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The art of fashionable branding
- the success of the Swedish fashion brand COS -

Authors: Fanny Bengtsson & Maja Vilic
Tutor: Martin Öberg

Acknowledgements

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Fanny Bengtsson   Maja Vilic
fanny-bengtsson@hotmail.com   majavilic@gmail.com

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Authors:	Fanny Bengtsson and Maja Vilic
Advisor:	Martin Öberg
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Abstract

Problem: The market is a highly competitive and uncertain space where companies and marketers are constantly striving to create brands that will gain the customers attention and loyalty. For fashion brands it is even more important, with the constant changes in trends and what is "fashionable", that happen faster and faster. For a designer and creator of a fashion brand it is not always easy to identify and know how to manage the branding of their brand as sometimes the design and the operational processes are very separated. May it then be in need to have a different approach to branding than within other industries and how is a strong and successful fashion brand created? To get a deeper understanding of this topic we have used COS, an independent premium fashion brand within the H&M Group.

Purpose: The purpose of this thesis is to discuss how COS became a strong brand in short time (five years) and whether these factors will make the launch in Gothenburg successful, from a company's perspective.

Method: To fulfil the purpose of this thesis we conducted a qualitative method approach. We conducted one in-person interview with marketing professor Eva Ossiansson, also two e-mail questionnaire interviews with managing director of COS Pernilla Wohlfahrt and Swedish advertising bureau *Forsman & Bodenfors*. We believed this method was in good use to help us receive an enhanced knowledge of the aspects of branding, and how to build a strong fashion brand, additionally the potentials of the new COS store in Gothenburg.

Conclusion: To build a strong brand within the fashion industry it is important to know what characteristics and specific challenges there is in this particular market setting. The key characteristics are the constant change of trends and fads and the importance of timing and flexibility. Yet, the importance of having a strong brand identity and coherency within the communication and products seem therefore to be even more important than in many other industries. To succeed with their branding, a fashion brand has to adapt to the key characteristics of the fashion industry and implement these into their brand management. Also, to build a fashion brand, the key seems to be to find out what the customer demands, seek out what their drivers are and what their lifestyle claims from a product, because a fashion brand more or less is a way of showing off an identity. The company have to know what the products must deliver in style and quality, what price the customer is willing to pay for it, and what the customer wants to experience through using the products and the brand. Still, the identity of a fashion brand has to come from the purpose of the brands existence, who are we for and why, only then can the brand be truly beloved by engaging customers. Many of these factors of success appears to be applicable on the branding of COS, and therefore have enabled them to become a strong premium fashion brand, regardless of the time aspect.

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Appendix

1. Introduction

In this first chapter we give an introduction to the problem of this thesis as well as outline the background to the problem, where we will establish the current situation of the fashion industry as well as the background of the fashion brand COS, the brand we have chosen to concentrate on as real life case. Further, we present the problem discussion, which introduces the purpose of this thesis. Last the limitations will be described.

Fashion has been part of society for a long time, yet fashion trends are always changing. This makes the fashion industry a risky and unpredictable market place for producers, as the search for the next trend is always important, and a decision can as easily become a success as it can become a total catastrophe for the company. There is no coincidence that the failing rate of new businesses within the fashion market is 70% within the first three months in business.[1] The fashion industry is a highly competitive market space. Although being a highly creative business with the design and artistic values in the centre, the need to understand the market and the customers is still of great importance, as designers are to create clothes that customers will buy. Therefore, for fashion brands, to be able to succeed and compete within the fashion industry, the need for well-performed marketing activities is of high importance. If made right, marketing can enhance and bring out the creativity of the designer to the market and create a successful fashion company.

"Two fundamental requirements for fashion to exist are constant change and mass adoption."

Tim Jackson & David Shaw 2009[2]

Today the world of fashion is changing, with numerous high-street multinational retailers such as Zara, Gap and H&M, the power of trends and fashion has shifted, as well as the accessibility of fashion. The old and luxurious fashion houses are facing a new competition from these retail-chains that are getting inspired by, or copying, the designs of more luxurious fashion brands. With their fast production lines and supply-chains, they are able to provide the masses in a much shorter period of time than many luxurious designer brands. This is in

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[1] Easey Mike (2009): *Fashion Marketing*
[2] Jackson Tim & Shaw David (2009): *Mastering Fashion Marketing*

modern times a major advantage, where trends are changing in a second, and success lies within being able to quickly adapt to new trends.[3]

Neither do you have to be rich or especially interested to be able to buy clothes or fashion items; they are to be found in your nearest shopping mall or high-street. This has made it even more competitive and the need to create and build an independent and strong brand is even more challenging than before for fashion designers and companies, yet even more important to be able to differentiate the own brand from the competitors. People buy brands more than products. [4]

"Arguably the balance of power has now shifted more towards consumers and away from business. Today's consumer is well-informed about brands, products and prices, and has a sophisticated and continually evolving set of complex needs and wants which can be satisfied by a range of competing alternatives. The shift in power has also resulted in many consumers feeling that they 'own' or have a strong emotional attachment to a brand."

Tim Jackson & David Shaw 2009[5]

Customers are becoming more demanding and not as easily satisfied as earlier. Today people do not only buy clothes as a necessity but more as a personal statement and to show their personality; it has become a lifestyle product. Therefore they do also demand much more from clothes; clothes have to be produced in a certain way and meet new demands, such as lifestyle choices, working conditions and design aesthetics.[6] Thus, the fashion industry makes it even harder to understand and predict the demands and behaviours of consumers because of quick changes.[7]

The demographics of customers are changing as well. Mike Easey states is his book *Fashion Marketing* (2009) that in the near future there will be a larger segment of older, especially women, whom he calls "the middle youth", women in their 40s who continue to have a youthful interest in fashion but with a more powerful buying position. For companies it will be important to meet the demands of these new customers and thereby gain the opportunity to keep customers for a longer period of time. This will also raise questions concerning target

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[3] Jackson Tim & Shaw David (2009): *Mastering Fashion Marketing*
[4] Jackson Tim & Shaw David (2009): *Mastering Fashion Marketing*
[5] Jackson Tim & Shaw David (2009): *Mastering Fashion Marketing*
[6] Easey Mike (2009): *Fashion Marketing*
[7] Jackson Tim & Shaw David (2009): *Mastering Fashion Marketing*

customers: how wide the company dare to have their target groups without alienate older or younger customers within the group. Can a brand still be as attractive for a 15 year old as for a 40 year old? Or does it call for other actions, such as house of brands, to still keep the customers attention?

H&M have been concerned about the wide target groups of their brand[8], which can be the underlying part of starting COS. The new lifestyle of the customers does also put new perspectives to clothing and fashion. People have a lot more spare time outside of work and take part of a range of leisure activities. This calls for much more casual styling and the demand for good design, comfort and quality is important for the new customer, they want clothes that fit their entire lifestyle and the want value for their money.

"In terms of clothing people are growing older later and there will be opportunities for producers and retailers who can meet the demand from older and more discerning customers who are looking for the current fashion styling in their clothing but adapted more closely to their needs such as better quality, more comfortable styling and well-informed friendly service."

Mike Easey 2009[9]

The greater number of working women is also a growing market opportunity, they dress to please themselves and often ask for a much more classic styling, but still updated and trendy. COS is a brand that has taken this into consideration in their design, and are working with dressed-up classics like the white shirt and the trench coat, but with a modern twist and with focus on good quality.

COS has proven to be a success with great sales and a fast moving development and growth into new markets, and the brand is getting more and more attention from the picky fashion people. Therefore we find it very interesting to search deeper into the brand and their work with developing the brand and get the image out to the market and the consumers. The COS brand is also especially up-to-date right now, with their first store launching in Gothenburg city fall 2012. To be able to achieve this knowledge we will have to acquire a better understanding of the field of branding and brand management within marketing, and

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[8] Easey Mike (2009): *Fashion Marketing* p.31
[9] Easey Mike (2009): *Fashion Marketing*

especially to find out whether there are any particularities concerning fashion brands. We hope to conduct an interesting and pleasing research that will contribute to the on-going studies concerning the fashion retailing industry, and give an interesting discussion about the success and fast development of the premium fashion brand COS.

1.1 COS background

In year 2007 the H&M Group launched a new store concept called *Collection of Style* (COS shortly). With the aim of offering well made and up to date designed clothes for both fashionable women and men, but still at an affordable price (just like their established apparel line H&M). It is a premium brand that they target to an older customer group, who appreciate style and quality but still at a reasonable price, shortly, their prices start off where H&M´s prices ends.[10] They want to compete with the high-end brands of ready-to-wear collections with impeccable stylish clothes[11]. They state that their collection shortly will comprise fashion essentials, reinvented classics and the latest trends for men and women.[12] By being part of the H&M Group the COS brand can benefit from their knowledge and experience in the fashion and garment market and production, as well as benefit from their financial strength and powerful position.

The brand was met with a positive approach from the target customers and the first flagship store at Regent Street in London became a great success already from start. Shortly after, the brand expanded with 10 more stores in 2007 in several Europeans cities. By the time of 2011 they also opened up for an online store for 18 different markets. Though being a Swedish brand it was not until recently, in autumn 2011, that the first store in Sweden opened at *Biblioteksgatan* in Stockholm. The location was well thought trough, with neighbours like *Hugo Boss* and the newly opened *Ralph Lauren* store, and the store was an immediate success.

With great sales and a profit exceeding the expected figures for 2011, COS is to open new stores both in Europe as well as their first store outside of Europe, in Hong Kong. They are also to open their second store in Sweden, in Gothenburg autumn 2012. Behind the fast expansion stand a well considered strategy and a strong brand that has been able to expand,

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[10] COS Documents
[11] H&M webpage
[12] COS Documents

even as a brand standing independently from their house of brand, H&M Group. The brand COS has become a well-known brand of its own, approaching more and more markets with its minimalistic yet fashionable style. Though still being a part of the H&M Group, they set apart as an independent brand, a strategic choice made by the company from start. They state that the COS brand does not cannibalize on their other brands but rather more complete the others and can benefit from H&M's financial strength and long experience from the retail business.[13] Yet the brand still had to be build up completely without being able to drive customer knowledge or brand awareness from the H&M brand.

1.1.1 COS brand values

COS key values are summoned in four important principles – they state to be timeless, modern, functional and tactilely[14]. All they do has to come from these four statements, from their marketing campaigns to their store and clothes, to make the brand profile clear and strong and being able to differentiate from other brands as well as the stand apart from their house brands, H&M Group.

1.1.2 The COS stores

The COS stores are very well thought trough and takes a great part of the brand. They are far and foremost the brands number one marketing channel with their customer and are therefore an important marketing tool that has to create and bring forward the core values of the COS brand. COS has from the start up of the brand been very carefully choosing the location of the store at the market space, as well as making sure that the store concept lies closely within the line of the COS brand values. It is essential that the store and the location follows the COS core concept and values, and communicate the right impression and profile of the brand to their costumers.

"The store is our most important communication channel. It is essential that it is big enough and is located in the right place, where our customers are passing through and where the surrounding stores sells products that our customers buy."

Pernilla Wohlfaht, in charge of COS brand at H&M Group [15]

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[13] Aftonbladet webpage
[14] Dagens Media webpage
[15] Dagens Media webpage

As they state, their fundamental standpoint when creating the store design is a clean line collection with a very sleek and modern approach. They want to stay true to their Scandinavian heritage by using natural hues and materials for the store interior and at the same time bring forward the characteristics of the COS collections, as they state: "the clean-line aesthetic with design-quirk touches"[16] They do also want to, when possible, work as much as possible with the individual features of the original building and try to bring forward and intergrade the surrounding area of the store. As an example the relaxing lounge-like areas in the store in Covent Garden have interior pieces made by the British brand *Established & Sons*. The original aesthetics and design of the stores are made by the architect *William Russell*, who earlier have worked with the store design of British fashion brand *Alexander McQueen*.

1.1.3 COS Stockholm

As mentioned before the first store in Sweden was not yet to open until May 2011 in the high fashion district of Stockholm, *Bibiloteksgatan*. This clearly portrays the brand's aim to compete with the more premium and luxurious brand, both multinational ones like *Ralph Lauren* and *Hugo Boss*, as well as their Swedish competitors *Filippa K* and *Marlene Birger*. The store clearly gives an impression of lux and great design, just like their more expensive neighbours. There is also, like for all other of their stores around Europe, no clear indication of their connection to H&M and the company group. The opening gathered a lot of people who wanted to visit the new store and the opening in Stockholm drew more people compared to openings of COS store around Europe[17]. The great success for the store in Stockholm proves that COS has been a well-awaited fashion brand in the Swedish market. Head of the COS brand at H&M Group; Pernilla Wohlfahrt states that the sales for the Stockholm store has been exceeding expected sales[18].

Although the interest for the COS brand among the Swedish people has been great from the start of the brand, the need to find the right place for the store made it impossible to open earlier. According to one of the designers at COS, Karin Gustafsson, the late launching in Sweden depended on the brands difficulties to find the right location and buildings. Since COS is segmented between high fashion and main-street it is very hard to find a location to

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[16] COS Documents
[17] Market webpage
[18] Dagens Media webpage

suit those premises, Gustafsson tells Rodeo Magazine in an interview[19]. The store interior concept is a remake of the original design made by the artist William Russell for the first flagship store in London.

1.1.4 COS expansion

By the end of year 2011 COS was present in 9 different countries and had 46 stores[20] scattered around these markets, as well as their online services reaching a number of 18 markets with their online store[21]. This year (2012) the brand is yet to open stores in four new markets: in Hong Kong, Italy, Finland and via franchise in Kuwait. They are also to expand their Swedish presence by opening a store in Gothenburg as well.

"It will be very exciting to take COS to Gothenburg. The store in Stockholm is already a success and the interest for our products in Sweden appears to be great."

Martin Andersson, menswear designer at COS[22]

All of these further expansions will progress at the same phase and in the same way as all other expansion made by the H&M Group, that is, they will keep on renting their store properties and always try to find the best location at the new market to be able to meet their customers where they already shop. By renting they can keep a competitive flexibility and expand and grow with their markets[23].

1.2 Problem statement

1.2.1 Fashion

Fashion is to do with change and seasonality.[24] These fast changes and trends make the industry very uncertain and the producers are faced with uncertain predictability that make the planning of the company very hard. It is also an industry that surrounds around planned obsolescence; developing new products to customers at the expense of existing products on the market. This does also point out the always on-going changes that the industry has to deal with. An impression is that the more "fashionable" an item in the apparel industry is

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[19] Market webpage
[20] COS Documents
[21] H&M webpage
[22] Café Magazine webpage, Daniel Lindström Blog
[23] H&M webpage
[24] Easey Mike (2009): *Fashion Marketing*

considered, the shorter lifetime it has, and therefore the need of constant change is necessary for fashion garments.[25]

The strongest driver of fashion is a consistent change of products, where the producer always need to be able to make new and interesting products for the customers, otherwise they soon will fail in competing against the other actors. Therefore the industry is depending on design and designers. Though the creative minds of the designers are of high importance due to the fast changing trends, the need to find out the customer demands and seek the market can sometimes be a process that can be hard for an apparel designer to understand. Hence the gap of knowledge that marketing can fill, this also calls for a more specific approach to marketing activities and therefore the need of special fashion marketing contexts.

1.2.2 Retail market background

The fashion retail industry in Sweden has lately been characterized by low sales growth. Year 2011 has shown the smallest annual growth since 1996 landing at 0,8%. The prognosis for 2012 does not show a large improvement due to a weaker Swedish economy and will be no more then 1,5%.[26]

The Swedish H&M Group show a sales decrease by 1% for year 2011, in comparison with year 2010. Despite the minor decrease the strong expansion of H&M continued during the year, opening 266 new stores [27].

A possible trend can be seen amongst the larger company groups in the fashion retail industry. The trend is to create new brands to reach a wider target group, rather than expanding the existing ones. The trend also seems to be that the new brands should not have a visible connection to the main brand or each other. For example the Spanish *Inditex Group* have eight concepts such as *Zara, Massimo Dutti, Bershka, Pull & Bear* and *Üterque* to mention some. Zara is for the young and trendy while Massimo Dutti speaks to the more mature, urban and independent men and women. Also a part of the Inditex Group is Bershka, with the youngest target group of all the concepts and therefor less expensive. Pull & Bear is another brand within the Inditex Group with a more casual and laid-back fashion for the young

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[25] Hameide Kaled K. (2011): *Fashion Branding Unraveled*
[26] Statistics Sweden (SCB) webpage
[27] H&M webpage

shoppers, while Üterque is an exclusive brand with top-quality fabrics and unique accessories and clothing as seen from the latest catwalk trends.[28]

This strategy can also be seen in the H&M Group with the different independent brands created or bought over the years. The so-called new business area is formed by *COS, H&M Home, Monki, Cheap Monday* and *Weekday*. Monki is an innovative brand with clothes and accessories for young women. Their collections are characterised by playfulness and a rather colourful design with a lot of graphic prints, at affordable prices. Weekday sells its own urban fashion brands *MTWTFSS, Weekday, Cheap Monday, Weekday Vintage, Weekday Storemade* but also have design collaborations and offer independent fashion brands. Cheap Monday combines street fashion with catwalk trends for hip men and women at prices accessible for all.[29]

Another strong driver within the fashion retail business is the present growing importance of the store as a concept, an experience beyond the sales of products, and an important part of the brand and the brand image.[30] This is also something that can be seen for many of the premium fashion brand, such as COS, but also for the more luxurious and glamorous *haute couture* houses.

> *"The store is absolutely the key to the brand (…) Customers today expect shopping to be a brand experience. As they move from store to store, they move from atmosphere to atmosphere."*
>
> Gianluca Brozzetti, CEO of Asprey & Garrard Group and former president of Louis Vuitton in Paris[31]

The store have to reflect the image of the brand that the marketers want to express to the consumers and therefore the design and aesthetics of the store have to be well thought-trough and in-line with the overall brand personality and identity. The store has to be a manifestation of the brand and the designer´s ambition. It can be seen as an important part of the marketing communication and the best way for the consumer to interact and relate to the brand. Retailers have to create excitement and an atmosphere to maintain their consumers interest or they will look elsewhere to satisfy their needs.

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[28] Inditex webpage
[29] H&M webpage
[30] Tungate Mark (2008): *Fashion Brands; Branding Style from Armani to Zara*
[31] Tungate Mark (2008): *Fashion Brands; Branding Style from Armani to Zara* p.72

1.3 Problem Discussion

Becoming a strong and powerful brand is the aim for mostly everyone who sets to compete at the commercial market. Even though there are millions of advices and models on how to become successful and create that beloved and famous brand among the customers, there is a slightly different approach to create a strong brand in the fashion business. How to make the major decisions of the branding strategy and make them go inline with the brand identity and profile is often very difficult. How then, are companies working with their brands to make them successful and strong? COS has proven to be a strong brand with a fast expansion and a big customer base. Being part of the H&M Group they could benefit from an already strong and well established company structure and awareness, although the H&M Group have decided to create the brand as an independent brand without connections to the popular brand H&M. Yet COS has managed to develop fast and strong, creating a powerful brand in a new segment; the growing premium fashion brand segment.

By using well established theories in branding, as well as trying to understand the fundamentals of fashion marketing and branding and what sets that segment apart from other marketing perspectives, we have tried to understand the COS brand and how the marketer and decision makers at the company have worked to build up the strong brand COS that have become in such a short time period. Through using already established studies within the field of fashion branding and in the branding theoretical field we believe to find enough knowledge to undertake a research of our own in fashion retail branding and thereby receive new awareness that will help solve our purpose of this thesis.

After consideration we have come down to two major questions that will help us in the research and discussion of our purpose of this thesis. We believe that these questions is in the core of examining our field of interest and will fully serve our research and help to keep the right route throughout the working process and therefore fulfil our purpose.

- How to build a powerful brand in the fashion retail industry?
- How has COS implemented this in their brand strategy

The latest expansion plan for COS calls for a store in Gothenburg, their second one in Sweden. Gothenburg being the second largest city in Sweden and having a wide set of fashion stores and commercial centres, the competition is vast for those trying to break into the market space. The question to ask is whether the already strong brand COS will be able to succeed at the Gothenburg market? It is also therefore of interest to question whether the company is doing any local adaptations to the specifics of the Gothenburg market and customers.

While aiming to solve these questions we believe that this will also help and enable us to solve our purpose settled for this thesis.

1.4 Purpose of this thesis

The purpose of this thesis is to discuss how COS became a strong brand in short time (five years) and discuss whether these factors will effect the launching of the store in Gothenburg, from a company's perspective.

1.5 Delimitations

We have chosen to limit our study to brands within the fashion retail industry. Brand building in the fashion retail industry is also a wide concept and we are aware that we cannot treat every dimension in this study. Therefor we have chosen to focus on the Swedish H&M brand COS in this study. We chose COS partially because the brand is "up-to-date" with the launch in Gothenburg later this year, and partially since COS sets a perfect example of a relatively new yet powerful premium fashion brand in the industry, with a successful expansion and great potential for the future. Despite the expansion and the opening of COS in Gothenburg, this thesis should not be considered as a discussion about the expansion plan of the brand COS or the launching of the store in Gothenburg. The aim is not to understand or search a deeper understanding about expansion plans; only a small discussion will be conducted about the potential of the store in Gothenburg.

Due to our limitations in this study we wish that our thesis would be considered as an inspiration, or even guide, for other premium section brands in the fashion retail industry. Our

thesis may also be considered as a contribution to the constantly on-going research about brand building in the fashion retail industry, and especially for premium brands.

2. Theoretical framework

In this chapter we will present the theories and references within the field of our thesis. We have searched the field for more classical marketing and brand management approaches but also examined the more specialized fashion marketing theories to understand and outline the specifics of our main field of interest. These are the ones we consider most relevant for us in our work and we believe our search has been with a critical eye to uphold a reliable and trustworthy study. We have also searched for previous studies made within the similar field of our thesis. Due to the time limitations of this thesis we have considered a restricted width of references and therefor we know that not all previous studies and theories within our field is presented.

2.1 Introduction to Branding

To put branding into a concept of the marketing activities of a company we hope to provide a better understanding of the model and ease further reading of the following theories we have chosen, and will serve the analysis and discussion of our findings and purpose later on. To do this we hope to vindicate our choices of relevant theories and give a good view of the topic.

First, branding is a part of the marketing mix principle and is one of the main aspects of marketing.[32] It is a strategic decision made by the company and is a part of the development and marketing of product and services.[33]

Product attributes → Branding → Packaging → Labeling → Product support services

Figure 2.1: Individual Product Decisions (Armstrong & Kotler 2007)[34]

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[32] Baines, Fill and Page (2008): *Marketing*
[33] Armstrong & Kotler (2007): *Marketing an introduction*
[34] Armstrong & Kotler (2007): *Marketing an introduction* p.206

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2.2 A brand

2.2.1 Brand

"A successful brand has a strong identity (mentally and physically), is innovative, consistent, competitively positioned, and holds a matching positive image in the customer's mind."

Kaled K. Hameide 2011[35]

The author Kotler defines a brand as a term, name, design or symbols, or as a combination of these, that is to identify a product or service and differentiate them from their competitors. A brand is a very important part of a product and will add value to the product for the consumers and can thereby be a great competitive factor. The brand can help consumers to make a choice in their consumption and the brand can carry a message on to the consumers. The management of creating and caring about a brand is called branding and has become more and more important in the highly competitive market space[36].

The brand = product + package + added values. The added values are the associations that the target group have for the brand. It is relatively hard to distinguish between the effects of the product, package or the added value because the customer buys the totality. Meanwhile the different dimensions can become more prominent depending on the aspect that the company decide to focus on. The product value can grow with good design. [37]

2.2.2 Brand Identity

The brand identity is the company's vision of how the target group should understand the brand and what image the company strives after to mediate to them. A powerful brand should have a rich and clear brand identity: associations that the company try to create or keep with the help of market communication. The identity is the base for all communication and need to be declared throughout all marketing activities.[38]

2.2.3 Brand Equity

David A. Aaker defines Brand equity as the set of assets (or liabilities) connected to a name and symbol of a brand that add (or subtract) value to a product to the company as well as to

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[35] Hameide Kaled K. (2011): *Fashion Branding Unraveled* p.6
[36] Armstrong & Kotler (2007): *Marketing an introduction,* Pearson Prentice Hall New Jersey
[37] Ambler, Tim (2000): *Marketing and the Bottom Line. The New Metrics of Corporate Wealth.* Lonson: Pearson Education.
[38] Mårtenson, Rita (2009): *Marknadskommunikation- Kunden, Varumärket, Lönsamheten.* p.79

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the company's customers. The assets can be divided into following four major categories: brand name awareness, brand loyalty, perceived quality and brand associations. Brand equity management involves enhancing and creating these assets. Explained further below are the first and last mentioned categories, which we find most relevant for this study.

2.2.4 Brand Awareness

Brand awareness is as mentioned one of the four major assets that create Brand equity to a company brand. The strength and size of a brand's presence in the consumer's mind is the definition of awareness. Awareness can be measured in different ways, such as recognition, recall "top of mind" and dominant. *Recognition* measures whether the consumer recognizes being exposed to the brand earlier. *Recall* measures what brands in a certain product category the consumer recalls. "Top of mind" is the first brand recalled when mentioning a certain type of product category or specialization. *Dominant* is when only one brand is recalled. By increasing the brand's awareness through recognition and recall a company can enhance it's brand equity. Although, the strongest brands are those who are managed for *strategic awareness* rather than those who are managed for *general awareness.* Being remembered for the right reasons is building strategic awareness.[39]

2.2.5 Brand Associations

The associations a consumer makes with a specific brand might include product attributes, a celebrity spokesperson, or a particular symbol. The identity, that is the company's vision of how the brand should be perceived, drives the associations. Therefor a key to building strong and powerful brands is developing, managing and implementing the brand identity.[40]

2.3 Branding and Brand management

2.3.1 Branding

"Branding remains the vital marketing tool to differentiate and attract consumers at all levels in global markets."

Alison Sachs, Managing Director, Swarovski[41]

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[39] A. Aaker, David (1996): *Building Strong Brands* p.7-17
[40] A. Aaker, David (1996): *Building Strong Brands* p.25
[41] Easey Mike (2009): *Fashion Marketing*

The market is a highly competitive and uncertain space where companies and marketers are constantly striving to create brands that will gain the customers attention and loyalty. In this competition a strong brand can be a great asset that will differentiate the product to stand out from other similar products and drive value to the products, the customers and the company[42].

"If this business were split up, I would give you the land and bricks and mortar, and I would keep the brands and trademarks, and I would fare better than you."

John Stewart, founder of Quaker Oats[43]

A brand includes everything that the product or service mean to a consumer, therefore a strong brand is valued in its ability to capture and sustain a customer's preference and loyalty. Brand management is to create a set of associations within the consumer's mind that reflects back to the brand itself and thereby enhance the chances that this will be the brand choice of the consumer. Although it might be hard to find the right associations and market these in the best and understandable way, the most important thing within branding is to make sure that the true values and personality of the brand gets understood and settled in the mind of the consumers. Only then is the very nature and spirit of the brand truly communicated.[44]

Branding is a process that works in a multi-disciplinary way and is a collaboration and incorporation of marketing, management, finance and design into one process. It is as long-term strategy for the company and is a great part of the marketing activities. Kaled K. Hameide explains that the whole process of branding should start with a vision that identifies the company´s need and purpose for the brand to exist.[45]

2.3.2 To build strong brands

Kotler and Armstrong presents four major decisions that the marketer has to take into consideration when wanting to create strong and powerful brands.

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[42] Armstrong&Kotler (2007): *Marketing an introduction*
[43] John Stewart, founder of Quaker Oats in Armstrong&Kotler (2007): *Marketing an introduction*
[44] Armstrong & Kotler(2005): *Principles of Marketing*
[45] Hameide Kaled K. (2011): *Fashion Branding Unraveled* p .39
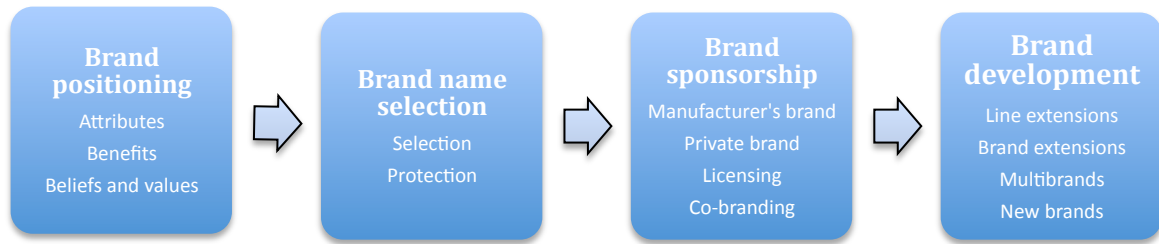
Figure 2.2: Major brand strategy decisions. (Armstrong&Kotler 2007)

Brand positioning: marketers can choose to position their brand at one of three levels; on product attributes, at benefit, or at the highest, level where the strongest brands are found, positioned through strong beliefs and values. The highest level enables a brand to engage their customers on a deep and emotional level. It is also of high importance for the marketer to state a mission and a vision for the brand when making decisions about positioning.

Kaled K Hameide, author of *Fashion Branding Unraveled* (2011) explains that an anatomy of a brand gives the company a way of position a brand both through emotional and mental factors for the customer. Thus, since the product is the core of a brand, the identity will be found wrapped around the product. The two does not have to be separated or excluding one another. The positioning is the strategy of a company to get the customers to see the brand in the way the company intends to brand to be perceived. Still positioning always has to make sure to stay focused at what is important and worthwhile for the end consumer.

> *"Identities are based on the product and everything else. Identities (which include personality) simply create a soul or a meaning to the product."*
>
> Kaled K. Hameide 2011[46]

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[46] Hameide Kaled K. (2011): *Fashion Branding Unraveled* p.15
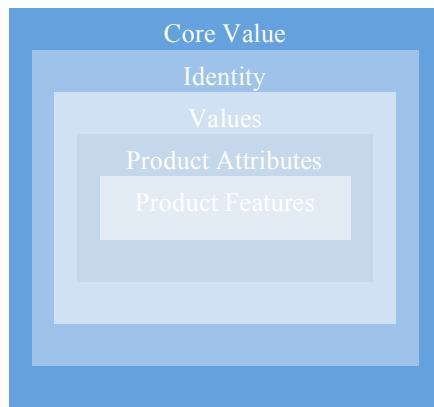
Figure 2.3: The Anatomy of a brand, (Hameide 2011)[47]

Brand name selection: there are more or less good or great names for a product or service, and there are a set of desirable qualities that a brand name would inherit. After deciding, the name does also have to be protected. A successful name can become an identification of the entire product category, for example Kleenex and Band-Aid; therefore it is important to protect the brand name.

Brand sponsorship: there are four options for the marketer to choose by; to launch the product as a manufacturer's brand, or sell to resellers who thereafter gives the product a private brand (store brand). You may also choose to sell it as a licensed brand (compared to creating their own brand name) and finally the marketer can choose to cobrand a product alongside another company.

Brand development: when a company wants to develop their brand they can choose from four different strategies; first they can make a line extension where they extend the already existing brand name onto new flavours, sizes etc. of an existing product category. Second is brand extension where the brand name is extended to new product categories. Third is a multi-brand development where a new brand name is presented in an existing product category. Last the marketer may choose to develop through new brands, that is, through new brand names in new product categories.

2.3.3 House of Brands

Aaker describes the brand portfolio-structure effect on the communication strategy. If the strategy is that all brands are connected to the company in a so-called *branded house*, the company looses freedom in the choice of communication. If the strategy, on the contrary, is

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[47] Hameide Kaled K. (2011): *Fashion Branding Unraveled* p.14

that each separate brand has its own identity in a so-called *house of brands,* the freedom is a lot bigger. The last-mentioned alternative is also the less effective and demands more resources. On the other hand it is possible to create different identity for each brand without influencing another brands identity.[48]

2.4 Fashion retail

2.4.1 Retail brands

The core in retail business, and the core of the brand, is found in the service and therefore the brand is under the impact of the intangibility of services, and the human element; the sales personnel or the one delivering the service.[49] The aim for retail stores is to deliver more than an originally merchandise store; thus through providing a unique experience for the customers that will be both emotional and functional. Though, the brand is still at high importance. The store has to be branded to ensure the higher level of emotional satisfaction for the customers and their overall brand experience. Author Kaled K. Hameide states three components or attributes of any retail store in his book *Fashion Marketing Unraveled*:

1. Place
2. Merchandise
3. A platform

He means that these three components give the core of any retailer. This has to be combined with a strong branding strategy (the retail branding process, figure 2.4) where a strong identity and store experience will convert the retail store into a brand of personality and proposal.

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[48] Aaker, David (2004): *Leveraging the Corporate Brand*. California Management Review, vol. 46, No. 3 p.6-18
[49] Hameide Kaled K. (2011): *Fashion Branding Unraveled*

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BRAND DECISION
Company Consumer Culture

POSITIONING STRATEGY
SERVICE MIX                                    EXPERIENCE
Merchandise, Price, Location, Customer Service Atmosphere, Personality

VALUES

POSITIONING

COMMUNICATION

CONSUMER EXPERIENCE (the image)

EVALUATION & CONTROL

GROWTH OR REPOSITIONING STRATEGIES
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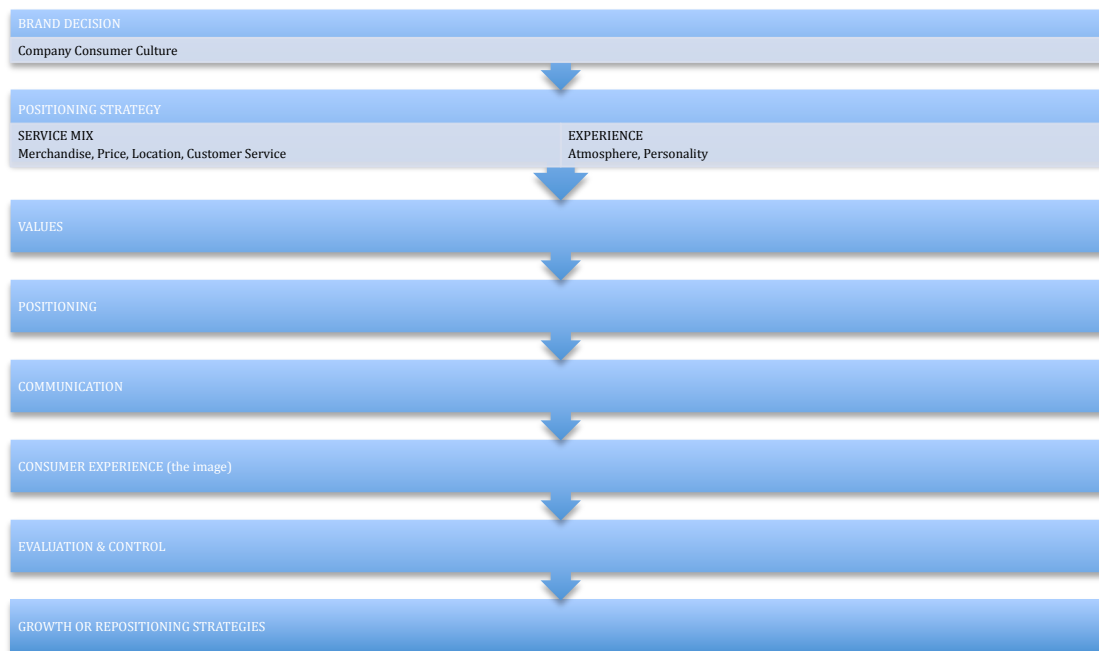
Figure 2.4: The retail branding process (Hameide 2011)[50]

2.4.2 Premium brands

Premium brands are segmented just below the luxury brands, yet at the highest spectrum of mass-market brands or above. There has been a huge growth of the premium brand market segment. Both mass-market retailers as well as high fashion and luxury brand now have their own premium brand line at the market. This is a way of meeting the demand of other consumers and thereby not loosing other segments and target groups on the market. Therefore it is a business strategy that is mostly product centred. This type of brand is also named "new luxe" or "aspirational" brands, since they are in a middle section between luxury and more main-street and fast fashion brands.[51]

Some characteristics of premium brands include a higher degree of emotional engagement from their customers as well as they possess better quality, benefits, innovation and creativity than other mass-market brands. They do not intend to be luxury goods but rather aim to appeal to a much wider set of customers by combining a broader set of values and still being affordable to different income levels and life situations; they are said to be in-line with the democratization of luxury. Yet, there has to be an authentic value added to these kinds of brands and products.[52]

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[50] Hameide Kaled K. (2011): *Fashion Branding Unraveled p.178*
[51] Hameide Kaled K. (2011): *Fashion Branding Unraveled*
[52] Hameide Kaled K. (2011): *Fashion Branding Unraveled*

2.5 Fashion branding and brand management

2.5.1 Fashion marketing

The global fashion market may be one of the largest remaining sectors where there truly still is a great competition among the players.[53] The issues coming up when marketing fashion is mostly of ethical nature. The fashion industry is also known for the fast changes and high risk for new entrants, the industry has a high failure rate of new businesses. These factors can be somewhat diminished by providing the business with a marketing plan that takes the industry's identifications into consideration when making their marketing activities.

"Fashion marketing is the application of a range of techniques and a business philosophy that centres upon the customer and potential customer of clothing and related products and services in order to meet the long-term goals of the organization."

Mike Easey 2009[54]

In his book: *Fashion marketing* (2009)*,* Mike Easey states that fashion marketing does stand out as different from other parts of marketing. The major characteristics of fashion, the fast product turn-over and fast moving trends puts a different pressure onto the marketing activities, as well as the strong importance of design that leads and reflects the demand of the customers.

Within fashion firms the role of marketing long was a question about design and marketing-imperatives. Long there were two different parts that could find it hard to work alongside each other, were designers did not have enough experience about business and operational sets of a business, while marketers did not have experience about the design process or garment and production. These different mind-sets made the operational level of the firms hard and the tension were often a big blockage in the process. These two perspectives of fashion marketing therefore give a wide-range of thoughts what the process would be. Professor Easey label two of them in a matrix, categorized either *design centred* or *marketing centred*[55].

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[53] Easey Mike (2009): *Fashion Marketing*
[54] Easey Mike (2009): *Fashion Marketing*
[55] Easey Mike (2009): *Fashion Marketing*

Sample statements	Fashion marketing is the same as promotion	Design should be based solely on marketing research
Assumption	Sell what we can make	Make what we can sell
Orientation	Design centred	Marketing centred
Alleged drawbacks	High failure rates Relies on intuition	Bland designs Stifles creativity

Figure 2.5: Two views of fashion marketing (Easey 2009)

Easey also puts out another view of the marketing and design paradigm where there should be an equal concern for both design and marketing, taking profit and customers more deeply into consideration throughout the process and recognizing the interdependence of design and marketing. The marketing activities should be seen as a way of enhancing the creative process rather than two separated activities. *"Marketing as applied to the fashion industry must appreciate the role of the design".* Easey names this; "The fashion marketing concept*"*.

Design centred	Fashion marketing concept
Failure	Marketing centred

Figure 2.6: The Fashion Marketing Concept (Easey 2009)

2.5.2 Fashion Branding

As the fashion industry contains a number of different business activities such as B2B (business to business), B2C (business to consumer) and C2C (consumer to consumer), the managing of branding can be very different for different companies, since the need for curtain actions and strategies may vary. However, while we are only looking into the category of Business to Consumer market we will onwards only take the specifics of this particular category into consideration.

The special characterises that marketers has to take into consideration when dealing with fashion products is the mere fact that the fashion consumers demands a 'badge' that they can wear as a statement about their identity, the brand image therefore has to be relevant to their

customers and go in-line with their needs and aspirations.[56] Another strong characteristic of fashion branding is the strong link between the design and the marketing activities, hence the creative department and the management.[57] This link and the interdependence between these departments vary due to the type of brand and which segment it is active within. The more luxurious the brand, the more power has the designer and the creative team, thus the luxury brands depend much more on their creativeness and trendsetting. The more mass-market brands tend to be more of a trend-follower and therefore need a much stronger brand management while relying more on the branding and marketing of the brand.

Since the fashion market nowadays has become more and more saturated and the product lifecycles are turning faster and faster, demanding new changes in a hideously fast way, the customers tend to differentiate fashion products more by brand name or the price, than the product itself. Branding has made clothes take the step away from only being a commodity purchase and instead become a fashion and lifestyle purchase, a brand purchase.[58]

2.6 Previous studies

A thesis named *H&M and COS – House of Brands or Branded House* was written year 2008 at *Lund University*. Their purpose was to understand what consequences on the customer perceptions of the brands the H&M decision to launch COS as an independent brand had. Aaker's theories *branded house* and *house of brands* were used in this study as well as a quantitate survey based on customers perceptions. The conclusion that was made based upon the survey results was that the launch of COS as an independent brand, separated from H&M, had a positive effect on the consumers. The success of the brand was stated to be mainly a consequence of *"the invisible yet clear link between the brands".[59]*

Another thesis called *The art of creating a successful fashion brand* has been written at *The Swedish School of Textiles, Univeristy* of Borås. The purpose of this thesis was to investigate what makes a fashion brand powerful and how companies in the fashion retail industry should act to become powerful. Through theories research, combined with seven personal interviews with fashion brands considered powerful in the industry, the authors made the conclusion that

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[56] Jackson & Shaw (2009): *Mastering Fashion Marketing*
[57] Hameide Kaled K. (2011): *Fashion Branding Unraveled*
[58] Jackson & Shaw (2009): *Mastering Fashion Marketing*
[59] H&M och COS – House of brands eller Branded House (2008) Lunds Universitet

in order for the fashion brand to be powerful, the company need to be consistent in its communication. Also, the brand identity needs to be coherent with the products, and the brands positioning should be obvious for the customers. PR (public relations) plays a significant role in the success of a brand and the company can affect the way the consumers are using communication channels. The graphical identity is the symbol of the brand and also, is according to the study, very important. To build a powerful brand in the fashion industry the brand and the product should be coherent and constantly change together as a unity. [60]

2.7 Summary of literature

While searching within the field of branding we know there are a lot of research done in this area and through our research we have come across a wide range of theories and approaches. We are aware of the spread of literature and material within this field of study and have under consideration of time and relevance chosen the theories we thought to serve our research and problem in a satisfying way. Also when searching for previous researches in the area of fashion marketing and fashion branding we found a great variety, though for this area, the literature found was mostly published in recent years and are therefore a later approach to branding.

We started this chapter with the aim to give the reader an overview over the branding concept within the marketing sphere. Thereafter we outlined a few major and well-established theories within branding, Kotler´s description of a brand and brand management as well as Aakers approach to build brands and what defines a strong brand. We outline the fundamentals of a House of Brand since this is the strategy the H&M Group has decided to use when launching COS as a separate and independent brand. When having reached a deeper knowledge about branding we sought out to define fashion marketing and fashion branding to deeper describe the fundamentals of this particular segment. Also we described what defines a retail brand as well as a premium brand, hence this is what COS is positioned at the market. Last is a small overview of previous studies found within the area of our thesis, which we have found of particular interest in our study.

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[60] Konsten att skapa ett framgångsrikt modevarumärke (2009) Textilhögskolan i Borås

3. Methodology

This chapter aims to explain how our study has been conducted and we will present our choice of subject for this thesis, along with the choices of method. A deeper explanation of the research and information gathering will be outlined and it will provide a description of the interviews done in the research process. Last we argument some criticism of the choice of method.

3.1 Choice of subject

We find it of great interest to search a deeper knowledge concerning the strategies of branding in the fashion retail industry and the characteristics of this particular branch. We want to discover how modern fashion companies are working and implementing this into their brand management work and marketing activities. Both of us find branding and brand creation to be a very interesting part of the marketing field and especially the branding of fashion where we have a personal curiosity and a wish to learn more about. Both of us find the Swedish brand COS to be an interesting brand and is very much up-to-date considering the launch of the first store in Gothenburg this autumn. It is also exciting to learn more about a successful Swedish fashion brand. Moreover we find the brand to be a great case of a premium fashion brand that has been able to create a strong and powerful brand with a strong market position, in a rather short period of time. Therefore we decided to make contact with COS company to make a deeper research in their work with the branding of COS.

3.2 Choice of method

For this thesis a deductive approach is used. A deductive approach consists of a research process where the concepts and established theories lead the way of defining what primary data is relevant and to be collected to undertake the study and the purpose. Therefore in contrast of the inductive approach where the data leads towards to the resolution of the concept.[61] This means that we have started our study with data gathering, from different secondary data resources to clear the field and acquire relevant knowledge to be able to create and accomplish an interesting and contributing research of primary data. We believed that this approach was best for our problem and the purpose we sought out to fulfil, because we needed to have a fundamental knowledge about the subject and the established and presented

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[61] Yin, Robert K. (2011): *Qualitative Research from Start to Finish.*

theories and researches before starting our own research. This is to ensure that we know what to search for in our empirical research and not risk missing out on information because of lack of insight about the basic concepts of the subject of choice.[62] Moreover a deductive approach will help us to ensure an insightful and competent contact with the respondents of the interviews and help us achieve a satisfying research.

When undertaking a research there are two fundamental methods of collecting data; either using a qualitative research method or a quantitative research method, defined on how the data is collected and what type of data that has been conducted[63]. When using a quantitative approach the type of data consist more or less of numbers and variables that can be quantifiable accounted, and the amount of data collected is often very large. It can be beneficial to use a quantitative research when the purpose is to bring forward and measure relationships between fixed variables. On the other hand, qualitative research method is to be preferred when the aim is to understand the ensemble of the studied variables rather than single out and see them as separates. It is a research method to bring forward the processes and the pattern found through the different variables. To be able to get this kind of information researches may use and analyse text documents and conducting different forms of case studies and interviews.[64]

We have decided to use a qualitative research approach when exploring our purpose. This approach was chosen since them aim of our thesis is to get a deeper knowledge and try to understand and analyse how a fashion brand is created and what factors forms a successful brand within this business segment. Also we are focusing on investigating whether there are any differences in brand management and branding for the fashion retail segment. This means that we are investigating a more in-depth pattern and the strategic choices of a company and therefore we find a qualitative method to be more suitable for our purpose. It would not have been sufficient to make a quantitative research to retain this kind of information, hence the amount of data is not a significant variable, but the quality of the data collected is of great importance. A qualitative research method will enable us to better understand the crucial decisions of a company's branding strategies and therefore give us information that can help us to explore the success of COS and their potential in Gothenburg. We will use COS as a real

[62] Yin, Robert K. (2011): *Qualitative Research from Start to Finish.*
[63] Christensen, L., Engdahl, N., Grääs, C., Haglund, L. (2001): *Marknadsundersökning - en handbok.* (2nd ed.)
[64] Patel, R. and Davidsson, B. (2003): *Forskningsmetodikens grunder – att planers, genomföra och rapportera en undersökning.*

life case, but all the interviews are to be conducted simultaneously and then be analysed together for then trying to apply our analysis to the case of COS.

To fulfil our purpose we have collected data from interviews with different people within the subject of our choice, with different approaches and links to the field of branding and fashion, as well as with the brand COS.

3.3 Data analysis

For this thesis we decided to conduct a set of both primary as well as secondary data to achieve a good and contributing study. The theoretical data found in the frame of references is mostly conducted trough secondary data, where else, the empirical findings are our own contribution to the field of study. All of the collected primary data is conducted through interviews. We believe that the interview method is a good way of gathering primary data and will help us to fulfil our purpose. The secondary data is gathered from different existing sources within the field of our study, where books and articles from different databases have been used. This gives a combined set of external and internal secondary data. The external data is described as commercial and published data outside of a company's interest[65]. For this study, the external data consists of theories within the field of marketing, brands and brand management, also the more specific theories of fashion branding and fashion marketing, to find the information needed to explore our purpose. Also journalistic articles from different published Swedish newspapers have been used. The internal data are gathered from company webpages and financial annual reports. These are samples of information that comes from within a company and are therefore to be described as internal data[66]. The internal data in this thesis can mostly be found in the introduction part and in the problem discussion part of the thesis. During the gathering of data, we have remained critical to the research and theories we have used, this to increase the trustworthiness of our study.

Analysis of the gathered data is to be found later on in this thesis, were we have tried to make a rewarding and stimulating analysis between the theoretical framework and the empirical findings. The aim for us is to earn a deeper knowledge of fashion branding and what forms a

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[65] Christensen, L., Engdahl, N., Grääs, C., Haglund, L. (2001): *Marknadsundersökning - en handbok.* (2nd ed.)
[66] Christensen, L., Engdahl, N., Grääs, C., Haglund, L. (2001): *Marknadsundersökning - en handbok.* (2nd ed.)

strong brand within fashion retail business. And also how this can be applied to a premium fashion brand like COS.

3.4 Interview method

To gather the information needed to fulfil our purpose of this thesis we chose to make a set of interviews with different people who are familiar with our choice of subject. We believe interviews to be very interesting and rewarding as a research method, for it is a great way to raise an innovative and creative interaction between the respondent and the interviewers.[67] The respondents' proficiencies are diverse and will therefore create a satisfying and pleasing depth to our data. Thru using interviews as a source of primary data, it will help and lead us to solve our purpose.[68]

The decision of using interviews as a research method also lead to a choice between three ways of interviewing; in-person interview, telephone- or email interview. For the first interview in our research we decided to use an in-person interview, but the others was due to lack of time and location differences conducted through e-mail communication. An in-person interview is also a good way of having a two-way conversation and the ability to ask further questions when needed. The interviews are to be considered as *qualitative interview* where the questions asked are differing between the respondents, this to be suitable for each context and the person's expertise.

We are aware of the step towards a more *structured interview* form when using e-mail interviews as part of our research. Yet, we believe that they are more similar to a *mixed methods approach*, than a structured approach, because of the interaction between using a set form of questions but still have some of the questions to be customized to the particular person. We are also using an open-ending form of the questions rather than closed-ended questions, which would define the structured interview method.[69]

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[67] Holme, I.M. and Solvang, B.K. (1997): *Forskningsmetodik: Om kvalitativa och kvantitativa metoder*.
[68] Maxwell A.J. (1996): *Qualitative research design: An interactive approach*
[69] Yin, Robert K. (2011): *Qualitative Research from Start to Finish*

For the in-person interview we used an audio recorder to secure that no information was lost during or after the interview, hence improving the entirety and accuracy of the answers.[70] Permission from the respondent to record the interview was asked beforehand. We did also take notes throughout the interview that afterwards was discussed between us and completed with the help of the recordings. Recording did also help us to stay focused during the interview and enabled us to use the opportunities for follow up questions.

Recording was of course not possible to do for the e-mail interview and we are therefore aware of the risk of the respondents of the e-mail questioners to have misunderstood or misinterpreted the questions and this has been taking into consideration when creating the questions as well as in the analysis of the answers.

We decided on making an interview with a professor or researcher within the field of branding and brand creation to pursue a deeper knowledge about the theoretical side of our choice of subject, as well as a better view of the present state of branding and brand management. Therefore the meeting with Eva Ossianssson, professor at the University of Gothenburg within the field of marketing and branding, was of great interest. With having our two main questions (stated earlier in the problem discussion) and the theoretical framework as a centre for the interview questions we tried to ensure the relevance of the questions asked to help us pursue our purpose.

Each one of the interviews was in Sweden and in Swedish, this since the respondents have Swedish as mother tongue. Researches consider that using their mother tongue while being interviewed will make the respondent feel more relaxed and we will therefore reclaim more information from the interview without loosing out on essential details due to translation mistakes or lack in language abilities.

3.4.1 E-mail interview

Further on we, sought to have an interview with the COS company and got in touch with Pernilla Wolhfahrt, in charge of the COS brand at H&M Group. This to get a understanding of the management of the brand creating process within a premium fashion brand, and to get a perspective of a fashion organization´s brand activities. Due to lack of time from the

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[70] Yin, Robert K. (2011): *Qualitative Research from Start to Finish*. p.154

respondent's part, the interview was made trough e-mail contact, a preferred method when the respondent has a busy schedule.[71] Although aware of the limitations of an e-mail constructed interview, we tried to eliminate the insecurities that could occur with this form of interview method. We are aware of the lack of human interaction and the risk of late or no answers held. But through keeping an on-going dialog with the respondent through several e-mails and making sure of her being aware of the questionnaire sent and the overall field of the study we tried to eliminate these risks.

We also conducted a second and third through an e-mail questionnaire send to the respondents. These have been made with personnel from the Swedish advertising bureau *Forsman & Bodenfors.* Trough gathering primary data from these diverse sources of expertise we hope to get a more multi-faced research where different actors of branding and fashion retail is to give their opinion in the discussion. The questionnaire has been specified and differentiated depending on whom the questions are sent to. We are aware of the risk of loss in reliability when not using standardized interviews and that the answers can be misinterpreted[72], but we believe that the rather small differences in questionnaires only will help to make sure to get the most adequate answers and best outcome of the interview.

For these e-mail interviews, the choice of method was due to lack of time from the respondent as well as us not being able to make it to Stockholm for an interview due to both time and money restrictions. But through having an open and alive discussion via e-mail with the different respondents we hope to have eliminated a part of the risks, such as not receiving the answers or not receiving reliable and truthful answers to our questions. Yet we believe that one advantage of using this form of interviews is the time period of which the respondent get to deeper think trough an answer the questions and therefore give a better and more thoughtful and insightful answer. Also the fact that the respondent does not have to feel stressed or become interrupted due to the independence of place and time.[73] We have also been encouraged by the respondents to send more questions if the answers we received would not be sufficiently comprehensive. We have always thought of the importance of keeping a friendly yet professional approach in the relations with the respondents to maintain a good

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[71] Miller & Salkind (2002): *Handbook of research design and social measurement*
[72] Patel, R. and Davidsson, B. (2003): *Forskningsmetodikens grunder – att planers, genomföra och rapportera en undersökning.*
[73] Qualitative Research webpage

reputation of the University of Gothenburg and to get the best out of the relation and therefore get a better chance in receiving good answers and therefore help in fulfilling our purpose.

3.4.2 Limitations of e-mail interview

When using e-mail interviews as a research method there are some disadvantages that have to be taken into consideration because they can affect the trustworthiness of the study. First and foremost an e-mail interview will constraint the register of communication and social signals between the interviewer and the respondent. Also there is a risk of not receiving an answer, when a respondent fail to reply, perhaps due to lack of time or oblivion.[74] We have experienced this risk while some of the respondents did not answer or failed to reply within our restricted time period of the thesis. We also experienced our inquiry of an interview to be sent between people at the company or bureau due to their busy time schedules and therefore our e-mail may have been lost on the way. Yet an e-mail interview is very time efficient, with no need of taking notes or make an appointment, and the answers are easily conducted and saved, but with the cost of the in-depth answers and the risk of loosing important data.

3.4.3 How the interviews were conducted

We have conducted interviews for this thesis through an in-person interview with Eva Ossiansson, professor in branding. We have also done e-mail interviews with the head of COS brand within the H&M Group, as well as with the advertising bureau Forsman & Bodenfors. We wanted to have an extensive spread of profession of the respondents to get a multi-dimensional covering of the subject. This we believe is accomplished and may also secure the trustworthiness of our study concerning the rather small number of interviews. But through covering different aspects of the concept we hope that this advantage will compensate the disadvantage of the rather small size of the empirical findings. The in-person interview was held at the School of Design and Crafts at the University of Gothenburg in Gothenburg, Sweden and lasted for about one our. The advantage of using in-person interviews is to have the opportunity to observe the respondent while asking the questions, as well as the opportunity to ask follow up questions. These abilities and opportunities are deficient in an e-mail interview. Moreover an in-person interview does contribute to a higher level of quality and credibility, however in-person interviews can be biased and lack in anonymity.[75] These are disadvantages that we are aware of.

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[74] Qualitative Research webpage
[75] Yin, Robert K. (2011): *Qualitative Research from Start to Finish*

The e-mail interviews were conducted trough questionnaires consisting of a beforehand set of questions we though of being of importance for us to solve our problem and create an interesting discussion. The questions were tailored to the respondent and their profession to get the most relevant information for our research. We are aware of the restrictions of an e-mail conducted interview, as stated above, and have taken this into consideration when analysing the findings.

We also had the aspiration to interview the project leader of Centrumutveckling, the real estate owner of the Palladium house where store is to open in Gothenburg, as well as with the marketing bureau Grow. Unfortunately, the interviews with *Grow* and *Centrumutveckling*, have not managed to be conducted to the empirical findings and analysis, due to that we were not able to receive their replies in time for the deadline of the thesis. Therefore they are not part of the empirical findings nor the analysis or the conclusion.

4. Empirical findings

In this chapter we will present the findings we have gathered trough our empirical research within this thesis. We have summoned the answers from the interviews for the reader to find below. The interviews have all been held in Swedish and the answers are therefore freely translated into English for this thesis. The questionnaires used for each interview can be found in the appendix.

4.1 Interview with Eva Ossiansson

4.1.1 Introduction

Eva Ossiansson is an assistant professor at *University of Gothenburg School of Business, Economics and Law*. She is also a researcher within the fields of marketing and especially branding. The interview was held at the 11th of May 2012 at the *School of Design and Crafts at the University of Gothenburg*, Gothenburg, Sweden. We recorded the interview and afterwards summoned and analysed the material.

4.1.2 Findings

The definition of a strong brand today according to Eva depends which perspective you use. The first perspective is cultural while the other one is more a traditional brand management perspective. A strong brand is a brand the company has built while being strategically aware. They have successfully built a connection to people's minds. Branding is managing people's comprehensions and perceptions, which is connected to their feelings. Therefor only the product does not define the brand, there is a lot more to it than only the product or service. For example, the colours, the scents and other users of the brand can define a brand, which makes it rather complex to work with. A company should understand the importance of differentiation and working with the brand as a totality, as well as knowing that the customers also define the brand through the interaction.

Building a strong brand takes time. For example *The Coca Cola Company* has existed for over 100 years and have constantly worked with several markers, such as the bottle design and the lifestyle. They have kept their long tradition while striving to be number one in people's minds. Many powerful and multinational brands today are traditional. On the other hand some brands, such as *Apple,* work mainly with their design and with creating products

that reflect an alternative lifestyle. They create products that they believe people need; good technique in a nice package. A possible problem in this type of company is when the products become "mainstream", something everybody have. The customers of these types of brands form a community and become one with the brand.

Taking the tradition and history into consideration, building a powerful brand usually takes long time. However, by managing and triggering people's urges and feelings in an effective and good way, a powerful brand can be built faster. It is expensive to gain attention in the market today, but there are alternative ways. *Nelly.com* sets the perfect example for this according to Eva. Since the costs for media exposure are rather high they decided to take advantage of their customers usage of social media instead. What is characteristic for the fashion retail industry and especially women is the relation-oriented communication. This is built on the human desire and need for attention and confirmation, both as individuals and through group belonging, where the brands play an important role.

Also characteristic for the fashion retail industry are the fast moving trends. What is trendy one year is not the following year.

Moreover, the marketing approach should be different in the industry. Thinking a good product will sell itself is wrong, a company needs to find the right triggers and have the right positioning in the trend cycles. Fashion marketing is rather difficult and demand a lot from the companies. Missing out in one collection can cost the company a lot of money. Also, keeping the balance between affordable and not over-priced as well as being correct both time-wise and trend-wise are challenging. The main difference between a brand in the fashion retail industry and a brand in another industry is that the first-mentioned brand has to adapt to the lifestyle and trends. In the retail industry overall, questions concerning the store is of high importance. The store says a lot about the brand, as well as the people working there. How to plan the store layout and design that is coherent with the brand and how to create a traffic flow to the store are some of the important questions.

The choice of House of Brands vs. Branded House depends on what strategy the company chooses from start. If the company brand already is powerful the strategy can be to use it as a stabile ground in everything with only smaller additions. The second strategy, to adapt fast to the fashion trends by building new brands, should be considered if the brand is estimated to

not be rather powerful or if the estimation is that the company have more to gain by doing so. In that case the company will have a variety of brands that can stand the risk, instead of constantly holding on to the same company brand.

A new brand can support the main brand or the opposite, and H&M does both. Today in the fashion retail industry, the most important aspects of building a new brand is to develop a good sense of consumption patterns, lifestyles and how consumption cultures generally change so that the company becomes a part of the consumption culture. It is important to really work with what drives peoples consumption. Every individual is unique in the terms of having a range of different personalities that can be expressed. It can be the runner, the athlete, the teacher or the lecturer side of the personality. We all enter and exit a lot of worlds in our life during each day. Fashion can be connected to many parts; hence the company needs to think of life, consumption patterns and what the using their brand can lead to. This should be the way of thinking when building a brand, especially in fashion. Being unique is as important as being a part of a group for the consumer.

It is extremely important to implement the marketing activities into the design and creative work of a fashion brand and to see the work process as a coherent unity. What feeling and brand comprehension do we want to evoke in our customers by only seeing or touching the product? The design process and how the customer perceives a product is crucial. The values seen through the colours, aesthetics and design are essential. So the process should be a coherent unity, but unfortunately, usually it is not. A successful brand is aware of the importance of a holistic perspective in these processes.

The strategy behind creating COS as an independent brand was probably to stretch the existing customer groups and add an exclusive touch in the H&M Group. This can be compared to the designer collaboration within H&M that fill the same function. Also, not opening in Sweden until recently have created a "hype" and desire for the brand that speaks in favour for the launch.

A successful brand in the fashion industry today, according to Eva, is *Nelly.com* that has done a great job with building their brand through social media. They have found the human driving forces and have created a platform through Facebook where they constantly interact with their customers. They let their customers design new products in competitions and

enounce their feelings about the sizes and fits, which is smart since consumers today trust other consumers or friends more than they trust a company's advertising. The customer's feel heard, appreciated, confirmed and see themselves as a part of the company and for Nelly.com it is quite cost-effective. Not having a store is a benefit for them since it differs them from competitors such as H&M or Gina Tricot.

Gina Tricot is also a good example of a brand with a successful strategy. Their success story was to always deliver news in the stores so that the customers feel that there is always something new happening and that the fashion is affordable. They also had a spokes model that became really associated to the brand. Accordingly, there are different ways and strategies of becoming a well-known and powerful brand.

4.2 Interview with Pernilla Wohlfahrt

4.2.1 Introduction

Pernilla Wohlfahrt is responsible for New Business at the H&M Group, which include COS, *Home*, *Weekday*, *Monki* and *Cheap Monday*. She first started as an Assistant Buyer year 1993. Twelve years later she presented a mood-board that initiated the creating of the brand COS, and have been responsible for the brand ever since. The interview was through email.

4.2.2 Findings

A powerful fashion brand today has a driving spirit and definition. Brands need one or more driving spirits that are passionate about the brand in order for it to be powerful and successful. The commitment and passion for the brand need to be felt all the way to the customers. As for the commitment, a clear connection through the entire brand is essential, from the business idea to the buttons on the clothes and the hooks in the dressing room through choice of words and the graphics in the communication. COS have everything of the earlier mentioned and that is what lies behind the success.

 The reason we started COS was because there was missing a brand like COS that lies between "high fashion brands" and "high street". The fashion and quality is high fashion but the prices are more high street. We want people to think of COS as modern, timeless, functional and quality within every area – collection, store and communication and we work on this on a daily basis. We hope that our customers think of us as "value for money". We are

really proud of the quality we have reached, quality in the materials, production, fit, level of fashion and choice of colour. Our most important communication channels are the stores – both the physical and the online store. We also produce a magazine each season and a lookbook with a press collection that is effective for PR.

COS was launched as an independent brand within the H&M Group because we wanted to reach a new group of customers that don't shop at H&M that often. Therefor we needed to create a separate team that concentrated on the new customer and her/his needs, not only in terms of collection, but also in terms of store experience and communication type. COS and H&M share the same business idea – fashion and quality at best price. The higher prices at COS enable a higher quality. The COS collections are built separated from H&M and complete the collections at H&M in terms of price, quality and style. COS have had a small budget for brand building which have made us really careful with speaking the same language in everything we do – collections, store experience and store openings. All activities need to be both brand building and sales stimulating.

The design and the marketing are very closely related. Everything starts with design and trend tendencies. Marketing is involved in early stages to bring new ideas for windows, packaging, the magazine setup and possible design collaborations such as *Frieze art fair*, which reflects and enhances the trends we will be working with in following seasons.

When choosing location we simply start from where we believe our customer wants to shop. Usually it is somewhere between the main-street and the high fashion street, close to our competitors. Readily somewhere with a good visibility, since a highly visible location is marketing in it self. As concerns the local adjustments, the collections are more or less exactly the same in every store. If there are any differences then they depend on the size of the store. Regarding the store design we strive to keep it the same, regardless of which country or city the store is located in.

Concerning the brand awareness in Gothenburg, I believe that the Swedes are generally interested in colours and forms in many areas and are updated on the brands in those areas. The Palladium building in Gothenburg, where COS is opening this fall, is an amazing historical building with a lot of character and good visibility. I believe that many people in

Gothenburg are aware of the building and preserve it. I hope they think that we are a worthy occupant.

4.3 Interview with Emelie Gustafsson, Forsman & Bodenfors

4.3.1 Introduction

Emelie Gustafsson is a Project Leader at the advertising agency *Forsman & Bodenfors* in Gothenburg. She is originally a Graduate Economist with a major in marketing communication. Year 2004 she started working at *Acne Creative* (today *Acne Advertising*) as a Junior Product Leader, with clients such as *Åhléns* and *Acne Jeans*. Three years later she started working as a Planner at Forsman & Bodenfors but eventually returned to the role as a Project Leader. Since, she has worked with customers such as *KappAhl*, *IKEA*, *Apoteket*, *Coop* and *Volvo*. For the moment Emelie is working with a secret client.

4.3.2 Findings

Everything we do together with our clients has the aim to strengthen their brand. That, together with a short-term commercial success, is the final values that our work is evaluated by. In purely practical terms it means that our work primarily consists of understanding our clients problems and challenges. What is it that today stands in the way of becoming a beloved brand and how should we act to remove these obstacles? The solution is a profound understanding for the client's target group of customers, and implementation of communicative solutions of every kind.

The work process for fashion brands, compared to other brands, is fundamentally the same. However, I feel that the communicative solutions for a fashion company differ from other brands. For fashion brands the surface and aspiration are important components, while for example humour is less important. Retail is also an essential part of the business that needs to be taken in consideration. The important balance then becomes to build the brand in a long-term perspective, while stimulating sales at the moment.

The biggest difference between now and then (depending on the time-perspective) is above all the amount of brands at the market and todays rate of transparency that comes with the Internet. With that many competitors along with the big possibility for criticism and easily available opinions make it impossible for the companies to "slattern" or cheat their way to a

strong brand. A powerful brand today consists of mainly **products** that people love (the absolute main carrier for the brand), an **exiting/admirable history** behind the brand and **trustworthy communication** that people like.

For a fashion brand it also starts with the product. A powerful fashion brand delivers clothes and accessories with the right design, quality, availability and price, based on the target customers. A powerful fashion brand needs to be clear, who are we and to who are we for? That means some kind of clear connection that is visible all the way from the clothes through the form, store, and personnel to the communication (or other relevant manifestations of the brand).

Marketing and branding for a fashion brand is different from other brands not only in terms earlier mentioned (more surface and aspiration), but the meaning of PR is also higher. Depending on brand there also are different types of media channels. The most important communication channels for fashion brands are in following order: the product, the store, PR and advertising. The graphical expression is crucial for the earlier mentioned clear connection in the brand and is an important carrier of the brand. The degree of importance depends on the type of fashion brand.

The characteristic feature in the fashion industry, that needs to be treated with thoughtfulness in the brand building, is the balance between the short-term and long-term. Take H&M as an example, in one hand they invest in big and expensive design collaborations or exclusive advertising campaigns. On the other hand they have cheap "come-and-buy" commercials, with product and price offerings. The large and heavy campaigns are what is seen, what "is" the brand and what makes us love and prefer H&M, to communicate their brand identity and values. The simple and clear product/price-contributions are what make us run to the stores, maybe more often than necessary or imagined. If the balance between these gets wrong, if the offering commercials takes over and becomes a too big part of the total communication it can harm the brand in the long run.

Implementing the marketing activities into the design and creative work of a fashion brand and seeing the work process as a coherent unity is extremely significant. I have closely witnessed what happens if they are considered as separate units, where the design department contacts the marketing department in the end of the process and simply orders a campaign. It

becomes "straggly" and does not build the brand in a strong and coherent way. If instead the design and marketing is based on the same clear vision then the different disciplines can gain from each other and both becoming stronger in their area, while improving the end results as well. She believes that no powerful fashion brand today work with marketing and design as two separate parts of the company.

The products are definitely behind the success of COS. COS has, for their target group, done completely right in design, fashion expression, quality and price. Their expression is also visible graphically as well as in the stores and online. I also believe that it was good for their brand story that they first opened in a fancy address in London instead of Sweden. That gave the impression of COS being totally different from H&M and that experience has been kept since. The fact that they do not advertise contributes to the exclusive and narrow experience of COS as a brand.

There are many brands in the fashion industry that, according to me, has done a great job with their brand building. *Chanel* with their amazing myth, definition, graphical expression, products and their constant renewal with maintained identity is my personal favourite of the exclusive brands. Amongst the high street brands she claims to be constantly impressed by how competent they people at H&M are. They almost always deliver right in fashion and successfully manage to attract totally separate target groups at once through their carefully thoughtful range of products. They also renew themselves, mainly through their collaborations, so that we always are filled with new reason to talk about and like them.

5. Analysis

In the analysis chapter we will compare the theoretical framework conducted mostly from secondary data, with the primary data conducted trough our empirical findings; thus to later on be able to follow through a satisfying analysis, in order to fulfil the purpose of our thesis.

5.1 Introduction

To fulfil the purpose of this thesis we will analyse the empirical findings we have conducted through our qualitative research and compare them with the summarized theoretical framework of the secondary data. We have decided to use the same approach here as we used for the theoretical framework to give a good structure to the analysed material and ease the reading and monitoring for the reader. Therefore the structure will be distributed into the same headlines as the ones found in the theory chapter. First will the Branding and Brand aspects be examined, what is important when creating a brand, what is a brand and how is a successful brand managed etc. Second we will look into the fashion industry, the characteristics and what differences can be found when branding fashion compared to other segments. Here we will also approach COS as a fashion brand, and analyse their brand management out from the interviews and the theoretical framework.

5.2 Brand

A brand is a term, name, design, a symbol or a combination that identifies a product and differentiates it from the competitors. The brand does not only consist of the product.

A brand = product + package + added values, where added values are the associations that the customer has towards the brand. Since the customer buys the totality it is rather hard to distinguish between these. Eva Ossiansson confirms that there is more to a brand than the product, the associations she mentions that also define the brand are, for instance, users of the brand or the colours of a brand. She also points out how essential it is for the company to understand the importance of the totality. According to Eva a strong brand have successfully built a connection to people's minds. However, for Emelie Gustafsson the brand *mainly* consists of the product, which is the main carrier for the brand. Second, the strong brands also consist of the brand history and trustworthy communication that people like.

A powerful brand has a strong identity, is innovative and consistent, as well as competitively positioned. A strong brand holds a matching positive image in the customer's head. Emelie argues that a powerful fashion brand consists of product that people love (which she believes is the absolute main carrier of the brand), and exiting/admirable history behind the brand and trustworthy communication that people like. She also believes COS has done completely right with their products in terms of the sign, fashion expression, quality and price. COS pursued a exiting brand story with the opening in a fancy address in London, before launching in Sweden. That made them interesting and different from H&M. and since they do not use any advertising their trustworthiness as an exclusive brand remains high. Pernilla Wohlfahrt at COS believes that a powerful brand is consistent, mentioning how a clear connection through the entire brand is essential – from the business idea to the buttons on the clothes and the hooks in the dressing room through choice of words and the graphics in the communication. Speaking the same language in everything they do is necessary. She believes that the consistency along with the driving spirits behind the brand and their commitment, are the success factors of COS. As Pernilla says – COS started because there was missing a brand that lies between high fashion brands and high street. Filling a "gap" on the market makes the brand innovative as well as competitively positioned. Emelie confirms that clarity is crucial, saying how a powerful fashion brand needs to have a clear connection that is visible all the way from the clothes through the form, store and personnel to the communication.

Kaled K Hameide explains that positioning is a company's strategy of making the customers see the brand in the way the company intends for the brand to be perceived. Still, positioning *always* has to make sure to stay focused at what is important and worthwhile for the end consumer. Eva also mentions this when discussing the building of powerful brands. She says that the powerful brands today know what triggers the customer urges and feelings. Especially in the fashion industry she says it is essential to understand the customer's lifestyle and needs in different personalities and work with what drives people's consumption. The initiative to COS was through a customer perspective realizing that there was missing a brand in the market, focusing at the end consumer's need. Also, the COS store locations today are entirely based on where the customers want to shop and located thereafter. Staying focused on what is important and worthwhile for the customers seems to be a big part of the COS positioning and identity.

The brand identity is the company's vision and image of how the target group should perceive the brand and what the company strive for. The identity is also the base for all communication. A powerful brand has a rich and clear identity: associations that are created or kept with the help of communication. For COS the brand identity is modern, timeless, functional, quality within every area and "value for money". Since the identity is the base for all communication and COS most important communication channel, it is important that are the stores they are coherent with the identity. The store experience is very important for COS and mentioned several times by Pernilla.

5.3 Branding and Brand Management

Branding is the management of creating and caring about a brand, and has become more and more important. Branding is what Eva calls managing people's comprehensions and perceptions, which is connected to their feelings. The branding process should begin with a vision that identifies the company's need and purpose for the brand to exist, says Kaled K. Hameide, author of *Fashion Branding Unraveled* (2011). Emelie similarly says that a powerful fashion brand needs to be clear and aware of *who are we* and *to who are we for*. The brand COS was started with this type of identification, with a clear purpose for the brands existence. As earlier mentioned, Pernilla states that COS was created because they felt that there was something missing in the market, a brand that lies between high fashion and high street. Kaled K. Hameide also points out that branding is a long-term strategy for the company and is a fundamental part of the marketing activities. Emelie believes that there is an important balance specific for the fashion industry, which is to build the brand in a long-term perspective while stimulating sales right now. This can be reflected in COS marketing activities, that according to Pernilla all need to be both brand building and sale stimulating. So the focus is not only at short-term marketing activities that generate sales at the moment, it is also (or mainly) to build the brand in the long run.

According to Aaker the chosen brand portfolio-structure effects the communication strategy. If the chosen company strategy is that all brands are connected in a so-called *branded house*, the freedom in the choice of communication is smaller. If the strategy on the contrary is that each separate brand has its own identity in a so-called *house of brands,* there is more freedom in the choice of communication. The last-mentioned alternative demands more resources but

enables the company to create different identities for each brand without having them influencing each other.

The H&M Group is a house of brands and COS was according to Pernilla launched as an independent brand to reach a new group of customers that do not shop at H&M rather often. Therefor the identity of COS is built separate from the H&M identity, adding a more exclusive touch, even though the business idea is the same – fashion and quality at best price. Emelie believes that the fact that COS first opened a store at a fancy address in London was good for their brand story and differed them from H&M. Eva on the other hand, believes this was a strategic choice of H&M to create a brand "hype". The freedom in choice of communication for COS is larger than it would be if there had been a clear link to H&M. The choice of launching COS as an independent brand enabled them to communicate mostly through the stores, a completely different communication type than H&M that annually invest a lot of money on advertising in different medias. Emelie thinks that the almost none-existing advertising also contributes to the exclusive experience of COS and differs them even more from H&M.

Eva mentions early during our interview that it is extremely expensive to gain attention in the market today, but there are alternative ways. She believes that Nelly.com sets the perfect example, using their customer's social media usage to their advantage. For COS, with a small budget for branding, the alternative way has been to be very careful with speaking the same language, that is being consistent, in everything they do. That includes the collections, store experience and store openings. Eva also states that the choice of portfolio-structure depend on the strategy chosen from start. If the company brand already is powerful the strategy can be to use it as a stabile ground with only small additions. The other strategy, to adapt fast to the fashion trends by building new brands, can be considered if the main brand is not powerful enough or if the company have more to gain by doing so.

H&M both have additions to the existing brand as well as have built a new brand. But the reason for this surely is not that H&M as a brand was not powerful enough to use as a base. Clearly it is since they had a lot more to gain by doing so, such as a completely new customer group thanks to the new chosen brand identity for COS that attracts customers with other needs.

The four major brand strategy decisions developed by Kotler and Armstrong include *brand positioning, brand name selection, brand sponsorship* and *brand development*. The four decisions have to be taken in consideration when building powerful brands. The *brand positioning* can be made at one of three levels; on product attributes, at benefit, or through strong beliefs and values at the highest level. COS is positioned both on product attributes such as the collection and store design, but also at the customer benefit that involves high fashion to high street prices. Kotler and Armstrong also remark the importance to state a mission and a vision for the brand when making decisions about positioning. As earlier mentioned, COS was created with a clear vision of high fashion at high street prices, that make the benefit in the positioning.

As for the *Brand name selection,* there are more or less good or great names for a product or service. The name *Collection of Style* has no connection to H&M but is revealing in terms of a design and style orientation. The *Brand sponsorship* has four options: to launch the product as a manufacturer's brand, sell to resellers who thereafter give the product a private brand (store brand), sell it as a licensed brand (compared to creating their own brand name) or finally cobrand a product alongside another company. COS is a manufacturer's brand, having their collections and communication created separately from H&M. *Brand development* consists of four different strategies, first one is a line extension where the company extend the already existing brand name onto new colours or sizes of an existing product category. Second is brand extension where the brand name is extended to new product categories. Third is a multi-brand development where a new brand name is presented in an existing product category. Last the marketer may choose to develop through new brands, that is, through new brand names in new product categories. H&M performed a multi-brand development creating COS in an already existing product category.

David A. Aaker defines Brand equity as the set of assets connected to a name and symbol of a brand that add value not only to a product for the company but also to the customers. The assets can be divided into following four major categories: brand name awareness, brand loyalty, perceived quality and brand associations. Brand equity management involves enhancing and creating these assets. The strongest brands are those who are managed for strategic awareness, in comparison to general awareness. This can be compared to what Eva says about strong brands, they are built with strategically awareness. This strategic awareness can consist of being well known in the target customer group rather than being known by

everybody. As Pernilla Wohlfahrt at COS says regarding the brand awareness, she believes that the Swedes are generally interested in design in different areas and therefor are updated in the brands in those specific areas. The brand associations include product attributes, a celebrity spokesperson, or a particular symbol. The associations are obviously managed by the brand identity that equals how the company would like the brand to be perceived by the customers. The wanted associations are *modern, timeless, functional, quality within every area* and *"value for money",* making the product attributes the main focus in the process of communicating the brand identity. A particular symbol, for instance the logo, is also connected to how the customers perceive the brand. Emelie states this, saying that the graphical expression is crucial, especially for the clear and necessary connection through the entire brand.

5.4 Fashion retail

What set the fashion industry apart from other consumer goods industries are the extremely fast moving changes in trend and demand. This makes it very hard for fashion businesses to navigate through the constantly changing trends and fads. For companies within the business it is important to remain focused and adapt to the changes to be able to remain competitive or else they risk falling out of the not being able to provide what the consumers demand and what the business says is fashionable for that moment. For retail brands the competition between the main-street chains are vast and the key to succeed is to find their competitive advantages and have a high product turnover, to always be new and fresh. This is something the retailers of the fast-moving fashion products and main-street brands are taking advantage of. By having a fast supply chain system and designers that can create and remake what the big fashion houses showed at the fashion shows, they can provide the new trends in a much faster way than the luxury fashion designers themselves. Therefore they can change their products and collections at a higher speed and also provide new products and new trends many times a year.

According to Eva Ossiansson this is of high importance for brands within the fashion industry, and one example of a brand that have succeeded with this is *Gina Tricot*, a Swedish fashion retail brand. Their strategy is to always make sure that there is something new happening in the store. Their supply chain is very fast and they are launching new products in

the store every so often. This will keep the consumers attention and give and excitement and a need of always have to visit the store to see what news there is today. Only by making rearrangements of the existing products or changing the layout of the store interior will keep a consumer interested and increase the potential of them coming back again and again.

For COS this is also one of their advantages, hence being a fashion retail brand they are able to launch new collections and products at a much higher frequency than other premium or luxury brands that does not possess the same supply chain or strategies. And while competing within the premium segment they can therefore provide the target customers with new products faster and more often that many of their competitors. With having new products hitting the stores every week, this will keep their customers coming back and remain their attention and interest throughout the entire year, and only on show seasons or previous two times a year collections (spring/autumn).

COS has also taken their positioning in the premium segment and made it to one of their main advantages. According to Pernilla at COS, through their positioning as a premium brand they are giving the consumers the products of a high-street fashion brand, such as style and quality, but at a lower and more main-street price which also will enhance their competiveness on the market. And with new products but a lower price, they can sell more products to a larger segment. Still with the slightly higher price than their other brand H&M, positioned at a main-street level, they can secure the better quality but still afford to sell "value for money", as they like to refer to it. This goes in line with what literature states about premium brands. They are supposed to be the "new lux" but still appeal to a broader set of customers and at an affordable price, hence the democratisation of luxury. This is something that the H&M Group has been known for and is a great part of their strategy, and therefore also the strategy for COS. However with COS they can serve the need of a premium target customer who demands more added value and engagement in the brand and in the product, compared to the main-street brands and consumers. They added values can, according to theory, be better quality, innovation and creativity. These are some of the benefits that Pernilla argues COS to inherit.

To start a premium brand at this moment in fashion, seem to be a good way to serve a new customer, group that is, and will continue, to grow. The "new middle youth", consisting of working women (mostly) aged 40 will remain their youthful interest in fashion therefore remain as customers to many of the fashion brand that the younger audience is consuming. To

be able to keep the attention of these women it is important to make sure to not alienate them from a brand but still be able to serve their interest and demands. At the fashion market there is a new trend approaching where older people with more buying power and more leisure time still have the demand for fashionable clothes but with higher claims to the product and brand to fit them. Lifestyle has become a part of fashion.

Both Pernilla and Eva urge the need of more added values to today's fashion brands. Consumers today claims products that will fit with their entire lifestyle, and according to Eva consumers will take on a set of different lifestyles in one day. This clearly requires a lot more from the fashion brands. Therefore COS has embraced this and early on distinguished this new trend. Their design is very minimalistic and contains leisurewear and casual clothes that people easily can fit into different part of their day-to-day life. They are designing classics but with a modern twist, also this proves their strive to catch the attention of the working men and women, but who still likes to dress casual yet modern. COS clearly saw this new segment in fashion and has therefore very fast been able to meet their specific demands, before others came into business, which have made them a strong competitor at the market and enabled them to grow very fast.

For a retail brand one of the key elements to succeed is the store experience, where the brand has to deliver the customer a much deeper shopping experience than only selling products. This will help the brand to embrace a turn the store into brand of personality and proposal. The store has to communicate the brand identity and personality and give the customer a total brand experience. According to Eva the store says a lot about the brand and the need to produce a coherent layout as well as location that will enhance and bring forward the brand image is crucial. Pernilla states, the COS stores are their most important communication channel and therefore it is crucial that the store present the right brand image to enhance the perceived image of the customer. At COS they work with this on a daily basis, from store exterior to the books in the dressing rooms, the coherency have to be complete.

COS has also worked hard on their store design and a lot of thought has gone into the creation of the store interiors and the store experience. Famous architectures have been used, and the details are absolute. Whether you visit the flagship store in London or the store in Stockholm, the experience have to be the same, hence the stores are constructed in the same way at all location, but also at their web store the feeling and experience have to be in-line with the

brand image. The strategy has been clear from start, and they are well aware of the importance of the store experience and how it affects the brand and the customers. As Pernilla states, this is even more crucial for COS while having a rather small branding budget the importance to speak very carefully and consistent throughout the entire process and trough all brand activities. This can be strengthened with what Emelie say are the most important communication channels for fashion brands today (in following order): the product, the store, PR and advertising. With a small budget for the last mentioned channel the focus is logically held at the product and store.

Also to mention for the trend towards a more store experience thinking and coherency thinking is that it was mostly to bee seen at the high-street brands than for the main-street brands. Both brands like Ralph Lauren and Prada have used the store for much more of a brand experience than a point-or-purchase. But clearly with the new segment of premium brands, this has started to bee a great part of their brand strategy since the added value have to be much deeper and more thought truth to be able to compete with the luxury brands and the main-street brands.

In comparison to this, Eva gives an example of a retail brand that has proven very successful yet not having any real life store. The Internet based fashion brand Nelly.com does only have an online store and is still having a great development. As Eva states, there is not in their aim to have a real life store, because that is not what they are as a brand. For them it is not a disadvantage to not being able to communicate their brand trough a real life store, since they are able to do so trough their online store. Still it is as important to remain focused at offering the customer a shopping experience although still only thought the Internet. Nelly.com have managed to communicate their brand identity and created a store experience in a way that serves their brand in the best and most truthful way. As Eva states, it is not in their interest to have a real life store, because that is not what they are, and their strength and advantage is their Internet-based strategy. But trough focusing on how to create the best online-store experience, they are still giving their customers a store experience that communicates their brand in the most favourable way.

5.5 Fashion Marketing and Branding

Long the designers themselves drove the fashion industry. Many fashion brands have started of with only a designer as leader of the company. But when the market space became more and more competitive and the trends were moving faster the need to have a better knowledge about strategic decisions and marketing activities became crucial for survival. The high failure of new started businesses within fashion puts the need for expertise of operational skills to a competitive advantage. To be able to create the right marketing and branding strategies can therefore be the chance to survive and succeed within the business, but still it is crucial to know how to do it. Also the company have to decide how to manage the activities, whether to incorporate the marketing and branding into the design and see it as a entire process or to separate them and either choose to be a marketing centred fashion brand or choose to be a design centred brand.

When asking Pernilla how they were incorporating their marketing activities into their design process she urged the importance of see the two different aspects as a united and simultaneously creation process of both the brand and the design. They are seeing the two parts as closely related where the process starts with the design and the current trend tendencies but still all marketing and branding decisions is early on integrated to make sure that all becomes a wholeness. This relates to what theories argued as the Fashion marketing concept, the form of strategy that can be seen most frequent among fashion brands of today. A reason for this tendencies may be the need of coherency within an organisation to be able to create the right brand image and bring forward the identity to the customers, to make sure that the perceived image will be the one the company wants it to be. The key is to remain coherent throughout all communication channels, and a fashion-marketing concept enables a company to early on make sure that the design and marketing works in the same direction. This perspective does also take the customer and the profit more into consideration, which will benefit the company in many ways, not only does the risk of early failure decrease but the company will make sure to understand their customer needs and drivers and therefore create a brand that the customer can relate to.

COS being a retail brand positioned between the main-street and the high-street brands, and therefore are more of a trend follower compared to the high-street brands that are more the trendsetting, the need to have a strong brand management and strategy is important. Therefore

the designers does not need, nor have, the overall power of the brand as for the high-fashion brands where the designer possess more power over the company's overall decisions.

Eva does also state the importance of keeping the design and marketing activities closely related within a fashion company. She says that a successful brand are aware of this and will work in the direction of a holistic thinking, to make sure that the customers perceive the brand in the right way, whether they are wearing the clothes, visiting the stores or talking to the personnel. The brand needs to be at the core of every aspect trough the design process. The values embedded within the brand identity need to be translated into both the design of the store as well as into the products, for all parts are a way of communicating the brand values. Emelie agrees that implementing the marketing activities into the design and creative work is significant and has witnessed what can happen if the company treats them as two separate units. The brand perception becomes unclear and the brand building does not become coherent. She believes that no powerful brand today work with marketing and design as two separate parts of the company.

Eva mentions the need to specify the marketing activities when working with fashion and retail brands. One of the main characteristics according to her is the relation-oriented communication within the industry. The driver of consumption is a strive for attention and confirmation, and this can be achieved trough brands. Theory also clarifies the importance of the brand for fashion products, where a people like to wear brands as a 'badge' to show their personality and therefore get attention or confirmation. What Emelie find to be the characteristic feature in the industry is the balance between a short-term and long-term perspective. She uses H&M to illustrate a perfect balance between these two perspectives. On one hand H&M invest in expensive advertising campaigns and collaborations but on the other hand they have cheap offering commercials, with product and price offerings. The large and expansive campaigns are what gets seen and what makes us love and prefer H&M. The offering commercials are what make us run to the store more than necessary or imagined. If this perfect balance is disturbed and the offering commercials take over it can harm the brand in the long run.

Eva also states the difficulties of the fast moving trends and the balance of being affordable but still manage to be in time with trends. This can be part of the success of COS, where they are positioning themselves within a segment where prices tend to be rather high. But trough

communicating their brand to be affordable luxury, they will have a great advantage. In comparison if they would have positioned their brand in the main-street segment and been perceived as rather expensive. Moreover having their fast-moving trend strategy with new product every week they can always stay new and follow up the trends in a very short time and therefore compete with the high-street and high fashion brands that does not have the ability to be that flexible. COS are using the characteristics of the fashion industry in their advantage. They have the ability to stay flexible with new trends and at the same time offer good quality and design to a much lower price than their competitors, as according to Eva is the key to create a strong and successful fashion brand.

A powerful fashion brand according to Emelie delivers clothes and accessories with the right design, quality, availability and price, based on the target customers. COS have embraced the key to understand the lifestyle of their target customer, a target group that not many other companies yet have noticed as a growing group of potential affluent individuals. They are focusing on the consumers' lifestyle and interpret this into the brand, one of the key challenges in the industry according to Eva. Mike Easey, author of *Fashion Marketing* (2009), does also talk about the need to create a brand image that goes in-line with the lifestyle and aspirations of the customer. Through having a holistic view of the design and marketing activities they can make sure to understand the patterns of the consumption and the lifestyle of their target customer and inherit this into the process of both the design and creative aesthetics as well as into their marketing activities, and therefore make sure to communicate the right values that their customer can relate to.

6. Conclusions

In this chapter we will present the final conclusion of our findings and analysis with the aim to respond to the problem stated in the problem discussion and argue for a solution to our purpose of this thesis. We will also try to apply our analysis on the development of COS as a strong brand and the up-coming launch in Gothenburg.

To build a strong brand within the fashion industry it is important to know what characteristics and specific challengers there is in this particular market setting. The fashion world is an unsteady and risky market where companies easily can miscalculate and loose a lot of money. The key characteristics are the constant change of trends and fads and the importance of timing and flexibility. Yet, the importance of having a strong brand identity and coherency within the communication and products seem therefore to be even more important than in many other industries. Because of the strong competition, a strong brand can be crucial. To succeed with their branding, a fashion brand has to adapt to the key characteristics of the fashion industry and implement these into their brand management. Also, to build a fashion brand, the key seems to be to find out what the customer demands, seek out what their drivers are and what their lifestyle claims from a product, because a fashion brand more or less is a way of showing off an identity. The company have to know what the products must deliver in style and quality, what price the customer is willing to pay for it, and what the customer wants to experience trough using the products and the brand.

Yet, to succeed it is important to communicate the brand image in a representative and coherent way, the values of a brand have to reach out to the customer and inspire them to use and consume the products. It is important to express a coherent image, both in designing, products and in the store experience. The customers have to feel the passion beneath the products and the brand, this will make it strong and successful because the customer can connect and feel engaged with the brand. A strong and distinct brand will also enable the company to diversify and stand out from other brands at the market.

In order to accomplish this, a company has to establish a purpose of a brand in order to create a trustworthy and engaging brand identity. The H&M Group early on knew the importance of a purpose, they saw the gap between the high-street and main-street brands at the market and decided to start COS to meet the demand of these customers. In order to do so, they created a

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brand that would fulfil the needs of theses customers, suit their lifestyle and life situation and engage with their appreciation of quality yet affordable modern clothes. Their positioning has enabled them to be successful and build a strong brand within a new segment that for many have not yet been discovered.

The H&M Group have used their core value of affordable fashion to a new segment (COS) where their lower prices and flexibility in product turn-over are an advantage to the competitors, who many does not posses either of these two key factors of becoming successful in the fashion industry. COS have also used the advantage of being part of a House of Brand within the H&M Group, and therefore had beneficial help from the strong retail group, both financial but also from a long experience within the retail industry. It has enabled them to search the best locations for their stores and a well-established supply chain for their products. Yet, the decision to be an independent brand without any visible connections to the H&M Group has only been beneficial. The launching at an exclusive address in London made the brand image diversified from the H&M brand, and therefore helped to create to vision of a more exclusive brand, than if the brand would have been launched at the Swedish market first.

Another central aspect of fashion branding is the importance of using the design and branding activities as a coherent process in the company. COS's decision to implement the marketing and branding activities into the design process have enabled their work to create a coherent brand image, even though their branding budget is rather small. Through implementing a strong branding strategy that will reflect all of their work, from design the collection to the location of the store as well as the store layout, they have managed to create a strong and clear image and bring forward the COS identity onto their customers, and therefore diversify themselves from the competing brands. For a fashion brand, it is almost impossible to be successful if they do not intergrade the design process and the marketing process. It is also important to stay true to the image and build the brand upon a long-term strategy, in order to create a strong brand.

Also it is important to know the core values of the brand in order to know how to communicate it. For one way of communicating might be the right way for one company but will not necessarily suit another in a satisfying way. COS have found their way of using their store as the best communication channel, and because of this, they have to make sure that the

store truly brings forward the right image and have to work consistently with reassuring that the stores are expressing the right feeling. Yet, in comparison, Nelly.com have used another strategy of communication and do not use the real life store experience as their main communication channel; thus because they are opting for another image. Nothing is right or wrong, there is only to find the right combination for the company and the consumers to bring forward the right image of the brand. Also their decision to not use any advertising has helped to create their brand image as exclusive and narrow, which helps to secure the trustworthy communication that will please the customers and become a strong factor of success; hence this is the identity they want for COS.

COS have used their positioning as an advantage and found a niche in the fashion market. They used their coherent branding and designing process in favour of a small branding budget. By identifying the lifestyle and needs of their target customers they could allocate their branding activities in a favourable way that suited the customers and engaged them in the best way. They have also had their customers' lifestyle and admiration in mind when designing the products, i.e. the clothes, and therefore enabled them to deliver a strong product that is coherent with the customers' aspiring's. With delivering stylish clothes at a high quality yet at the right price for their customers, they have assured to have a great product; hence one of the most important factors for a successful brand in the fashion industry. They have also understood the importance of location and the store experience for the type of brand that they opted to create and therefore used this as an advantage. COS uses their stores to communicate with the market. They have a strong expression throughout the different factors of the brand. Many of these factors of success appear to be able to be applicable on the branding of COS, and therefore have enabled them to become a strong premium fashion brand.

As for the time aspect, building a strong brand usually is time demanding which can be confirmed by looking at some of the worlds most powerful and well-known brands, such as The Coca-Cola company, which has build their brand during at least the last 100 years. However, by managing the factors discussed above a powerful brand within the retail fashion industry can be build faster and COS sets the perfect example for this.

For the launching of COS in Gothenburg, it is hard to predict the outcome since we have investigated the predictions and thoughts from COS themselves. It is tricky to know what

would possibly make Gothenburg alike other already successful markets, or differ from them. Yet, the launching in Gothenburg does not include any large adjustments or recreations of the store interiors or the products, according to COS. Whether this will work in favour or against a successful launching is hard to say. Though COS are staying true to their communication tactics and brand values and therefore uses their experience from other locations and earlier launchings to predict the potential of the Gothenburg market. They believe that the customers in Gothenburg will appreciate and engage with the COS brand as other customers have done. What speaks in favour of the launch is the success of the Stockholm store and also the "hype" created when COS first opened in London instead of Sweden. COS have a strong a clear identity that they have managed to stay true to and communicate in a way that the customers seems to like and engage with, although not using any advertising they have managed to create a name within the target customers mind and this will help them in their opening of new stores. The hype seems to work in their favour, and the company seems to know how to thrill and allure their customers. To really predict the outcome of the new store in Gothenburg their would have been essential to gain the customers perspective, which have not been the purpose of this thesis.

7. Final discussion

In the last chapter we try to give further reflections of our work with the thesis and give a small discussion about what we could have made different. We also reflect on the study´s trustworthiness, and finally some thoughts about the practical implications of the thesis.

7.1 Final remarks

When the final parts of our work is starting to fall into place, and the empirical and analytical parts are finished we believe that we have answered the problem and questioned we earlier set out to explore trough-out this thesis. We are very pleased with the outcome of the qualitative research and also our choice of method, which we believe to have served our problem and research in a good way. Also the interviews have been a great experience and something we believe to have enriched both this study but also enriched our personal education.

Still, we believe that with more time to our disposal, the study could have been larger and some parts could have been investigated furthermore. It would have been of interest to interview more people at COS and at the H&M Group for further knowledge about their branding strategy. As well as an interview with a professor specialized and more experienced in branding within the fashion industry, to earn a more fragmented study within this particular field of our choice. Further studies would perhaps also concern the up-coming launch of COS in Gothenburg, it would be interesting to see the brand awareness and interest from the consumers perspective, and therefore perhaps make a quantitative study.

We would also like to mention the difficulties we have experienced when conducting the interview material for the empirical research. It appeared after a while of trying to receive reply and accomplish meeting with people within COS and the fashion business, that this period is both a very busy time. Therefore we were not able to accomplish some of the interviews we sought out to achieve in the beginning of this thesis. But trough research and receiving internal data from COS in London we believe the findings to be sufficient for our problem. Yet we are satisfied with the empirical findings we have managed to conduct and think that they gave a good discussion and a wholesome view over the subject and helped us

to pursue the purpose. We also believe the chosen respondents are a representative for their field of proficiencies and their relevance for our study.

Hence we also consider the purpose to be fulfilled. We feel pleased with our work and the outcome of this study and sincerely hope the reader to find it interesting and enjoyable, and to be more enlightened and earn a deeper knowledge of branding within the fashion retail industry.

7.2 The trustworthiness of the study

When conducting a qualitative research it is with the aim of produce a description that will represent the real world, although it will always have an individual perspective. According to David Silverman, author of *Qualitative research* (2011), the trustworthiness of a study therefore relies on the reliability and validity of a research, both are theoretical terms that are referring to the objectivity and credibility of a enquiry.[76] Validity refers to whether or not the collected data is relevant to the study and if the research will give a true answer that is reliable.[77] Reliability concerns whether the same answer would have been achieved if the research were to be conducted again with the same method and same occurrence. To make sure that a study will have a high level of validity and reliability a systematic process of eliminating and making sure of no error arises should be used, and thereby secure the trustworthiness of the study.[78]

To accomplish and assure a valid and trustworthy study we have taken these above aspects into consideration when conducting our empirical research. We believe the different interviews to be valid and reliable hence the respondents' relevance to the subject and their expertise. While using the theoretical framework as foundation for the questions used in the interview we believe the relevance of the empirical findings to be high and serve the purpose well. This proves the validity of the research. Though the extent of the empirical research are rather restricted, due to the busy months for the respondents and therefore difficulties to retain response within the time range, we know it to be lacking in sample size and might therefore be lower in reliability. But trough the interview that we had the ability to arrange some of the

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[76] Silverman, David (2011): *Qualitative research*. (3rd ed.)
[77] Kvale, S. (1989): *Issues if validity in qualitative research*
[78] McDaniels, C. and Gates, R. (2005): *Marketing research*. (6th ed.)

questions asked gave the same answers and conclusion from all the respondents; hence the reliability can still be adequate for this study, in our opinion. We would also like to state that the variety of the respondents' professions within the fashion and branding field contributes to the validity since they are covering the field of study in a satisfying and multi-dimensional way. This gives a deeper dimension to the study and to the findings.

If we should have done this study any different we would have liked to make an addition to the empirical research and arrange an interview with another fashion brand within the same segment as COS to enable a better and more in-depth comparison of their management and strategies to better see the patterns and differences within the industry. This would have made the analysis and conclusion more faceted.

As for the launching of COS in Gothenburg we are aware of the restricted respondents and the one-dimensional aspect of the findings, since we only have investigated one part, the business and company perspective, and not taken the thoughts of the consumers into account. But still we think that the answers we attained can into some extent be valid and truthful and give a hint about what the interest of the new store will be when opening, and therefore we believe it to be enough to answer the problem we from the beginning set out to solve. However, with more time on our hands, we would have liked to make a more complete research to be able to state a even better result.

7.3 Practical implications

We believe this study could be an interesting input to the on-going researches and dialogues regarding fashion branding and how a successful brand within premium fashion retail can be created and managed. The result is validated and trustworthy and can be used as a reliable source for those interested in the field. Also this thesis would be suitable for those fascinated of fashion marketing field and a brand similar to COS. It can also be an insightful reading for those aiming to build a strong and successful fashion brand within the premium fashion market, where this can give some ideas or be a guidance of what to strive for. We would also encourage other students to perhaps use our study as a foundation for further research, perhaps concerning the up-coming launch of COS in Gothenburg. There would be interesting to explore the brand awareness and interest from a consumer's perspective, and therefore perhaps make a quantitative study. As we believe this subject will keep on being of great

interest because of the constant changes and the request to find out and understand the next coming trend. For what is "in fashion" today, will always be hopelessly "out" tomorrow, at least for some of us.

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Appendix

Appendix 1 – Questions to Eva Ossiansson

1. What makes a strong brand in the current situation? Do you see any differences between now and earlier days?
2. How long does it take to build up a strong brand?
3. Do you believe it to be differences in fashion marketing compared to other branches, and is so, how and why?
4. Is branding fashion different from branding other segments?
5. Which characteristics of fashion retail industry have to be considered when working with branding fashion?
6. How does a House of Brand strategy, compared to a Branded House strategy, affect a brand?
7. In the current state of the fashion industry, which are the most important aspects to create a strong brand? What indicates a success?
8. In your opinion, how important is it to implement the marketing activities into the design and creative work of a fashion brand, and to see the work process as a coherent unity instead of perceive the twos as separated parts of the company?
9. What do you believe is behind the success of the brand COS?
10. Is there a brand within the fashion industry that you believe has succeeded very well with their branding? If so, what have they done well/right?

Appendix 2 – Questions sent to Pernilla Wohlfahrt at COS

The brand COS

1. What makes a strong fashion brand as of today?
2. What do you believe makes COS a successful fashion brand?
3. How do you want COS to be perceived, and In which way do you work to enable this?
4. Which are your most important marketing communication channels and why?
5. Why is COS launched as a "independent brand" within the H&M group, without any visible connection to H&M. How do you think this has affected COS?
6. In what way does COS complement H&M?
7. How has the branding of COS, the construction of the brand, been managed over time?
8. How does the design process and the marketing process of the brand cooperate? Is there a holistic view of the processes or are they to be perceived as to separate parts of the production process?
9. From reading different journalistic articles with interviews by representatives COS and H&M, we understand that location of the stores is of great importance for both of the brands – what makes an ideal COS location?

The upcoming launching of COS in Gothenburg

10. How is a local adaptation to the new market conducted?
11. Which needs is COS catering at the Gothenburg market?
12. How do you perceive the brand awareness of COS in Gothenburg?
13. What makes the Palladium building in Gothenburg to a good location for COS?
14. What marketing and advertising activities do you plan for the upcoming launch of the new store in Gothenburg?

Appendix 3 – Questions sent to Emelie Gustafsson at Forsman & Bodenfors

Background and working area

1. What is your professional and academic background?
2. What is your role at the bureau?
3. Which brands/clients are you currently working with?
4. How do you work with brand building for your clients?
5. Are there any differences when managing fashion brands compared to other brands?

Brands

6. What makes a strong brand in the current situation? Do you see any differences between now and earlier days?
7. What makes a strong fashion brand?
8. How long does it take to build up a strong brand? Do you believe it to be any differences in time when dealing with fashion brands?
9. Do you believe it to be differences in fashion marketing compared to other branches, and is so, how and why?
10. Is branding fashion different from branding other segments?
11. Which marketing communications channels are most important for fashion brands?
12. Which characteristics of fashion retail industry have to be considered when working with branding?
13. How important is the graphical expression/aspect?
14. How does a House of Brand strategy, compared to a Branded House strategy, affect a brand?
15. In the current state of the fashion industry, which are the most important aspects to create a strong brand? What indicates a success?
16. In your opinion, how important is it to implement the marketing activities into the design and creative work of a fashion brand, and to see the work process as a unity instead of perceive the twos as separated parts of the company?

The brand COS, a part of the H&M group

17. What do you believe is the behind the success of the H&M groups´s new brand COS?
18. Is there a brand within the fashion industry that you believe has succeeded very well with their branding? If so, what have they done well/right?

Appendix 4 – COS information from London office

COS TIMELINE

March 2007
COS' official launch party and inaugural catwalk show in London's Royal Academy

London's flagship Regent Street store opens

Berlin's first store opens in Kurfuerstendamm

Munich store opens in WeinstraBe

Dusseldorf store opens in Konigsallee

Hamburg store opens in Neuer Wall

Netherlands store opens in The Hague

May 2007
Stuttgart store opens in KonigstraBe

September 2007
COS' 2nd catwalk show for spring/summer 2008 in London's Horticultural Halls

Copenhagen store opens in Ostergade

October 2007
Antwerp store opens in Stadsfeestzaal Hopland

Berlin's 2nd store opens in Neue Schonhauser Strasse

March 2008
Cologne store opens in EhrenstraBe

October 2008
London's 2nd store opens in Westfield shopping centre

December 2008
Capsule childrenswear collection launches as part of Christmas gift collection

March 2009
Launch of full COS childrenswear collection

London's 3rd store opens in Covent Garden

Paris store opens in Rue des Rosiers

April 2009
Berlin's 3rd store opens on Friedrichstraße

August 2009
Birmingham store opens in the Bullring Shopping Centre

September 2009
London's 4th store opens in Kensington High Street

October 2009
Barcelona store opens on Passeo de Grazia

Bordeaux store opens on Rue Porte Dijeaux

Toulouse store opens on Rue de Cantegril

COS opens its first concession store in Selfridges London

November 2009
Munster store opens on Ludgeristrasse

March 2010
Scotland's first store opens in Glasgow Princes Square

April 2010
Brussels store opens on Avenue Louise

May 2010
Manchester Selfridges concession store opens

Frankfurt store opens on Goetheplatz

August 2010
Paris's 2nd store opens on Rue de Passy

September 2010
Strasbourg store opens on Rue du Dôme

October 2010
Denmark's 2nd store opens in Arhus on Store Torv

Ireland's first COS opens as a concession in BT2, Dublin

Marseille store opens on Rue Francis Davso

November 2010
Valencia store opens on Calle Jorge Juan

Munich's 2nd store opens on Hohenzollernstrasse

Brighton store opens on East Street

March 2011
Bilbao store opens on Gran Via

April 2011
Brown Thomas Cork is the site of the second Irish concession

BT2 Dundrum becomes the third concession in Ireland

May 2011
Madrid store opens on Claudio Coello

Stockholm store opens on Biblioteksgatan

August 2011
Paris' 3rd store opens on Rue Montmatre

September 2011
London's 5th store opens in Westfield Stratford City

October 2011
Paris' 4th store and the first COS womenswear boutique opens on Rue de Grenelle

London's 6th store opens on Brompton Road, Knightsbridge

November 2011
Madrid's second store opens in the Zielo Shopping centre

Germany's 12th store opens in Nuremberg

December 2011

Amsterdam's 1st store opens on Hartenstraat

For more information visit www.cosstores.com.

FACTS

COS launched with a UK flagship store on London's Regent Street in March 2007.

COS has 46 stores, in prime locations in major European cities in Germany, Belgium, The Netherlands, U.K., France, Spain, Denmark, Ireland and Sweden.

The COS collection comprises: fashion essentials, reinvented classics and the latest trends for men and women.

COS involves high fashion and high quality at attainable prices.

COS' business idea is fashion and quality at the best price and aims to offer the best price on comparable items.

COS collections are created by an in-house team of designers and buyers.

COS does not have its own factories.

COS collections are produced by approximately 60 independent suppliers with 60% of production in Europe and 40% in Asia.

New items will appear in store every week.

COS' interior is designed by noted architect William Russell, whose retail pedigree includes store design for Alexander McQueen and Margaret Howell.

Stores average approximately 450 square meters in size.

Accessories, leisurewear and casual product are all part of the COS collection.

80% of the collection is womenswear and 20% menswear. Sizes range from 34-44 for women and 46-54 for men. Casual sizing is S – XL and suiting is 46-54.

COS childrenswear is for ages 2-6. The collection is half girlswear and half boyswear. Sizes range from 98 – 116 for clothes and 27-30 for shoes.

COS is part of the H&M group and compliments H&M as it is founded on the same business concept of 'fashion and quality at the best price'.

COS prices start off where H&M's end.

COS' increased price level allows COS to deliver product with a high quality and high design content.

COS, as part of the H&M group, benefits from H&M's financial strength and retailing experience.

Price examples women:

Dresses €39.00 - €290.00
Trousers €29.00 - €250.00
Tops €15.00 - €99.00
Skirts €39.00 - €79.00
Outerwear €79.00 - €350.00
Shoes €39.00 - €175.00
Bags €19.00 - €175.00

Price examples men:

Blazers €150.00 - €190.00
Trousers €49.00 - €99.00
Tops €15.00 - €99.00
Outerwear €150.00 - €350.00
Shoes €69.00 - €175.00
Bags €39.00 - €175.00

Price examples children:

Dresses €29.00 - €39.00
Trousers €19.00 - €35.00
Skirts €29.00 - €35.00
Knitwear €19.00 - €39.00
Accessories €2.00 - €29.00

For more information visit www.cosstores.com.

STORE DESIGN DRIVEN BY A CLEAN LINE COLLECTION

COS' modern-sleek store design, originally conceived by architect William Russell, reflects both COS' Scandinavian roots in the use of natural hues and materials as well as the COS collection in its clean-line aesthetic with design-quirk touches.

A graphic black hanging rail runs around the entire store, dissecting the collection into smaller wardrobes. "The idea for the store came from having smaller collections within a bigger collection. I started thinking about separate zones, which became rooms," says William Russell. Equally distinctive are the blonde timbers shelving units hanging from the rail, which break up the expanse of white wall and can be playfully moved around the store.

William's appreciation of 50s and 60s modern Scandinavian design coupled with the design twists of the COS collection inspired him to create rectilinear furniture for COS, where box-shaped love seats in European oak sit atop black angular frames. The solid wood mosaic floor - a patchwork of rich textured cubes of end-grain Larch wood – also has a Scandinavian appeal.

Just as the COS collection gently evolves, so too will the stores. The future concept will see shops develop into a white canvas interior where the garments take centre stage. The black rail system will appear in a barely-there shade of white, as will the previously black ceiling.

Going forward COS will, where possible, work with individual features of the original building. COS will also reflect on the store's surrounding area. For instance, in the relaxing lounge-like areas, the Paris store will have furniture by Pouvre and London's Covent Garden interior will have pieces by Established & Sons.

In mirroring the COS collection, COS stores will always contain unexpected design quirks to please the design-appreciative eye.

For more information visit www.cosstores.com.