that if one model of underwear does not sell good enough, the retailer has the right to return that product. This inspires the retailer to try more products than it otherwise would have done.

One aspect that differ FDS from its competitors is the fact that the company puts a lot of time and effort in visiting the retailer and give support to the shop assistants if they have some questions about a product or model. The respondents mentioned that this helps to motivate the shop assistants and gives them support. Moreover the shop assistant will have more knowledge about the product and therefore be more inspired to sell a pair of FDS. One of the interviewed people said that retailers may expect more contact and support from a relatively new and small brand like FDS compared to a well established such as Levi’s.

How to succeed in the market

According to the interviewers the overall relationship within the clothing industry can be more important than within other businesses, since it mostly concern smaller orders than for instance within the food business. In somehow there arises a more personal conversation to a smaller company and its sellers, than it does with larger firms. Another favourable aspect can be that a clothing retailer has additional contact with national companies compared to foreign. According to a shop manager, selling one pair of underwear every day will increase a retailer’s profit by 70,000 SEK a year. Therefore some retailers try to add a pair of underwear to the their customers. Whether it will be FDS or for instance Björn Borg is in the end up to the level of positive relationship between the shop assistant and the underwear sales personnel.

The responders have mentioned that high quality and a good fit are two major characteristics that determine if underwear will be successful or not, it is of importance to stay innovative and keep on refreshing the models and pattern of the underwear. Moreover, the facts that the organization follows the trend or even strives to be the trend leaders are other reasons of FDS’s success. According to one of the retailers, the customers tend to repurchase FDS more often than for instance underwear from Björn Borg. He believes that this has to do with the ongoing change in patterns that attracts a satisfied customer to repurchase FDS. The fact that FDS gives girls and women the opportunity to match a pair of underwear with linen is a reason why the firm have succeeded within female underwear.

Responses that distinguished from others

The telephone interviews also showed examples of responses that distinguished from the others. All of the respondents did not agree to the authors’ definition of referring underwear as an invisible product. Some argued that the underwear is shown to a large extend especially by boys in the age of 15 to 25. Of course this can vary from one person
Empirical findings

to another, but these shop assistants argued that underwear actually is a clothing item that is visible, and therefore not really should be considered as an invisible product.

The shop assistants mentioned the difficulty of how to be successful within the fashion industry, and a common reflection was that the brand and its product have to differentiate from its competitors by its quality and appearance, and make consumers aware through different channels of marketing. One of the persons interviewed distinguished from the others when mentioning the high level of importance of distribution. He referred to the importance of a newly established brand to be seen with strong brands within the segment which is being targeted. Another vital factor was to expose the product in the best and most observed position in the store. He also argued that it will be easier for a new brand to succeed when focusing on the right retailer, well informed and educated personnel, and all this in a combination with good marketing.

4.3 Focus group

This is a summary report that was prepared at the conclusion of two focus group studies conducted by students at the Jönköping University in Jönköping. One pilot focus group was conducted before the interviews with MO and one regular focus group was conducted after the interviews. Both of the focus groups will be presented in this section.

4.3.1 Introduction

The pilot focus group exercise has the purpose of making the authors more familiar with focus groups and how to best prepare and conduct them. Moreover with both studies the authors hoped to get valuable thoughts and ideas within the area of invisible branding in general and about underwear in particular. The studies examine the participants' attitudes towards branding and their thoughts on invisible branding and underwear.

The pilot focus group participants were 8 university students, and the study was conducted on November 20 2005 in Jönköping. The second focus group consisted of 6 university students. The study was conducted on December 1 2005 in Jönköping. Both groups were tape-recorded and carefully analyzed.

4.3.2 Findings

How important is the brand for an invisible product?

The participants found that the brand for these products stands for quality and identification, and just as for other branded products people buy an identity. Personal preferences, experiences and advertising decide whether a product has high quality or not. Moreover, quality is about positioning. And customers assume that a higher price vouches for higher quality. However, people sometimes tend to buy the brand more than the actual product. The brand also shows that the user is knowledgeable about fashion, why the brand is especially important.
Invisible branding, underwear

Branded underwear can be important for the self-esteem; it feels better to wear a pair of nice branded underwear. The most important aspect when buying underwear is quality. Underwear is the clothes closest to the skin and therefore it is natural that underwear must feel comfortable, hence the fit must be good. Especially for men, underwear is still seen as just a good. Therefore quality becomes a decisive factor. In some sub-cultures, i.e. the skate-culture, people actually show their underwear, since the trend is to have big size jeans and the underwear will be revealed due to a loose fit of the pants.

How important is the brand?

When buying underwear the first time the brand is very important as quality insurance. However when buying the second time the brand is of less importance and instead quality is the determinant factor, if one were satisfied with the quality of the underwear after the first purchase you will probably buy them again. The group agreed upon the importance for the producers of underwear to get customers’ attention and evolve into a purchase and hopefully of the repeated purchase behaviour. In this sense FDS was seen as a good example due to the colourful and patterned underwear which inevitably draws the customers’ attention to the product. Customers usually buy the same underwear over and over again due to price and quality, but also due to the fact that men cannot try the underwear before the purchase. This is why usually the brand is most important for the purchase decision at the first time purchase. If one does not refer to any particular model or color of underwear people are more willing to buy a well known brand. The actual buying behaviour for underwear is then characterized by repetition. If someone has a pair of black boxers which one is satisfied with someone would probably not change for another brand. One may even buy the exact same pair of underwear (color, model, etc.), and this is not very common when buying other clothes. The group members found that 3 of the strongest brands within the clothing industry are: Benetton; this brand stands for not only the care about profits and selling clothes but takes a strong social responsibility and takes its role of world citizen seriously. Diesel; the Diesel brand has a strong personality and consistency mixed with the Italian heritage and an ambition of being in the front line of design and quality. Levi’s; the Levi’s brand is seen without noticed, meaning that when entering a room full of people up to fifty percent wear Levi’s jeans with the Levi’s tab. This unconscious marketing is what makes Levi’s such an astonishing brand.

The whole concept?

An interesting observation is that it seems as people have underwear from different “segments”. For example underwear to work out in which are not very expensive, casual underwear (mid price segment) and “party underwear” which are branded underwear used at more special occasions. All participants agreed that when buying branded underwear one buy the brand more than the simple product. The look of the underwear also has an important place in the consumer’s mind. Even though it is quite hard to see the brand of underwear it is important to some people. Some of the randomly chosen students in the focus groups believed that wearing underwear of a well known brand could affect the attitude and wellbeing for a period of time. It came to the moderator’s and the assistants’ knowledge that people tend to wear their favourite pair of underwear the following day after that they had done their laundry, and therefore have to wear their least attractive pair
Empirical findings

when it is time to do the laundry. The group also agreed upon the fact that they wear the more exclusive underwear when they are partying.

Target market

The people that care mostly about what kind of underwear they are wearing are youths younger than 23. Especially people studying at High School have some need of showing what they are wearing. This might be due to that the students meet other students all day long and thereby the clothes have higher importance than later on in life. It can also be due to that youths in the ages of 14-20 not yet have found their identity, clothes tend to be important.

Purchasing decision

There were different occasions when people normally purchase underwear. Furthermore it is also a pleasant gift, both to give and to receive. One interesting opinion was that the customer tends to be faithful to a certain brand and color of underwear compared to for instance t-shirts and other apparels. This is due to that it considers as satisfactory to buy the same kind of underwear every time compared to buy the same t-shirts. Compared to other apparels it is hard to guess what kind of underwear a person is wearing by looking at his or her clothes. However, people who usually tend to buy inexpensive clothes in general most likely do not buy expensive branded underwear. Since the determinant factor when buying underwear is quality the participants suggested free-bees and discount to be rewarding when trying to have customers switching brand. This gives the consumer the opportunity to try the new brand without paying full price. Furthermore marketing was considered of high importance if one was to try a new brand. Some of the participants praised the advertisement of FDS, which is fun, yet at the same time sexy and very cool. Another strategy to use that was mentioned was the one that the Swedish fashion brand WE, using selected celebrities as “living” billboards, then having these persons attend special events and in that way promote the brand.

Pervious experience, price, quality and sales are three decisive aspects whether to purchase a new pair of underwear or not. Reasons why people tend to buy branded underwear are due to the fact that it ensures a certain degree of quality and it has a strengthened effect to a person’s outer reflection. In the mind of the customers, to become a successful underwear brand quality, fit, uniqueness (in both product and advertisement) shall be the guiding stars. Further, the amount paid for a pair of underwear is connected to how high the expectations of quality are, by saying this; a customer gets what he/she pays for.
5 Analysis

In this section the authors aim to analyze the theoretical and empirical findings in order to fulfill the purpose of this thesis.

5.1 Introduction

In order to fulfill the purpose of this thesis the authors have to analyze the empirical findings compared to the theoretical framework. The analysis will be built upon the same model as the theoretical framework. Starting with the branding as a whole, what is important to have in mind when creating a new brand. How the brand is managed, in what way can the firm create brand equity and from the customers point of view brand value. How is the customer behavior controlling the brand value and in what way could the firm deliver added value to the brand. Inspired by the clothing and fashion industry the authors will present their way of how to fulfill the purpose.

Since the competition is fierce within the fashion industry, the need for specialization is strong. A strong brand is a good way to differentiate and can thereby be used as a competitive advantage. The empirical findings also show that the brand is strongly related to quality. Often if the branded product is of high quality, the perceptions of the brand are high as well.

5.2 Branding and the brand

As argued in the theory, a brand must deliver added value to the product or else it is merely a commodity. The added value delivered by a brand is often considered intangible as described by Costantino (1998). To analyze the brand the authors need to analyze the four levels constituting the brand, as presented by Kotler et. al., (2001).

Attributes valued by customers of an invisible brand (underwear) are foremost quality and design firstly after these comes the other attributes such as colors and patterns, attributes that distinguish FDS from its competitors. Therefore to be successful in building an invisible brand and in order to create brand value quality should be emphasized. However, due to the homogenous underwear industry where almost all underwear are single colored, as presented in the empirical part, a brand such as FDS distinguishes itself from competition due to a more or less unique attribute. Furthermore FDS introduction in the market has made other manufacturers aware of the hidden demand for underwear with attitude and more personality.

Since quality is of such importance in building an invisible brand (underwear), the authors will try to identify what advantages are connected to high quality. Firstly, high quality means that the life of the purchased product will be longer and this is of course valuable to customers since people do not want to buy new underwear constantly. Furthermore, wearing a piece of high quality underwear makes customers feel good about them. When it comes to colorful and patterned underwear attributes characterizing FDS, the advantages FDS communicates are trendy, coolness, and uniqueness.

The values connected with FDS are a laid back attitude towards life and enjoying the good things offered by the same. But also the stylish and innovative design, just as well as quality. Once more, as the empirical studies have concluded quality is the most important value of customers regarding underwear.
Last but not least is the personality of the brand. Dandy in the brand name refers to a snobbish, playboy like character who is very trendy and much aware of his exterior, but at the same time does not take himself too seriously. If FDS was to be a person, this is who he would be. If the personality of an invisible brand can be properly communicated it will be more valuable to customers due to the fact that it will be easier to identify with it.

5.2.1 Four phases of differentiation

The four phases of differentiation presented by Levitt (1980) will be analyzed in order to identify at what level of the product an invisible brands is differentiated and how it should be differentiated in order to become successful. The first level, the core product (in this case the underwear) is the basic item of clothing bought to fulfill the single purpose of covering and warming “the lower regions”. The expected product is the minimal essential customer expectations which have been explained in the theoretical framework. What is of interest for this thesis however, is the next layer - the augmented product. The authors argue that the brand (FDS) adds value to the actual product at this level. This added value can be identified such as a certain kind of model with good fit and high quality for instance. Regarding FDS though, the brand is not foremost recognized for its high quality; but rather for its patterns and colors, and these attributes add value to the FDS underwear at the augmented level. In the last level, potential product, FDS adds value through its way of packaging the underwear. FDS put the underwear on hangers just as any other clothes, something unique for FDS, and thereby attracting the attention of customers. Although the clothing companies do not have any obligation regarding service towards customers, FDS put a lot of emphasize in being very service minded towards distributors. Thereby, by making distributors more positive to the brand, which in the long run may add value to customers. Although the focus of this thesis will be on the latter levels of differentiation, in order to create value for a brand, all the different layers presented by Levitt (1990) must be represented, i.e. if the customer expectations are not fulfilled, the value can be damaged.

5.2.2 Fashion Brands

As stated by Roach and Eicher (1979); fashion and brands act as a mean of communicating membership of cultural groups to the members of the group as well as outsiders. Since underwear is an invisible brand, cultural membership should be harder to communicate than for other fashion brands. However, as uncovered in the empirical studies, nowadays it has become more common to reveal a piece of the underwear and thereby the attributes of an invisible brand does not apply (especially in sub-cultures such as the skateboard and
Analysis

Although the above reasoning is true, for most people underwear is an invisible product. As pointed out by Costantino (1998) the added value within fashion clothing is often emotional. This statement is backed by the empirical findings. The customers who buy branded underwear do so because they regard the product to be in line with their self awareness. Moreover, the emotional wellbeing strongly contributes to the added value of the brand.

Building a fashion brand is hard, especially if the brand is invisible. This challenge could be solved in several ways. The FDS's way to success is mainly based on its unique products, the colorful and patterned underwear. To have a unique product is argued by the authors as very important when discussing fashion, having a product being unique and at a later stage having this unique product strongly associated to a brand, contributes to a high brand value. Fashion is a form of non-verbal communication and the customers communicates a message through their clothes. The FDS underwear helps the customer to be satisfied with the purchase, due to the uniqueness of the product. The invisibility of the product makes it powerfully related to personality and the wearer feels more comfortable and satisfied with him-/herself. For the invisible branded product the authors argue that the emotional wellbeing strongly contributes to the added value of the brand. Therefore it is essential that the product/brand delivers a feeling of wellbeing when purchased and worn. This argumentation is supported by Costantino (1998). The empirical research also enlightens the authors about the need of feeling comfortable wearing certain clothes, in other words this would help to add value to the brand. The brand can act so that the user communicates a message or his/her lifestyle/personality, which can make them feel more comfortable. This feeling of positive emotions could affect the mood of the user and influence the perceptions of the brand and add value to it.

5.3 Principles of brand creation

The five principles identified by Kapferer (1992) will be used to analyze how FDS went about when creating the FDS brand. Firstly, in order to create brand value to customers the brand must have an identity. FDS identified trend conscious younger men between 15 and 35 years old as the target group. Furthermore the product was positioned as a high end piece of underwear with colorfulness and patterns as characteristic trademarks. Finally the FDS underwear guarantees that the customer will wear the coolest and most trendy piece of underwear that can be found. According to one of the founders, Dandy in the brand name refers to a snobbish, playboy like character who is very trendy and much aware of his appearance. If FDS were to be a person, this is who he would be.

The second principle is to determine the company’s imaginary sources. In the case of FDS this is not the clear cut as with i.e. Apple. Though, one has to keep in mind that it is a fairly young brand. However the authors argue that the playfulness and the laid back attitude not taking everything dead serious distinguishes FDS and attracts people who are tired of the traditional global underwear companies. Thus brand value is created.

The third principle argued by Kapferer (1992) is to choose a product with a meaning. In this sense a product which best represents the brand's intention. The one product which best supports the brand’s potential to bring about change. FDS identified a window of opportunity, a one which the founders could very much identify with, simply the need for sexy and cool men’s underwear. Apparently the founders were not the only ones who found this appealing. Thus, customer value was created right from the start and there was a strong incitement for choosing FDS over competing brands.
Furthermore when it comes to the fourth principle (*brand campaign* or *product campaign*) the authors find, according to the empirical research, it wise to indirectly build the brand by promoting the product. This finding also coincides with the one of MO. It can be argued that this is of more importance for invisible products (underwear industry), due to the important quality aspect in the view of customers. Moreover the colorful and patterned underwear of FDS communicates the essence of the brand, namely to be cool and to stand out from the majority.

The final principle is *brand language and territories of communication*. FDS has been very consistent in its way to communicate with customers, and the company mainly uses lifestyle magazines as the source of communication. What is unique though is the brand’s language of communication, the FDS advertisement is not like any other. The self irony and coolness that FDS tries to communicate in its products is visualised in the company’s advertisement (see appendix 5). Good communication with customers is also important due to the strong brand loyalty in the underwear industry as recognised in the empirical studies. Therefore marketing becomes very important in order to convince customers to try a new brand.

### 5.3.1 Route Development

To create brand value for an invisible product, marketing communications and its budget is crucial. Riezebos (2003) introduces two different routes a firm can choose; the *high budget route* (advertising) or the *low budget route* (focus on image transfer). Since it is harder for an invisible product to leverage upon its wearers, advertising becomes an important tool. Advertising in general is commonly used especially for women’s underwear (Victoria’s Secret and H&M) but also for men’s underwear (Calvin Klein). A challenge for a new venture can be the lack of capital and in that case a high budget route is not an option. In the case of FDS, this was not an actual problem though due to Stargate Brand Group’s success with the Smartcaze. The capital gained from the Smartcaze, helped to fund the marketing budget for the FDS. By choosing the high budget route the firm can promote its products to a large audience. The authors argue though, that relying solely on advertising is not sufficient for the invisible brand. What are just as important are the retailers. The in-store personnel have a big responsibility when recommending/selling the product. The retailer’s role is therefore critical and time must be spent to find retailers who feel for the invisible brand and can help promote it. Image transfer is strongly connected to the route decision, if image transfer is possible, the money invested in marketing should not have to be of large amount. Furthermore, the authors argue that a combination of advertising and image transfer is the best for an invisible brand. However as mentioned, due to the importance of quality to customers it is crucial that customers become aware of the brand and therefore advertising should be emphasized.

### 5.3.2 Brand Extension

A brand built around an invisible product such as FDS’s underwear could be hard to extend. Since the product is not shown to the public, the message of the brand is not exposed to many potential consumers as other brands are. Despite this, FDS had a vision already from the beginning to make an entire clothing line of FDS. What is interesting, keeping in mind the purpose of the thesis, is that when the FDS product line was extended from underwear to other clothing articles, such as hats, t-shirts and college shirts, the brand value of the invisible product was proven authentic. This may therefore prove that it is actually possible for invisible products to gain brand value, although visibility could not be
capitalized upon in the case of FDS underwear. The fact that a brand extension was possible proves that the invisible branding approach can be successful. The image has successfully been built around the brand and since it is important with high sales volumes in the clothing business, the extension felt like a natural move to help increase revenue. What is interesting with FDS and the company’s brand extension is that as far as the authors know, there is no other company that successfully has accomplished what FDS did, at least not in the underwear industry. There are several issues that could gain from a brand extension especially in terms of profit, but the brand extension may also make the brand even stronger, thus increase the brand value. However, there can also be a risk of damaging the brand if the extended products are not received well by the market or if the quality of the extended products does not meet customers’ expectations. Thereby the underwear may loose credibility and which in turn can damage sales. However, MO argues that due to the different layers (read distributors) a product must go through before entering the market, the risk of the above presented scenario is minimal. This proves not only that the relationship with the retailers is vital for a firm’s success; an organization would be in high risk without it.

5.3.3 Product/Brand

Saviolo and Testa (2002) argue that products last during a shorter period of time due to a relatively short lifecycle, but that the brand could last for ages representing a long-term asset for the company. The authors mentioned the importance of having a good product in order to survive in the market. According to the interviews and the research that has been examined, the authors claim that the brand name has become more vital in the purchase decision than ever before. A number of the participants who took part in the focus groups argued that the first time they get in contact with new clothing items, the brand is more essential than the product, whereas others found it of equal importance. The authors argue that the brand plays the major role when facing a new product.

If taking FDS underwear into consideration, the company began with a completely new brand that consequently could not recall any reflections. FDS offers a product with a model that still is a bit different from its competitors. A short model of underwear with very colorful patterns rapidly became related to FDS. Therefore the company started to build a brand through its products and thereby increased the awareness of the brand itself. Even though FDS is quite unique in terms of colors and patterns, some competitions, such as Björn Borg and Calvin Klein, do have imitated FDS trend in offering something besides the regular colors black and white. According to the authors this can be seen as evidence of FDS being successful in creating added value to the brand.

5.4 Brand management

In order for a brand to survive in the long run and to attract the right type of customers, brand management is crucial. A brand that is managed properly will add value to both the firm and to its customers. As presented in the theory brand management begins with brand identity. In creating a brand identity FDS has had a clear strategy from the beginning, a strategy that has been very successful.

Creativity: The FDS brand is more or less synonymous with creativity. Creativity runs through the veins of the company. As a small start-up FDS released a quite unique product
and thereby challenged the established underwear industry. The FDS launch was so successful that competitors started to imitate the concept. Moreover to increase the sense of freshness and to constantly attract the attention of customers, the colorful and patterned underwear are exchanged several times a year (this year FDS will have released four lines!). The empirical work implies that it is important for an invisible brand (underwear) to attract the attention of customers in order for customers to make a purchase, this due to the strong customer loyalty among brands.

**Location:** FDS knew already from the beginning that in order to be successful its product had to be present in trendy stores all around Sweden. The company has managed to accomplish this task magnificently and the FDS products are now sold at carefully chosen top of the line retailers. It is worth mentioning though that FDS already had an established relationship with a lot of trendy retailers due to Stargate Brand Groups success with the Smartcaze. For an invisible brand such as underwear, to be presented in high fashion stores next to prestigious brands is an insurance of quality for consumers. Since one of the most important attributes of underwear is quality, working with the right retailers can add value to the customer.

5.4.1 **The three brand attributes**

*Corporate brand history and core competencies* are important attributes according to Kapferer (1996). Although FDS is a recently established company, its history is very fascinating. FDS came from nowhere, took the market by storm, and changed the rules of competition in the slumbering underwear industry. The marks of history are still very much alive in FDS. The unwillingness to settle and to be satisfied, but instead constantly develop new products that are even more daring than the previous, is a reflection of the FDS corporate history. This continuous improvement becomes a competitive advantage and adds value to customers. The brand attributes are here connected to the brand management of the firm. The brand history is vital for the brand, something acknowledged by the focus groups which mentioned Levi’s as a fine example. Customers tend to buy and pay more for a pair of Levi’s jeans than another pair of jeans since the history of the brand is fascinating. For an invisible branded product the core competencies in the organization are transferred to the image and identity of the brand itself. The core competencies of FDS have been identified according to MO as the excellent designers, the network of suppliers and other competent people, and the company’s high degree of self confidence and innovative spirit. All of these competencies are of course very valuable to FDS, but of most importance according to the authors are the innovative spirit and the company’s strong belief in itself. This shines through the products of FDS in the playful, sexy and trendy underwear of FDS, thereby making it valuable to customers.

The next part of the three attributes is the *stylistic identity*. The stylistic identity of FDS is very strong, colorful patterned underwear is what most people associate with FDS, and is one of the company’s most important competitive advantages. Due to the strong stylistic identity FDS has become a strong brand. Moreover the stylistic identity is crucial for the brand identity. FDS has furthermore leveraged upon the strong stylistic identity when implementing the brand extension. This shows that the unique characteristics of FDS stylistic identity create value to customers. The stylistic product or identity of the product has lead to stronger brand recognition. This has helped the added value to grow in the customer’s mind.
Strongly connected to stylistic identity is the visual identity. This is the last attribute brought to life by Kapferer (1996). The visual identity of FDS is not as strong as the stylistic identity. Although the company has been consistent in its choice of marketing channels, this is not something that distinguishes FDS from competition. However, the message and the advertisement in itself have a unique touch and the particular characteristics of FDS shines through it. In that sense, the visual identity increases the value of the brand. From the interviews it is understood that FDS has an identity in the eyes of the retailers and consumers. Words that are used to describe FDS are sexiness, colorfulness, a huge variety of patterns, coolness. This makes it clear that the strategic choices made by FDS from its birth and on forward have paid off. Due to the fact that FDS is a young brand it has not yet been put to the test when it comes to long term survival. The challenge for FDS is, as mentioned in the theory, to make the brand identity evolve with the market and to continue to be dynamic. FDS must take on this challenge in order to create long term sustainable brand value to customers. Since the FDS underwear is when worn invisible, the visual identity grows together with the self esteem of the wearer when shown to someone else. One might argue that the visual identity becomes stronger when the product is shown. Connected to both the visual identity and as mentioned before, the location and supply system of a branded product, is where the product is sold. Therefore, the retailers and how the product reaches the market are important to analyze.

5.4.2 What retailing path to choose

The distribution is one of the most critical aspects in order for the firm to be competitive, this is confirmed by the interviews with the retailers and MO. Retailers become an important link for the company in the process of creating brand value. Often it is the salesman or someone working for a retailer who recommends or at least is present when the consumer comes in contact with the brand. The retailer’s role in the purchasing decision can thereby have a major effect, especially when having an invisible item, such as underwear in mind. This is due to fact that an invisible branded product can promote itself in the same way as a visible brand.

In order to analyze how the retailing path can affect the invisible brand and path FDS has chosen the authors will use the framework presented by Gehlhar (2005).

If certain stores are more suitable when it comes to promoting an invisible brand is hard to say. Naturally different stores have its pro’s and con’s. Firstly, looking at a department store there is a risk that the brand will just be one out of many, and will therefore not become extraordinary neither to customers nor to retailers. The reason for the salesperson in the store to sell the product is only related to how much profit it will provide.

The possibility for the firm to build a relationship with the sellers in the department stores can therefore be hard. That is a sufficient advantage when in an initial stage wants to be well known in the market. The authors believe that the department store is a good distribution channel, but not during the introduction phase of a brand. The department store is more suitable when the brand is more stable within the market, even though the department store could transfer the store image of prestige over to the brand.

As presented in the theoretical part by Gehlhar (2005), one of the best ways to reach the market for a new designer is through a small boutique. Here the relationship between the firm and the retailer can grow over time, and they are mutually dependent on each other. The boutique has high interest in delivering the right products to its customers and the firm, in this case Stargate Brand Group, could be able to affect the relationship with the
sellers in an easier way. It is important for an invisible product to be promoted and recommended by the sellers in a store. A customer is more willing to choose a new pair of underwear, if he/she is recommended in someway to buy it.

Another interesting way to reach the customers is through the internet as presented by Gehlhar (2005). Here the firm competes in a different kind of way; the middle hand is in many cases left out, which will lower the expenses. Therefore by selling products through the internet, this could deliver a different kind of value to a brand, the convenience of buying from home. Without going to the store is one big advantage for the customer. This does concerning all kind of goods, but looking especially at underwear, a customer might be more brave buying underwear over the internet, when there is no face to face connection. Sometimes the consumer wants to buy a product for him/herself and does not want anyone else to know what is bought. In order to deliver the best value for the customer through the internet the company should have a competitive price level that gives the customer a reason to buy it. It could be a good way to have the consumer to try the product in the first place. Internet is also a cheap way to raise awareness around the brand and the invisible product, a drawback is that the competition is high and customers do not have the full trust in buying from the internet yet. The fact that the personal contact with the sales person, as well as the service could be considered as lower, are two further reasons why consumers still have not conceived the internet as a substitute for the regular store.

As presented in the empirical studies, FDS acknowledged the importance of retailers already from the beginning. Moreover, just as identified by Gehlhar (2005), FDS has focused upon independent boutiques and the only chain of retailers with which FDS has a central agreement is Carlings, in addition NK Gothenburg is one of the department stores in which FDS delivers its products to, the brand could be found all over Sweden. The authors argue that invisible brands are even more dependent on the retailers than visible brands. This is due to the fact that an invisible brand can not promote itself to the same extent as a visible brand, as presented above. But it is also critical from the aspect of quality. Since quality is essential for an invisible brand, the retailers with which the brand is associated can become an insurance of quality for the customer. In this perspective it is important for an invisible brand to find high end retailers.

5.5 Brand Value

Brand value to customers is maybe the most essential part of the brand since if no brand value exists customers will be indifferent to the brand. Aaker (1996) describes four components that together constitute brand value; brand loyalty, brand awareness, perceived quality, and brand associations.

Customer brand loyalty is the best way to measure brand value. The focus groups clarified that in order for customers to become loyal, especially for an invisible branded product (underwear), the first step is to attract the customer’s attention right from the start and make customers try the product either at discount or as a free sample. The empirical findings acknowledged the authors that men especially, are quite unwilling to change brand on their underwear once they have found a favourite, hence underwear customers are very loyal. Therefore brand loyalty becomes an even more important success factor in the underwear industry. However, in order to have a high brand loyalty it is essential that customers become aware of the brand in an early stage. This brings us to the next component.
Aaker (1996) argues that the simplest way of measuring brand value is through awareness. A branded shirt or pair of trousers can unconsciously communicate its brand and thereby also increase the brand awareness. However, this is difficult for underwear. Instead the focus groups stressed the importance of word of mouth as a mean of making consumers aware of the brand. Furthermore, the role of retailers should not be underestimated; being present at the right retailers is everything. If you are not being visible you do not exist as put by one retailer, and it is important to be seen in the right environment. Furthermore an intense marketing campaign with focus on promotion is wanted according to the empirical findings in order to make customers aware of the brand. If the customer can recognize the brand, it would lead to a more confident experience when preparing a purchase.

Once customers have tried the product, quality will be the determinant factor for a repurchase. If the quality meets the expectations of customers the basis for a loyal customer can grow. In the case of FDS the quality issue is not quite clear. Due to initial quality problems some customers have poor associations with FDS when it comes to quality, this was observed by the authors during the empirical work. Moreover the empirical studies revealed that quality is the determinant factor when buying underwear.

For the brand to become successful it is important that customers have positive associations with the brand. It was observed in the focus group studies that successful branded underwear in general was associated with high quality, and fit and good-looking individuals (C&K and Fredrik Ljunberg). On this point customers distinguish FDS from competition. Although there was difference of opinion regarding the quality of FDS almost all participants associated FDS with trendy, colorful patterned underwear. In this sense FDS has very much succeeded. Celebrity endorsement is according to Aaker (1996) a good example of a personal association; this is also something that FDS has utilized (A-teens, Papa-Dee).

With the aim of increasing the value for a brand, associations could affect the value in a positive way. Having the brand associated with a certain person or lifestyle can help affect it in a positive manner. Underwear is a product that especially is affected by associations, and several firms are using billboards trying to use celebrity endorsement to help promote the brand. As said, FDS used Papa Dee (Swedish artist) and the Swedish group A-teens in order to increase awareness but also to create associations to the artists. For the invisible product, advertising is one of the main marketing communication tools used to promote the brand. Underwear does not get the same attention as for example other kind of clothes in the media. The negative aspect of the invisible item is that it can not be easily connected to spokespersons showing that they use the special underwear. Looking at form example some of the major media happenings in the world, the academy awards and the Grammy awards etc, celebrities promote different kind of designers, but this is not possible when it comes to underwear. Therefore the invisible must be promoted through other channels. Hence, that the associations are still as important for invisible products.

The image of the brand has a strong connection to the value of the brand. Image transfer concerns a lot of different issues that surrounds the brand. The authors argue that it is of importance to have a discussion where to sell the branded product, in order to strengthen and increase additional value to the brand. A department store could give the impression of high standard, and if a certain brand is sold there, the image from the store could transfer over to the brand, giving the brand a higher perceived value. By saying this, the researches mean to say that it is critical that a firm chooses its retailer with much care; the image transfer is an effective way of promoting a brand.
5.6 Brand Equity

The main focus concerning brand equity in this analysis is connected to the brand value for the customers. A brand does not only give value to its users and buyers. In fact the organization will also leverage upon a well known brand or a brand with a high added value. The brand equity is not only the financial value for the firm; it is also a measure of how external factors affect the brand. As presented by Riezebos (2003) and Aaker (1991), the brand equity is mainly based upon the added value the brand delivers to its customers. Therefore, the authors argue that if a brand does not deliver any extra value to customers, the firm will not gain anything from the brand. If the connection between the organization and the brand is strong, the value for the customers is high, and hence the brand equity will increase and the firm could collect profit from the brand and further gain brand equity.

In order to help measure the brand equity of FDS, four components presented by Riezebos (2003) were introduced in the theoretical framework. The area to be examined is the size of the market share. Since Stargate Brand Group has never made any research in the market, the company’s market share is very hard for the authors to estimate. Still, since the brand is spread all over Sweden, through several distributors and retailers, the market share ought to be fairly high. As Riezebos (2003) concludes, if the added brand value is high, the market share will increase. Another aspect making it hard to analyze the market share is due to the fact it is a rather young brand and therefore this component as well as the stability of the market share is hard to interpret. The stability is strongly connected to how loyal the customers of the brand are. In other words, how strong the brand value is for the customers. If the brand has a loyal group of buyers, this will automatically help the branded product to gain market share and more or less force retailers to accept the brand in its collection of products.

On the other hand, the relationship that Stargate Brand Group has built with its retailers can be seen as part of a stable market share, which therefore can contribute to higher brand equity. The authors fully agrees to what is presented by Riezebos (2003), that the two first components of how to measure brand equity, the size and the stability of the market share, are strongly connected to the value the brand delivers to the customers. The next two components of brand equity are more connected to the financial and the legal issues concerning the brand equity. The authors would like to point out that the firm will gain value from its brand even though it is invisible, which might be intuitive.

5.7 Customer behavior

The customers have a vital role in a brands success. Within the fashion industry, customers tend to choose garments connected or in somewhat associated with their own lifestyle. Brandon et al. (2003) further presents that lifestyle is connected to the fashion trends in the market. A customer could have different kinds of lifestyles and the once connected to invisible branded product might be hard to identify. Research has shown that a brand is really something that controls the buying behavior and can be connected to something that lays deep in the customers’ minds. Gucci has made a good work in associating its brand with something that unique that the customers are willing to purchase counterfeited products from street vendors. Kotler et al. (2002) introduce that buying behaviour is a process of acceptance within the customers’ minds. The strategy used by Stargate Brand Group was to firstly target the trendy men within each city. These could be seen as innovators and early adaptors of the new invisible product. These roles are important to an organisation and could really be helpful in promoting new products. The FDS brand is
according to the authors associated with these two first roles. This argument is also supported by the empirical findings, since the interviews with retailers revealed that trendy customers tended to buy FDS.

One can divide the customers and the end user into different roles. The authors therefore choose to define the different customers and their roles. Findings have shown that the person who purchases a pair of underwear and the actual user may sometimes be two different individuals. The interviews gave the picture that boys and men often do not buy the underwear themselves. Very often it is a girlfriend/mother or another female who buys the underwear. Presented by Lehmann and Winer (2005) there are 5 kinds of roles connected to the customers’ buying behaviour. At first the \textit{initiator}, this role is represented by the one who identifies that there is a need for the product. In the invisible branded product case it can be the wearer of the underwear, but it could also be a girlfriend or a mother who identifies that there is a need for a new pair of underwear. The mother, girlfriend or friend could all take on the role of \textit{influencer}. The role of the \textit{decider} is strongly connected to the \textit{purchaser} of the product.

The authors argue that the retailers could have an important role in this model, though their sales personnel may be a big influencer during the purchasing process. Although, one might say that all these roles always connect to the \textit{user} in somehow. Having this in mind when developing a market strategy is a wise move, which one of the different roles should one target. FDS has chosen to focus the most on the user of the product. In the long run it is the user that decides if he/she will continue to use the brand. The most value for the customer would be gained from this. If the brand value for the customer is high, as presented this would lead to high brand equity. An interesting aspect is that in there is no stereotype customer that can be identified as the typical FDS customer. It can either be a male or female of a relatively large span of age in several different stages in life. As the interviews and the focus groups showed, the personality can differ to a large extent.

What consumers buy is a product. Connected to the product are features, attributes, benefits and values. When delivering good features, the costumer sees the benefits with these features and decides to buy the product. Examples of what features FDS provides are design, colorfulness and good fit. FDS has to figure out what features that turns into benefits in the different segments. Since the firm is mainly focused upon men within 18-35, the authors argue that focus should be on them. For a product such as underwear quality is essential, it has been said before, but it is a critical aspect when building an invisible brand. The attribute discussed by Vriens and Ter Hofstede (2000) is one way to present what the customers might be looking for when choosing a product. It is the physical characteristic of a product, in FDS case in example colorfulness and design the combination of several attributes creates a benefit for the customer.

During the empirical work, the authors understood that underwear needs to have a good fit. This is a good example of a benefit. What the customer values in a product is one issue that strongly affect the buying behaviour. If the firm can send out a clear message and associate certain values with a brand, this could be transferred to the customer during the purchase. As presented by Vriens and Ter Hofstede (2000) promoting the attributes can create a reason why the customer should invest. The related benefits of the brand’s attributes could support the advertising. The values could be used to help increase strength for the product in the customers’ minds. One could try to connect this behaviour to loyal customers, if the experience of the product reaches a high satisfactory level; the chance of creation of a loyal customer is high. This could in turn lead to a higher brand value for the invisible branded product.
Analysis

The empirical work gave the authors the impression that underwear can be a spontaneous purchase. Furthermore, the authors argue that the choice of purchase is often based on old experience of a brand. The tendency is that loyal customers stay loyal and recommendations from others are a big part in trying to have customers try new products and brands. Since underwear is almost invisible to others, the customer could not see what is worn, therefore recommendations and also advertising are major issues in trying to decide on what the customer choice is based upon.

In the preferences part a central concept is what the customer value. The values are connected to what the product is worth to the customer (Wyner, 1998). An interesting aspect mentioned by the focus groups was that you pay for what you get, in other words if one prefers to invest more money in the purchase one will expect more value from the brand. Customer value could be presented in three different groups. The economic value is how much a customer could save by using FDS underwear instead of another brand. The next is the functional value, how good the functional perspectives are. By choosing the right retailer, the customer could find the purchase more functional and this would lead to a higher value of the brand. The psychological value is connected to the image of the product/brand. Here customers could pay more for a brand with a higher image level, hence that a brand could get a better image for a high price. Since high price in this case could be connected to something unique and elegant. Also a high price could be connected to that the brand is of high quality.
6 Conclusion

Here the findings and analysis will be concluded and the authors’ model of invisible branding is presented.

The purpose of this thesis is to research how to create brand value for an invisible brand within the fashion industry. The authors intended to explore this subject using the company Stargate Brand Group and its brand Frank Dandy Superwear and found some interesting points to answer the problem. The findings were enhanced through 20 interviews with the organization’s retailer and through two focus groups. To further conclude the subject of this thesis, invisible branding or any alike has not been found in the literature by the authors and it is therefore rather unexplored. The models used in this thesis have to be combined in order for the authors to present their view of subject. When performing the interviews the authors found a very homogenous understanding upon why people buy invisible products and how to become successful as an invisible brand. Actually, no major dissimilarities were found. Rather did the interviewed people contribute different pieces to the puzzle which made the authors able to thoroughly understand the concept of invisible branding and thereby fulfill the purpose of the thesis. In this conclusion the authors will put all the findings together and make the concept of invisible branding visible by constructing a model that connects the different parts of the invisible brand.

This thesis has with the use of the presented theory proved it possible to create brand value for an invisible brand (FDS) as well as identified what aspects are of most importance for an invisible brand. These aspects are presented below.

The empirical research concluded that in order to create brand value for an invisible brand, the most important elements are quality and perceived quality. Thereby to become a successful underwear brand, quality must be highly emphasized and having a high quality product is the easiest way to create brand value to customers. The quality of the products and the perceived quality are vital aspects to the brand value, firstly in order to attract customers and secondly in order for customers to become loyal. If loyal buyers can be created, the brand value will be stronger. By saying this though, the authors do not argue that quality exclusively is the road to success. There are other issues concerning the topic as well. The men’s underwear industry though has experienced an important change due to FDS and how the company found a new way to create value to customers using new and innovative design.

The overall understanding of invisible products and brands is that they are bought primarily to fulfill the customer’s need of feeling comfortable and leverage upon people’s want of well being. An invisible brand cannot leverage upon its user to the same extent as other products, since it is not shown to the public. Therefore marketing becomes a high concern. The tool of marketing could be used to form associations connected to the brand and its message could create an image around the brand. Since the product is invisible, image transfer is of most concern. Having a lifestyle concept connected to the brand that can be transferred is essential since psychological factors have a strong influence on the invisible products. Therefore it becomes important to “convince” the customer that the purchased product is in line with the experienced life style of the buyer. Image transfer is also affected by the choice of retailers. If an invisible product is being present at high end fashion stores the brand will automatically be viewed as a high end brand. The marketing approach must create associations that cause the invisible brand to become visible and connects this to the customer’s feelings. Hence the marketing approach must coincide with the customers’ perceptions.
Finally retailers should be of very high concern for an invisible brand. The need of a well planned path to reach the customer must be considered. The retailers have a big part in helping the brand to be valuable and therefore it is one of the key terms in this model. The management of the invisible brand must firstly find the retailers which the brand best can leverage upon. Secondly the relationship with retailers must be nurtured very carefully in order to make retailers promote the product.

![Figure 6-1 – Invisible Branding – The authors’ model](image)

Finally, the authors want to conclude this thesis by presenting a model of invisible branding, it is connected to the purpose of the thesis. The model is based upon inspirations from our theoretical framework, mainly inspired by Aaker (1996). To create brand value for an invisible brand one must have all these issues in mind.

At last the authors will present an interesting remark discovered during the work with the thesis. As presented above, the authors argue that invisible brands leverage to a high extent upon people's need of well being and search for identity. A visible product such as a shirt or a car can be appealing to the customer in its design or other aesthetic attributes, and the customer will therefore buy the product. The buyer of a BMW or Mercedes can envision the car and its characteristics when closing his/her eyes. This is not the case for invisible products. The authors argue that when walking into a cosmetics store to buy face lotion, people will buy a certain product not because of the packaging and the cream in itself but because of the beautiful and perfect people connected to the brand through its advertisement. The same is true when you close your eyes and think of i.e. Oil of Olay moisturizing crème, you will probably envision the beautiful and perfect people connected to the brand through its advertisement not the package or the actual crème. Hence in the case of invisible products, advertisement becomes a way to visualize the product. This is also true for underwear, which are wrapped in a nice package and a cool advertisement showing a fit and attractive body. However, this is not entirely the case with FDS. Instead of being packaged, FDS underwear hang on hangers and thereby they become exposed to
customers and therefore attract customers attention, and just as in the case with the BMW the design and aesthetics become appealing to customers. By saying this, the authors want to stress that even though a brand and a product may be regarded as invisible, just close your eyes and you will envision it!
7 Final discussion

In this section the authors wants to discuss the thesis and the final results. How trustful is this thesis, and what should one have in mind when accomplishing an interview method for the first time? A presentation of this is followed by the need of further research.

7.1 Final remarks

Even though, we as the authors came up with a model for how to create brand value for an invisible brand in our conclusion, we wish to enhance that this model is not in any way revolutionary. A proper model for invisible branding can not be designed only focusing upon the fashion industry, but we as authors believe that this concept is real and it needs further research for other industries than the fashion industry. Concerning our study, we argue that it could be done in other ways, but we found our solution to be the one with the best fit for this subject. By choosing an organization, Stargate Brand Group, we found ourselves a solid ground to start from. The way the company has launched and promoted its underwear is exceptional; the work with Frank Dandy Superwear has proved that the concept of invisible branding really exists and works, and the final proof was the line extension.

Furthermore, the authors understood at an early stage that the retailers had an important role in the path to success. Therefore we chose to interview several of FDS’ retailers. Summarizing these, we got a wider picture of how invisible branding works in reality. Moreover, in order to understand the customers view we conducted two focus groups. The focus groups proved to be an interesting form of information gathering, several issues were discussed and our findings were satisfactory. A final opinion about focus groups is that perhaps it is more suited in order to find opportunities within the market, especially suited for marketing concerns. The authors argue that in order to cover all the levels in the value chain, interviews with FDS’ suppliers would have to be included; this to enhance the magnitude of how quality management in the different levels affect the final result; the brand.

The study concerned a wide range of information, but we argue that it is hard from only this information to generalize the concept of invisible branding. Instead the authors have covered the fashion part of this subject, however in order to make a generalization more companies would have had to be included. It is widely known that brands exist in all markets and today it can be hard to find products without any brand. Therefore, the concept of invisible branding lives within other industries as well. This could therefore be investigated in order to get a better understanding of invisible branding.

7.2 The trustworthiness of the study

When writing a report it is of major importance to assemble empirical data that reflects the reality. Christensen et al. (1998) claim that reliability and validity are two vital concepts that conclude the trustworthiness of a study’s result. According to Kvale (1989) validity refers to whether a research will give a correct answer and if the gathered data is relevant for the study. Furthermore, he states that reliability answers the question whether a repeated research of the same occurrence by using the same method will give the same answer.
7.2.1 Reliability

High reliability involve that independent measurements should result in identical outcomes (Halvorsen, 1992). In order to obtain as correct result as possible it is recommended that the measurements are done repeatedly times. If the researcher acquires the same results time after time, then the results are considered as reliable (Halvorsen, 1992). It is possible that problems will rise due to the fact that the gathered information might be misinterpreted. This could lead to inaccurate results and conclusions.

Patel and Davidson (2003) argue that the reliability is linked to the researches matter of judgment when using interviews and that standardized interviews is a prerequisite in order to attain reliability.

The disadvantage of using a semi structured interview technique is something the authors are aware of. The authors may also interpret the answers from the respondents in a different way. Even though the same questions have been inquired, the results of the study disagree.

7.2.2 Validity

Validity refers to whether a research will give a correct answer and if the gathered data is relevant for the study (Kvale, 1989). Carlsson (1990) argue that validity is how good the variable that is supposed to be measured actually is measured. To obtain validity for this thesis the authors have conducted two focus groups, each with 8-10 randomly chosen students at Jönköping University. The interviews were recorded and evaluated directly after the interviews were done. This was done in order to increase the validity, since it then will be less information that could be misinterpreted. According to Krueger (1994), focus groups are only valid if they are used carefully for a problem that is suitable for focus group inquiry. The problem is suitable for a focus group, the information received will be analyzed with scepticism, this to make the focus group result more valid. All the limitations will be reconsidered and one might say that focus groups have high face validity, the results afterwards look valid. People seem to open up in groups and opinions can be shared that may not be available from individual interviews or other types of data gathering (Krueger, 1994). Therefore, the authors argue that the results from a focus group can be valid.

The reason why the authors decided to have more than one focus group was to acquire an even broader view and additional opinions about the subject. Thus, increase the moderator and his assistants’ experience and way of express themselves in an accurate way. By doing this the authors argue that the validity will not be damaged since the authors will know how to ask relevant questions in the right way and not influence the respondents way of express themselves.

Some negative aspects of the accomplishment of the focus groups will be mentioned. The fact that the moderator and the assistants did not have much experience from leading a focus group, even though the moderator has attended focus groups before he has never before been in the position of moderator, can affect the validity. Furthermore, the moderator and the assistants were all about the same age as the randomly chosen students, and might therefore lose some validity in the eyes of the students.

In order to ensure that the research will maintain a high level of reliability and validity, the authors should systematically make sure that no source of errors arise (McDaniels & Gates,
Final discussion

To acquire as high trustworthiness as possible, the authors had this in mind during the procedure of the empirical part.

7.3 Practical implications

This thesis could be used by organizations that want to increase the value to their brands. Organizations could also use this thesis as a guidance or source of inspiration when launching a new brand that is concerned as an invisible brand.

The result of this thesis could be used to raise awareness around the subject of invisible branding. The authors found the concept of invisible branding very interesting and while writing this thesis it increased even more. Furthermore the authors believe that this thesis can be a good foundation for further research by other students, since more research is needed within this subject.

7.3.1 Further research

- Does invisible branding exist on any other products? To further develop the topic of invisible branding and research if the customer perceptions are based on the same thoughts and feelings concerning other products. The authors’ model may be of concern or developed into other industries.

- How could invisible branding be compared to other areas within branding, such as ingredient branding? What are the similarities and how much is really invisible concerning a brand.

- What makes a brand successful? Further elaborate on fashion brands in order to find the path to success within the industry. Try to find the key concepts within the market and what strategically decisions are important in creation of a successful brand.

- Marketing channels have been, and still are vital for a establishing a brand in the market. This thesis has shown that it is important to distinguish the brand and the product from competitors’. Further research could be needed by elaborating more upon different marketing channels that are needed in order to attract and retain customers. It might be necessary to come up with new and innovative ways of how to obtain peoples attention, since using advertisement in magazines and TV commercials are well exploited, and there might be need for something new and creative thinking. Furthermore, what is the best and cost efficient way of marketing a product that is rarely shown to someone else than the user?

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References:


Kahle, L., Sharron,B. and Homer, P. (1986). *Alternative measurement approaches to customer value* journal of consumer research, December, p.405


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Appendix

Appendix 1 – Questions to Stargate Brand Group

Product / Brand

1. How did you get the idea of selling underwear?
2. What differentiate Frank Dandy’s underwear from its competitors?
3. Do you have any advantages compared to your competitors?
4. What do you want to communicate with your product/brand?
5. What difficulties have you noticed when it comes to the marketing process of underwear?
6. Does the brand strategy of Frank Dandy differ compared to the other brands in your brand portfolio?

Problems

7. How did you see windows of opportunites?
8. Which target group did you aim at in the beginning? Is it the same as those who purchase your products today?
9. Do you have some kind of image that you want to deliver to your customers?
10. Why do you think people buy invisible brands?
11. Which is your success strategy? What have you done better compared to your competitors? What have they done better than you? What can be done to improve your position?
12. What kind of marketing do you employ? Which is the best? Future marketing?
13. Logotype? What does it stand for? How has it changed over time?
14. How do you have created value to the brand? You began selling underwear and then continued developing the concept with other products. When did you realize this was possible? How was it possible?

Customers

1. Do you have loyal customers? What is the reason why they choose your underwear?
2. Which target group did you aim at in the beginning? Is it the same as those who purchase your products today?
3. Marketing strategy?
4. How large it the market?
5. Who are your main competitors?
6. How have you managed to create your group of customers?
7. Do you have different customers for each of your products?

Retailers

1. What strategic channels did you implement in the brands startup face?
2. How did you do to get the product out to the market?
3. How is the relationship to your retailers?
Appendix 2 – Questions to Frank Dandy Superwear’s retailers

1. Why does the consumer buy invisible brands such as underwear?
2. Do you think that buying behaviour is different while buying underwear compared to clothing in general? If yes, how?
3. Who buys branded underwear?
4. Does the customer buy underwear for him/her –self or are they bought as gifts?
5. What do you associate FDS with?
6. What is most important, the product or the brand? Does this opinion differ when it comes to underwear?
7. What is, according to you, the key to success within the clothing industry?
9. What have made FDS successful?
10. In what way is it possible to differentiate oneself within the underwear industry, is the brand critical?
Appendix 3 – Questions used during the Focus Groups

1. What do you believe is important when purchasing underwear?
2. Do you feel more comfortable having expensive underwear compared to cheaper ones?
3. Is it the quality or awareness or maybe a combination of the two?
4. Do you believe it is necessary in today to have expensive/well known brand of underwear in order to be "accepted" from friends and other people around you?
5. Do you purchase other kinds of underwear if someone else (parents or grandparents) pay?
6. What brands of underwear do you recall?
7. Do you actually purchase those that you recall or might the recall just be due to advertisement of the brand?
8. Have you bought any particular brand just because you refer it to a celebrity or just an advertisement?
9. If you find it important to have a well known brand - does it matter if it is genuine or fake?
10. Are you loyal customers is a brand? What reasons makes you choose your underwear?
11. What do you associate FDS with?
12. What has made FDS successful?
13. What is, according to you, the key to success within the clothing industry?
14. Who buys branded underwear?
15. Why does the consumer buy invisible brands such as underwear?
Appendix 4 – The retailers interviewed

Carlings:
Borlänge: Markus Jernberg
Göteborg: Staffan Persson
Hudiksvall: Chistoffer Sällström
1Kalmar: Hans Eriksson
Karlskrona: Sandra Westerberg
Karlstad: Marielle Nilsson
Linköping: Jimmy Wirs
Löddekopng: Daniel Persson
Luleå Camilla Öhman
Norrköping: Katrin Rydberg
Piteå: Daniel Nilsson
Region Stockholm: Samme Rahmström
Region Syd: Robert Hall
Stockholm Norrlandsgatan: Ulf Ronnéus
Växjö: Linn Johansson

Other retailers:
BOBBYS, Jönköping: Cecilia Grimm
NK, Göteborg: Martin Litzén
SPIRIT, Malmö: Sanna Movafagh
STIL, Jönköping: Tobias Bonde
Tobbes Olle, Göteborg: Joakim Fuxén

1 The red dots illustrate the interviewed retailers of Frank Dandy Superwear. As one can see in the list to the left, some cities are interviewed more than once, but still have one dot.
Appendix 5 – FDS advertising