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Brand Consistency

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- A case study of Stadium

Abstract

A brand has to communicate to its customers in a consistent way to achieve a strong position and to distinguish from competitors on today's market. Many companies operate and offer their products and services on the current market in physical and virtual environments. Therefore the issue to communicate in a consistent appearance within all channels is an increasing challenge. This thesis work studies the matter of how companies are working with brand consistency in their business in physical and virtual environments. This was done to analyze the consequences of the problem when a brand is inconsistent in its messages to the customer and in its operations. For this work the qualitative research method and a case study have been chosen. The case study includes observations of three physical Stadium stores, located in the centre of Gothenburg, Sweden and Stadium's website. This was chosen to analyze this matter in real life in both environments. The theoretical framework consists of two main areas: These are branding and relationship marketing, which support this research. Brand includes the theories of brand identity and brand image, and relationship marketing comprises the theories of customer loyalty, brand communities and additional value. These areas have been used throughout the whole work as tools to research the issue of brand consistency. The empirical data has also been recorded according to these areas. As the conclusion, the findings of the thesis work have shown that brand consistency builds an important part in a company's communication channels. For the case of Stadium it can be stated that it has positive approaches in working with brand consistency but also points out parts that are lacking and indicating inconsistency.

Keywords:

Brand consistency, branding, brand identity, brand image, relationship marketing, customer loyalty, brand communities, additional value, retail, sports chain

Table of contents

Table of figures	3
1 Introduction.....	4
1.1 Background.....	4
1.2 Problem discussion	6
1.3 Research question	10
1.4 Purpose.....	10
2 Method	11
2.1 Scientific approach – qualitative research	11
2.2 Methodological approach	12
2.2.1 Case study research.....	12
2.2.2 Observation.....	13
2.3 Data collection	16
2.4 Credibility of research findings	17
2.4.1 Validity	18
2.4.2 Reliability.....	18
2.5 Criticism to the academic performance	19
3 Theory	21
3.1 Theoretical introduction.....	21
3.2 Branding.....	22
3.2.1 Brand identity	23
3.2.2 Brand image.....	25
3.3 Relationship marketing.....	28
3.3.1 Customer loyalty.....	29
3.3.2 Brand communities	32
3.3.3 Additional value.....	34
3.4 Summary of the theoretical framework	35
4 Case study Stadium	36
4.1 Company description	36
4.2 Observation Physical	37
4.2.1 Brand identity in store.....	37
4.2.2 Brand image in store	42
4.2.3 Customer loyalty in store.....	45

4.2.4	Brand communities in store	45
4.2.5	Additional value in store	46
4.3	Observation virtual	46
4.3.1	Brand identity on the web	46
4.3.2	Brand image on the web	50
4.3.3	Customer loyalty	51
4.3.4	Brand communities on the web	51
4.3.5	Additional value on the web	52
5	Analysis	53
5.1	Brand identity	53
5.2	Brand image	55
5.3	Customer loyalty	58
5.4	Brand communities	58
5.5	Additional values	59
6	Results	61
6.1	Summary of case study results	61
6.2	Brand identity	62
6.3	Brand image	63
6.4	Customer loyalty	64
6.5	Brand communities	65
6.6	Additional value	65
7	Conclusions	67
8	Suggestions for future research	69
	References	70
	Appendix 1	75
	Appendix 2	76
	Appendix 3	78

Table of figures

Figure 1: <i>Three observed Stadium stores in the centre of Gothenburg.</i>	12
Figure 2: <i>Observation process.</i>	15
Figure 3: <i>A Brand is more than a Product.</i>	22
Figure 4: <i>The Identity Structure.</i>	24
Figure 5: <i>Identity and Image.</i>	27
Figure 6: <i>The current marketing mix (4P) paradigm of marketing (left) and the future RM paradigm (right).</i>	28
Figure 7: <i>Communication areas of customer club.</i>	30
Figure 8: <i>Means for communications with the members.</i>	31
Figure 9: <i>The coherency between the theories and the observation.</i>	35
Figure 10: <i>Outside Stadium Grand.</i>	37
Figure 11: <i>Floor with racetrack in front the entrance of Stadium Grand store.</i>	38
Figure 12: <i>Entrance of Stadium Nordstan, window with mannequins.</i>	39
Figure 13: <i>Join the movement posters outside Stadium Fredsgatan.</i>	39
Figure 14: <i>A look inside the entrance, Fredsgatan store.</i>	40
Figure 15: <i>Entrance of Stadium Grand.</i>	42
Figure 16: <i>Diagram of visitors in Stadium Fredsgatan.</i>	43
Figure 17: <i>Diagram of visitors in Stadium Nordstan.</i>	44
Figure 18: <i>Diagram of visitors in Stadium Grand.</i>	45
Figure 19: <i>Top of entering page.</i>	47
Figure 20: <i>'Träning' page.</i>	48
Figure 21: <i>Bottom of entering page.</i>	49
Figure 22: <i>'Om Stadium'.</i>	49
Figure 23: <i>Example for clothing presentation on the web.</i>	50
Figure 24: <i>Analysis of all three centred Stadium stores in Gothenburg.</i>	57
Figure 25: <i>Summary of the case study's results.</i>	62

1 Introduction

This first chapter is introduced with a background to the chosen subject of brand consistency. It is followed by a deeper problem discussion about the upcoming problem of inconsistency in physical and virtual environments, which ends up with the research question and this thesis' purpose.

1.1 Background

After that the guided system was abolished during the 1864 by the freedom of trade regulation, Sweden became an open marketplace. Trade contact had a tradition spanning generations of being long lasting and bidirectional. In the 1920s it became natural for people who lived in the countryside to come into towns for shopping. The traditional retailer sold only one product while others built their business around a wide range of products, which included other items e.g. garments and furniture. During market days in casual trading areas, the growth of retail systems had begun. Housewives had also become more convenient and wanted to shop in stores close to home rather than to go to trade markets. (Svensson, 1998) As time passed and people preferred to shop in stores instead on market squares, the markets disappeared successively. Spring and autumn markets continued to live to bargain at reasonable prizes (Nylén, 1997).

A partition of different shopper behaviours could be identified. The rational customer deals with a purchase list. Whilst to an irrational shopping behaviour among consumers drew attention when it came to shopping inconsistent with a rational behaviour. This became a highlighted problem in specifically stores with manual operation over a counter, which was not rational enough. Self-service stores grew during the 1950s and were fundamentally important for the structural change. Also the car got an important role in everyday's life. During this time in Sweden, 20 percent of the households had access to a car. For comparison, 80 percent of Americans had access to a car. It was not until 20 years later Sweden reached the same number. (Svensson, 1998)

In the 1980-90s, shops became more and more focused on service. This was a new competitor tool on the market. Earlier the competition of stores was only about prizes. These service-

oriented stores welcomed the customer with a 'Hey, how are you'. According to how the clients respond this was interpreted by the employees to choose the level of service he or she wanted. (Tykesson, 2010)

In line with the society growth and increasing trade, also mail order started its activities. Borås grew as a centre for Swedish mail order companies, such as Ellos, Halléns and Josefssons. The competition of shopping by mail order compared to the ordinary retailers grew. The companies did not notice that shopping by mail order was seen by the society as unsightly during this time and was not something that was spoken loudly about. It was only one company that put ads in the newspaper, which was the furniture company IKEA. (Nylén, 1997)

Society change and consumers got different needs. Consumers did not want to have the same product as their neighbours, since the market was not stereotyped and homogeneity, but he still wanted to belong to something. The consumers changed their purchase attitude and behaviour in different situations depending on how they felt. To reach these customers it started to get important to use direct marketing, by building up customer databases (Webb, 2007). According to the needs of today's customer it has become more and more significant to reach the client through different retail channels. Internet has become a channel to purchase online, rather than in a physical store. Cross channel shopping behaviour means that the consumer shops online, through mail order and in traditional stores. New trends appeared and Internet retailing became mail orders extended arm. When a brand wants to be able to reach the shopper in these different channels it is important for companies to be coherent with their messages. (Marciniak and Bruce, 2007)

According to Smith (2000), in the past it was much easier to bring a customer to stay faithful to a specific store or brand because there was not so much choice, comparing on today's market. In past times one was focusing more on human interaction in stores. Staff treated the customer in a kind and personal way (Smith, 2000). Nowadays, it is more important in retail shops to familiarize themselves with the knowledge to their clients, than to be acquainted with the knowledge about the products (Hjelm, 2010). Customers placed a high demand on product quality and also responsive service. It becomes more and more important to give the customers space to express what is central for them (Brown & Stanley, 2000). When the companies know what is important to them, they can meet their needs and receive true customers. According to Brown and Stanley (2000) some customers prefer direct marketing with discount

products, while others like free shipping. Further, the true customer is willing to spend more of his own time, for examples to go to fashion shows or other activities that the company offers.

As technology evolved and the Internet has emerged, also trading on the Internet has come forward and has become increasingly frequent. The companies can use multiple channels to reach their customer through phone, Internet, newsletters or retail stores to inform what is happening in this time. When companies act in different channels they have to integrate e-business into the whole business concept and ensure that they send out the same message. (Brown & Stanley, 2000) E-commerce has steadily increased in Sweden during the recent years, The Swedish Retail Institute, HUI presents numbers like 1,5 to four percent (Parichart Eriksson, 2005) of the total retail sales on Internet shopping. The established traditional retail chains opened up new stores on the Internet, which also increases the positive attitude and credibility to act via the web. Another contributing effect is that people became more accustomed to use the Internet. Compared to 20 years ago, when households often had a modem rather than broadband, which is common today. 72 percent (Parichart Eriksson, 2005) of the population has access to the Internet today. If the messages are incoherent their customers will get confused and they will lose the true customer. During the last 15 to 20 years the sports industry has grown and counts as one of the most modern businesses. It is predicted to grow and develop further to an international global business (Ohlsson, 2005). This business includes not only apparel and equipment but consists much rather of consultation and gives advice, but also hosts events like sport trips.

1.2 Problem discussion

In today's market every company or brand struggles to place its products or services in order to use the most efficient approach on the market. The highest priority is that customers will purchase from the company or the brand. It is an abundance of market offers and different brands those increase the challenge to reach the customers and retain them. That a brand has a clear and unique appearance with a consistent character is therefore significant. But this is not as simple as seems.

The phenomenon of saturated markets and more importantly, the Internet show that the times have changed. Nowadays, it is more difficult for a brand to achieve a strong position. Internet and saturated markets are the main driving forces that have led to the change on today's

market (Carbonaro, 2011). The fast development of the Internet in recent years required an adjustment in the way one communicates with the customer. The current market offers beside the established brands also a growing market of smaller niche brands (Anderson, 2008) those can mainly be found on the Internet. The transactional marketing, the four P's about product, prize, place and promotion (McCarthy, 1975) is an old way of looking at marketing and reach the consumer. Today's companies have to consider if this is the way of communication to these different channels (Votava, 2011).

The modern shopper wants to inform himself virtually about products before he enters into a store and is influenced by a number of different media channels (Solomon, Bamossy, Askegaard and Hogg, 2010). This shopper is much more inquisitive than for a few years ago. The consumers do not want to come back and buy again from the store and instead prefer to purchase somewhere else. This is a common problem a company is confronted with. The method to build up relations has changed and is also an issue a company has to deal with. Customer relationship is one of the main topics in this time. Companies must strive more to build up relationships and consequently, it is more important to maintain these long-term relationship, than to acquire new customers (Votava, 2011). Hill (2008, p.32), refers to a research that discovered that consumers "price shop 17 percent to 20 percent", which means that they go for the best prize when they shop online. The other 80 percent of time is spent with shopping of brands and in stores that they have trust in and built up a relationship (Hill, 2008). The main problem is to establish such a strong and clear defined brand that makes it easy for the customer to become loyal and repurchase. Thus, brand loyalty is another issue that goes together with the relationship marketing. A company has to do all to attract the customers and to evolve the emotion of trust. This includes its products, special services and offers. The highest priority is here on appearing and acting in a coherent and uniform way to avoid irritating the consumer.

Further, the modern company has to be more than just a brand. Brands have to communicate these days through a lot more channels than before. They have to give advice, create platforms for communication, support and many others in both physical and virtual channels (Boches 2010). Today, it is seen as normal that one can easily get in contact with a brand, due to Facebook, Twitter and other social networks. But the growth of media channels makes it more difficult to communicate the same brand messages within all channels (Hill, 2008) to the customers. Therefore, brand communities create another issue for a modern company that has to be resolved. The today's customer demands involvement in the company's operations.

According to Boches (2010), the consumers want to do business with people and not with a company. They want to participate in decision-making and know what is happening at the moment. This may be in terms of the company's plans, its direction, products or other issues.

Creating values around the brand's products or services with an appropriate approach is now also more required. According to Carbonaro (2011), it is more important nowadays that the products include a meaningful message, which clearly differentiates one company from another. This may be a special function, a unique design or a special service that helps to attract all senses and increase the value of a product or service. This must also be communicated within all channels in a uniform manner. Due to the large number of media channels the task to reach the modern consumer is an increasing challenge for companies today.

Moreover, a brand includes values, besides its logo, a mission and a philosophy. Its statements and messages have to be well considered, unique and clear to avoid misunderstandings on the customer side (Attitude Design, 2008). To communicate the achieved brand identity and spread the desired image to reach the target customers is therefore another issue. The identity and image build the most important part of a brand. These two can be seen as the backbone of the brand and therefore it is significant that they are clear and presented with a consistent character (Aaker, 1996). According to Rowden (2003), consistency builds the connecting part of brand identity. If the homogenous appearance in a brand lacks visibly, problems will ensue. An incoherent method of communication, like inconsistent and unfitting messages to customers or in general business conduct will lead to confusion about what the brand stands for. Customers would not know how to classify the brand and automatically assume a stance of mistrust. Rowden (2003) also says that a weak brand identity is mainly triggered by inconsistency and can break the brand irreparably. The problem is for companies to distinguish from competitors with clear statements in a consistent way through all channels and businesses. Hill (2008) also discussed the problem of the appearance, if a brand loses its focus across the different media channels. Due to the increasing offer on the market and the speed, it is for many companies a challenge to stick to the main idea of the brand and to move in the same direction in all business operations (Hill, 2008). The main problem companies have to struggle with is that a brand appears like a red thread throughout each channel, which includes retail stores, e-commerce and advertising.

Many brands operate in the physical and the virtual environment at the same time. For them it is an increasing challenge to do this consistently. The problem is that both environments have

to appear as a whole and are seamlessly linked to each other. A brand that operates in physical and virtual channels has to operate carefully in times of changing consumer patterns (Carbonaro, 2011).

Retail or chain stores selling products under the same company name and have built up a concept for their profile, such as trendy, active or sporty. They are available in many of Sweden's cities. Chain stores that offer their own brands mixed with branded products are for instance, e.g. Åhlens, MQ, JC and Stadium. A chain store that operates in both channels and that offers different brands in the same location has the same aim and problem. It also needs to operate in a constant manner within all channels. On the one hand, this multi brand chain store certainly has a better chance to reach the customer through offering different kind of brands, but at the same time it is even harder to create a suitable environment around the store as a brand by itself. As a company that wants to address different target groups this is a major challenge to communicate one clear message throughout all channels to the customers (Attitude Design, 2008).

Here, the problem is to attract and reach all clients of the different target groups with one single statement establishing the brand as a chain that offers many brands. It is even more difficult to achieve this in a uniform manner in physical and virtual channels. For the reason that it is predominantly another group of people that purchase in e-commerce than those that purchase in traditional stores. Consequently it might happen that a company cannot attract all target groups. Moreover the way of purchasing is more impersonal by offering more than one brand. The target group is obvious for a single brand store where the focus is only on one identity. Here it is simpler to communicate the brand's identity, but also the perception a customer has of the brand is easier to handle for the same reason. It can be assumed that for a multi brand company these matters are more difficult to manage.

That inconsistency of a brand is a theoretical problem that is obvious when examining the mentioned areas in which this matter has influence. At the same time this can also stand for an empirical problem that is shown by market observations in real life. It is striking that from time to time once successful companies disappear from the market. They go bankrupt due to damage caused by varying of reasons. The lost focus of companies' business on different communication channels, according to Hill (2008) is a documented evidence of that. The task here is to research this problem and to discover where it starts and why it occurs.

A lack of, or no brand consistency at all, entails drastic threats to a company's existence. It causes the already discussed problems, such as a loss of brand identity, brand image and customers' trust and therefore customer relationships. The result of this will be that the number of clients will decline and that in the worst case economical problems, like a decreasing profit or bankruptcy will follow.

To summarize this problem discussion, the main challenge is that a company communicates a unique and clear message and appearance throughout the different channels, the physical and virtual. Decisive here is that all parts are linked to each other. The companies should not forget who they are and what they stand for. When development continues and new trends come, it is essential to choose the most effective direction for the company to be profitable and to reach coherency in the communication to the customers. There are many parts in the business that have to be in the same line and that is not always as simple as it sounds. The research question in the next section was formed according to this problem.

1.3 Research question

According to the problem discussion the main question of this research is:

How does a company work with brand consistency in physical and virtual environment?
More specifically, with the focus on Stadium, Sweden, as a multi-brand retail chain store in the sports sector.

1.4 Purpose

The aim of this research is to identify how Stadium is working with brand consistency in its business in the retail stores and the e-commerce on the Swedish market.

2 Method

In this chapter the scientific and methodology approaches are presented. After this, the case study of how Stadium works with brand consistency is described. This includes observations of its physical stores in the centre of Gothenburg and also its virtual environment with e-commerce.

The main reason for this study was to see how a multi-brand store could be consistent or not when it sells both, own brands and labelled products. This study was applied on Stadium because it is a well-known multi-brand store that operates in the sports industry and has stores in many of Sweden's cities. It offers own brands and external brands in a mixture of half-half. Stadium is the only Swedish sports company that is operating in both channels, physical stores and virtual with e-commerce. It is significant for this thesis that the studied company operates in both channels to see if it is consistent in its communication to the customer.

2.1 Scientific approach – qualitative research

This study's purpose is *to find out how Stadium is working with brand consistency in its business in the retail stores and e-commerce on the Swedish market*. To achieve this, we have used a qualitative research approach to obtain answers in more detailed manner. According to Johannessen and Tufte (2003) this type of study is suitable for this area in that only little research has been done in. To observe Stadium's physical retail stores and online website a case study has been chosen. Data collection in a qualitative study offers additional space for speculation and interpretation (Gustavsson, 2003). We have done this with a case study where three Stadium stores were visited in the centre of Gothenburg, which have been observed visually. Additionally, the virtual presentation has been analysed. It is more common to do a quantitative study when observations are included, but then over a longer time period. The study of this work is about seeing patterns of how consistent Stadium is in its physical and virtual stores. That is why we have chosen to do a qualitative study with a few physical stores and compare these with the virtual presence. Figure 1 below shows a map of the geographical locations of the observed Stadium stores. The stores are located close to each other in the heart of Sweden's second largest town.

Stadium Stores in centre of Gothenburg



Figure 1: Three observed Stadium stores in the centre of Gothenburg.

Source: Authors and map of <http://kartor.eniro.se>, 2011

2.2 Methodological approach

The premise of this thesis has a deductive approach. This means that this approach goes from theory to empiricism and the general goes into the specific (Johannessen and Tufte, 2003). The theories that were used are set into reality. Observations of physical stores and the virtual store, more specific the e-commerce has been done to receive as deep understanding as possible of how Stadium integrated these two environments with each other, according to the described theory areas.

2.2.1 Case study research

Case study was chosen as the method to analyse the thesis problem and purpose. According to Gummesson (2003), case study research is a complex method to explain and understand a phenomenon that is completely or partially unknown. Thus, case study research was used to analyse and interpret these questions and to understand how Stadium works with consistency in physical and virtual environments. The results were then combined with the used theories, which relate to branding and relationship marketing. The abstract theories were applied as tools into reality. Case study research is primarily qualitative (Gummesson, 2003), like this

study was. Two specific characteristics of case study are the limitation on what is included in the case and what is beyond. However, case study also includes a detailed description of the defined case (Johannessen and Tufte, 2003). The study focused on the observation of three physical Stadium retail stores. The observations could be done in any of Stadium's physical stores. We had chosen three stores in the same town, the centre of Gothenburg, to receive an overview of Stadium in this town. The reason why we have chosen these three stores is that they are located geographically in close proximity in a large Swedish city. The observation included also Stadium's website to apply the consistency between the physical and virtual environment.

When a case study research takes place there are no limits for approaches to collect relative data (Gummesson, 2003). Authors should be creative and use what they need to answer the thesis' research question and purpose. In this case we have chosen to make observations of the environments. A case study has different phases according to Gummesson (2003). One phase was to plan and design how the research should be performed. This was based on which information and access was necessary to answer the purpose and research question. For this study nonverbal observations were used. The used theories built up a framework of that what has been observed.

2.2.2 Observation

According to Silverman (2006), observation is not difficult to understand. The researcher sees and writes down the results in a form of nonverbal communication (Gummesson, 2003). It reflects reality and generates a lot of information. Referring to Gummesson (2003, p.129), "direkt observation" that can be translated from Swedish to direct or straight observation, the observation only records what is happening in that particular phase. It is further fieldwork to generate data, done with the help of methods. The process to collect data has to be in a structured and clear order.

We have chosen to use observation within the case study as the method to collect empirical data, besides the research about literature and relevant articles. Votava (2011, p.54) said that observation supports the researchers' findings in terms of, "perception, discovery and understanding". The authors have used this to understand the current situation of the specific area on the market but also to observe the generated data according to the chosen theories in reality. Further referred to Votava (2011), grounded theory that includes observation as a part is

the theory and method to interpret marketing. Also, Glaser and Strauss (1967) described observation much earlier as a common method to generate qualitative data.

Silverman (2006, p.68) is using Bryman's developed list "Aims of observational research" that describes what researchers should consider. We applied parts of this list during the fieldwork. Both environments were entered with the view of an attentive observer, but in the role of a normal customer. Also, the focus was on simple details in these environments, as a helping tool to find answers of how Stadium operates within the specific field of the research question. As an example, if Stadium use the same materials on the walls and in the same colour range. To do observations as the fieldwork was also seen as an assignment to get more confidence about our specific research topic, this has been discussed by Glaser and Strauss (1967).

Before we started with the observation we created a plan in a clear and structured order to achieve and to generate high qualitative results. The fieldwork was based on different parts, which should support the process. Regarding to this plan it was written down on paper what was seen and what we have perceived in the physical and virtual environment of Stadium to get answers about how the company is working with brand consistency. To see if Stadium reaches the target group we have also observed the company's customers. Stadium wants to reach, active people regardless the age and therefore we built up age groups for this observation. Four age categories have been considered for this case.

Other questions, which were used to solve the main problem, were:

- How is the coherency in the physical and virtual environment of Stadium?
- What is the brand identity of Stadium?
- What brand identity does Stadium try to have to the customer in the physical and virtual environment?
- How does Stadium build up customer relations?
- What does Stadium to keep the customer loyal?
- What type of values does Stadium try to create?

The following figure (figure 2) shows the plan and the process that we have created to collect the empirical data during the observations. How each part of this plan was applied is described in the following paragraphs: questions, praxis and interpretation.

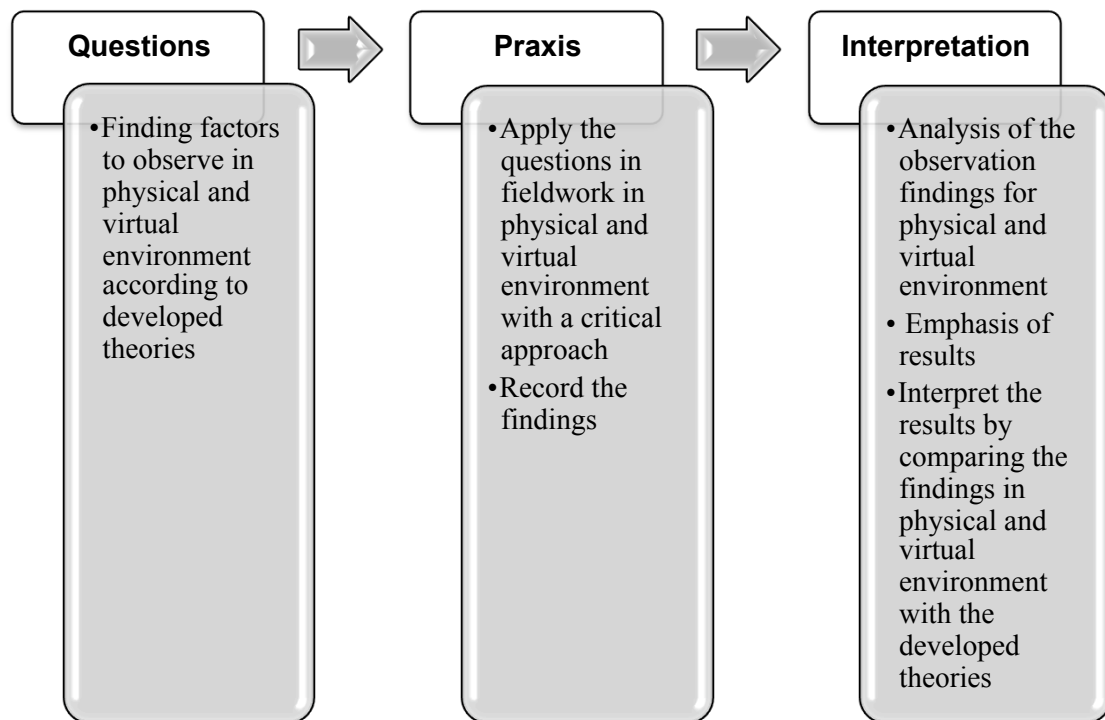


Figure 2: *Observation process.*

Source: Authors, 2011

Questions

The first step was to build up suitable questions according to the developed theories, which were supposed to help us to answer the research question. Votava (2011) said that the main purpose on qualitative approach is to ask the right questions. Therefore it was the main challenge to find factors that could give answers to the research question during the observations in both physical and virtual environments. Glaser and Strauss (1967) discussed the problem that researchers first have to find out how and what parts have to be observed. This should be considered before the start of the fieldwork. That was also what we were considering before the start. The focus was on the essence of every theory and it has been considered how to receive answers of how Stadium works with brand consistency. According to this a list of questions was assembled (appendix 1 and 3).

The questions were divided in two parts, physical and virtual environment, but the coherence of the question was kept to both locations according to the theories.

Praxis

The observations in Gothenburg took place during the same day and time close to each other to achieve a clear equivalent of all retail stores. The observation online occurred the following day. During the observations in physical stores and on virtual website, a large amount of information and impressions was generated. We had to filter these findings in order to focus on and apply them to the purpose and problems. Meanwhile and after the observations in physical stores, recordings were taken as notes on papers in a written form. This was done according to the developed questions (appendix 2). The observation online was followed by a rewritten guideline for the virtual environment (appendix 3).

Interpretation

The interpretation of data, according to Morse (1994) is a creative process that is based on the right questions, which supports the process. Further to do observations careful and recording the results in a precise manner (Morse, 1994). Moreover, this is a process of collecting all information in a consolidated manner. The interpretation of the collected data during the observation has built the last part of this process. The amount of generated data had to be summarized and evaluated in conclusions those were written in a linked manner (Saunders, Lewis and Thornhill, 2009). The recorded results have been structured and written down in detail. After this, the data was analyzed and assessed according to these theories. We were analyzing which factors and results in the physical stores and the virtual environment were similar and which were not consistent. Regarding to Morse (1994), the aim was to turn invisible factors into obvious factors and to structure the data as good as possible. Furthermore, as Morse (1994) also discussed, the important factors have to be distinguished from the less important factors. These results have been connected to each other by comparing and putting them into the categories of the different theories. Additionally, the collected data has lent to more meaning through the interpretation according to the described theories (Boland, 2005).

2.3 Data collection

According to Glaser and Strauss (1967), researchers should begin to build a structure by building categories after they collect literature and articles from their chosen field. Referring to this, we started the process of this thesis by reading earlier researches of the defined field. We discovered that there is a lack of studies on how multi-brand retail chain store is related to

its physical and virtual store. The aim was to apply this problem to branding and to relationship marketing. To achieve this, secondary data was collected in literature and articles about relating theories to this field and the phenomenon brand consistency. A database that has been used is 'samsök' where several databases are linked. We used this to get a broader matching area. Besides this also specifically 'Business Source Premier' and 'Google Scholar' have been appropriated. Keywords for discovering articles were; consistency, brand, branding, relationship, marketing, community, involvement, brand identity, brand image and others. Information about the store Stadium, we used the published articles from 'stadium.se'. The collected data was mainly in English, but also in Swedish language. Swedish literature has been used in the background since the thesis focuses on the history of the Swedish retail market. When it came to the primary data collection, observations have been done.

2.4 Credibility of research findings

According to Glaser and Strauss (1967) credibility is about how trustworthy the collected, interpreted and presented data is. When the empirical data and research findings were generated this was done in a conscientious way. When the observations were done the priority was on reflecting the reality of Stadium's physical and virtual environment to achieve high value and credible results. According to Leininger (1994, p.105), "credibility refers to the truth as known and experienced". Consequently, we recorded what has been experienced and perceived during the fieldwork. Credibility can also be seen as the questioning about how it came to the particular results and why one is convinced of these. Referring to Saunders, Lewis and Thornhill (2009, p.156) it is also about "reducing the possibility of getting the answer wrong". Therefore the research has been structured from the beginning on in a clear manner that nothing can be misunderstood or misinterpreted. We were convinced about the research question and the developed theories and therefore it was no issue to not stand behind these. The statement of Glaser and Strauss (1967, p.224), that credibility is additionally supported when the researcher trusts in "his own knowledgeability" also meets the conviction of this thesis work. The interpretations of the collected data relate to the developed theories at all time. Glaser and Strauss (1967) also discussed this as a part of achieving a highly credible result. Moreover the approach of this work on credibility was also to document how the discussed data was generated.

As already discussed, the goal was to minimize the possibility of getting false answers. To avoid this, the two main parts of credibility; reliability and validity are described in the following sections.

2.4.1 Validity

Validity, as one of the significant factors, describes whether the results and conclusions are really that what they seem to be. According to Knapp (1985, p.223), it is the study “between the construct and the true score” which means the relation between the theories and the expected results. The focus for this thesis was chosen to be the research on Stadium, Sweden and how it works with brand consistency in the physical and virtual environment. Moreover, theories have been chosen within this matter. Besides the case study, the theories that have been analyzed are coherent to this specific issue. For the research only high quality literature around the theories and brand consistency in general has been used. The theories were searched in different sources, such as libraries, Internet and databases. Also, the fieldwork has been done within the case study in a responsible manner. The questions in the structured plan for the observation were related to the theories. During the fieldwork all observed factors have been documented locally to guarantee that the results were correct. This guaranteed that the right matters had been observed, that mistakes were avoided and that all three physical Stadium stores in the centre of Gothenburg had been holistically analysed. This generated an even more valid result.

According to Silverman (1993), the hypothesis of the research should be assessed by its validity because of its verifiable proposition. For this research it can be noted that it gains validity due to the case study and the observation in “real life” (Glaser and Strauss, 1967, p.226).

2.4.2 Reliability

According to Easterby-Smith (Saunders, Lewis and Thornhill, 2009), reliability relates to the quantity of data collection techniques and evaluation methods, which provide reliable results, and their quality. Knapp (1985, p.223) said that reliability is studied by analyzing the coherence between the “true score” and the “obtained score” that means the study of relation between the expected results and the results observed, which normally include some faults.

A question that has to be asked in relation to reliability is, if the results would have been the same if the fieldwork were done another time, day or weather (Saunders, Lewis and Thornhill, 2009). Robson (2002) also discussed this problem in the description of four threats of reliability. We assume if this research would be repeated and the same theories of brand consistency and the observation of the three Stadium stores in centre Gothenburg are used that this would almost appear with the same results. If we had chosen other stores placed in another location or more stores the result might be different. The observation of the 150 customers that came out of the stores would probably diverge if this would be done at another time. Also the amount of people in the age groups might differ, if the analysis is done e.g. on the weekend in the morning. The day and time for the observation have been chosen on purpose. This thesis had the aim to observe the customer groups during the week around lunch time for the reason that those who entering at this time a store are more deliberate. These are customers that need something. We were convinced that those are the real customers who want to shop. The weekend customer is more likely to be a person that enters a store just to see what is offered and spend his or her leisure time without looking for something special.

Another question is, if the observation could also be done by another person and the outcome would be the same (Easterby-Smith, et al., 2008). We believe that a person that uses the same observation questions for the physical and virtual environment, which are based on the theories that have been chosen for this thesis, would end up with almost the same results. We are convinced that the research was done correctly and that the results of both environments are reliable. The result of the observation of people and putting them into age groups could be different, depending on the time, as already discussed.

2.5 Criticism to the academic performance

It can be criticized on this thesis work that for the case study only four environments have been observed. Gummesson (2003) discussed that a case study should include at least five or up to ten observation locations for a real case study. For this thesis the physical Stadium stores in the centre of Gothenburg have been chosen, which are only three, and its virtual environment. Therefore this can be criticized but not changed if the study is done in Gothenburg.

Furthermore, for this study in terms of customer loyalty, no number was observed to identify if the customer returns to Stadium. Further for the virtual environment, the age group of visitors and buyers could not be identified within the independent visual observation.

Moreover this thesis uses some literature that is not the latest. For some relevant topics there could not be found updated literature. That is why for this thesis partly older books have been used. Further it can be criticized that only databases that University of Borås had access to have been used.

3 Theory

This chapter explains and discusses the theories to solve the thesis' problem of brand consistency. Branding and relationship marketing are presented as the two main theoretical blocks. Brand identity and brand image in the branding area and customer loyalty, brand community and additional value in the other area. This chapter explains why these theories were chosen and continues with the description of the theories. In the end of the chapter an explanation with a model on how this thesis has applied these theories is shown.

3.1 Theoretical introduction

The purpose of this research is to identify how Stadium is working with brand consistency in its business in the retail stores and the e-commerce on the Swedish market. The thesis' problem, which has been built up in the background and in the problem discussion, has to be solved in the following chapters.

When the chosen theories were selected, a discussion about branding and relationship marketing consisted of the two main theory blocks that the authors looked deeper in.

First, branding was chosen. Since a company wants to build up consistency, it is important to communicate the *brand identity* and the *brand image* to the customer. If the company lacks in these parts it is difficult to communicate a coherent message about what the brand stands for and retain the customer. For this reason, also relationship marketing was included. *Customer loyalty* helps a company to save money on marketing expenses, since it does not have to acquire new ones. To keep a customer loyal, *brand communities* can be developed, which involve the customers into the company. The customers join the company's community and get the opportunity to communicate with other members and are updated with the latest news and events of the company. An involved customer helps by giving feedback and interacting. A customer wants something in exchange and an *additional value* that brings something more meaningful to him. If the company can give the customer what he or she wants, the client maintains trust and becomes a faithful, true customer.

3.2 Branding

Branding is a process that can only be successful by establishing a consistent message in each part (Blois, 2000). According to Imber (2000, p. 68) a brand is described as this: *“Identifying mark, symbol, word(s), or combination of same that separates company’s product or services from another firm’s.”* Furthermore a brand distinguishes from other companies and sets a statement through its message on the market and consists of different attributes as figure 3 by Aaker (1996) shows.

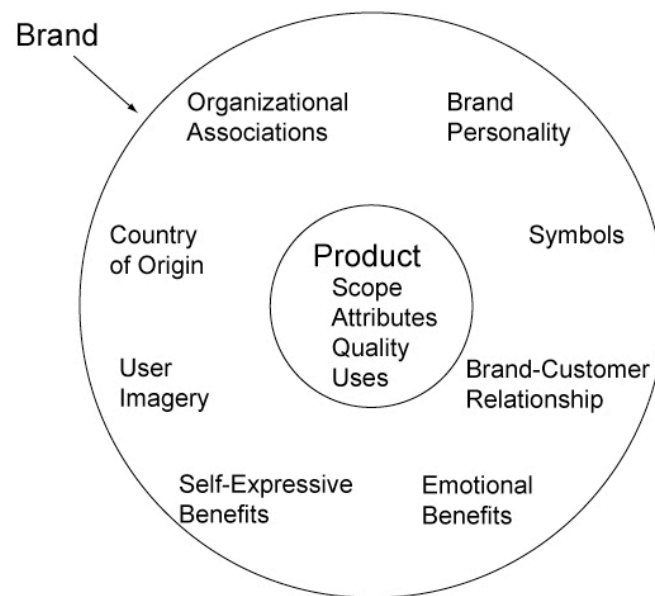


Figure 3: *A Brand is more than a Product.*

Source: Aaker, 1996, p.74

Each attribute is responsible for its own task and field in the circle of a brand. But at the same time a brand can only be successful when these different segments are connected and supported to each other. To create a strong brand the core is the most important part, which is described in the next section.

3.2.1 Brand identity

Every brand should include a strong spirit, placed in the centre of all actions and processes, the so-called identity. Aaker (1996, p.68) describes this as follows: *“Brand identity should help establish a relationship between the brand and the customer by generating a value proposition involving functional, emotional or self-expressive benefits.”*

Regarding this quote it can be stated that brand identity plays an important role in the company's structure. Grönroos (2007) said that the identity of a company is the part that describes the image of the brand that marketers want to generate in people's mind. It builds the connecting part that speaks to the customers and tries to attract them with the created values and idea of the company. Rowden (2003) describes this also as a polarization of customers towards a brand. Further, Aaker (1996) says that identity shall serve to give purpose, direction and meaning to the brand. Additionally it should help to answer questions about the company's core values, what the brand is standing for and how the company wants to be perceived.

Brand identity can also be seen like a mask a company wants to wear (Rowden, 2003). This mask will only be successful when a company believes in it. An identity reflects the brand's aim in the appearance and the company's philosophy. The philosophy should not only be presented superficially, but more in-depth.

Back to the core values those build up the spirit of the brand, which also is the first step into identity (Hill, 2008). The core values of a company can consist of a few keywords, indicating the aim of the brand and its statement, under which it wants to be seen on the market. To build a strong identity it is necessary to communicate these values and the philosophy throughout in the company and to consider these in all processes (Rowden, 2003). The following figure (figure 4) shows where the core values are located in a company. The company's aim should be consistent in all terms and timeless from the beginning. According to Rowden (2003, p.76), consistency can be seen as “the invisible force which underlies an identity”. The outer ring of extended identity is not that resistant for changes as the core, but should nevertheless keep the origin values in mind at all time.

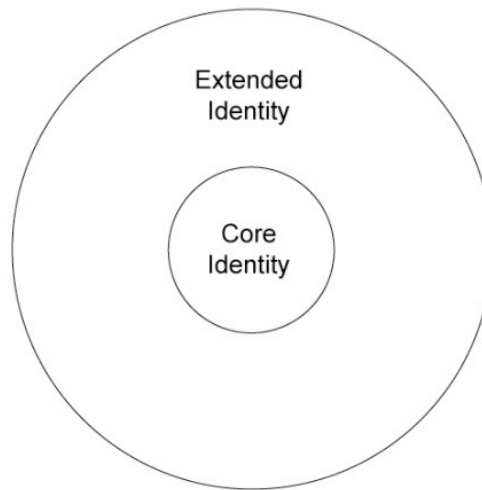


Figure 4: *The Identity Structure.*

Source: Aaker, 1996, p.86

Brand identity as a theory is used in this work to discuss the problem that appears by being not consistent in the company's aim. The company's identity should be visible throughout all communicating channels. Referring to Rowden (2003), it is not only the logo and a little bit of something else, which brings identity. The communication about the brand must go through all levels to become a successful brand identity. Besides the company itself this consists of the employees, the design of the products, the store appearance, which includes the interior and the visual merchandise with all its factors, the e-commerce and the advertising. Moreover, "A complete identity should cover all aspects of visual, written and spoken communication" (Rowden, 2003, p.2). According to Aaker (1996, p.232) this includes also "symbols", "name", "slogans" and "products". All have to match together to build up a credible identity. Moreover, only if all these factors are linked to each other combined with the company's aim, the target customer will feel addressed and can build up a trust to the brand and its identity. Therefore a consistent appearance is one of the most important factors when it comes to establish a successful identity. According to Aaker (1996, p.225), consistency in identity brings benefits of "own position, own identity symbols and cost efficiencies".

As already mentioned, the identity of a brand is the core of a company. The "brand-customer relationship" (Aaker, 1996, p.77) is indispensable so that the system behind does not break down. On the one hand, when the messages a company spreads are not in a consistent manner this will end in inconsistent responses by customers. On the other hand, a well-built identity

will bring expected responses and is therefore much better for successful planning of a company's processes (Rowden, 2003).

The fact that identity does not stand still according to Rowden (2003) and that it is more an ongoing process that can change every day, makes it even more of a major challenge to be consistent. Aaker (1996) describes brand identity as an active and future oriented process with a strategic character. Both, Aaker and Rowden agree that identity has to be maintained with the goal to be consistent in every angle at all times. A lack in consistency is demolishing a brand's identity and this would be bad for the company's existence (Rowden, 2003).

Further, Rowden (2003) mentioned that consistent brand identity ensures that a company is seen different on the market to its competitors. This distinction also has the challenge to catch attention and convince the consumers. The stronger identity becomes, the more ambition a company puts into the coherency. The best sign for this is when it hits the customer and he gets the feeling of love for the brand. An identity works, if the customer is overwhelmed by a brand and evolves a desire for it.

Since the brand image is the outcome of brand identity (Aaker, 1996), this is further described in the following section.

3.2.2 Brand image

Imber (2000, p.69) describe brand image as follows "*Qualities that consumers associate with a specific brand, expressed in terms of human behaviour, desires, but also related to price, quality, and situational use of the brand.*" Image is therefore the direct expression of the consumer towards a brand and reflects the reality. Grönroos (2007), states that the customers are those who create an image around a brand. The people are constantly influenced by the actions of a company on the market and therefore form their own opinion about how they perceive these actions.

Consumers form this image around a brand in terms of different factors. Appearance, design, service, quality, feelings, sound or smell are a few of these influences and have direct impact on the image. When a shopper enters into a store the image building process starts. The way he or she observes the coherence of colours, music, smell and service can build up his or her own image towards this environment. (Aaker, 1996) This process can also start much earlier, by passing a shop window or watching a commercial on TV can be enough to create an image

to consumers. Gilbert (1999, p.248) calls this process “the counterpart perception of brand’s personality” the consumer gets by building a coherency between these factors.

Furthermore, it can be helpful to implement own brands in the case of a multi brand store. This can be a chance to align through those into the achieved direction of image (Aaker, 1996). During the branding process it is each action and communication the company sends out to the consumer that forms the brand image (Grönroos, 2007). Further, Grönroos (2007) describes that brand as a theory is already an image.

As discussed earlier, it is that what the people perceive, but image can also be seen as a filter that can manipulate the customers’ conception. Grönroos (2007) describes this for example as a high quality product builds a better image than a low quality product. The consumer links his perception of quality to the image. When he is satisfied and the product meets his expectations this ends up in a good image. If the expectations cannot be satisfied the result will be the contrary. (Grönroos, 2007)

A threat can be that the consumer builds another image, than a company originally wants to be seen with its brand identity on the market. This may have drastic consequences for the brand. According to Aaker (1996), image is usually of passive nature with regards to strategic decisions made in the past. If the approach is right this can also be seen as a chance for the company to control the way its brand is perceived. Grönroos (2007) discussed, that a well-established brand image is a benefit to a company, since image directly influences the perception of the customers towards the company’s actions and communication. Furthermore, according to Grönroos (2007, p.340), “image communicates expectations”. These expectations are the outcome of what a consumer has evolved by watching the advertisements, the marketing campaigns or a recommendation he or she got from another person (Grönroos, 2007).

Referencing to Aaker (1996), a company can strengthen its achieved image by furthermore supporting it through campaign imagery, which fits to the target customers, and also by using the “emotional benefit” (Aaker, 1996, p.234). A person evolves an emotion when she or he is watching imagery. This advantage can be used by a company to achieve and create the desired brand image through its communication channels.

The following figure (figure 5) by Kapferer (2008) shows the coherence between the brand identity and the brand image. The brand image is built up on consumers’ side in terms of how they perceive the brand. Between the identity - the sender and the image - the receiver is the

media placed in this graphic. Media, or communication, is responsible for what signals or messages the consumers receive. Stores or e-commerce can also be seen as a communication channel besides advertisements.

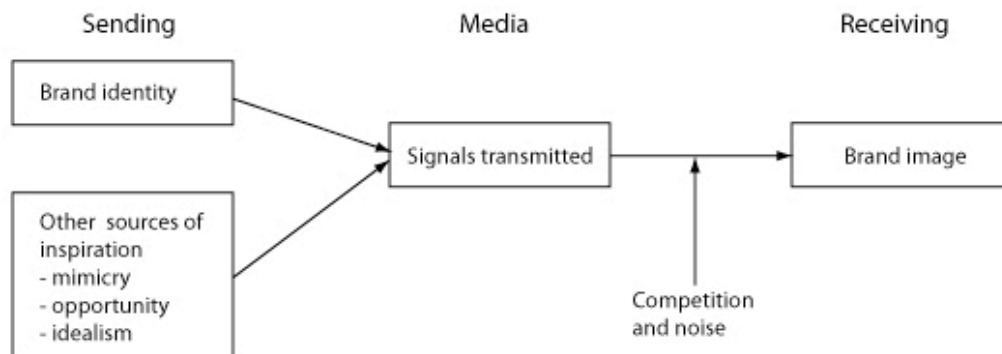


Figure 5: *Identity and Image.*

Source: Kapferer, 2008, p.174

The main challenge that arises from this is what a company has to do that customers will not build a false or unsuitable image of a brand. The main part is that there should be clear consistency visible in the communication channels at all time. This is also the reason why the authors use brand image as another theory. There are several questions a company has to answer, to get to know how it is perceived on the market. These could be: ‘How is the brand perceived?’, ‘What differentiates it from competitors?’, ‘What associations come to mind when one thinks of the brand?’, ‘Does the brand offer any benefits for the customers?’ and ‘What picture does the brand generate with the customer?’ (Aaker, 1996). Considering different perspectives and involving other areas, such as brand identity and customer relationship is helpful to answer these questions. Therefore relationship marketing is described as another theory in the following chapter.

The theories about ‘branding’: ‘brand identity’ and ‘brand image’ are used in this thesis to see in the case study, how Stadium communicates its identity in a consistent way throughout the physical and virtual stores. Furthermore, how they build up the image in both environments. Another matter is to observe, if the core values are represented in each channel and if this is done in a coherent manner. Besides this, it shall serve to analyze if Stadium’s communication is consistent and if it appeals to its desired target group.

3.3 Relationship marketing

Compared to the traditional marketing mix with the 4Ps of prize, product, promotion and place, which are focusing more on the product and are straightforward and operational, relationship marketing is focusing on the customer and contains more interaction with suppliers and customers (Gummesson, 1994 and Peck, Payne, Christopher and Clark, 1999).

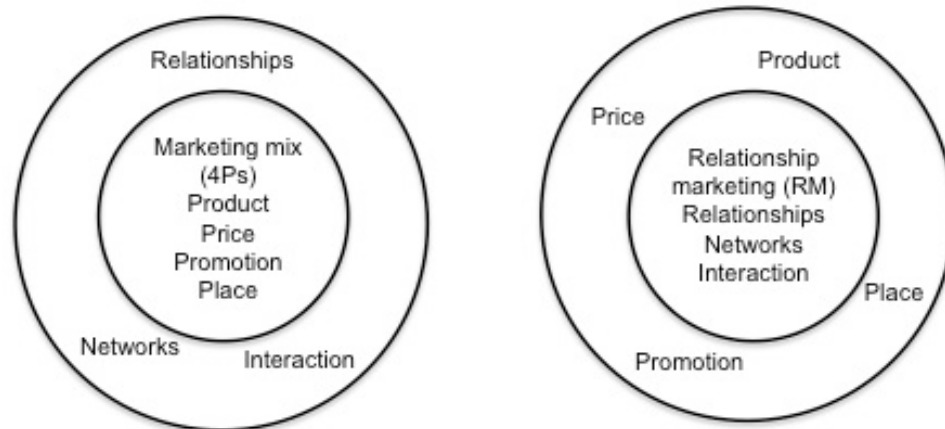


Figure 6: *The current marketing mix (4P) paradigm of marketing (left) and the future RM paradigm (right).*

Source: Gummesson, 1994, p. 171

Successful relationship marketing has to be a strategy deeply rooted in the company. Companies have to understand how their customers act and use the right commercials in the right channels to reach them. To build up a relationship with the customers the companies have to keep them as true customers. This is about building loyalty to the customer. Sudharshan (1995) says that it costs the managers one-fifth as much to keep the customers loyal than to get new ones. Companies have to match their customers' expectations with their experience to please them. Companies or brands have to create a positive feeling about them, otherwise the company or brand risks to lose them.

Furthermore the employees have a significant role of promoting the company's values. They are the face of the trademark and have to act in an attractive way to promote the brand name. At this point, the internal marketing plan is very important to communicate what the company is standing for. How the company 'does things' is important in the process as Peck, Payne, Christopher and Clark, (1999) more clearly presume. The company's core process is presented through examples, like development of a new product, order fulfilment, supplier

management and customer management. This leads further into the issue of how companies work with customer loyalty.

3.3.1 Customer loyalty

As mentioned earlier, relationship marketing is about creating customer loyalty and it must include brand loyalty. Brand name and trademarks have a facilitating function to give recognition and identify a product and its quality. When the customer recognizes the brand and evolves a positive feeling about it (Sudharshan, 1995) he or she is willing to buy. A loyal customer (Grönroos, 2007) will return if the company offers satisfying service that is considered in all fields. A comparison dimension might be the service that it offers compared to competitors and that it fulfils clients' expectations. When the company can keep customers for a long time, then they are loyal and hopefully have a positive attitude towards the brand or company. Furthermore, customer loyalty concerns customer retention, which has been proven before, leads cost reductions regarding customer acquisition (Grönroos, 2007). Attaining a high quality of service leads to saving. Referencing to Grönroos (2007) postulates that businesses spend 20 percent of their sales revenue to correct errors from other processes.

According to Butscher (1998, p. 113) customer loyalty is described as: *"The loyalty programme enables better and more targeted communications with customers, feeds the database with detailed and valuable information, and significantly increase the revenue and profit made by each individual member"*. Information about each individual member in a members club is a necessary strategic element for the company to collect information to generate the right quality and quantity of data about their customers. A lot of information can be kept in a database system, whose usage is up to the company. A downside of customer clubs is that companies collect a lot of data about their members but do not use it in an effective way. According to Garenberg (Parichart Eriksson, 2005) who states the fact that many companies want to have membership clubs when they talk about true customers. His vision is that the company should create a dialogue with the customer instead. He believes that many companies have a monologue with the customer, which does not create loyalty in the long run.

According to Parichart Eriksson (2005), different types of loyalty programs that companies use today are ordinary customer clubs where the members get benefits because of the membership. Benefit clubs generate tips and advice, discount and priority on sales e.g. IKEA Family card. Membership clubs like H&M and Sisters offer a few fashion tips and also

offerings. Direct promotional mails often used by grocery stores such as ICA and Coop, which offer discounts and bonuses to members in a refund system. Bonus clubs are often used by airlines or hotel chain loyalty programmes. Businessmen often travel for work and collect bonuses which they can then use in a private fashion.

Communication channels like member clubs and magazines (Butscher, 1998) exist in order to achieve communication with the customer. The figure below (figure 7) shows different communication channels of a customer club.

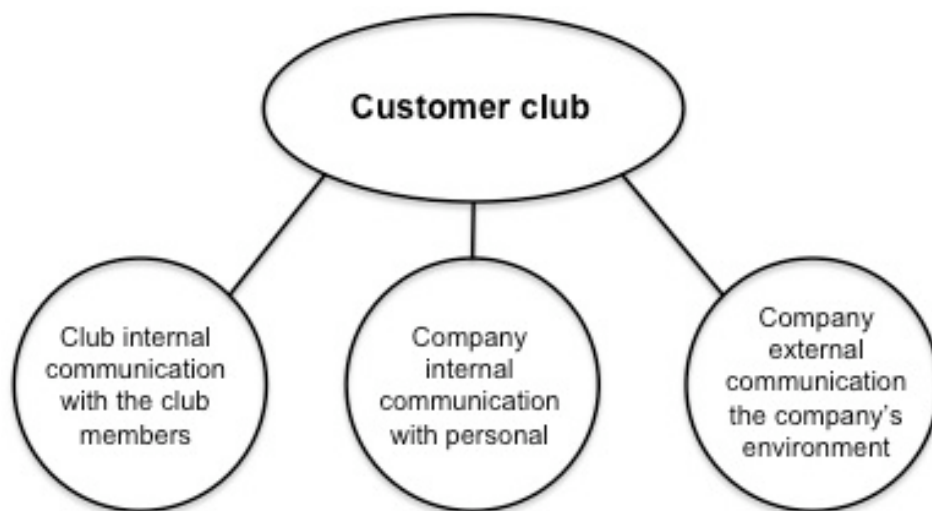


Figure 7: *Communication areas of customer club.*

Source: Butscher, 1998, p. 116

By offering membership through a club the company's goal is to inform the consumer about a mix of stages (Butscher, 1998), exemplify club benefits, inform about current club activities, special events or other special products. It wants to build up a connection with the products the club is promoting. It is also to support members to be positive in contacting the club to give feedback. The contact between the members and the club has to be regular, but the contact with the customer should not be too often either. If the membership club contact is too often, like daily or weekly, the customers will get annoyed and feel pressured. The contrary, if the customer receives messages too rarely, the company will lose his attention and reduce its attractiveness.

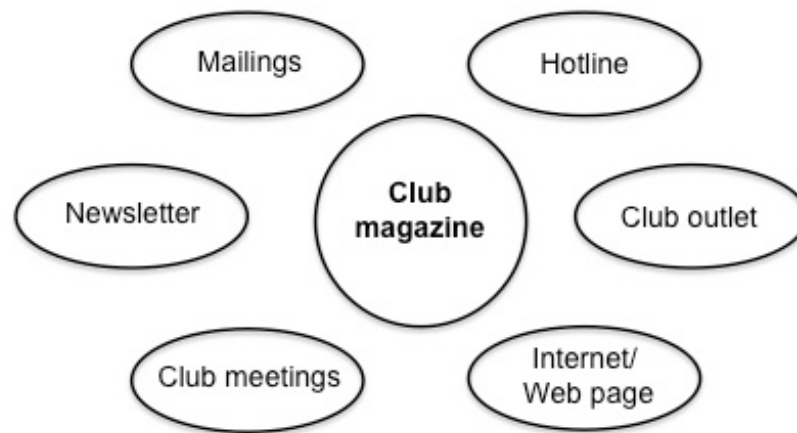


Figure 8: *Means for communications with the members.*

Source: Butscher 1998, p. 117

Club marketing is direct marketing. Alternative communication tools a club can utilize are shown in the figure above (figure 8). Additional promotional tools like club magazines, club outlets, where the member gets information about new arrivals, communication through the web page, mailing lists and newsletters with a personal welcome sentence, which not just use 'Dear Member' (Butscher, 1998) is required. Personalization is very important, since impersonal communication may not feel as if the letter is addressed directly to the customer, but rather like mass communication. The personalized mail and newsletters should not be sent out too seldom or too rarely as mentioned above. An e-mail should only include information about the club membership that includes club activities and latest news about products and approximately be sent out each quarter. Newsletters are easier and faster to produce and can be sent out more regularly than a printed magazine. These updates the customer frequently about what is new in the store and on the web.

Club magazines are a common and important way to communicate with the members. It is common that club magazines are published two to twelve times each year (Butscher, 1998) and the size of the magazine varies widely from a few up to approximately 40 pages. The content of the magazine is often focused on product presentations, but articles, reviews, upcoming club events and guidelines are offered as well. The webpage can communicate to members and other visitors on the Internet. Moreover, the Internet gives the visitor an opportunity to join the community directly on the web (Butscher, 1998). If a company updates the site frequently the visitor gets more reasons to return to see new things happening.

3.3.2 Brand communities

Communities interact on a social level and are more than just selling a product. People who join a community do it to represent the brand (Brymer, 2009) and what it stands for. Communication, trust and organisation are three important elements of classic community basics. When building community it is also important to have underlying supporting principles. According to Banks and Daus (2002), who refer to the founder of RealCommunities that a community should be built on different principles. First, find a purpose of the community to bring people together. Purpose like relationships between relatives and neighbourhoods are automatically implied, while others are explicitly defined through common interests in business. Identifying and recognizing each individual as a human being gives customers the impression of being unique and visible. Personalization moves one step further and gives the customer a personal identity and commercial appeal to the customer profile. The output is a win-win situation where membership strategies create true customer loyalty. Human beings want to feel a positive status that is built on esteem (Banks and Daus, 2002) and the community reputation gives a status from the individuals' peers. People join communities to feel the sympathy of belonging to a group who share the same interest.

Communities are determined by a governance structure. Governance controls and structures the community, which can affect a hierarchical form. Leadership of a community is often a result of how the company works and can be pre-established or maintained (Banks and Daus, 2002). In a community it is important for the members to be able to communicate with each other in an interactive way. Otherwise it is not a community if they cannot communicate and share common things together. A website makes it possible for the members to find other members easier and interact with them in a virtual way. Today many people use social media and social networking (Brymer, 2009) such as a MySpace or a Facebook account and read and comment Twitter uploads. Companies create groups on Facebook to their customers that want to be informed what is happening in the company at the moment and also to make them able to discuss with other members about specific topics.

Different groups are built in communities. Groups within groups those are nested within other groups (Banks and Daus, 2002). This is common because not everyone does share the same interest, for instance when it comes to men's and women's clothes. They may share the same type of style or look but gender is nevertheless a difference. In digital communities groups are responding quickly on network pages or blog feeds (Brymer, 2009). In the community a hierarchy of groups evolves into micro communities where they can interact with each other in a

range of threads, similar to an umbrella structure. The surroundings and the environment in which members reside must be understandable and easy to navigate (Banks and Daus, 2002). If it is too imprecise and complex to find information and links to conversations, members will be confused and this will cause incoherency. A community has boundaries, which restrict access to some users. Banks and Daus (2002) describe that membership programs often have a variety of levels inside the community. Depending on some preferences, for example on how active each member is, allows categorization from a general to an exclusive membership.

To keep a member as a true customer it is important to build up a relationship over time and to give them trust and honesty (Banks and Daus, 2002) by informing members which personal information is kept for the company and if it is selling information to others. Exchange in a community is formed by the main purpose. Communities have to provide customers with what is important to them and build an offer around this to create value. In a community, members can see what other members are doing. Facebook and other communities for example have a shared wall that every member can use to publish information. The expression the customer gets when he visits a community is depending on the community's style and its vibrancy in communicating it. The design of the website and balance of colours, images, text and font is vital. To attract visitors it is important to keep this coherent. Everything that is published on the web should represent the language of the company (Banks and Daus, 2002). Changing the image of a company is a huge effort that includes redesigning its store layout and can also mean redefining its product range, as it has been discussed by Banks and Daus (2002). Everything has to be designed to reflect this new image, both virtually and physically, to achieve consistency (Banks and Daus, 2002). Finally, the last important factor to be aware of when companies build communities is history. Relationships create a history of culture and tradition with a shared context over time. For some communities this is not that important while for others it is. Members of a community that have the technology and access to history information can easily trace conversations and details.

To summarize, guidelines to build up a community are described in how the authors interpret this theory about the principle of communities. In the observation of Stadium this theory of building communities is important, regarding the authors' research work of Stadium's virtual presence. It has to be determined if Stadium works consistently with communities, respecting its core values, image and its identity.

3.3.3 Additional value

To add value is about distinguishing oneself from others. It is not about a standardization market plan or a concept to add value (Grönroos, 2007). Adding value depends on the trademark and what it offers and is willing to offer to strengthen and support the brand identity. A company can build up their customer relationship based on a long-term relationship with collaboration and interaction. Companies have to offer skills and strengths by themselves and not by copying a competitor. True relationship and adding value is about seeing what the company's customers want and to fulfil their desires and not just about building a brand (Peck, Payne, Christopher and Clark, 1999). Values have to be built on a regular basis to attract the customer. Added value is constructed to create a high value for the customer. Specific expertise service or presenting the products in a different way to keep the speciality and attention is often done in conjunction with this (Ohlsson, 2005).

According to Grönroos (2007), value is divided into two parts, a core value and an additional value. He describes core value as a comparison between the prize the customer is prepared to pay and what he receives in return. Additional value is created by the services in the relationship compared with the costs that arise over time. He also talks about two different types of effects of additional value, negative and positive. The negative one occurs when the company fails to perceive customers' expectations (Grönroos, 2007). For example, a late delivery or experienced slowness in the purchasing process, which end up with long waiting time to receive service or other consequences. This may result in that the client will not return. Positive value is created through long-term relationships where the customers can clearly see the economically benefits. The value that is discussed is usually not to add new values, but to adapt and improve the services those already exist. The company needs to work continually on continuous improvement and maintain dialogue with customers. It can be difficult for businesses to create long-term faithful relationships.

3.4 Summary of the theoretical framework

The following figure (figure 9) shows the two theory areas, branding and relationship marketing those have been used in this thesis to analyze the consistency of a brand. These theories further have been related to real life through the observation of Stadium's physical and virtual environments. This was a part of the case study. Here it has been observed how Stadium works with and communicates brand consistency considering the theory areas. The outcome has been analyzed in relation of operating consistent or inconsistent by comparing both environments.

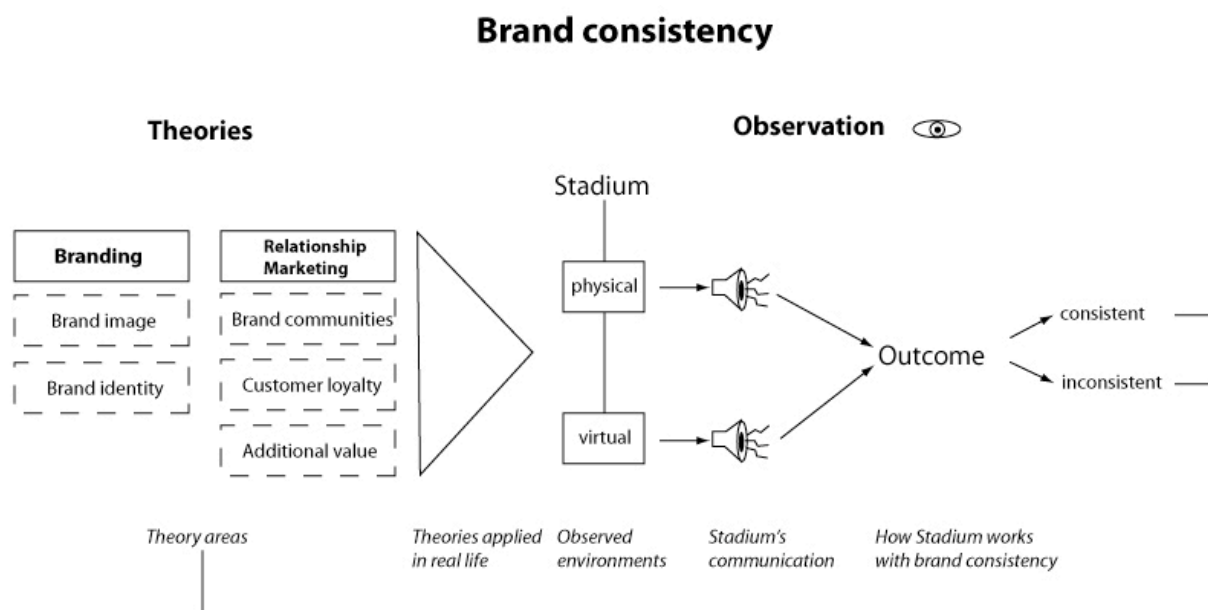


Figure 9: *The coherency between the theories and the observation.*

Source: Authors, 2011

4 Case study Stadium

This chapter starts with the presentation of Stadium as the chosen company. Furthermore, the collected empirical data is discussed, as well as how the company is working with brand consistency within the observation of Stadium's physical and virtual stores.

4.1 Company description

Stadium acts in the retail sector and was founded in Sweden, 1987 by the brothers Ulf and Bo Eklöf from Norrköping (Stadium, 2007). They had previous experience with sport retailing through Spiralen Sport in Norrköping, which was founded in 1987. After OS their business increased in Los Angeles in 1984. In the beginning the company was named 'The Stadium'. The first store opened in the capital of Sweden. In 2000, it expanded to Denmark and the year after to Finland. Ikano became a partner in 2005 and owns 25 percent of Stadium, while the brothers Eklöf own the rest of the company. When Stadium had its 20 years anniversary they changed the store concept and opened up new stores and e-commerce in Sweden. Today, Stadium AB is the biggest retail sports chain with approximate 110 stores in Sweden, Denmark and Finland (Stadium, 2009). The parent company, Stadium AB, had a net turnover in 2010 of just over 4.3 billion Swedish crowns (allabolag.se, 2011). The product range of Stadium is a mix of selected brands like Adidas, Nike, Puma and Peak Performance that represent 50 percent of the total offer. The remaining part of the range is own brands of Stadium, such as Everest, Warp, Race Marine and Soc. (Stadium, 2009)

The mission of Stadium is: *"We want to inspire people to lead fun, active, healthy lives!"* (Stadium, 2010). Stadium wants to communicate that there is a winner inside everyone and further that it does not matter what type of activity one likes, as long one feels inspired.

Stadium's business concept reads: *"We aspire to offer active people affordable sports and sports fashion products with great functionality, design and quality"* (Stadium, 2010). It encourages the clients to visit the stores where they get support to select the right product at a reasonable prize. This is Stadium's way to express that the customer is important for the company. Stadium has a responsibility and works with a code of conduct based on ILO's and FN's conventions and other rights for employees.

4.2 Observation Physical

In April 2011, the visual observation of the physical stores took place. This was done during the same day to get a coherent impression of the stores. The observations were carried out on base of the authors' empirical research method as visual inspections. It consists of three Stadium stores in the city centre of Gothenburg. The three stores those have been observed were: Stadium Fredsgatan, Stadium Nordstan and Stadium Grand.

4.2.1 Brand identity in store

As the first part of the observation, the authors inspected visually how attractive the store appeared from the outside. The focus was here on the entrance, the signs, its colour and lights. Stadium Fredsgatan is placed in an open pedestrian street where a lot of customers pass. Stadium Nordstan is approximately 100 meters located away from the other store, as a part of a large shopping mall. The Stadium Grand is placed in another pedestrian street. Common for all three shops are that a visitor immediately perceive Stadium's black logo with white text from several meters away.



Figure 10: *Outside Stadium Grand.*

Source: Authors, 2011

At Stadium Grand, posters were placed above the entry on windows on the second floor. A huge poster of an attractive woman in black and white and the text 'Join the movement' was shown. The entry of all stores was black with orange stripes. Further a light blue coloured display stand with an ad for its running membership days-campaign was placed in front the entries.



Figure 11: *Floor with racetrack in front the entrance of Stadium Grand store.*

Source: Authors, 2011

The floor is grey coloured with white lines those appear like a racetrack in a stadium arena. The numbers were from one to four. It looked like an arena and communicated an emotion of taking part of a contest. Further there was a large poster of the Stadium*RUN* campaign on the wall and four mannequins with running clothes inside the store were positioned. In Stadium Fredsgatan, the first section on the wall was with running clothes and accessories from its own brand Soc. Both Nordstan and Grand store had an escalator in the entrances. Sides of the escalator were coherent with the same orange as the orange colour around the entrance. Mannequins in the entrance of Grand and Nordstan were dressed in running clothes.



Figure 12: *Entrance of Stadium Nordstan, window with mannequins.*

Source: Authors, 2011

Figure 12 above shows the entrance area of Stadium Nordstan. This store was the only one with a display window. The mannequins wore Stadium brands, except for the running shoes, which were from external brands. Furthermore the sentence 'Join the movement' appeared on the wall next to the escalators. But also, images were placed on large posters inside and outside the store. Figure 13 shows the outside of Stadium Fredsgatan with the large poster of 'Join the movement', Stadium's community.



Figure 13: *Join the movement posters outside Stadium Fredsgatan.*

Source: Authors, 2011

Continuing, here the shop floor was also dark grey coloured and had white racetrack lines and coherent. The walls had the same colour in Nordstan and Fredsgatan. On the walls white arrangements with reliefs for the shelves were placed. In the Grand store, the floor was blue and the walls were painted white in rough wooden planks from floor to ceiling. It looked like the store had stopped in time and was not as inspiring as the other two store interiors. Shelf systems and racket hangers were in silver coloured metal. The rest of interior was in white. As a whole, the stores were colourful, fresh and structured. It was a contrast of white walls and a lot of black items, but also bright and colourful products one felt inspired to start training.



Figure 14: *A look inside the entrance, Fredsgatan store.*

Source: Authors, 2011

The department structure in the stores was marked with signs in English in white font on black background. In each observed store this was done in another amount. The figure above (figure 14) shows an example of the interior of a Stadium store. The Fredsgatan store presented a lot of products and clothes, but did not appear messy. Nordstan store communicated a more messy impression. For all stores in most sections there was enough space to walk with a baby carriage or move a wheelchair. Nordstan and Grand were built to get explored in a counter-clockwise circle until the customer finished the round at the cash point. Fredsgatan had only one floor with a few elevations and had no counter-clockwise structure, like the other stores. This store was the largest and started with a long walk in the middle at the out-

door department. Afterwards, the store split into the skate department. On the left side the 'street & casual', 'kids' and 'junior 84-122' and 'junior 122-164' departments were located. The sections 'golf', 'football', 'training' and a shoe wall with different sections for different activities were placed on the other side.

On the walls there were signs with 'running woman', 'running men', 'indoor' and 'easy tone'. A special section of Reebok with a large poster above the shoes, as well as signs for 'training', 'walking', 'outdoor', 'sneakers woman', 'sneakers men' and, finally, 'junior' shoes. On the floor below the shoe wall there were tables with shoes in the same category as on the wall displayed. In the 'running' shoes section all observed stores had a plate on that customers could stand to see how their foot is shaped, to select the right type of running shoes.

The fitting room was placed in the middle of the store. In Grand and Nordstan they were close to wherever the clients were staying in the stores. In Fredsgatan's store, the structure of the departments was different from the others. There were two sections of fitting rooms, one on each side of the store. The number of fitting rooms was between six and eight in all stores. It was numbers on the fitting room doors coloured in orange.

The offered brands was a mix of own and external brands. In every store it could be observed that external brands were mixed more with each other than Stadium's own brands, such as Race Marine, Soc, Warp and Everest. For example of a mix of brands, The North Face was placed in the same section as Helly Hansen. The Fredsgatan store had a special section in 'street & casual' department, where 'Nike' apparel and accessories were promoted. Here, the shelf on the wall was in light brown, wooden material and another font than for the other signs in the store were used. In this department a lot of Adidas Original and Warp products were displayed.

The music played was the same in all observed stores. It was pop/ r'n'b music intermittent by commercials of Stadium and its own jingle. The commercial was about Stadium's free bonus club card and how the customers can collect points and what they will get from it. But also information about Stadium's sports camp 2011 for juniors could be heard.



Figure 15: *Entrance of Stadium Grand.*

Source: Authors, 2011

The picture above (figure 15) shows the entrance of Stadium Grand. Behind the entrance glass one oblong flat screen was placed on the left side on the wall. On the right side there were three TV-screens linked together those showed people doing sports. In Fredsgatan and Nordstan, screens were hanging on the wall and in Stadium Grand they were fixed on a stand behind the cash point and the escalator. All stores observed had a number of three to four flat screens inside.

The staffs were between the age of 20 to end of 30 years old, looked friendly and active. All employees wore apparel irrespective of gender. It was a relaxed style of a light blue pique shirt with short sleeves. This was the same colour as the signs in the store. The staffs combined this with jeans in middle blue colour and sport sneakers. In Grand store, the staffs wore a long sleeved black zip sweater. The customers could easily recognize the staff because they had also the Stadium logo printed on the pique shirt and the zip sweater. Further all employees had a nametag placed on the left side of the chest.

4.2.2 Brand image in store

The Stadium magazine and Stadium's own membership magazine were placed in the entrance of the stores to pick up for free. Furthermore Stadium communicated its Stadium*RUN* campaign in the stores. The campaign was shown with large poster on the wall in the entrance

area of the stores. These posters featured people who had an active life and looked athletic, which inspired and communicated an active lifestyle.

Brands that Stadium offers are connected to every kind of sport, such as training, golf, walking, outdoor, skate, football and yoga. But also casual clothes and street wear. It was a mix of own brands and external brands. In most of the stores the brands had signs those guided customers to the brands they were looking for. Brands those were promoted were for instance, the own brands: Soc, Warp, Race Marine and Everest, and external brands, like: The North Face, Adidas, Nike, Puma, Burton and Reebok.

The people who visited the stores during the observation were of mixed genders and ages. Outside the entrance, the authors observed 50 people walking out from each store. From the 50 people walking out from each store it was also counted how many of them came out with a Stadium bag.

The authors observed the Stadium Fredsgatan around 12 o'clock for 17 minutes and there were five people who left the store with a bag. The figure below shows that it was mostly women over 40 years who have visited the store, which were followed by middle-aged men and women. In this store, male young people were more represented than females in the same age. Children were the group that was least represented in this store.

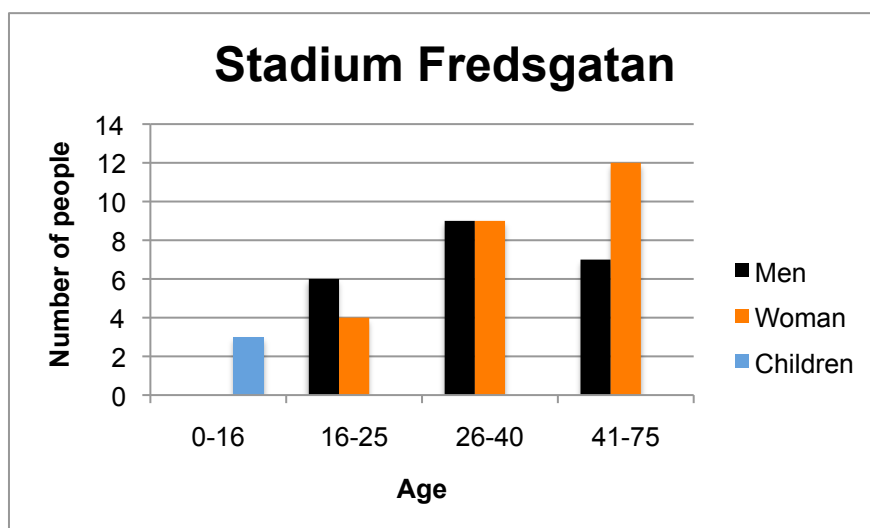


Figure 16: *Diagram of visitors in Stadium Fredsgatan.*

Source: Authors, 2011

The diagram below (figure 17) shows the observed people walking out of Stadium Nordstan. It was mainly young men and women between 16 to 25 years who visited the store. Middle aged people were not very well represented here. It was fewer people over 40 years. In this store the number of children was higher than older and middle aged visitors. From this store it was ten customers who left the store with a bag. It took 12 minutes to count these 50 visitors. The observation was done around two o'clock.

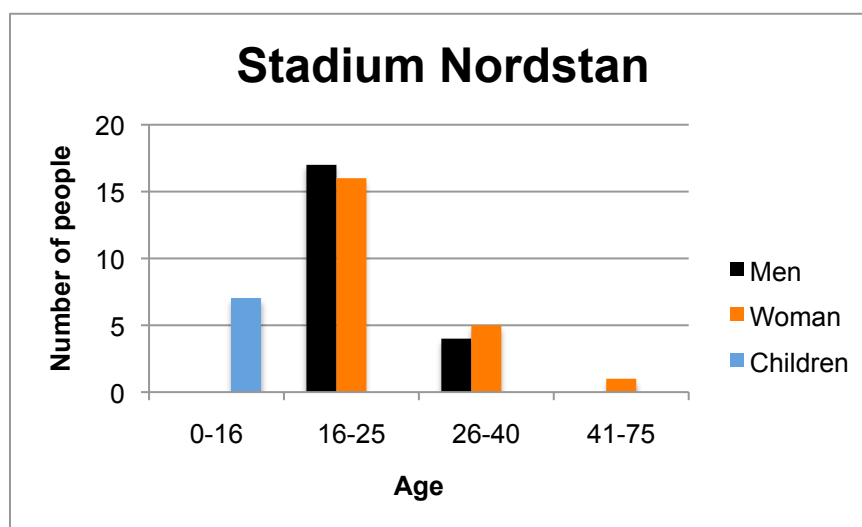


Figure 17: *Diagram of visitors in Stadium Nordstan.*

Source: Authors, 2011

Stadium Grand that was observed was the last store. The observation lasted over 50 minutes for this store, from 2.30 p.m. and onwards. The most customers, who left the store with a bag, were counted at this location. These were 13 of 50 people who visited the store. The figure below shows that female visitors were best represented, regardless of age. The number of male visitors showed that older men between 41-75 years were also in the same number as the women. Young men and middle-aged men were represented almost equally. A lack of child visitors could also be observed.

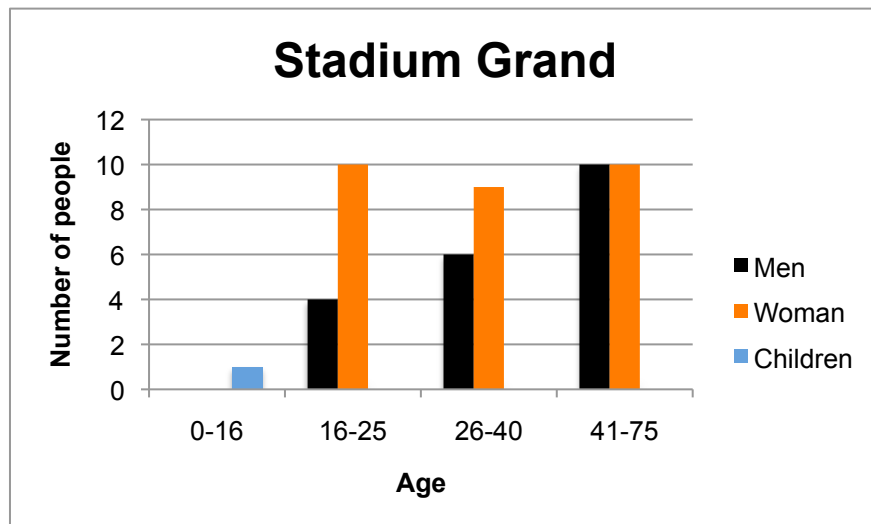


Figure 18: *Diagram of visitors in Stadium Grand.*

Source: Authors, 2011

4.2.3 Customer loyalty in store

To get loyal customers, Stadium has a campaign of running with club days to attract more people to join its membership club. In the entrance and all around in the stores, light blue signs were placed those promoted the clients to join the member club. The signs were telling that all members get 10 percent discount of the purchase. The message was clear and informed the customer about the activity before he enters into the store. Also the commercial that could be heard informed about how the bonus system works. It was described how the customer can collect the bonus and that this membership can be joined for free. One Swedish crown is equal with one bonus point. When the customer has collected 2000 bonus points he receives one bonus check that he may use as payment in Stadium stores. If the customer collects more than 4000 bonus points he get 100 crowns and also an annually extra bonus of 50 Swedish crowns.

In each store Stadium had a desk with a computer, where the customers can open a Stadium account on the membership card. At this counter offers the customers service that the shopper can pay the products in instalments.

4.2.4 Brand communities in store

In the physical stores were no obvious information about Stadium's community be communicated. Outside the stores there were large black and white images of urban cities and athletic peoples positioned and additionally with the writing 'Join the movement'. This writing

appears more like a slogan here. If one does not have any knowledge about Stadium's community this could be misinterpreted by the customer. Further the speakers inside the stores sent out commercial messages about coming events and engage him to join.

4.2.5 Additional value in store

All Stadium stores had employees positioned in every department in the stores. It was at least one person in each department. The numbers of employees were depending on the size of the section. For instance, the shoe department had a higher number of employees than the kid's department. For the reason that the shoe department demands more customers support, which starts with bringing the other shoe or another size from the stock. But also, to advice the customer to choose the right type of shoe to each activity.

Signs showed the customers that they get a discount prize of several products when they become a member. In this way Stadium encouraged a visitor to join Stadium's member club. To purchase in instalments can also be seen as an added value for the customers. With this membership it is also possible to pay with a delay.

Furthermore, Stadium has placed a sign in the sports bra section on the wall to help the customer to find the correct size and what type of training this is good for. Stadium has split the sports bra in three categories 'low training', 'medium training' and 'high training' in a mix of different brands.

4.3 Observation virtual

The observation of the virtual environment of Stadium at www.stadium.se took place in April 2011 and was another research method the authors used to collect empirical data.

4.3.1 Brand identity on the web

According Stadium's achieved identity and mission, to inspire people to have a life that consists of fun, action and health (Stadium, 2010) the homepage was entered. The website also includes a web shop and appeared in the colour range black, white and grey. The visitor immediately recognized the Stadium logo, which was placed up in the corner on the left side that appeared after a quick sequence of an animated number that stands for a special fact, e.g.

a time of a world record. This number varied each time the user entered on the homepage. The logo was white coloured and was placed on black background. Furthermore, a large image of the current campaign was placed in centre and catches the visitor's attention. The image showed a man running in nature and communicated an active impression. This first picture was a part of a slideshow that consists of other active looking images those showed both genders doing sport in nature and city. The user could therefore immediately see that this homepage is about sport. There was no music playing, except the jingle of Stadium by watching the advertising spot that started by clicking on an image.

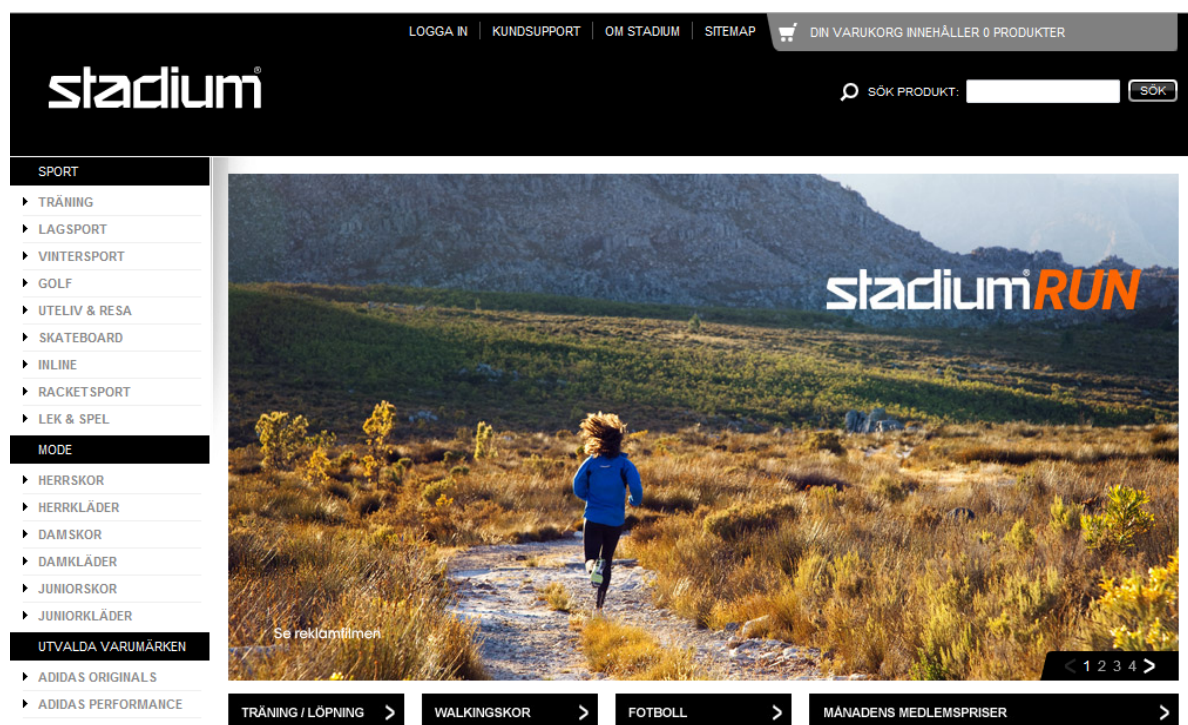


Figure 19: Top of entering page.

Source: Stadium, 2010, <http://www.stadium.se>

Below the large image, four black rectangles were placed with white coloured headings on it: 'träning/ löpning', 'walkingskor', 'fotboll' and 'månadens medlemspriser'. By clicking on e.g. 'träning/ löpning', a page opened with different product categories around this subject. Each category was presented with four pictures of product examples. The user could then enter, for example to 'löparkkläder' where different clothes for running appeared.

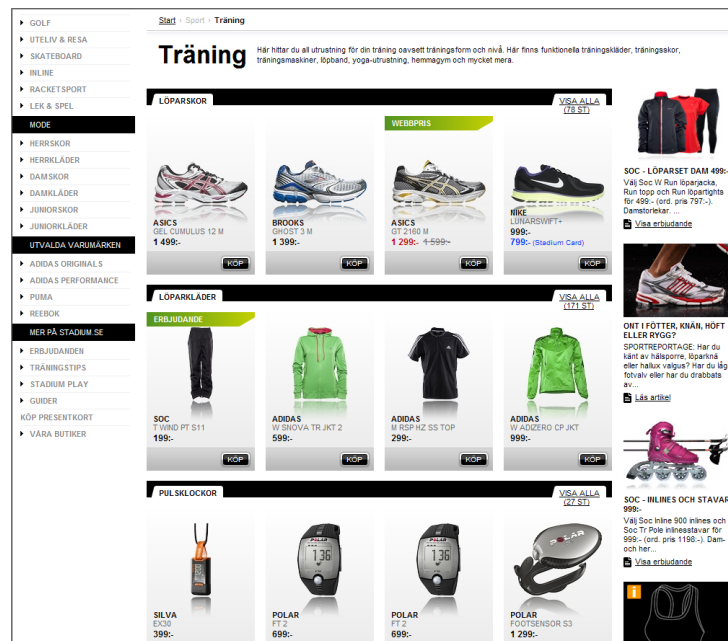


Figure 20: 'Träning' page.

Source: Stadium, 2010, <http://www.stadium.se/sport/traning>

Back to the main page, under the large image there were six other pictures placed about different topics, such as gear advices, new gear, collections, and membership events. On the left side four categories were placed: 'sport', 'mode', 'utvalda varumärken' and 'mer på stadium.se'. Each of these categories included sub-categories. For 'sport' there are nine different sports, for 'mode' there are six sub-categories those consist of 'herrskor', 'herrkläder', 'damskor', 'damkläder', 'juniorskor' and 'juniorkläder'. The category 'utvalda varumärken' presented three well known active sports brands, such as Adidas, Puma and Reebok. 'Mer på stadium.se' included six sub-categories. Above the 'logga in' for members, 'kundsupport', 'om Stadium', 'sitemap', the shopping basket for the web shop and a search function were placed. At the bottom of the page there were listed five other categories with different sub-categories. These were again the 'kundsupport', 'medlem', 'övrigt', 'följ oss på' and 'outlet online'. By entering in a sub-category e.g. in 'sport', under 'träning', twelve further sub-categories opened around this field.

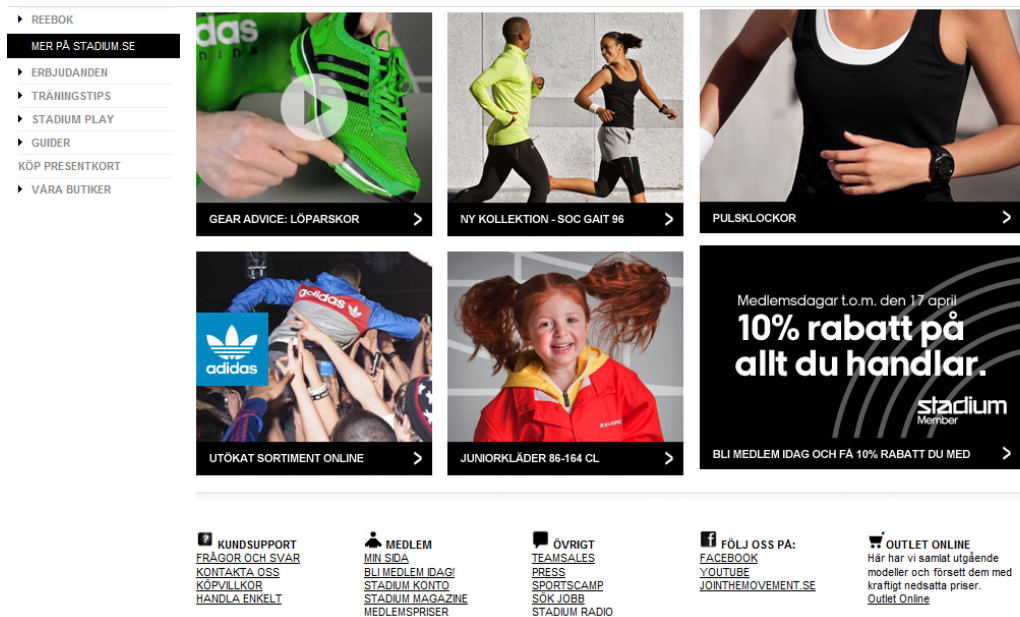


Figure 21: Bottom of entering page.

Source: Stadium, 2010, <http://www.stadium.se>

Further the user could inform himself about Stadium's history, jobs, its mission and business concept on the homepage in the category 'Om Stadium'. Here, the visitor also got an idea what Stadium's core values are. In this category the large pictures were in black and white those were placed above.

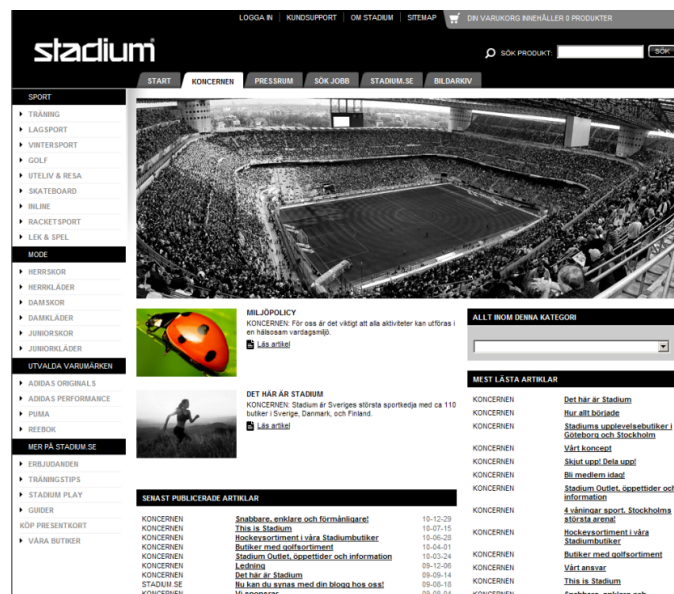


Figure 22: 'Om Stadium'.

Source: Stadium, 2010, <http://www.stadium.se/om-stadium/koncernen>

4.3.2 Brand image on the web

The current campaign Stadium*RUN* on the homepage communicated through its images an active lifestyle with athletes running in nature and in cities alone or with a partner. The people on the images were around 30 years old. These were male and female persons with different skin and hair colour. They all looked as if they enjoy running or in general, moving.

By entering into the web shop, each product was presented with a picture in its available colours. The pictures had all the same style and were presented without mannequin and a light shadow below. The brand logo was placed up in the left corner. The appearance of this was appealing and aesthetic.

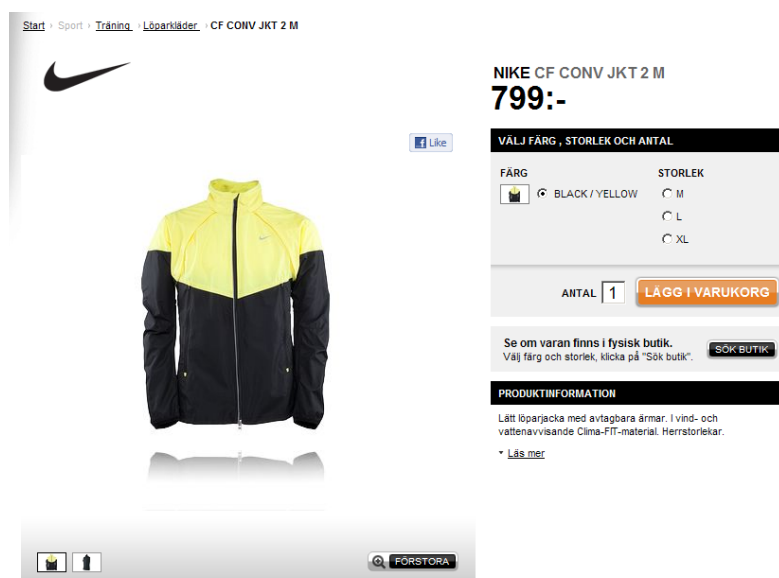


Figure 23: Example for clothing presentation on the web.

Source: Stadium, 2010, <http://www.stadium.se/sport/traning/loparklader/105342/nike-cf-conv-jkt-2-m>

The offered brands on the web were most well-known brands, beside the own brands. The extern brands have a good reputation when it comes to quality. For instance the category 'vintersport' included brands, like The North Face, Burton or Peak Performance. Here, the user got an impression of young, high quality brands with a good functionality, but also a modern design.

The category 'mode' presented young and latest street-wear brands, such as Adidas Originals, Nike, WeSC, or Hummel. Besides this the own brand Warp presented young, trendy and

colourful clothes. It was a young image that has been communicated by observing the category 'mode'. Through the colours and the style of the clothing this part is attracting young persons from 15 till 25 years old.

4.3.3 Customer loyalty

The first window that opened by entering on the homepage was the message "Medlemsdagar t.o.m. den 17 april, 10% rabatt på allt du handlar". This can be translated to the members will get ten percent discount on their purchase until the 17th of April. Here, the user could see immediately that Stadium offers a member club. There was also a special category, 'medlem' placed on the website that can only be entered by members. Stadium recruited to become a member to get special offers. The membership is for free and promotes a bonus for each purchase, other special member discounts for selected product groups and invitations to VIP-events in the stores. There the user also got information of how the bonus system works in detail. Beside this, Stadium also promoted a member card here. This card can be used like a credit card and allows the customer to pay at the end of the month or to pay in installments. The detailed information about its conditions could also be found in this category. The bank Stadium is cooperating with is Ikano bank, which is a part owner of Stadium AB.

Furthermore, the function 'kundsupport' could be observed two times on the homepage, above and below. In this category the user can choose between different subjects to find an answer of questions about all sections around Stadium.

4.3.4 Brand communities on the web

Among the button 'följ oss på' Facebook, YouTube and Jointhemovement.se the user could find approaches of a community.

If the user 'likes' Stadium on Facebook he will receive further information about new products, pre-tips, unique offerings, competitions, tips and inspiration for the own training. Further the user got the opportunity to participate in Stadium's events here. By entering the YouTube button the 'StadiumSwedens kanal' opened. Here the advertising spots, training tips and advices for shoes could be watched. Further the company's mission and business concept was described there.

‘Join the movement’ owned and operated by Stadium is a platform for people doing the sports soccer, running and training. This community page shall serve as an inspiration to readers to have an active life. Here the writers are independent of Stadium and write about their own opinions. They sign up for a membership and give information about where they are from and a short description about themselves.

4.3.5 Additional value on the web

Additional values could be found on the Stadium homepage within different parts. For instance the company had clearly structured the subjects ‘sport’ in a wide range of different sports on the web page. When the user looks for goods of a specific sport this was created in a structured way and the ordering process was not difficult to handle in the web shop.

The user could also select the view of products he wanted to see. This could be done for categories, like gender and product groups. But also to sort the listed products according to different factors, like the brand or the prize could be chosen. All products those were available in more than one colour way could be viewed. Furthermore, each product viewed included a product description that explained the material and specific functions or details.

It could also be observed that the company has a special category about training tips for the customers on the web. Here the user can read about how to exercise properly. This matter was additionally supported through videos. There were also videos about gear advices around different products.

Care instructions, a product guide and size guides could also be found on the homepage. Those services should help the user even more to find the right product and how to maintain the bought product properly. Besides all these additional values, the member club and its offers that were already described in the chapter ‘brands loyalty’, built a value by its own. These were all parts Stadium wanted to put value in its offers to build up relationship to the users.

5 Analysis

In analysis chapter, the collected empirical data of the observations of Stadium is combined with the chosen theory areas, of branding and relationship marketing. This was done to answer the research question “How a company works with brand consistency in physical and virtual environment? More specifically, with the focus on Stadium, Sweden, as a multi-brand retail chain store in the sports sector.”

5.1 Brand identity

According to the theory of brand identity, every brand should communicate its spirit or message throughout all communication channels. The authors were analyzing that Stadium has the mission that it wants to inspire the consumer to have fun and an active and healthy life. Outside the physical store this was readable through the slogan ‘Join the movement’ and supported with the appearance around it. Inside and outside the physical stores big posters were placed those showed people doing sports and the current campaign StadiumRUN. It was the same on the company’s website. The large image, placed in the centre on the entry page was also presenting this current campaign. Therefore there was a consistency visible and Stadium communicates the same message according to its campaign. Also, that the customer easily recognizes that Stadium is a company about sport can be assumed for both, physical and virtual.

The core values, which can be stated with Stadium’s mission: “*We want to inspire people to lead fun, active, healthy lives!*” (Stadium, 2010) could be found in the category ‘om Stadium’ on the homepage. That a brand has to use the benefits that it can create certain emotions was also mentioned in the theory. On the website this emotion could not be expressed like in the physical environment, since the user cannot see how all colours of different products appear together. Therefore this mood could not be conveyed.

The theory describes further that the logo and appearance of a company is very important. It is essential that this always looks the same according to the font, the colour and the space between the letters. Stadium shows the same logo in physical and virtual environment in exactly the same font and colour.

The company's colours in the entrance area are black, white and orange. The orange was used in form of stripes those built the frame of the entrance. By comparing these with the website, the orange and stripes were not used. The same can be analyzed for the race tracks on the floor in physical stores those start in the entrance and are used in the whole store. On the homepage this was lacking. Besides this, there were numbers as eye catchers used in physical environment, like for the race tracks, or the fitting rooms. On the web there are no numbers used in this way. It was only a varying number that appeared by entering on the page. This number was only visible for a short time, that the user was not able to read the sentence next to it. It can be analyzed that this was an attempt of Stadium to stick to numbers also on the web, but this was not well implemented and is a sign for being inconsistent in terms of communicating the identity on the homepage.

The imagery on the wall in and outside the physical environment is in black and white. By considering the website there were also images in black and white shown, beside the product pictures those were shown in colour. This builds a good coherence between both channels, physical and virtual.

One of the physical stores had flat screens in the entrance area and differed from the others. This store was also the one that had another appearance inside, like the blue floor or the wooden wall. Here it can be analyzed that this store communicates a non coherent message by comparing this with the other physical stores and the virtual environment. This store was outstanding comparing to the other observed physical stores in a negative way.

Another part is the communication of different departments in physical and virtual environments. According to the theory a brand needs to appear structured and clear in its messages. In physical environment, Stadium had in one store a very structured order in terms of marking the departments with signs. In the other stores this signs were lacking and one store did not communicate the departments at all. But, when there were signs they were in English language, like for example 'outdoor', 'training', 'streetwear & casual' or 'sneakers men' etc. This was a good attempt to bring a structure in the stores but not with a consistent character. Additionally this part also lacks on the web. Here the division of different sports and product groups were only written in Swedish and could therefore not be compared with the physical environment. This leads to confusion of the customer. For instance, if a client wants to inform himself first on the web about a product before he enters to a physical store. As an example, he finds a product on the web site in the category 'utliv & resa' and then enters in a physical

store and cannot find this as an own department description, he will get confused and not pleasant about that. There he might find this product in store in the department 'outdoor' or 'streetwear & casual'. It will take additional time of the client and causes an unsatisfied emotion. Besides this, 'street & casual' as an own category is missing in the virtual environment, and is another weak point in the brand's consistency.

Another point is that in virtual environment the category 'utvalda varumärke' does include Adidas, Puma and Reebok, but not Nike. This does not fit to the impression in the physical store. Especially the biggest observed store, there Nike had a special area and different displays than other brands. For the reason that Nike has the same brand recognition as Adidas has.

That the brands, offered in physical environment are mixed on some hanger systems and on others separated is not disturbing the customers because of the different department sections. In the virtual environment this looks the same. The selection is about the sports and the occasion. But it would be more user-friendly for the customer, if he would have the opportunity to choose of viewing only the products of one brand on the e-commerce.

Furthermore Stadium's business concept "*We aspire to offer active people affordable sports and sports fashion products with great functionality, design and quality.*" (Stadium, 2010) is communicated in the physical stores through several product offers. This can be seen in set offers, the offer to buy two products and get the third for free, or discounts for special products. This was lacking on the website in terms of the offer to take three products and get one for free. In the physical environment these offers were well communicated through signs placed in different locations and were obvious visible. On the web these offers could not be seen obvious. Here, the user had to search more for it.

5.2 Brand image

According to the theory of brand image, the image reflects the reality and shows how the consumer perceives the brand. The authors observed in physical environment a young, colourful and playful appearance. This was mainly created by the colours of the clothes hanging in the stores, but also with the shop interior and design. Stadium also used stripes, numbers and almost exclusively round edges on the shelf arrangements or on other merchandise displays. Additionally, the orange coloured accents in different parts in the physical environment were

supporting that young spirit and this emotion. On the web this emotion could not be communicated in that amount and there were no orange accents used. This has as the result that the shopper does not build the same image of Stadium online as the shopper does it in the physical store. He does not get the same impression of the environments in two channels.

Due to the used imagery of active athletes in nature or cities on the wall in physical stores and on the website, the customer is engaged to develop an active and inspiring emotion. That is positive, according to the theory that a company should use the 'emotional benefit' to catch the customers' attention.

Referring to the theory of brand image that a company should attract its desired target group, an observation of counting the shoppers has been done. To see if Stadium reaches its target people those are, according to the company's business concept active people (Stadium, 2010), regardless of age and gender. This observation could only be done in physical stores and not for the e-commerce. The authors formed four different age groups for this case to see if the number of people is in balance in all groups. The result of this observation was that the people those entered into the physical store were most in the age of 16 till 25 years and female. Also the men were not outstanding less. It can be assumed that people in this age are the most actives. The other two older age groups were almost in the same number of people and also a bit more female than male visitors. However, also these two groups are not significantly less by comparing these with the age group 16 till 25 years old. It is a balanced figure (figure 24) that is shown here.

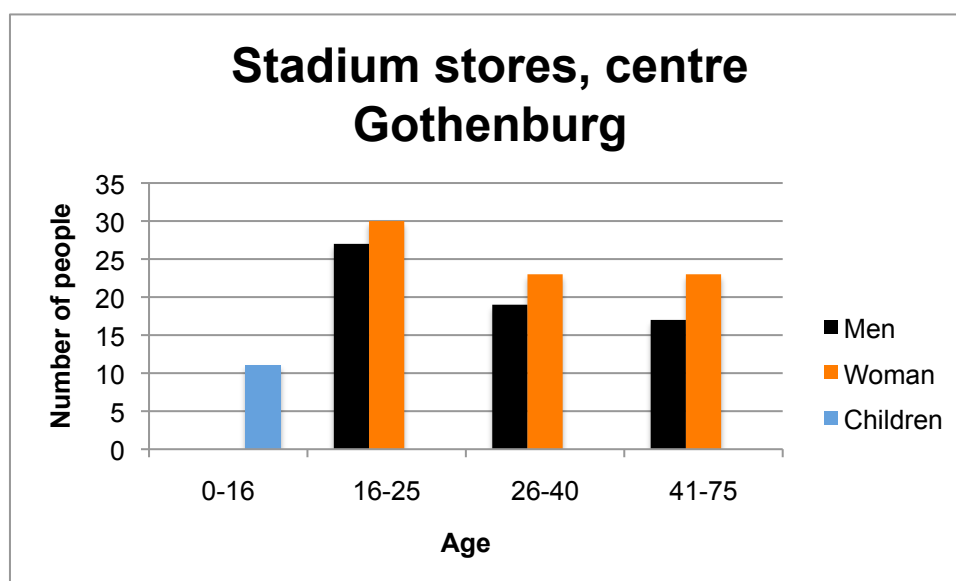


Figure 24: *Analysis of all three centred Stadium stores in Gothenburg.*

Source: Authors, 2011

According to the result of the observation of Stadium's clients it can be analyzed that the brand attracts its desired target group. The number is almost equivalent of women and men and there is also a balance by comparing the number of people in the different age groups.

That Stadium offers a broad range of clothing and equipment of different sports also improves its image. The theory discussed that a brand creates expectations and Stadium does this in terms of that it wants to offer products to all active persons, regardless what kind of sport. This built up an expectation to the customers that they can purchase there everything they need for doing sports. This goal Stadium has reached in physical and virtual environment. Also Stadium's mission that it wants to inspire humans to get active is well developed. After the observation in the physical store the authors felt inspired. This was mainly generated with the youthful, fresh and colourful appearance in the store.

The theory discussed that offering own brands to guide into the right direction that a company wants to achieve can also reinforce an image. The look of Stadium's own brands, Warp, Soc, Everest or Race Marine are addressing different target groups and are created for different sports or casual occasions. This also reflects Stadium's aim, to attract all active people. The company covers with these own brands a broad market. Further they are placed well between the extern brands. That this is done in a consistent manner could be analyzed for both, physical and virtual stores.

Assume, according to the result of the last figure of the count that the brands are more appealing the young target person and that the appearance in physical and virtual environment is more attracting a younger group. This may have as a result that older people may not feel addressed. Further, the played music in physical stores was a mix of pop and r'n'b, which attracts more the young customer. This could be misunderstood by elderly people those are still active and end up in that they do not feel comfortable to step into the store. The e-commerce seems that it is more attracting younger and not elderly people. This could be seen as a lack, that Stadium cannot reach all age groups.

5.3 Customer loyalty

According to the theory of customer loyalty, companies can create customer loyalty by using different loyalty programs. Stadium has a member club that is shown the users already in an intro window on the e-commerce. At the entrance of all physical stores were signs with “Medlemsdagar t.o.m. den 17 april, 10 % rabatt på allt du handlar”, which can be translated to that the members have ten percent discount on everything they purchase until the 17th of April. The context of the message is consistent in both channels, which communicates the same messages to the customer. The membership club is connected to a bonus system, which has been explained within both channels. The physical environment communicates this through speakers in the store as an intermission of the music and the virtual environment communicates this on the member site.

That the ‘kundsupport’ is placed two times on the website can be seen as it is really important for Stadium to offer help to its customers. In the physical stores there was a desk placed in the store to help the customers specifically for club cases, like to open up a Stadium account. Otherwise there were employees in all departments and at the cash point that the customer could ask questions. It seems like that Stadium wants to bind the customer with the member club and its attractive offers and discounted prizes. As a member, one also gets Stadium magazine in the mailbox, while other clients have to pick it up in the store, if they want to read it.

5.4 Brand communities

When it comes to the theory of brand communities, Stadium has an own community called ‘Join the movement’. The purpose on this is to bring the members together according to which activity they like. The community is lacking in terms of its communication in the stores. The community platform is built for the sports: football, running and training. The category ‘forum’ discusses the different topics of the threads. On the website the users can discuss with other community members and get support and recommendations from peers. When a visitor enters Jointhemovement.se he can see the latest topics and search for previous topics those have been discussed. That Stadium offers the Jointhemovement.se as a community where customers can write about their opinion and tips for exercising is a good approach to create a stronger brand-customer relationship. The structure of the site is coherent with Stadiums own website in the colours black and white. Further the Stadium’s logo is

shown. The background of Jointhemovement.se is an image in black and white of an urban environment. This is in the same colour range as in the physical stores. The slogan, 'Join the movement' (Stadium, 2010) and the community name Jointhemovement.se were communicated in the e-commerce as well, but only in the matter of the company's community. It did not appear like a slogan in the physical stores here.

In physical environment the mission could not be observed in written words but Stadium's aim was visible through the display and the colour combination of the clothes. These created a pleasant, active emotion to the customer. There could also be found a lack in the store communication about 'Join the movement'. It was not obviously communicated that this is the company's community. This sentence appeared in each store in different parts but it is not described like on the website.

5.5 Additional values

According to the theory about creating value or additional values, it is the difference to competitors, which creates value to a brand, product or service. On Stadium's homepage this could be found in different parts. For instance, the company has clearly structured the subjects 'sport' in a wide range of different sports on the web page. To compare this with different departments in physical environment there was an inconsistency in the stores if these were marked with signs or not. It can be analyzed that this is lacking and builds an indicator for inconsistency in this case.

The theory also discussed that a brand should be different and specific comparing to competitors. There is no manual on 'how to success', the company has to find it out by its own. In case of Stadium the offer of the bra size guide was lacking in the physical store. The bras of the three categories were only partly sorted. The buttons those describe the different categories on the hanging systems were missing. Because of that it was not easy to understand for a customer which bra belongs to which category. In the virtual environment, nothing similar with the bras' appeared. Stadium offers information of its shoes on YouTube clips and in the physical stores the client will find employees in the shoe department. The additional value that is given on the virtual environment is difficult to compare with the physical environment. It depends on how each individual evaluates the information that clicking on a YouTube clip compares one to ask the staff in the physical store. In the physical environment the clients have also the opportunity to ask more and detailed questions. The e-commerce

offers additionally trainings tips. This is not necessary as a sports chain store but gives a more interesting position to a company. When the people can see that the company wants to do more for its clients, than only to sell its products, this increases the value.

6 Results

This chapter summarizes the outcome of the analysis of, how Stadium is working with brand consistency in physical and virtual environment. Further it includes the discussion that is based on the issue of brand consistency. The results highlight the most important findings according to this and are discussed regarding the theory areas. This is to present the answer on the thesis' purpose: "The aim of this research is to identify how Stadium is working with brand consistency in its business in the retail stores and the e-commerce on the Swedish market". Further this chapter presents suggestions for the future of Stadium, about how the company can improve its approaches around brand consistency.

6.1 Summary of case study results

The following table (figure 25) shows the outcome of the case study of Stadium, divided in each theory part. It presents, in which parts the company is operating consistent and in which inconsistent according the analysis. This shall serve to show the results in an unmistakable and clear way.

Consistency of Stadium in physical and virtual environment		
<i>Factors</i>	<i>Consistent</i>	<i>Inconsistent</i>
Brand identity		
Campaign StadiumRUN	X	
Stadium's communication about itself as a sports company	X	
Stadium's business concept	X	
Logo	X	
Images	X	
Department structure		X
Brand image		
Image of brand comparing to target group		X
Target group of visitors	X	
Offering products	X	

Stadium's mission	X	
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<i>Factors</i>	<i>Consistent</i>	<i>Inconsistent</i>
Customer loyalty		
Membership club	X	
Offers		X
Credit card of Stadium	X	
Customer support	X	
Brand communities		
Appearance in both environments	X	
Communication to the customers		X
Structure	X	
Additional value		
Size guide for bras		X
Shoe support	X	

Figure 25: Summary of the case study's results.

Source: Authors, 2011

6.2 Brand identity

According to the theory, brand identity builds the connecting part to the consumer and should be communicated by the company in a coherent way. This must be assured throughout all channels to achieve a successful brand identity. Stadium is working with brand consistency regarding brand identity, that its logo is used in physical and virtual environment in similar way. Also the slogan 'Join the movement' is used in both channels and builds a connection. The theory further discussed to choose suitable imagery that underlines the company's purpose, direction and meaning. That Stadium uses the images of athletes in both channels to communicate the feeling of the company mission is done consistent in an appropriate way. This is a part that also communicates Stadium's core values to the customer. Also the current campaign Stadium*RUN* was presented and communicated in the physical stores with imagery, running clothes and equipment in the shopping window and inside. In the e-commerce, the images additionally included the prizes of the running clothes the athletes were wearing. This shows what the brand stands for and reflects its mission and aim.

The main colours black and white of the company are utilized consequently in physical and virtual environment. This presents Stadium's philosophy with the sportive appearance. Numbers as eye-catchers are used in both channels, but were more visible in the traditional stores. That Stadium structures its products in different categories is another factor of its aim of brand consistency and also that it is mixing different brands with each other is applied in both. Moreover are brands, such as Adidas or Puma presented separately in a special manner in the physical stores. In the virtual environment these brands also have an own category and distinguish from others. Regarding the theory the target customer will feel addressed and can build up a trust to the brand and its identity if appearance and messages are linked from the physical and virtual environment.

It could be analyzed that Stadium is using several approaches of brand consistency but can also improve parts. First, the company has to work on the lack in communicating the same emotion on the website as in the physical environment. This can be done, for instance through implementing special sites those present products in different matching colour schemes and create a mood to the users. This has to express the same feeling a customer gets when he enters into a physical store. Secondly, the colour orange was not used in the same amount in the virtual environment as in the stores. This could be easily converted by applying orange accents on the website. The use of numbers were also lacking on the homepage which could be used more through interesting applications to reach a better coherency in both channels. Another part to adjust is the interior in older Stadium stores. Every store should look exactly the same in the colour range, furniture, but also the marking of different departments in store has to be applied consistent. That the language of the departments should be the same in both environments is another part that has to be considered. Stadium should decide for one language and communicate throughout both channels. The case that Nike is not presented in the same way in both environments should also be improved and to be added to the selected brands. The presentation of product sets or other special offers must also be communicated more obvious on the website to ensure that the company is distinguishing from competitors on the market and reach a strong position.

6.3 Brand image

According to the theory of brand image, persons are influenced in building up an image towards a brand by the operations a company does. Appearance, with all its elements is

affecting the brand's image. Stadium is working with brand consistency concerning its brand image like that it represents the same young and fresh image in physical and virtual environments. This is also supported through offering brands those stand for this.

Since Stadium's target group includes all persons those feel active, the appearance in physical stores was more created for a young group. This looks the same in the virtual environment and is the manner the company is working with. The theory discussed that the desired target customers should feel addressed with all factors those create image. The persons those were present in the physical store were most in a younger age. For the virtual environment it can be assumed that this is also a younger group of people that purchases online. Therefore Stadium attracts the same customer group in both environments. The company also attracts equally male and female customers in physical and virtual stores are done in a consistent way and communicate the same image.

The range of own brands attracts a broad target customer base in both environments. That Stadium offers the same products and brands in a large amount to the customers in both environments is another indicator of its manner to work with consistency and shows the importance for Stadium of a positive image to its clients. Further, imagery in both channels is used with a coherent approach. Same messages are communicated, but not in the same amount in the virtual environment as in the physical store. The benefit to create emotions should be applied in an extended way on the e-commerce to improve its brand consistency, as already discussed in chapter 6.1. Moreover, Stadium has to work on this that the e-commerce is reflecting the same emotions and image that is shown in the physical store. Another problem that has been discussed is that the image is more a young and not attracting active elderly people. This could be improved by implementing a specific department in physical and virtual store to cover also this desired target group. Or by special offers or services those attract elderly actives. This has also to be done in a uniform way within both environments.

6.4 Customer loyalty

Referring to the theory on the subject of customer loyalty, Stadium sends out a consistent message according to the membership club and how it works in the physical and virtual environment. In the traditional stores a member is encouraged to offerings with discount prizes. This is something that should also be included on e-commerce. To attract customers with special deals and not force them to come back is a tactical instrument according the the-

ory. Stadium has applied this with that the membership is for free and the customers receive something back, such as a bonus check to shop more with. Also, when customers spend more money in the sport chain it will obtain an extra bonus check in the end of the year. This is Stadium's way to keep the customer and encourage him to purchase more. It also supports the customer to open up a Stadium account with credit card function, which is another part to bind the customer for a longer time period. Stadium's own magazine offers training tips, which is consistent to the virtual environment where training tips can also be found. Furthermore, Stadium is working with events for members those are communicated through virtual environment and the speakers in the physical environment.

6.5 Brand communities

Stadium's own community 'Join the movement' was communicated in both channels, but with more information on the web. In the virtual environment it appears as an own website jointhemovement.se, linked on the main site stadium.se. Stadium has to continue to work on the communication of its brand community also in the traditional stores. To show additional information or signs to the visitors is one way. This can also be showed through posters with text those communicate what the visitor can expect in the community. For example one function is: *ask all your running questions to MUSSE, the Swedish master of running*.

According to the theory about brand communities Stadium's has formed its community well. The navigation on jointhemovement.se is user-friendly. The text, font and images those are shown communicate an inspiring impression to the user. The search function is uncomplicated to use and further, to join a discussion is easy to handle. Moreover it is easy to read what other users have been written previously.

6.6 Additional value

According to the theory, additional value is not that simple for a company in terms of what the company should do to achieve an additional value to its products or services. Values are perceived differently by people and are therefore difficult to measure. Stadium is a sport chain and offers much more than equipments and apparel for exercising. In both channels this could be seen in different parts. Exemplifies to competitors, the consistency between categories of shoes in the physical and virtual environment is translated in a good way.

The department in the physical and virtual environment is in different languages and cannot be seen as consistent. As already mentioned in chapter 6.1, some signs in the stores were in English and in Swedish in the virtual environment. Those stand for additional values Stadium wants to create, but this was not done consequent in the physical environment. This causes confusion to the customers in finding the place of specific products. The result of this is a lack and builds an indicator for inconsistency in this case. The theory also says that a brand should be different and specific, compared to competitors. There is no manual on *how to success*, the company has to find this out by its own. In Stadium's case the offer of bra size guide is lacking in the physical stores. The bras of the three categories were only partly sorted. The buttons those describe the different categories on the hanging systems were missing. Because of this it was difficult to understand, which bra belongs to which category. On the virtual environment, nothing similar appears. On the web, further trainings tips were offered. This is not necessary as a sports chain store, but gives a more interesting position to a company. When the visitor can see that the company wants to support the visitor, more than only by selling its products to them this increases the value.

7 Conclusions

This chapter presents the way of studying the field of brand consistency. Beside this the theoretical and empirical conclusions of the thesis are presented and the significant results those answered the research question are emphasized.

The thesis' research question:

How a company works with brand consistency in physical and virtual environment?

More specifically, with the focus on Stadium, Sweden, as a multi-brand retail chain store in the sports sector.

To answer this research question different theory areas had to be discussed those have influence on the particular field of brand consistency. Further, why this is a challenge for a company to operate in a coherent way in physical and virtual environment. We have studied two different areas, branding and relationship marketing. Each main area included sub-themes. For branding, brand identity and brand image was analyzed, and for relationship marketing themes, like customer loyalty, brand communities and additional value have been studied. The empirical data was generated within a case study that included observations. This has been done for Stadium, Sweden. Here we have observed its appearance in physical and virtual environment regarding to its work with brand consistency.

For a company it is of great importance to communicate one and the same message throughout the physical and virtual channels. All analyzed theory areas building elements of the whole of a successful company or brand.

The brand identity should according to Grönroos (2007) be well established from the beginning on and formed in a suitable way to the company. Stadium's identity has good approaches in communicating its identity but it is also still lacking in parts of appearance in consistency between both environments.

The brand's image should be achieved that it reaches the desired target group according to Aaker (1996). As this three authors Hill (2008), Rowden (2003) and Aaker (1996) have in common is that the described target group feels addressed and build up the correct image. For the case of the observed sports chain retailer it could be identified that it reaches the most

people of its desired target group and has build up a suitable image that meets its identity. But it should work further on the communication to older actives to improve this lacking part.

To bring the customers to the state of being loyal to the brand is a huge challenge. According to Grönroos (2007), he says that it is now more important than before to maintain the customer relationship than to obtain more new clients. This fact is due to the current market situation, with saturation and the huge amount of competitors. Stadium is doing already a lot to build up relationship to its customer with its membership club and other special offers for them.

Brand communities are a phenomenon of this century. A company nowadays has to work with customer involvement more than previously. According to the theory, brand communities Banks and Daus (2002) say that customers want to participate in decision making, to state their opinion. Customers also want to communicate to other customers with the same interests or directly to the company. The sports company has developed its own, but independent operated community 'Join the movement' on the web and shows further good approaches to involve its customers.

Additional value as the last theory part is an occurrence that is now more demanded. It can be stated that only to offer the modern consumer a product is not sufficient to satisfy him nowadays. A product has to be full of quality and include special values those create a meaning around it, as Grönroos (2007) mentioned about additional value. Stadium tries to achieve this through special customer support and services, such as advices for products or training tips.

As the final conclusion it can be said that to make business in a consistent way is one of the most important factors a company has to work with to become successful on today's market. But also to maintain all included factors continuously has to be considered to achieve the desired perception of the customer.

8 Suggestions for future research

In this final chapter are suggestions for future research presented, according to the researched field, of brand consistency.

Suggestions for future research are given, regarding the field of brand consistency. One reason is that there is a lack of researches in this area. It might be interesting to use different perspectives to understand the phenomenon from several perspectives. At this moment Stadium is the one and only multi-brand retail store in the sports sector in Sweden that has physical stores and e-commerce.

Suggestions are:

- Study the problem from a more customer orientated perspective. To interview Stadium's customers and to ask them what they think about the consistency in the physical and virtual environment could be interesting.
- To analyze Stadium's point of view could be another field. How it established its e-commerce and in which part the consistency was considered between the two channels.
- Another research field could be, to look also at advertising, beside the physical and virtual environment. How the three channels communicating consistency.
- Or to apply the consistency into another industry, like a fast fashion company, such as Gina Tricot or H&M those sell clothes both in physical and virtual environment.

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Appendix 1

Observation questions for the case study of Stadium

Physical:

- 1) How is the appearance in the physical environment of Stadium?
 - Visual merchandise:
Light, music, shelves, colours, space to walk, smell, signs, department areas
 - Where is placed what?
 - What are the employees wearing?
 - Where are the employees placed?
 - Who is attracted to this appearance/ interior/ ambience?
- 2) Is the identity visible in the store and how?
- 3) Brand image:
 - Extern and intern brands they offer and the image of these brands?
 - Target group visible? What clients are in the store?
Observe 50 people in each store:
(Three stores in Gothenburg) -> *It must be the same time and the same day.*
Build groups:
Men 16-25 years, 26-40 years, 41-75 years
Women 16-25 years, 26-40 years, 41-75 years
Children 0-16 year
Leave the store with a bag? Yes/ No
- 4) How has Stadium built up relationships to the customer?
 - Communication about the club card and bonus system visible?
- 5) What does Stadium to keep the customer loyal?
- 6) Which values are created by Stadium?

- Brands?
-

Appendix 2

Specific observation questions for the physical stores in centre Gothenburg:

- 1) Stadium Fredsgatan - Fredsgatan 8 ()
- 2) Stadium Grand - Vallgatan 36 ()
- 3) Stadium Nordstan - Götgatan 14-16 ()

Brand identity

1. How is the appearance in the physical environment of Stadium?

Visual merchandise:

- Store size
- Escalator
- Light
- Space: messy, or enough space to walk with baby carriage?
- Music: is there music, what kind?
- Rack for hangers: Color, material, shape
- Shelf systems: Color, material
- Signs in the store: Color, size, what?
- Department structure: Separated areas, signs for it, obviously visible, which departments?
- How they mix brands? Separate brands or mix? Extern and own (Soc, Warp) brands mixed?
- What are the employees wearing and where are they placed?
- Who is attracted to this appearance/ interior/ ambience? Children, teens, adults, elderly people?

2. Is the identity visible in the store and how?

- *The mission: "We want to inspire people to lead fun, active, healthy lives!"*

*There is a winner inside everyone and it's the winner in you we want to **communicate** with, whether you like top-level action and love to compete or enjoy long, brisk walks. We want to continually inspire more and more people to live an active life.*

3. Is it inspiring that you want to buy and get active? Why or why not?

- ***Our business concept*** “*We aspire to offer **active people affordable** sports and sports fashion products with great **functionality, design and quality.**”*

We invite you to visit to our stores, where we will help you to choose the right product at the right prize. It's our way of letting you know that you're important to us.

4. Are the prizes of extern brands also affordable, same prize class than the own brands?

Brand image

5. Extern and intern brands they offer and the image of these brands?

6. Main brands in the store:

7. Is the target group visible? What clients are in the store? Are they looking active?

Relationship marketing

8. How has Stadium built up relationships to the customer?

9. Communication about the club card and bonus system visible?

10. What does Stadium to keep the customer loyal?

11. Which values are created by Stadium?

12. Which brands does Stadium offer?

Appendix 3

Virtual:

1. How is the appearance in the virtual environment of Stadium?
 - Colours, images, music, ads, films, ...
 - What is on the Home side visible?
 - Intro page?
 - Who should be attracted?
 - How is the product range structured? Sub categories? Searching functions?
 - Navigation?
 - Selections? Men, women, children, sports/ activities, brands, tools
 - Material description?
 - Runway?
 - Available colours visible in pictures?
 - Prize, easily visible?
 - Payment: shipping cost, delivery time
 2. Is the identity visible on the website and how?
 3. What brand image has Stadium in the virtual environment?
 - Extern and intern brands they offer? Image of the brands?
 - Target group? → more younger people
 4. How has Stadium built up relationships to the customer?
 - Is there a special offer?
 - Member card and bonus system on the web?
 5. What does Stadium to keep the customer loyal?
 6. Which values are created by Stadium?
-

Brand image**13. Observe 50 people who leave the store:**

Date: 2011-04-12 Time: _____

Groups:**Men 16-25 years/ 26-40 years/ 41-75 years****Women 16-25 years/ 26-40 years/ 41-75 years****Children 0-16 year****Leave the store with a bag?**

Yes/ No



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