

## Master Thesis

# Creating Strong Brand Identity – Facilitating Internationalization of Norwegian Sports-Clothing Brands



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Stian Steinlein

## Executive Summary

For over a century, Norwegian producers within the sports-clothing industry have produced clothing and gear aimed at allowing people defy the very nature in the country. Hence, these companies have gained a lot of knowledge and expertise related to the product characteristics, and parts of the country's heritage has been implemented into the brands. The research in this thesis is motivated by the fact that even though Norwegian sports-clothing brands have long traditions in developing clothes and equipment for outdoor activities, there is a lack of awareness of the brands internationally.

The purpose of this study was therefore to investigate “*how Norwegian sports-clothing companies most efficiently can establish a clear brand identity that provides a competitive brand image in international markets*”. Additionally, the thesis aims to investigate “*how Norwegian sports-clothing brands should enter new markets, in order to enhance the possibility of success in the respective markets*”. In order to answer these research questions, multiple case studies of two relatively successful Norwegian sports-clothing brands were conducted. Certain patterns, relations and dynamics among the brand identity creation, positioning, communication, and new market entry mode have been uncovered. The framework “Brand Identity Planning Model” has been conceptualized and then modified to provide an initial base for the findings.

When developing a clear and consistent brand identity, *choosing brand profile, brand personality traits and brand product characteristics* has been recognized as three important criteria for creating a consistent brand identity. Event– sponsorships, brand ambassadors and social media platforms have contributed with efficient and targeted communication toward consumers, enhancing awareness and associations towards the brand internationally. Considering the internationalisation of Norwegian brands, there are several factors that influence the choice of entry mode and entry strategy, e.g. firm size, market complexity, and speed, control and investment. Findings also indicate that only the core product should be introduced at initial new market entry.

The core findings are summarized in a model aimed to work as a framework for future Norwegian sports-clothing brands. Its purpose is to show how a clear brand identity can be built and managed, and which factors that influence the identity creation. Additionally, important factors that need to be considered when the brand is targeting international markets are presented and highlighted.

Table of Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>I</b>
<b>1. INTRODUCTION .....</b>	<b>1</b>
1.1 THE SPORTS-CLOTHING INDUSTRY IN NORWAY.....	1
1.1.1 <i>Norwegian People – Active Sports Enthusiasts</i> .....	3
1.2 CORE ELEMENTS OF THE NORWEGIAN ECONOMY – INFLUENCE ON INDUSTRIES.....	4
1.2.1 <i>Low Focus on International Branding in Norway</i> .....	6
1.3 MOTIVATION FOR NORWEGIAN SPORTS CLOTHING BRANDS TO GO INTERNATIONAL.....	7
1.4 PROBLEM IDENTIFICATION .....	8
1.4.1 <i>Problem statement</i> .....	9
1.4.2 <i>Research aim</i> .....	10
1.5 DELIMITATIONS .....	10
1.6 STRUCTURE OF THE THESIS.....	11
<b>2. INTRODUCTION TO BRANDING.....</b>	<b>12</b>
2.1 WHAT IS BRANDING? .....	12
2.1.1 <i>What is a Brand?</i> .....	13
2.1.2 <i>Why Branding Strategies</i> .....	14
2.1.3 <i>Branding Strategies in the International Market</i> .....	14
<b>3. PRESENTING THEORETICAL FRAMEWORK.....</b>	<b>16</b>
3.1 THE BRAND IDENTITY PLANNING MODEL.....	16
3.1.1 <i>Strategic Identity System</i> .....	17
3.1.2 <i>Brand Identity</i> .....	24
3.1.3 <i>Brand Relationship</i> .....	27
3.1.4 <i>Strategic Positioning</i> .....	28
3.2. CONSUMER KNOWLEDGE EFFECTS.....	32
3.2.1 <i>Brand Awareness</i> .....	32
3.2.2 <i>Brand Associations</i> .....	32
3.3 BRAND ENTRY STRATEGY AND INSTITUTIONAL ENTRY MODE .....	33
3.4 BRAND CONCEPT MANAGEMENT .....	36
<b>4. RESEARCH METHODOLOGY .....</b>	<b>38</b>
4.1 TYPE OF RESEARCH .....	38
4.1.1 <i>Exploratory Research</i> .....	38
4.2 RESEARCH METHOD – QUALITATIVE APPROACH.....	39

4.2.1 <i>Potential Sources of Error in Research Designs</i> .....	39
4.3 THE CASE STUDY METHOD .....	40
4.4 VALIDITY AND RELIABILITY .....	41
4.4.1 <i>Validity</i> .....	42
4.4.2 <i>Reliability</i> .....	42
<b>5. EMPIRICAL CASE STUDIES.....</b>	<b>43</b>
CASE 1: BJØRN DÆHLIE.....	43
5.1 <i>Company History</i> .....	43
5.2 <i>Bjørn Dæhlie Brand Identity</i> .....	44
5.3 <i>Bjørn Dæhlie’s Brand Positioning</i> .....	48
5.4 <i>Facilitating Consumer Knowledge and New Market Entry Mode</i> .....	49
CASE 2: KARI TRAA .....	52
5.5 <i>Company History</i> .....	52
5.6 <i>Kari Traa Brand Identity</i> .....	52
5.7 <i>Kari Traa Brand Positioning</i> .....	56
5.8 <i>Facilitating Consumer Knowledge and New Market Entry Mode</i> .....	57
<b>6. CROSS-CASE ANALYSIS AND FINDINGS .....</b>	<b>60</b>
6.1 OVERALL BRAND IDENTITY AND POSITIONING .....	60
6.2 CONSUMER KNOWLEDGE EFFECTS AND MARKET ENTRY MODES .....	62
<b>7. DEVELOPMENT OF THEORETICAL FRAMEWORK .....</b>	<b>65</b>
7.1 CREATING THE BRAND IDENTITY .....	65
7.1.1 <i>Choosing Brand Profile</i> .....	66
7.1.2 <i>Brand Personality Traits</i> .....	67
7.1.3 <i>Brand Product Characteristics</i> .....	67
7.1.4 <i>Brand Essence, Core Identity and Extended Identity</i> .....	68
7.2 STRATEGIC BRAND POSITIONING .....	69
7.2.1 <i>Creating Associations and Incentives to Buy</i> .....	69
7.2.2 <i>Communicating the Brand</i> .....	72
7.2.3 <i>Consumers’ Brand Knowledge Effects</i> .....	72
7.3 BRAND IMAGE.....	73
7.4 MARKET ENTRY MODE.....	73
7.5 THE COMPLETE MODEL .....	74
7.5.1 <i>The Complete Model</i> .....	75

<b>8. DISCUSSION AND CONCLUSION .....</b>	<b>76</b>
8.1 CONCLUSION BASED ON THEORETICAL AND EMPIRICAL FINDINGS .....	77
<b>BIBLIOGRAPHY: .....</b>	<b>80</b>
BOOKS .....	80
ARTICLES .....	82
ELECTRONIC SOURCES .....	86
<b>APPENDIX.....</b>	<b>89</b>
APPENDIX 1: INTERVIEW WITH BÅRD KRISTIANSEN, CEO AT SPORTSBRANSJEN AS .....	89
APPENDIX 2: QUESTIONS CONCERNING NORWEGIAN COMPANIES’ BRANDING SKILLS .....	91
APPENDIX 3: INTERVIEW WITH ESPEN KROGSTAD, CEO ACTIVE BRANDS .....	92
APPENDIX 4: INTERVIEW WITH ERIK HEGBOM, COMMERCIAL DIRECTOR AT KARI TRAA.....	97

## Figures

Figure 1: Structure of Thesis.....	11
Figure 2: The Brand System; Power of Influence.....	13
Figure 3: The Relationship Between the Elements of a Brand .....	18
Figure 4: Brand Identity Planning Model .....	21
Figure 5: Brand Personality Dimensions, “Big Five” .....	23
Figure 6: Identity and Image .....	24
Figure 7: Brand Identity Prism.....	25
Figure 8: Brand Relationship .....	28
Figure 9: Positioning a Brand .....	29
Figure 10: A Schematic Representation of Entry Choice Factors .....	35
Figure 11: Bjørn Dæhlie’s Brand Personality.....	45
Figure 12: Bjørn Dæhlie Brand Identity Prism.....	48
Figure 13: Kari Traa’s Brand Personality .....	53
Figure 14: Kari Traa Brand Identity Prism .....	56
Figure 15: Brand Identity Creation .....	68
Figure 16: Brand Identity and Foreign Market Entry Mode.....	75

## Tables

Table 1: Goods Exported From Norway .....	5
Table 2: Brand Personality Drivers .....	22
Table 3: Internal and External Factors For Brand Identity .....	26
Table 4: Summary of Bjørn Dæhlie .....	51
Table 5: Summary of Kari Traa .....	59

## 1. Introduction

### *1.1 The Sports-Clothing Industry in Norway*

Norway has long traditions when it comes to developing and manufacturing clothing and equipment related to leisure and sports activities. The roots to this evolvement can be traced back to the 1880's when the story of Helly Hansen started. After many years at sea, Norwegian captain Helly Juell Hansen and his wife began producing oilskin jackets, trousers, sou'westers and tarpaulins, made from coarse linen soaked in linseed oil. In the 20th century, Helly Hansen made several breakthroughs in product development to complete the layering principle today known as the 3-Layer System™. Additionally, Helly Hansen developed the Helox technology as a replacement for the oil-based outerwear; and the original fleece was developed in 1961. In 1980, the Helly-Tech technology was launched, using both hydrophilic and microporous technology, which meant that the apparel was both waterproof and breathable, facilitating anyone participating in high-activity outdoor sports. The heritage from Helly Juell Hansen is still the brands cornerstone. Today, Helly Hansen gear is used by world-class sailors, skiers and adventurers who spend their time between human will and nature's forces, that demand full protection and performance when the conditions are at their worst ([hellyhansen.com](http://hellyhansen.com)).

Another long-term player in the sports-industry in Norway is Bergans. The journey began in the early 1900's, when Ole F. Bergan patented his invention "Bergans Frame". This patent made Bergans a leading supplier for rucksacks. Bergans rucksacks was used as equipment in the race towards the South Pole in 1911, and the Norwegian Armed Force started using the rucksacks in 1913. Since the 60's, Bergans have been producing sleeping bags, tents, and ally folding canoes. During the last century, Bergans gear has been used in several famous expeditions to Mount Everest and to Antarctica. However, as of today, Bergans of Norway are still producing hardware, but a lot of focus is directed toward leisure clothing created for several outdoor activities such as hunting, expedition, ski, mountaineering, and hiking ([bergans.no](http://bergans.no)).

Norrøna is another significant player in the Norwegian sports-clothing industry, and Jørgen Jørgensen introduced the brand in 1927. Starting with simple innovations such as leather straps, canvas backpacks, and cotton clothing, he set Norrøna's direction: To search for the best in technical advancements and to create the ultimate performance products. Norrøna strives for passionate commitment to advance the boundaries of product function, with design-bred solutions

to equip you with the highest-grade, weather-protective gear for your outdoor needs. Innovation is a cue, and the brand build touchstone products, establish construction techniques, and redefine the meaning of fit, fabric, function and finish, based on their design principle of Loaded Minimalism™. Additionally, Norrøna created the original mountain tunnel tent in 1972, which devised the standard monitoring system for backpacks 1979, and were the first company to use Gore-Tex® in Europe 1977. Whether you climb, tour, telemark, ski or snowboard, their wide range of apparel, backpacks and accessories salute the spirit of Norrøna to ensure its high-end, performance-driven products continue to work and inspire with integrity, innovation and above all, technical function (norrøna.com).

The overall Norwegian sports-clothing industry market is recognized by brands that are mainly serving their respective area of expertise. Hence, Helly Hansen is mainly recognized as a brand for sailors, Bergans is a brand for expeditions, while Norrøna is a brand for skiers and climbers. However, there are several other participants in the sports industry, with Swix (gliding and wax for skies, cross-country ski clothes), Rottefella (ski-bindings), Stormberg (hiking, and leisure clothing), Kjus (slalom ski clothing), Bjørn Dæhlie (cross-country ski clothes), Kari Traa (girls clothing), and Devold (wool base layers and socks). All of the brands are producing what they are calling winter clothing (e24.no). Being a country influenced by a fantastic nature, extreme weather and rough conditions, it is clear that Norwegians has developed expertise in order to manage to survive and explore the very nature. As the conditions are rough with high seas along the coastline, meters of snow on the mountains, flooding and intense rivers, dense forests, and cliffs that are almost vertical, one definitely need good equipment and clothing to handle this environment properly. From winter activities such as downhill skiing, cross-country skiing and biathlon, to fishing in the North Sea, the equipment and clothing used to handle these challenging circumstances have been developed technically, and customized to serve peoples needs for over a century.

Among all of the brands mentioned, the only one real big brand in an international context is Helly Hansen. The other brands are to some extent popular in Scandinavia and Middle-Europe; however, they are not recognized with the same brand equity outside Norway, as they are within the domestic market. However, during the last ten years, all of the brands mentioned have recognized that the Norwegian market is too small (e24.no). Being high-end sports brands, they do not want their clothing to be too exposed, as it will decrease their brand value (aftensposten.no). In that sense, the



brands have started to target foreign markets, in order to increase their revenue and maintain their brand image. Bergans are selling more hardware (tents, sleeping bags and backpacks) than clothing abroad than in the domestic market. In contrast, in the Norwegian market, 80% of Bergans' sales accounts for clothing and textiles. From 2010 to 2011, Bergans increased their export with 31%. Norrøna had all of their revenue from the Norwegian market in 2008. Four years later, 35% of their revenue comes from export (aftenposten.no). Swix is also working toward international markets, with a total export that accounts for 50% of their revenues. However, Swix's core revenue in international markets stem from ski wax and cross-country ski poles. Consistently to all of the Norwegian brands, is that even small market shares in the international market are very valuable. 87% of the revenues in Norway stems from sales through store chains, which is equivalent to the European market (e24.no). Thus, entry to some of the large chains in Europe could mean significant increases in revenue for the brands. An important factor describing the Norwegian sports-industry is that the sales of sports related goods is the highest in the world, accounted for per capita. After Norway, it is Sweden, Austria and Switzerland that are the countries in Europe with the highest sales of sports related goods per capita. The main reasons for this may related to the fact that these countries have four seasons during the year, providing incentives to buy different equipment and clothing dependent of the season and activities that follow (e24.no).

### *1.1.1 Norwegian People – Active Sports Enthusiasts*

The most common activities in Norway can be characterized as skiing (downhill and cross-country), snowboarding, fishing (both at sea and in the rivers), mountain hiking and climbing, hunting, canoe and kayaking, and sailing (visitnorway.com). Furthermore, some of the world's best skiers; sailors, mountain climbers and other extreme-sports athletes are from this little country up north in Europe. This is no coincidence. When you grow up in a country where people have specialized in performing these activities for centuries, the chances for succeeding as an athlete in either of these activities increases significantly. These activities have become a part of the country's heritage.

In 2013 there was over 17 000 entrants to a skiing race in Norway called Birkebeinerrennet. This event is a 54-kilometre cross-country ski race. Worth mentioning, in 2010 the event had a capacity of 16 000, and it sold out in just 18 minutes (dn.no). This clearly indicates that it is a high degree of popularity and focus on sports activities in the country. Additionally, especially when it comes to winter sports, little Norway has performed exceptionally well in the Winter Olympics. Actually, Norway is the country that has the most gold (118), silver (111) and bronze (100) medals

throughout the history in the Winter Olympics. The total is 329 medals (olympic.it). In contrast, in the Summer Olympics Norway is ranked as the 22<sup>nd</sup> country, with a total of 149 medals. It is clear that it is in the winter sports that Norway performs best, which can be linked to the long and cold winter, and the focus on winter-sports activities.

The famous Norwegian explorer Roald Amundsen was the first ever person to reach to the South Pole in 1911, and one of the first to explore the Northwest Passage, the Northeast Passage and the North Pole (polarhistorie.no). Thus, Norwegians have for over a century been exploring and defied rough nature and climate, which would not have been possible without proper clothing and equipment. However, it is not only Norwegians that have utilized the Norwegian values and traditions. The Italian brand Napapijri, which means “the Arctic Polar Circle” in Finnish, have used the Norwegian flag as the logo for their brand, while at the same time built the brand on the values and traditions of Norway. Napapijri is *“a brand with an international vocation for technical quality and a sporting and cosmopolitan spirit. A style that is both technical and sophisticated at heart, addressing a modern and dynamic generation always on the move, passionate and curious, spontaneous and playful, yet extremely careful and independent in their choices... The choice of such an extreme and adventurous scenario was a clue, right from the start, to the inspiration that was to guide the brand through the long years: travel, meaning the experience of life at every latitude and longitude, authentic symbol of a philosophy of freedom and growth; focused on nature, it has always been instinctively respectful of the planet and the many peoples living on it”* (napapijri.com).

Despite of the history and the popularity of nature driven activities in Norway, as exemplified by the Norwegian brands, as well as the case of Napapijri, there is still a lack of well-known international Norwegian sports clothing brands. When Norwegian values can be added to a well-known Italian brand, how come almost no Norwegian brands have managed to exploit these opportunities and created a *strong international* brand that builds on the core values of Norway and the Norwegian spirit, within the sports-clothing industry?

### ***1.2 Core Elements of The Norwegian Economy – Influence on Industries***

In order to answer the question on the previous page, let's have a look at the Norwegian economy, and what influences it. Today, Norway's economy relies heavily on extracting oil and gas from the North Sea and the Norwegian Sea. In fact, 25% of the value creation in Norwegian economy stems

from the petroleum industry (bdo.dk). This industry also represents 69,6% of Norway’s total export to foreign countries (ssb.no). The majority of Norway’s export goes to countries in the European Union (EU), with Germany, Netherlands, Great Britain and France as the primary customers. Export of goods to other parts of the world is low compared to the European Union, with Asia (7,8%) and North America (USA and Canada, 6,1%). Hence, the Norwegian export, and thus economy relies heavily on the other European countries, in addition to the yet undiscovered petroleum reserves hiding in the sea (ssb.no).

Selection of goods being exported from Norway	Export	
	(Million Kroner)	Percent
Foods and animals (mostly fish)	54 220	5,8
Commodities including petroleum	647 346	69,6
Manufactured goods	69 153	7,4
Clothing, goods, and other non-classified products	2 773	0,3

Table 1: Goods Exported From Norway. (Statistisk Sentralbyrå, SSB Norge).

One of the explanations for EU countries being of such importance for Norwegian export may be the EEA Agreement that brings together the EU Member States and the three EFTA States, which includes Norway, Iceland and Lichtenstein. The agreement enables the three EFTA countries to participate fully in the Single Market with the other nations of EU. It covers the four freedoms; the free movement of goods, capital, services and persons, and competition and state aid rules and horizontal areas related to the four freedoms. The objective of the EEA Agreement is to create a homogeneous European Economic Area, ensuring a uniform application of laws relating the Single Market (efta.int). In 1995, World Trade Organization (WTO) was established, with Norway as a member. The comprehensive trade with other countries has been a central part of the value creation. Having clear rules and guiding lines for trade across borders has been of huge importance – and is the main driving force for Norway’s membership of WTO (regjeringen.no). Thus, it is clear that Norwegian economy is extremely dependent on the oil, gas, and cod fish industry. These industries provide products that are highly demanded in the international markets. According to Den Norske Bank (DNB), China will grow rapidly and become the major player in the global economy. As a consequence, the demand for commodities from the petroleum sector and the cod industry (ssb.no), will continue, and may even grow in the coming years. Therefore, the prices will continue to be high – even though the traditional trade partners of Norway fails to grow (norges-bank.no).

### *1.2.1 Low Focus on International Branding in Norway*

Due to the strong position of the Norwegian economy, the activity and production in other industries rather than petroleum and fishing have been decreasing in the country. More and more money are spent on administrative tasks in the public sector. According to Erik B. Nes (Interview 1), it is hard to determine whether Norwegian suppliers are good, or less good at branding. As Norway mainly is a raw-material supplier, the Norwegian economy heavily relies on companies focusing on exportation of raw materials. The focus on branding is almost absent in these industries, which implies that branding is more important in other countries where the economy relies on other industries (Interview 1, Erik B. Nes). According to a statement from the Norwegian Government: *“Norway is globally most recognized for its shipping, fishing and petroleum industry. The Norwegian brands that are recognized by foreign consumers are Jotun, Jordan, Helly Hansen and Stressless, and we clearly lack an industry identity towards foreign markets. StatoilHydro or Norske Skog does not provide the same identification power in international markets, as they do in the domestic. REC is a possible global super-brand. However, it takes time to explain that the solar technology stems from Norway”* (regjeringen.no). In fact, rendering a survey executed by Innovasjon Norge targeted at people **not** residing in Norway, and their opinions about Norwegians and Norway in general, they found that the perception of the weaknesses of Norway is that there is a lack international of well-known brands, weaknesses in customer orientation, post-purchase services, market positioning and efficient marketing (innovasjon norge.no).

Moreover, as argued by Superbrands Norge, brand building is not a recognized discipline in Norway, and Norwegians traditionally are more focused on the product and the production itself, rather than sales and marketing activities. They also argue that Norway has few recognized international brands (e24.no). Conversely, it is apparent that Norway, and the companies operating in the Norwegian industry of sports-clothing goods need to enhance their branding skills. Not only to target international markets, but also in general in order to create competitive advantages compared to their competitors in the domestic market. Some strong Norwegian brands are covering most parts of the overall domestic market (Bård Kristiansen, Interview 2). Also, it can be recognized that Norwegians prefer well-known brands as they provide higher degree of confidence, trust, and satisfaction with the purchase. These factors are accompanied by the consumer behaviour literature (Solomon, Polegato, and Zaichkowsky, 2009), which can be regarded as “standards” among most consumers in different markets and countries. Therefore, it is important for Norwegian

sports-clothing brands to first build strong brands in the domestic market, in order to target new international markets, and thus be able to build brand equity and achieve sales in these markets. As Norwegian sports-clothing brands are regarded as high quality products in other markets, and some of the brands have fair standing in these international markets (Sportsbransjen, 2013), it is definitely an opportunity for other Norwegian sports-clothing brands to achieve international awareness through a solid brand identity. Additionally, by elaborating on the “Norwegianness” and the values that follow, this is not an impossible task.

### *1.3 Motivation For Norwegian Sports Clothing Brands To Go International*

Many firms have realized the huge potential of globalization. When expanding towards foreign markets, a global branding strategy has to be developed. Additionally, different strategies that are present have to be considered carefully when a firm is pursuing international markets. According to Levitt (1993), most companies must learn to operate as if the world were one large market place, thus, ignoring superficial regional and national differences. However, growth for the sake of growth is not a viable strategy, and certainly not always provides financial benefits for a company (Welch, 1998).

The internal knowledge that sits within Norwegian sports-clothing brands is undoubtedly valuable resources for the different companies (Grant, 1996). However, there is a limited amount of persons to reach within the domestic market, making the sales potential is restricted. Norway only has a population of just above 5 million (ssb.no), making the total market relatively small (e24.no). Activities such as skiing, sailing, sea fishing, mountain hiking, mountain climbing and so on are not unique for Norway. These are activities that are performed in every continent on the planet, making the possibility of reaching potential customers across the whole globe present. As an example, only 20 percent of the global sales of cross-country skiing stems from Norway, with Russia as the market where it is sold most cross-country skies in the world (Sportsbransjen AS, 2013). There are several internal incentives for companies to go international, some of which are; increase sales and profits, gain return from core competencies, economies of scale and scope, larger and more lucrative customers, new markets, access to production resources, adaption to trends, fierce domestic competition, and overseas capital (Keller, 2007).

During the last decade, export of Norwegian sports clothing brands has increased at a satisfying level for some of the brands (Sportsbransjen AS, 2009). Thus, brands such as Helly Hansen and

Norrøna has managed to target international markets with success, implying that there is an opportunity for new and promising brands from Norway to achieve international expansion and target unsaturated markets, if they manage to build strong brands through clear branding strategies.

#### *1.4 Problem Identification*

Yu Xie and Boggs (2006) argue that corporate brands as well as product brands are competing in today's international markets. Considering the fierce competition in the global market place, building strong brand equity is essential for any company in order to be able to sustain a long-term competitive advantage (Kabiraj and Shanmugan, 2011). The most successful global companies today are said to have strong brands, with a clear brand identity and a consistent brand image. A strong brand with positive brand equity has several advantages; such as higher margins, opportunities for brand extensions, more powerful communication impact, higher consumer preferences, and purchase intentions (Buil, de Chernatony, and Martinez, 2008). For customers in the sports-clothing goods industry, there are different levels of involvement in the decision-making process when deciding to make a purchase. This means that the customers include numerous different variables in the evaluation of the different available brands, e.g. perceived quality, intangible assets, and packaging (Jobber, 2007; Solomon, Polegato, and Zaichkowsky, 2009).

The scope of marketing has moved from a simply product management approach, in which the psychical product is in focus, towards a brand management approach where symbolic and emotional, as well as both intangible and tangible dimensions are added to the product in order to differentiate it from other products designed to satisfy the same need. Thus, substantial awareness and competitive brand image are important for the customer to actually take a given brand into consideration (Keller, 2008). In the realm of this, branding and brand management has emerged as a top management priority as well as an academic research priority due to the growing realization that brands may be regarded as the most important intangible assets of any firm coping with a fast changing environment (Keller, 2008). It becomes increasingly problematic to differentiate own products from competitors' and satisfy the increasingly savvier consumer.

As a consequence, the lack of well-known international brands from Norway, as well as the increased level of competition globally, leads toward an investigation of how Norwegian sports-clothing brands can establish a clear brand identity, enhance the brand awareness internationally, attain a proper brand image in international markets, and enter these markets properly. In order to

investigate this, case studies will be conducted with the purpose to better understand and identify what the key success factors of internationally strong Norwegian brands are. The brands used for this study will be the two brands Bjørn Dæhlie and Kari Traa. The similarities and differences in creating a clear brand identity, how the brands are positioned, efforts made for creating brand equity, and which entry mode that have been used when entering new markets will be analysed. The ultimate goal is to create a suitable framework that can be used as a tool/framework by other Norwegian sports-clothing brands

The “Brand Identity Planning Model” as presented by Aaker and Joachimsthaler (2000) is used as a guide to control how the company develop the brand from the brand essence, toward a healthy brand identity. This is the framework that will be modified to fit for Norwegian sports-clothing brands branding strategies, and some of the elements from this model will be used as a guide throughout the theoretical framework. Elaborating on the model, it is therefore important to have a closer look at relevant theory that is suitable to use, when the target is to create a brand with a strong brand identity within the sports industry. Looking at the model by Aaker and Joachimsthaler (2000), it becomes obvious to include theory about brand identity, brand personality, brand elements, brand relationships, country of origin, and brand positioning as presented in the following theoretical framework. These are all factors that are influencing the overall brand equity and image, and are important for Norwegian sports-clothing brands to focus on when targeting international markets. Furthermore, factors determining international branding strategies, brand entry modes, and brand concept management are presented.

#### ***1.4.1 Problem statement***

Following the introduction and problem identification above, the main research question of this thesis is formulated as follows:

- ***How can Norwegian sports-clothing companies most efficiently establish a clear brand identity that provides a competitive brand image in international markets?***

Additionally, it is of interest to investigate how successful Norwegian sports-clothing brands have entered new markets, and their experience related to their entry modes. Therefore, a second research question is:

- ***How should Norwegian sports-clothing brands enter new markets, in order to enhance the possibility of success in the respective markets?***

In order to answer problem statements more precisely, the following sub-questions are used to shed more light on the problem formulations:

- *How should Norwegian sports-clothing brands communicate the brand identity towards the international markets in order to create strong brand equity and image?*
- *How can the companies position themselves in order to provide an effective communication of the brand identity towards international consumers?*
- *How can the factors determining Norwegian sports-clothing brands' choice of entry mode and branding strategies towards international markets be described?*

#### **1.4.2 Research aim**

The aim of this study is to develop and provide guidelines for how Norwegian sports-clothing brands can use different branding strategies in order to create a strong brand identity, and thus a brand image in central parts of the European market, by studying two relatively successful Norwegian brands. Through investigation of these brands and their strategies, the ultimate goal is to create a framework that can be used as a guideline by other Norwegian brands in order to build strong brand identity. Furthermore, the entry modes that fit Norwegian sports-clothing brands will also be investigated, highlighted and presented.

#### **1.5 Delimitations**

This paper is delimited in terms of theory, geography, and industry. Based on the problem statement, branding literature and models are used as the theoretical basis of this paper. The geographical scope covers European countries. The sports-clothing industry is in focus, and the timeline of the project spans from mid 1990s and onwards.

##### *Geographical delimitations*

The geographical scope in this paper is the countries connected to the European Alps, and Russia. Thus, the primary focus will be on Germany, France, Austria, Italy, Switzerland and Russia. The reason why these countries are chosen in order to investigate the problem formulation is:

- 1) These are the most representative countries, when acknowledging that these countries have the most similarities to Norwegian nature and outdoor activities (i.e mountain hiking, skiing). Other parts of the countries in Europe do not have the same prerequisites, which clearly indicates that other types of clothing and equipment receive more attention there.



- 2) This paper is an exploratory-based study, which allows the researcher to operate a small-scale study, instead of doing a full-scale study. Furthermore, time and economic constraints makes it impossible to carry on a full-scale research across more continents.

*Theoretical delimitations*

According to the main research question this project is solely based on the branding strategy literature, with particular focus on how to create a competitive brand identity, and then achieve a good brand image in the sports-clothing industry.

*Industry delimitations*

The industry in question is delimited to the sports-clothing industry. The sports-clothing industry can be categorized to fit in a very large span of activities. However, in this paper the main focus will be on sports clothing brands that are associated with cold and rough conditions. Hence, clothing used to be able to ski, walk in high mountains, keep people dry while being outside in wet conditions and so on will be the industry in question during this paper.

*1.6 Structure of the thesis*

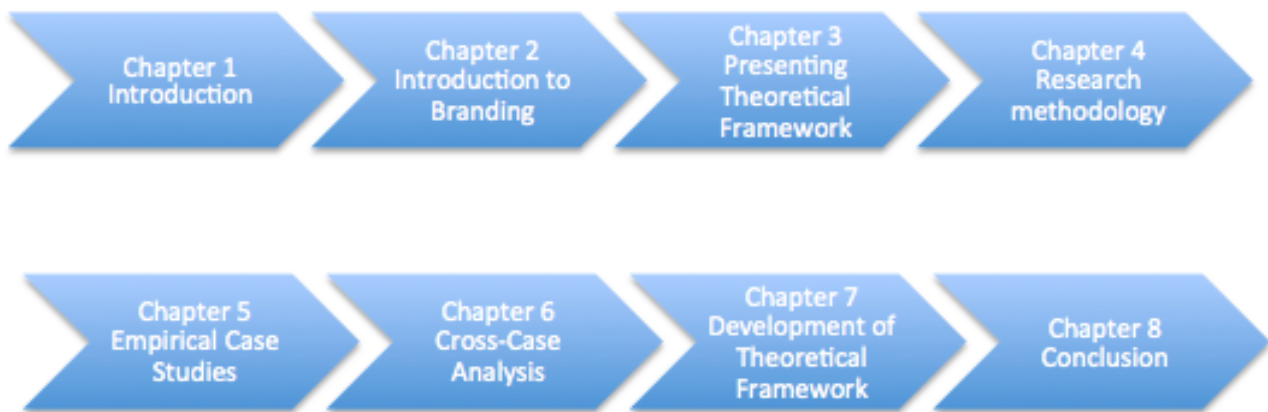


Figure 1: Structure of Thesis

## 2. Introduction To Branding

### *2.1 What is Branding?*

The area of branding has emerged to become a top priority for management the last 20 years. It is also one of the most valuable intangible assets that a firm holds (Keller & Lehmann, 2006). The term branding, embraces the years of advertising, goodwill, product quality, quality evaluation, product experience and other attributes that the market associates with the product. An important feature of branding is the creation of meaning, metaphors, and myths that are directly connected to and associated with products, and help customers to define their personal identities within the context of product benefits and the culture they are a part of (Heding, Knudtzen & Bjerre, 2008).

The role of branding and brand management is primarily to create differentiation and preferences for a product or service in the mind of the customer (Knox and Bickerton, 2003), and that it is the basis for competitive advantage and profits (Keller, 2009). This is supported by Louro & Chuna (2001), who states that the managerial and academic perspectives on the potential roles and functions performed by brands, and hence their value for organizations, has experienced a significant development since its inceptive stage. According to Kapferer (2008), branding strategies are developed by the organization, in order to position the product and identify the brand with positive product attributes and benefits. The goal is to attract potential customers, create brand awareness and associations, build trust and confidence, and to increase the profitability of sales through the brand effects (De Chernatony & McDonald, 2003).

The emergence of the resource-based view provides the conceptual foundations for linking brands and brand management to the development of sustained competitive advantage (Barney, 1991). Within this perspective, brands retain a significant potential to enable and achieve sustainable superior performance (Hall 1993; Barney and Hesterly, 1996). Kotler and Pfoertsch (2006) supports this by emphasizing the importance of brands, when they argue that brands that are used as a holistic marketing strategy communication tool, used to differentiate itself from competitors by offering additional value under severe competition in homogeneous global markets influenced by price pressure. According to Barwise and Robertson (1992), strong brands benefit from the leverage and loyalty created by brands, which support premium prices, better distribution, and increased revenue stream through consumer propensity towards long term brand loyalty and repeated purchase. Branding principles is a necessity to establish an effective brand campaign. According to

Kotler and Pfoertsch (2006), successful branding relies on the paramount importance of five branding principles: *consistency, clarity, continuity, visibility and authenticity*. Successful brand building requires long-term vision and planning, supported by top management and executed thoroughly across all divisions. In order to develop the brand into a brand leader and to gain sustainable market share, it is crucial for companies to manage the brand in the proper direction carefully.

### 2.1.1 What is a Brand?

The word brand is derived from the Old Norse word *brandr*, which means, “to burn”. The notion developed as brands were, and still are the means by which owners of livestock mark their animals in order to identify them. With the development of trade, buyers started using brands as a means of distinguishing between the cattle of one farmer from another (Keller, 2013). Brand equity, positioning, culture, functions, environment, strategy and so on, are all conjugated of one single noun; brand. The most common definition of branding is developed by the American Marketing Association (AMA); “*a brand is a name, tern, sign, symbol, or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition*” (Keller, 2013). The key to create a brand is to be able to choose a name, logo, symbol, package design, and other characteristics that identify a product and simultaneously distinguishing it from others. These different components of a brand that identify and differentiate it, is recognized as brand elements (Keller, 2013). Keller (2008) takes a wider perspective on branding, and adds tangible and intangible brand elements, rational and emotional brand elements, and symbolic brand elements, which differentiate and identify a brand. Kapferer (2008) argues that the brand is a source of influence; a system of interconnected mental associations (brand image) and relationships. According to the author, a brand as such exists when it has the power to influence the market acquired by its sources of cumulative brand experience, as presented in the figure below:



Figure 2: The Brand System: Power of Influence. (Kapferer, 2008)

### 2.1.2 Why Branding Strategies

The brand strategy is a plan that specifies the direction and scope of the brand over the long term to build and maintain sustainable competitive advantage over competitors (Arnold, 1992). Van Gelder (2003) argues that brand strategy starts with an accurate understanding of the business strategy to ensure strategic consistency. The aim of a brand strategy is to enhance the internal and external opportunities of the brand (Heding, Knudtzen & Bjerre, 2008). Brand strategy is based on the brand core, brand values and brand associations using building blocks as brand mission, brand positioning, brand value proposition, brand promise and brand personality (Kotler and Pfoertsch, 2006). According to Aaker (2008) a brand strategy needs to be consistent with the business strategy, corporate vision, and culture. In order to build a strong brand, Aaker (2008) characterizes four tasks that organisations should strive to achieve: 1) Develop a comprehensive organisational structure, and thorough processes to build an effective and efficient brand organisation, 2) Construct a clear brand identity and brand position to differentiate the brand(s) from its competitors within the appropriate markets, 3) Establish brand architecture to guide and develop a strategic brand direction. 4) Generate brand-building programs in order to plan, create, develop, implement, execute and monitor effective brand building programs.

### 2.1.3 Branding Strategies in the International Market

*“The central role of branding is establishing the firm’s identity and building its position in the global marketplace among consumers, retailers, and other market participants that makes it increasingly more imperative for firms to establish a clear-cut international branding strategy”* (Douglas, Craig, Nijssen, 2001, 112). The procedure of becoming an international brand usually goes through a process of development within the domestic market. Thus, when the product covers the domestic market, the next natural step is often to seek to expand internationally and enter international markets (Bradley, 2002). Brands that are exclusive are often receiving high demands because of their uniqueness. One pitfall however, is that if the brand becomes too inaccessible it can prevent brand growth. On the other side, if the product can be bought everywhere, the brand may lose its uniqueness and exclusive appeal, resulting in a decreasing demand. Therefore, many companies use brand extensions or umbrella branding as a tool to control brand accessibility (Bradley, 2002). Developing international brands offers opportunities to exploit economies of scale and to pursue multiple market segments (Yin Wong & Merrilees, 2007). Companies gain competitive advantage in international markets through excellent product quality and high

performance (Bradley, 2002). In order to gain a competitive advantage in international markets, Bradley (2002) argue that companies have to focus on creating brand equity (e.g. differentiation and innovation), the financial strength of the company (e.g. strong cash flow in domestic market), and having an comprehensive international distribution system (e.g. international networks, and distributors).

Strong brands conform to the criteria proposed by Barney (1991) for identifying important resources and capabilities. In particular, strong brands are (1) valuable, to the extent that they enable firms to explore opportunities (e.g. brand extension) and neutralize environmental threats; (2) rare among an organization's current and potential competitors; (3) costly to imitate and (4) without close strategic substitutes. Brands perform valuable functions to firms by enabling the adoption of differentiation-based positioning strategies (Ambler and Styles 1995), increasing the efficiency of its marketing activities through economies of scale and scope (Wernerfelt 1988), reducing the risks inherent to product acquisition (Murphy 1998), decreasing search costs (Jacoby, Szybillo and Busato-Schach 1977), protecting its market position by increasing barriers to entry (Karakaya and Stahl 1989), enabling the attribution of responsibility to the producer or distributor (Keller 1998), by supporting growth (Broniarczyk and Alba 1994) and innovation (de Chernatony and Dall'Olmo Riley 1998b).

Quelch (1999) state that regarding the internationalization of brands, an important step is to shift focus from product branding towards systematic corporate branding. The reason for shifting focus rests on the fact that it is difficult to keep the products differentiated with separate brands, and that the markets become more complex as the firm is moving towards globalization (Hatch and Schultz (2003). Global brands are positioned in the same way all around the world, and the consumers take country-of-origin in consideration when buying a global brand. Most of the global firms have the same product line all around the world; this is because it is difficult to be too diversified when acting on a global scale (Bradley, 2002). Hence, the globalization has lead to an increased level of standardized products worldwide (Yu Xie and Boggs, 2006). Summing it up, global brands:

- Are strong in home market; the cash flow gained in domestic markets give advantages in global markets
- Have geographical balance in sales; the global brand is more or less known all around the world

- Addresses similar consumer needs worldwide; the products are somewhat the same all over the world, with some local adaptations in few areas
- Consistent positioning; the values are communicated the same all around the world, and the products are positioned similarly
- Corporate name; the corporate name and the brand name are the same. However, no brand could have the same name on provisions.
- Consumers value the country-of-origin; country-of-origin is important for global brands because all consumers around the world associate products with different countries
- Have product category focus; to focus simply on one product category (Quelch, 1999)

#### *2.1.5.1 Factors Determining International Branding Strategies*

Different factors are influencing the choice of branding strategies conducted by companies operating internationally. Kapferer (1997) suggests that choosing an appropriate branding strategy should be determined based on three factors; the product or service, consumer behaviour, and the firm's competitive position. Conferring Yu Xie and Boggs (2006), international branding strategies should be based on an understanding of its economic, technological, socio-cultural and competitive conditions. Yu Xie and Boggs (2006) further argue that these factors can be summarized as *stakeholder interest, corporate image and reputation, marketing complexity, marketing costs and product characteristics*. Douglas, Craig and Nijssen (2001) argue that the three factors affecting international companies' branding strategies are; *market dynamics, firm-based drivers, and product-market drivers*.

### **3. Presenting Theoretical Framework**

#### *3.1 The Brand Identity Planning Model*

A key theoretical framework for understanding how to build brand identity is the brand identity-planning model by Aaker and Joachimsthaler (2000). A strong brand should have a rich and clear brand identity, which is a set of associations related to the brand. In contrast to brand image, the brands actual current associations, brand identity is what the brand owner wants to communicate that the brand is. The brand identity is aspirational, implying that the image needs to be changed,

improved or developed. Furthermore, it is of importance for the brand to articulate that the persons involved with the brand cares about it. If not, the brand is likely to be vulnerable to market forces such as undifferentiated products and price competition (Aaker and Joachimsthaler, 2000). The authors developed “the brand identity planning model” to provide a tool to understand, develop, and to use the brand identity construct. In addition the brand identity itself, it also includes the strategic brand analysis and the brand identity implementation system. Hence, the model consists of three “steps” on the way towards the goal of generating a valid brand identity. However, only the second step (strategic identity system) will be further outlined in this paper, as the first and the second step in the model is out of this paper’s scope. The brand identity concept can be regarded as the first step that needs to be achieved out of four, in order to achieve brand equity as presented by Keller (2001).

### *3.1.1 Strategic Identity System*

The brand identity system consists of four independent components: *brand as product*, *organization*, *person*, and *symbol*. Even though each category has relevance for some brands, virtually no brand has associations in all of the categories (Aaker and Joachimsthaler, 2000).

#### *3.1.1.1 Brand as Symbol*

Brand elements are mainly used to identify the brand, enhance its awareness, and to facilitate unique brand associations that ultimately should differentiate the brand (Keller, 2008). The brand elements form the visual identity of a brand. A logo, name, slogan or brand stories can be addressed as the key brand elements. According to Kotler and Pfoertsch (2006) the visual identity reflects the core brand identity, and it should be managed with care – making sure that through consistency the brand identity is sustainable and not jeopardized. Keller (2008) divides six general criteria’s for brand elements into two different parts. Each brand element can either be playing an offensive or defensive role, with its own strengths and weaknesses. To build brand equity on the offensive side, the brand elements should be *memorable* and unique, easy to recognize and recall. Secondly, the brand elements need to be *meaningful* to carry the descriptive and convincing content. Descriptive meaning is the customers’ ability to recognize and identify the right product category. Hence, the descriptive dimension is a determinant of brand awareness. Persuasive in brand element context, means that it is a determinant for brand image and positioning. The last offensive criterion, *likability*, reflects aesthetical appeals like brand style and brand themes (Keller, 2008). In order to maintain brand equity on the defensive side, the brand elements should first be *transferable* in such

a way that they can cover more than one product, product line, market segment, geographic boundary, markets and cultures. Secondly, brand elements need to *adaptable* and thus flexible, making them able to be relevant and follow consumer trends. Finally, *protectability* considers the legal and unauthorized competitive violations of the brand (Keller, 2008).

To understand the interdependencies of the individual brand elements, Arnold (1992) categorizes the brand elements into three distinct groups. The core of the brand is formed by its essence; the brand personality that differentiates it within the respective market. The second ring, involving the benefits, is a representation of the wants and needs of the consumers that the brand can encounter. Finally, the third ring represents the actual attributes of the product. It is important to work from the core and outwards, thus evolving the brand essence before the benefits and finally the attributes are accounted for (Arnold, 1992).

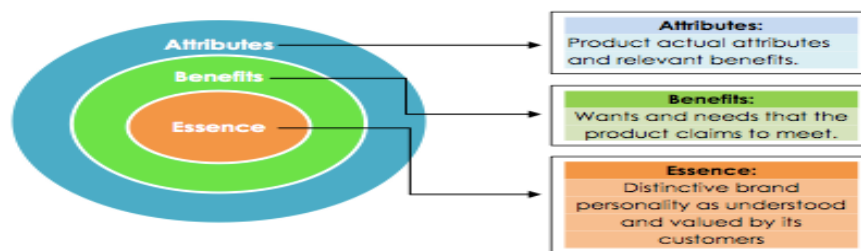


Figure 3: The Relationship Between the Elements of a Brand (Arnold, 1992)

### Brand Name

A brand name has the power to influence buyers (Kapferer, 2008). One of the biggest issues and obstacles concerning branding strategy today includes the selection of a proper brand name (Rooney, 1995). Creating a good brand name is important, that is, a good brand name is easily pronounceable around the world and it spontaneously evokes desirable associations. What really make a name become a brand are the saliency, differentiability, intensity and trust attached to these associations (Kapferer, 2008). A short clear brand name is usually preferred over longer more complex names. Berry, Lefkowitz, and Clark (1988) suggests that a brand should have four characteristics: distinctiveness, relevance, memorability and flexibility. These characteristics are not so far off what Kapferer (2008) and Keller (2008) proposed. Although the norm is to follow the whole criteria, sometimes by fulfilling just one of the factors – a strong brand name can be achieved. Brand name has been shown to be a critical cue for customer perceptions of product quality (Dawar, 2004; Grewal et. al, 1998).



### *Logos, Symbols, Slogans and Colours*

Logos and symbols are the two most acknowledged factors that show brand identification of the company. Logos and symbols are attributes used to identify and recognise a product. Customers may identify definite symbols, but be unable to link them to any particular brand or product (Keller, 2003). Logos help companies to develop the brand equity through raised brand identification and brand loyalty. Therefore, logos are very important assets and companies spend a lot of time and effort to promote the brand logo and symbols (Kapferer, 2008). The usage of logos and symbols are an effective way to get a better place in customers' mind. If there are a lot of similarities among brands, logos and symbols can be a very effective way of differentiating the brands from each other. Slogans are short phrases that communicate descriptive information about the brand. Slogans often appear in advertising but can play an important role on packaging and in other aspects of the marketing programs. A brand not only acts on the market, it organizes the market driven by a vision, a calling and a clear idea of what the category should become. Slogans can play off the brand name in a way to build both awareness and image. Packaging also plays important part as brand elements in building brand equity (Kapferer, 2008).

Colour can be seen as an integral part of products, services, packaging, logos, and other collateral and can be an effective means of creating and sustaining brand and corporate images in customers' minds (Kapferer, 2008). In support of this, Schmitt and Pan (1994) argue that colour is also an important component of many corporate and brand-building cues, such as logos, packages, and displays. To illustrate its importance, Cooper (1994) has shown that colour ranks among the top three considerations, along with price and quality, in the purchase of cars. Consumers use colours as a cue to identify brands. For example, colour is used to identify brands of soft drinks (Kapferer, 2008). 7-up is green, Coke is red and Pepsi is blue (Tom and Barnett, 1987). Colour is found to be a useful and powerful tool in the creation of international brand identity and awareness (Grimes and Doole, 1998).

#### *3.1.1.2 Brand as Product*

Brand as product, relates to the product related attributes and characteristics. *Product scope* refers to the number of different items that a company offers for sale. The business goals usually determine the scope of products carried. Successful businesses may run based on a single product strategy, or it may offer a deeper line of products to serve a wider range of consumers. The product scope

determines future marketing strategies, profit goals and territory saturation (Shafer, Smith and Linder, 2005). *Product attributes* can be recognized as characteristics of a raw material or finished good, which make it distinct from other products. Attributes may include size, color, functionality, components and features that affect the products appeal and acceptance in the market (Semejin, Van Riel and Ambrosini, 2004).

*Product quality* is known as the sum of features and characteristics that determine the desirability of a good offered for sale, which can be controlled by the manufacturer to meet certain standards and requirements (Garvin, 1984). *Product users* are the persons that use a given product (Von Hippel, 1986). A product user is often preferred if it is an endorser. Endorsement is a form of testimonial from someone that indicates that they like or approve a product. Product endorsements are solicited from people who are socially prominent, allowing companies to advertise their products with statements like “as used by such-and-such an actress,” or “the official product of company/event X.” It's hard to miss a product endorsement on product packaging and in advertisements; most companies keep their endorsements front and center so that they are always in the public eye.

As *country of origin* has emerged as an important area of investigation, research show that consumers use country of origin information to evaluate products (Han, 1989). Though, the research has produced mixed findings as to how country of origin information is used in consumers' evaluation of products (Bilkey and Nes, 1982). However, it is mostly agreed upon that country of origin signals product quality (Han, 1989), and present research suggests that consumers use country of origin as stereotypical information when making evaluations (Maheswaran, 1994). Even though these stereotypical structures often are biased, they can play a constructive role of providing coherence, simplicity, and predictability in complex decision settings (Taylor, 1981). Chao, Wuhrer, and Werani (2005) found that a foreign brand name reduced perceived quality and buying intentions, and they attributed this effect to ethnocentrism. Additionally, because country of origin may influence perceived brand quality and brand associations, it may also influence brand equity (Yasin, Noor, and Mohamad, 2007). The strength of the association between country image and buying behaviour depends on whether the country image matches important product attributes and features. Willingness to buy related to product-country match (Roth and Romeo, 1992) and product ethnicity (Usunier and Cestre, 2007) was explored, and the results showed a greater willingness to buy products for which there are such matches. The effect of country of origin information on

product evaluations varies between product categories. A country may have an excellent reputation as the origin of one category of products, and a poor reputation in other categories of products (Johansson, Douglas and Nonaka, 1985).

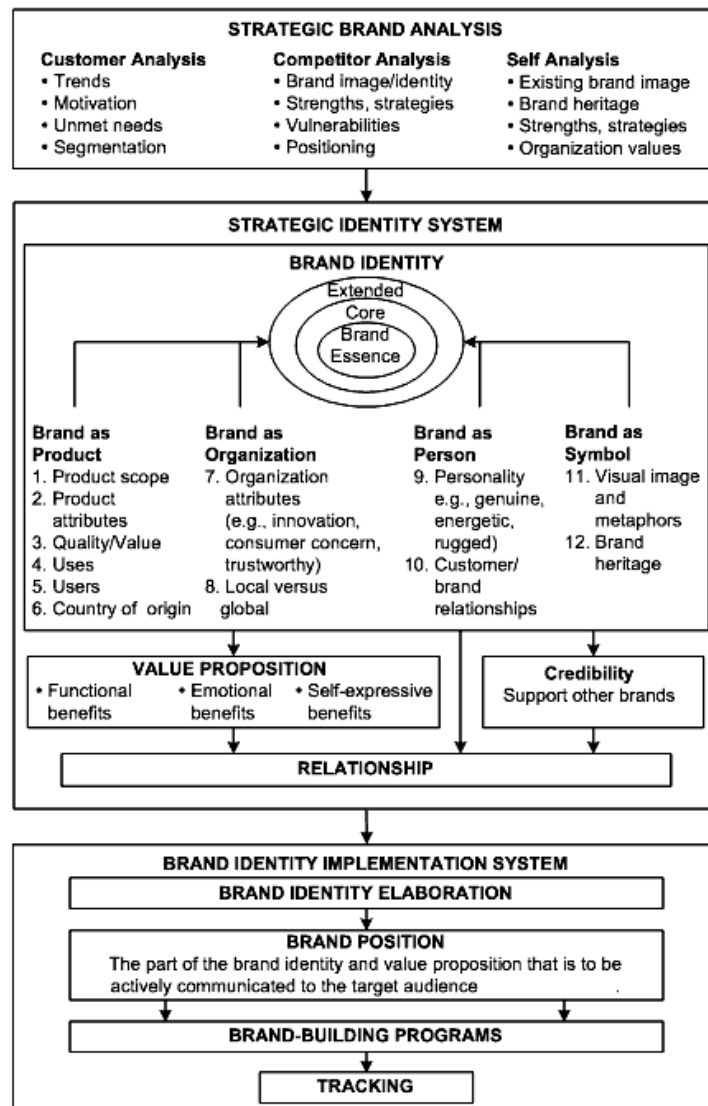


Figure 4: Brand Identity Planning Model (Aaker and Joachimsthaler, 2000)

### 3.1.1.3 Brand as Person

Brand personality is one of the most important elements in branding and consumer behaviour research (Aaker, 1997). The personality of a brand enables a consumer to express his own self (Belk, 1988), an ideal self (Malhotra, 1988), or specific dimensions of the self (Kleine, Kleine and Kernan, 1993). According to Keller (1993), brand personality tends to serve as a symbolic self-

expressive function. Brand personality is an effective aid when it comes to marketing a brand across cultures (Plummer, 1985). Brand personality is defined as the set of human characteristics associated with a brand (Aaker, 1997). As a part of creating brand personalities, the symbolic usage of brands often cause consumers to imbue brands with personality traits. As it is for human personality, personality traits associated with a brand tend to be relatively enduring, stable, and distinct (Aaker, 1997). Perceptions of human personality traits are inferred on the basis of human behaviour, physical and demographical characteristics, attitudes, and beliefs (Park, Jaworski and McInnis, 1986).

According to Plummer (1995), perceptions of personality traits can be formed and influenced by direct and indirect contact with the brand. Brand personality refers to both the personality endowed in the brand by the company and the brand personality perceived by consumers (Heding, Knudtzen & Bjerre, 2008). Aaker (1997) has developed a framework of brand personality dimensions, based on a widespread research across 37 brands. By isolating the personality dimensions versus treating brand personality as a uni-dimensional construct, the different types of brand personalities can be distinguished in order to better understand the ways in which brand personality influence consumer preference (Aaker, 1997). The brand personality construct constitutes five personality dimensions, so called the “Big Five”: *sincerity*, *excitement*, *competence*, *sophistication*, and *ruggedness*. The big five includes 15 facets and 42 traits, and they explain according to Aaker (1997), 92% of the variance between the brand personalities. Brand personality develops the interaction between the brand, product, service, organization and their users. Nearly everything associated with the brand affects the perceived brand personality. For that, Aaker (1997) segregated two groups of brand personality drivers; product related and non-product related characteristics. The brand personality construct, can contribute significantly by mapping out people’s perception and attitude towards the brand. Brand managers can build, develop and differentiate brand personality and user imagery by understanding the actual perception using the fifteen facets as strategic options (Aaker, 1997).

Product Related Characteristics	Non-Product Related Characteristics	
<ul style="list-style-type: none"> <li>• Product Category</li> <li>• Package</li> <li>• Price</li> <li>• Attributes</li> </ul>	<ul style="list-style-type: none"> <li>• User Imaginary</li> <li>• Sponsorships</li> <li>• Symbol</li> <li>• Age</li> </ul>	<ul style="list-style-type: none"> <li>• Ad-style</li> <li>• Country of Origin</li> <li>• Company Image</li> <li>• CEO</li> <li>• Celebrity Endorsers</li> </ul>

Table 2: Brand Personality Drivers (Aaker, 1997).

The power of brand personality lies by its long-term sustainability in cultures by the interaction between the brand and its environment. Beyond that, it is almost impossible for competitors to imitate brand personality. Consequently, brand personality provides a platform to leverage brand identity, brand communication and even set the basic guidelines for marketing programs (Aaker, 1997). Although brand personality can be measured in several ways, Keller argues that the most simple and direct way of assessing is by asking questions such as; if the brand was to come alive as a person (Keller, 2008): (1) What would it be like? (2) What would it do? (3) Where would it live? (4) What would it wear? (5) Who would it talk to if it went to a party (and what would it talk about)?

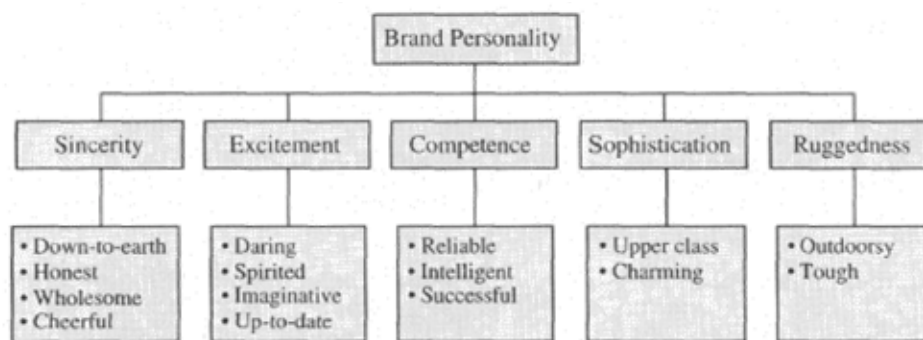


Figure 5: Brand Personality Dimensions, “Big Five” (Aaker, 1997).

### 3.1.1.4 Brand as Organization

A brand as an organization refers to the behavioural and cultural aspects that affect the overall brand identity. Key factors here are organizational behaviour, such as CSR, culture, and structure. These factors influence how organizational members perceive who they are, and what they stand for as a company or organization (Heding, Knudtzen and Bjerre, 2008). Hence, organizational culture is closely linked to employee commitment and performance – making it pivotal for consumers’ evaluation of the brand identity. The ability for employees to deliver the content and promise of the brand is what in the long run creates image and reputation. Therefore, the ultimate goal of any brand should be to have employees that are “living the brand” (Ind, 2007). “Living the brand” is a construct that describes brand building on ideas that are so powerful that employees engage to such an extent that they are not only employed by the brand, but they are “living the brand” through unforeseen employee involvement and commitment. This enables them to deliver the brand promise to consumers, hence acting as key co-creators of brand equity. The companies succeeding in this benefit in terms of higher productivity, enhanced financial performance, and greater intellectual

capital (Heding, Knudtzen and Bjerre, 2008). In the identity approach, culture is defined at micro-level. In the micro-level culture definition of the identity approach, organizational culture is to be understood as a concept that provides a local context or frame for the organizational identity. Culture is regarded as the expression of everyday life in an organization – the values (“taken-for-granted assumptions”), the behaviour (“the way we do things around here”), and the formal internal and external communication as well as the more informal communication of internal organizational stories (Heding, Knudtzen and Bjerre, 2008).

### 3.1.2 Brand Identity

All added up, brand identity is defined as “a set of associations that the brand strategist aspires to create or maintain” (Aaker and Joachimsthaler, 2000:43). The previous theory presented, in sum creates and influences the brand identity of a brand (Aaker and Joachimsthaler, 2000). Brand identity provides strategic direction, purpose and meaning for a brand (Aaker, 1996). The brand identity is hence something that the marketer has, as well as something he tries to create through the right brand strategy. For this reason, the brand identity is one of the main drivers for brand equity, and it is the first step in the brand equity pyramid presented by Keller (2001). The brand identity must express the particular vision and uniqueness of the brand – what the brand stands for, and that the brand identity must be of an enduring or lasting nature. Brand identity further represents how the brand wants to be perceived by other parties. Thus, the company leads its identity towards a brand image. The way a brand is perceived by its customers is key to its success. To drive positive brand association that customers know and trust, requires recognizable brand associations in the mind of customers, without difference in the brand elements. The brand perception, or in other words the brand image, is therefore always on the receiver’s side, while the brand identity is formed on the senders’ side (Kapferer, 2008).

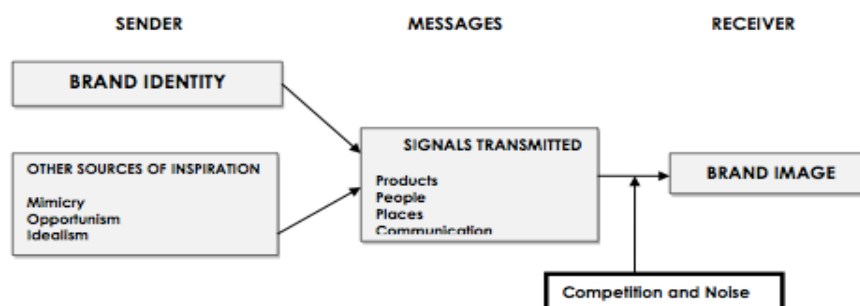


Figure 6: Identity and Image (Kapferer, 2008).

“The fact of the matter is that when an organization has a clear idea about itself, what its business is, what its priorities are, how it wants to conduct itself, how it wants to be perceived, its identity falls fairly easily in place” (Olins 1989, p. 60). Kapferer (2008) has developed a brand identity prism where he distinguishes between a sender and recipient side, plus an externalization and internalization side. The six identity facets express the tangible and intangible characteristics of the brand, and provide it with a unique authority and legitimacy of values and benefits. The six facets are as shown in the figure are: physique, personality, culture, relationship, reflection, and self-image (Kapferer, 2008).

**Physique:** A brand, first of all, has physical specificities and qualities – its ‘physique’. It is made of a combination of either prominent objective features (which immediately come to mind when the brand is quoted in a survey) or emerging ones. Physique is both the brand’s backbone and its tangible added value. If the brand is a flower, its physique is the stem.

**Personality:** By communicating, a brand gradually builds up character. The way in which it speaks of its products or services shows what kind of person it would be if it were human. Brand personality is described and measured by those human personality traits that are relevant for brands.

**Culture:** A brand is a culture. There is no cult brand without a brand culture. A brand should have its own culture, from which every product derives. The product is not only a concrete representation of this culture, but also a means of communication. Countries of origin are also great cultural reservoirs for brands. Brand culture plays an essential role in differentiation.

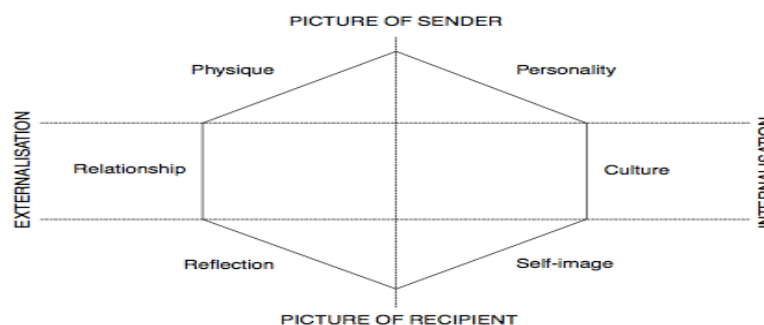


Figure 7: Brand Identity Prism (Kapferer, 2008)

**Relationship:** A brand is a relationship. Indeed, brands are often at the root of transactions and exchanges between people. Brands thus form such an identity, that humans are able to form relationships with the brands.

**Reflection:** A brand is a customer reflection. When asked for their views on certain brands, people immediately answer in terms of the brand’s perceived client type: “that’s a brand for young people! For mothers! For show-offs! For CEO’s!” Because its communication and its most striking products build up over time, a brand will always tend to build a reflection or an image of the buyer or user, which it seems to be addressing. Reflection and target often get mixed up. The target describes the brand’s potential purchasers or users. Reflecting the customer is not describing the target; rather, the customer should be reflected as he or she wishes to be seen as a result of using a brand.

**Self-image:** Finally, a brand speaks to our self-image. If reflection is the target’s outward mirror (who they are), self-image is the target’s own internal mirror (how I feel, I am). Through our attitude towards certain brands, we indeed develop a certain type of inner relationship with ourselves. By purchasing certain goods, brands and so on, some people tend to get better self-esteem and feel better about themselves.

Heding, Knudtzen, and Bjerre (2008), has outlined a framework for describing brand identity and its components. According to the authors, brand identity is influenced by four components, organizational identity, corporate identity, image and reputation. An in-depth understanding of the four components adds up to one total impression, namely the brand identity. Thus, combining all the components will provide a clear picture of the components of brand identity.

<b>Internal</b>	<b>Corporate Identity</b> <ul style="list-style-type: none"> <li>• Visual expression</li> <li>• Strategic vision</li> <li>• Top management</li> </ul>	<b>Organizational Identity</b> <ul style="list-style-type: none"> <li>• Behavioural aspect</li> <li>• Organizational culture</li> <li>• Employees</li> </ul>
<b>External</b>	<b>Image</b> <ul style="list-style-type: none"> <li>• Short-term</li> <li>• Mosaic of stakeholder associations</li> <li>• Exists in the mind of the stakeholders</li> </ul>	<b>Reputation</b> <ul style="list-style-type: none"> <li>• Long-term evaluation of brand identity</li> <li>• Stakeholder evaluation of brand actions</li> <li>• PR + personal relations</li> </ul>

Table 3: Internal and External Factors For Brand Identity. (Heding, Knudtzen, and Bjerre, 2008).



According to Van Gelder (2003) brand identity declares its background, its principles, its purpose, and its ambitions. For that reason brands need to be managed for consistency and vitality. Hence, the identity concept, which can be seen as the company's promise to the customers, plays a crucial role within the brand management process, as a brand needs to be durable. The brand must deliver coherent signs and products and it needs to be realistic (Kapferer, 2008). Brand image can easily change over time where brand identity represents long lasting values of the brand. From that perspective brand image is more a tactical asset, whereas brand identity fulfils a strategic asset role (Kotler and Pfoertsch, 2006).

### 3.1.3 Brand Relationship

Integral to business strategy, and to develop a strong brand is to create a cadre of loyal friends and customers to the brand based on a strong relationship (Aaker, 2014). Thus, a loyal customer base is the ultimate competitive advantage, because it is shielded from competitors and since the incentive to change brand is low among loyal customers. As guidance toward strong customer-brand-relationship, Aaker (2014) presents a model that consist three factors that have impact on the brand relationship. First, *brand touchpoints* are regarded as every single one of the contact points between the customer and the brand. Thus, it is defined as “*all the different ways that your brand interacts with, and makes an impression on, customers, employees, and other stakeholders*” (Dunn and Davis, 2004). Every action, both tactic and strategy, must undertake to reach customers and stakeholders, whether it is through advertising, a cashier, a customer service call, or a person who represents a touchpoint. Over time, all of those touchpoints combine to define the brand experience, which directly influence the brand relationship (Aaker, 2014).

*Customer sweet spot* is regarded as a factor that triggers the customers beyond what offering-driven brand building and marketing can create, when it comes to relationships. A sweet spot can hence be city adventures, healthy living, rock climbing, a college football team, or whatever else. It should be related to what is important and involving to customers, thus, what they are motivated to talk about (Aaker, 2014). There are different ways to connect with customers' sweet spot, however, Aaker (2014) argue that some efficient measures is to stimulate social networks, create brand energy and interest through visibility and activities, enhance brand likability and credibility, and form a friend-colleague-, or mentor-brand relationship.

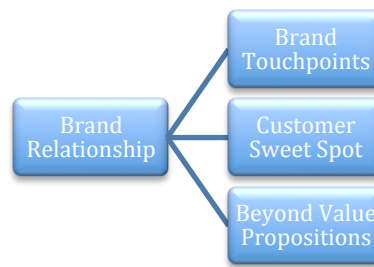


Figure 8: Brand Relationship (Aaker, 2014).

Moreover, it is possible to go *beyond functional benefits*, by creating emotional, self-expressive benefits, which was outlined under brand identity system. Additionally, social benefits are not linked to fundamental human needs, but it provides a setting to influence as well. Thus, word-of-mouth communication from friends or associates is often the most influential communication, because it is unbiased, and based on knowledge or experience. Furthermore, some brands provide social benefits by linking to reference groups, etc. (Aaker, 2014).

The overall benefits of creating brand relationships are that the brand can facilitate the engagement, loyalty, and attachment drawn from its consumer base. Thus, having established a relationship that provide these benefits, brand resonance is facilitated, which ultimately will benefit the brand. The objective of brand resonance is to have an intense and active relationship with the consumers, enhancing brand loyalty (Keller, 2008).

### 3.1.4 Strategic Positioning

When positioning a brand, it means emphasizing the distinctive characteristics that makes it different from its competitors and appealing to the public (Kapferer, 2008). The idea of brand positioning is based on the assumption that consumers have limited mind space for commercial messages, and that the most successful brands hence are the ones able to position themselves in the minds of consumers (Heding, Knudtzen & Bjerre, 2008). Kotler and Keller (2009) define brand positioning as “*an act of designing the company’s offering and image to occupy a distinct place in the mind of the target market*”. Brand management in highly competitive and dynamic markets, will only be effective if the brand itself stays close to its roots of uniqueness and core values, focuses on specific market segments, and captures a competitive positioning in a specific market. The two brand management tools that could fulfil that role are brand identity and brand positioning

(Kapferer, 2008). Brand identity and brand positioning needs to be connected; brand identity expresses the tangible and intangible characteristics of the brand in the long term, while brand positioning is a competitive orientated combat tool aimed at fulfilling goals in the short term.

Efficient positioning communicates a specific aspect of identity of the brand at a given time in a specific market. Consistency in communications is very important when it comes to positioning, and the positioning may change over time and/or differ per product (Kapferer, 2008). Once having established high brand awareness and the right congruent brand associations, it is assumed risky to change course (Ries and Trout, 2001). Kapferer (2008) has elaborated on the concept of positioning, creating a basis for how consumer choices are made based on the basis of comparison. Positioning results from an analytical process based on four questions: (1) a brand for what, (2) a brand for whom, (3) a brand for when, (4) a brand against whom?

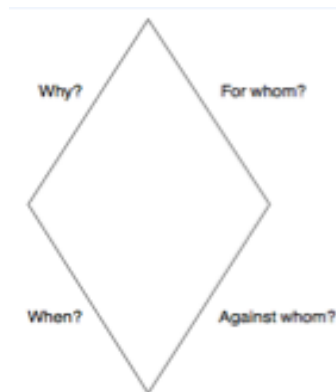


Figure 9: Positioning a Brand (Kapferer, 2008).

Positioning is according to Kapferer (2008) a two-stage process: First, indicate to what *competitive set* the brand should be associated and compared with. Second, indicate what the brand's essential difference is in comparison to the other products and brands of that set. It is essential to understand and to know the position a brand owns in the mind of a customer. To position a brand efficiently within its market, it is critical to evaluate the brand objectively, and assessing how the brand is viewed by customers and prospects (Ries and Trout, 2001). Furthermore, Kapferer (2008) states that the standard approach to achieve the desired positioning is based on four determinations; (1) definition of target market, (2) definition of the frame of reference and subjective category, (3) promise or consumer benefit, and (4) reason to believe. Therefore, when a company decides on their positioning, it should therefore be consistency between the company's positioning and the corporate strategy. This requires a frame of reference and ideal brand associations, both some that are not

unique for the brand, and some that differentiate them from their competitors. The positioning is based on common, important needs and drivers for choice in all stakeholder groups. In strategic positioning, marketers therefore need to know the following: who is the target customer, what is the frame of reference, who are the main competitors, how is the brand similar to these competitors (POP), how is the brand different from them (POD), and how is the brand inferior to them (POI).

#### *3.1.4.1 Target Market*

As different potential customers may have different brand knowledge structures, perceptions and preferences for the brand, it is important to identify the target market. A market is defined as “*the set of all actual and potential buyers who have sufficient interest in, income for, and access to a product*” (Keller, 2008, p. 99). It is important to segment the market by dividing the market into distinct groups of homogeneous potential customers who have similar needs and consumer behaviour, and who require similar marketing mixes (Keller, 2008).

#### *3.1.4.2 Category Insight - Frame of Reference*

The frame of reference should signal to consumers the goal they can expect to achieve by using a brand. The starting point when a brand decides on its competitive frame of reference is deciding on category membership. In some instances it is of outmost importance to communicate the category membership. An example here is the introduction of new products to the market, where the category membership is not always apparent. Things that can influence the frame of reference can be other competitors or the product’s stage in the life cycle. Because of competitors, it is important that potential customers understand what the brand is, and not just what it is not. To assure costumers that they receive what they expect from the brand, brands use benefits to announce category membership. The benefits are presented in such a way that does not imply brand superiority but merely notes that the brand possesses them as a means to establish category (Keller, 2008).

#### *3.1.4.3 Points of Parity Associations (POP)*

Points of parity associations are associations that are not unique to a specific brand, and are quite often shared with other brands. However, it is important to note that a brand has to achieve a given level of parity to operate proficiently in a segment. Keller (2008) divides POP into two groups: category and competitive points. *Category points* are the necessary, but not sufficient conditions for brand choice. These points may change over time, and they become critical when a brand launches

a brand extension into a new category or a whole new product. The more unrelated the extension is to the category, the more important it is to make sure that the category POPs are well established (Supphellen, 2010). *The competitive points* are the associations designed to negate competitors' point of difference. Thus, if a brand can undermine those areas where its competitors are trying to find an advantage and can achieve advantages in some other avenues, the brand should be in a strong, and perhaps unbeatable competitive position. POPs are usually not the main cause to choose a specific brand, but their absence can be a reason to avoid a brand. A company should be extremely careful not to negate an association, as it could prove costly (Supphellen, 2010).

#### 3.1.4.4 Points of Difference Associations (POD)

Points of difference is defined as “*attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe that they could not find to the same extent with a competitive brand*” (Keller, 2008, p. 107). Thus, PODs are the unique, favourable and strong associations connected to a brand; in other words a unique selling point, which makes customers prefer one company to another. POD may rely on performance attributes, performance benefits or imagery attributes. When choosing the PODs, the two most important criteria are that the associations are desirable and deliverable (Keller, 2008).

For an association to be desirable, it needs to be relevant, distinctive, and believable. The relevance refers to that the customer needs to find the product personally relevant and important. At the same time the product need to stand out and be distinctive. The task is then to make this difference transparent and easily recognizable for the consumer. Given the amount of user reviews online, products strengths and weaknesses are transparent. Hence, faking a potential POD would not be effective. In order to be deliverable, the association needs to be feasible, communicable, and sustainable. Feasibility refers to the firm's ability to create the POD. The product and marketing must be designed in a way to support the desired association. The POD also needs to be communicable. The difficulty arises when creating an association that is not consistent with existing consumer knowledge, or that consumers do not believe in. The POD also needs to be sustainable, and not be easily challenged. Otherwise, the POD can become a POP, which would harm long-term strategy. According to McKenna (1988) and Aaker (1991), it will make it harder for competitors to attack, when a brand is well positioned upon a key attribute in its product class.

### 3.2. Consumer Knowledge Effects

For a brand to even be considered in a purchase situation, it has to be awareness of it, and associations to the brand. Hence, the higher awareness and stronger associations that a brand is related with, the higher chances it has to be chosen in front of other brands (Solomon, Polegato, and Zaichkowsky, 2009). Thus, when brands are entering new markets, it is crucial that the potential consumers are aware of the brand, and that the associations to the brand are healthy.

#### 3.2.1 Brand Awareness

Brand awareness has been mentioned in the theory already. However, the term needs to be elaborated further. As the brand awareness refers to the customer's ability to *recognize* and *recall* the brand under different conditions, and to link different brand elements to associations in the memory of customers – both the depth and the breadth of the brand awareness is of vital importance (Keller, 2008). It is undoubtedly an advantage of reaching high brand recognition and recall. Thus, these factors can influence the sale, as customers are more likely to choose familiar brands to unfamiliar brands. *Brand recognition* relates to consumers' ability to confirm prior exposure to the brand when given the brand as a cue. Thus, brand recognition requires that consumers discriminate the brand as having been seen or heard before. *Brand recall* relates to consumers' ability to retrieve the brand from memory when a given product category is presented with a cue (Aaker, 1996). Therefore, brand recall requires that consumers generate the brand from memory correctly. In addition to brand recall and recognition, Aaker (1996) adds a third dimension, namely *top of mind*, which is the highest level of awareness possible - the number one preferred brand by the consumer.

#### 3.2.2 Brand Associations

In his earlier work, Keller (1993) argued that brand image is the summary of four dimensions, namely types, strength, favourability and uniqueness of the associations. There are three major *types* of associations, namely: attributes, benefits, and attitudes connected towards the usage of the brand. *Strong* brand associations are created by marketing programs, which transfer relevant information about the brand to the consumers. According to Keller (2008), this should be done in a consistent fashion, either at one particular point in time or over a longer period. The *favourable* brand associations are created when the same marketing programs efficiently deliver both product and non-product related benefits that are desirable to the consumers. Finally, the *unique* brand associations, which should be both strong and favourable, create points of difference (POD), which distinguish the brand from other brands in the same category. Those strong and favourable

associations that are not unique can create points of parity (POP), which can be used to neutralize competitor's points of difference, or simply be used to establish a category membership.

### 3.3 Brand Entry Strategy and Institutional Entry Mode

Firms enter foreign markets in pursuit of profitability. However, the profitability of entering a foreign market depends upon the attractiveness of that market, and whether the firm can establish a competitive advantage in it. The potential for establishing competitive advantage abroad has important implications in the choice of enter foreign markets (Grant, 2010). In particular, the brands resources and capabilities (Barney, 1991), and its need to minimize transaction costs (Anderson and Gatignon, 1986) are at the heart of market entry strategies and entry modes. When brands are targeting international markets, managers have to consider three key issues when going international; *speed*, *control*, and *investment* (Barwise and Robertson, 1992). Each brand entry strategy has its advantages and disadvantages, and there is a trade off between the three present criteria's. The "optimal model" for companies is to have high control, fast speed, and low investments. In order to achieve the objective of developing international, or global brands, the three dominant strategies are characterized as: (1) *Geographical extension* is the approach where the company introduces its existing brand into new markets. This strategy provides the company with high control, slow speed, and medium investment costs (Barwise and Robertson, 1992). (2) *Brand alliance* is the approach where the strategy is based on building and leveraging the company's brand through alliances with other companies with strong brands, by sharing resources. This strategy provides moderate speed, low control, and low investments (Barwise and Robertson, 1992). (3) *Brand acquisition* is the approach where companies enter international markets by acquiring brands that already exists in the market, and then integrating it into its own portfolio. By using this strategy, the company gets medium control, fast speed, and high investment costs (Barwise and Robertson, 1992).

Institutional entry modes are the corporate level structures through which a company can enter a foreign market. There are different ways of entering foreign markets, and some of which are exporting, licensing, joint ventures, greenfield investments, and wholly owned subsidiaries (Anderson and Gatignon, 1986; Agarwal and Ramaswami, 1992). *The exporting* mode is a low investment, and consequently low risk/return alternative. While providing a firm with operational control, this mode lacks in providing marketing control that may be essential for market seeking

firms. The company sells their products to an independent intermediate distributor who then sells and distributes the product to the customers. *The licensing* mode is a low investment, low risk/return alternative. This entry mode is recognized as licensor in the home market makes limited rights or resources available to the licensee in the other country. The rights, or resources, may include patents, trademarks, managerial skills, technology, or others – making it possible for the licensee to manufacture, market, and sell the brands products in the given market. Exporting and licensing thus share some similarities. The foreign market is not necessarily supplied from a domestic production, but can be supplied by a partners' production in the foreign market. *The joint venture* mode is a business agreement in which parties agree to develop a new entity, and new assets by contributing with equity. Thus, it is cooperation between two or more companies, targeting to create benefits for all parties. This can be through share of recourses, distribution channels, knowledge, etc. targeted to provide financial benefits. The joint venture often has a predetermined time frame. Joint venture can have relatively high investments, however, the risk/return alternative is lower as more parties contribute. *The fully owned subsidiary* mode, on the other hand, is a high investment and consequently high risk/return alternative that also provides a high degree of control to the investing firm. Here, the company has ownership of the whole value chain, and can be characterized as a form of foreign direct investment, together with Greenfield investments. *Greenfield investment* is a start-up investment in new facilities (Anderson and Gatignon, 1986; Agarwal and Ramaswami, 1992).

### 3.3.1 Factors Affecting Choice of Entry Mode

The three main factors affecting the choice of entry mode when companies are entering foreign markets through geographical expansion are the ownership, location, and internalization advantages. Geographical expansion is the most relevant entry strategy for Norwegian sports-clothing brands, as they don't have the financial power to acquire foreign brands, nor they at the time have any benefits of creating brand alliances with international companies. A firm's asset power is reflected by its *size* and *multinational experience*, and skills by its ability to develop *differentiated products*.

When a firm possesses the ability to develop *differentiated products*, it may run the risk of loss of long-term revenues if it shares this knowledge with host country firms. This is because the latter may acquire this knowledge and decide to operate as a separate entity at a future date. Therefore,



when the firm possesses the skills to create differentiated products, higher control modes may be more efficient. There is substantial empirical support for the use of higher control modes with higher levels of product differentiation. To compete with host country firms in their own markets, firms must possess superior assets and skills that can earn economic rents that are high enough to counter the higher cost of servicing these markets. Resources are needed for absorbing the high costs of marketing, for enforcing patents and contracts, and for achieving economies of scale (Agarwal and Ramaswami, 1992). The *firm size* reflects its capability to absorb these costs, and empirical evidence indicates that firm size positively affect foreign direct investment. Hence, the firm size is expected to correlate positively with its propensity to enter foreign markets in general. Another form of asset power, a firm's level of *multinational experience*, has also been shown to influence entry choices. Firms without foreign marked experience are likely to have greater problems in managing foreign operations. They have been observed to overstate the potential risks, while understating the potential returns of operating in a foreign market. This makes choice of non-investment modes more probable for these firms. Conversely, firms with higher multinational experience may be expected to prefer investment modes of entry.

*Market potential* (size and growth) are important determinants of foreign investments. In high-market-potential countries, investment modes are expected to provide long-term profits through economies of scale and lower marginal production costs. *Investment risk* reflects the uncertainty related to the economic and political conditions, and government policies that affect the potential of surviving and profiting from a foreign market (Agarwal and Ramaswami, 1992).

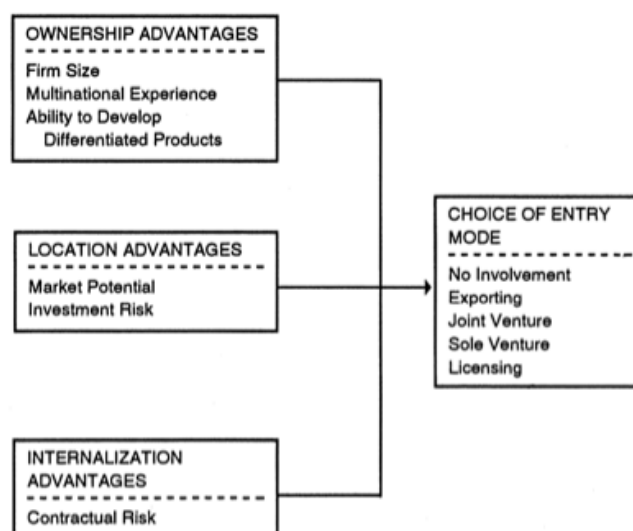


Figure 10: A Schematic Representation of Entry Choice Factors (Agarwal and Ramaswami, 1992).

*Contractual risk* is the assessment of internalization where advantage is based in the relative costs (or risks) of sharing the assets and skills with a host country firm versus integrating them within the firm. Low control modes are considered superior for many transactions since they allow a firm to benefit from the scale economies of the marketplace, while not encountering the bureaucratic disadvantages that accompany integration (Agarwal and Ramaswami, 1992). Low control modes will have a higher costs compared to integrating the assets and skills within the firm if managers are unable to predict future contingencies (problem of bounded rationality/external uncertainty), and if the market is unable to provide competing alternatives (problem of small numbers/opportunism). High external uncertainty makes the writing and enforcement of contracts more expensive (Anderson and Weitz 1986), while the small numbers problem makes the enforcement of contracts meaningless and possibly inefficient since the firm may not find other partners. Under these conditions, exporting and sole venture modes provide better control due to retaining of the assets and skills within the firm (Agarwal and Ramaswami, 1992).

In sum, the different benefits and risks related to entry in foreign markets determine the choice of entry mode. Hence, it is the desired level of control over the brand, and the available resources and capabilities held by the company that determines the choice of entry mode. There is no right or wrong, each company has to evaluate what will be the best choice of entry mode related to its given situation.

### ***3.4 Brand Concept Management***

Park, Jaworski and McInnis (1986) developed a long-term framework for managing brand image over time, called Brand Concept Management (BCM), which is defined as the planning, implementation, and control of a brand concept throughout the brands life-cycle that should deliver long-term competitive advantage. Brand concept is derived from basic consumer needs (Park, Jaworski and McInnis, 1986), and can be divided into three main categories dependent on the motives for consumption: functional, symbolic and experiential needs. It is important to have in mind that a brand can offer a mixture of functional, symbolic and experiential benefits. Consumers buy products and services not just for what they can do, but also for what they mean symbolically. According to the framework, a concept is selected prior to market entry, which sets the boundaries on the scope of the positioning strategy, and hence influences the perceived brand image. When the

initial concept is selected, it can be managed over three stages: introduction, elaboration, and fortification (Park, Jaworski and McInnis, 1986). For each of the three management stages, the authors specify positioning strategies that enable consumers to understand a brand image (introduction), perceive its increasing value (elaboration), and generalize it to other products produced by the same company (fortification) (Park, Jaworski and McInnis, 1986). As the model that will be presented in the development of theoretical framework section focus on the introduction phase, the theory presented will be limited to this part of the BCM model.

In the introduction stage of BCM it is important to perform activities to establish the brand in the marketplace. The introductory stage is defined as a set of activities designed to establish a brand image in the marketplace during the market entry period. The portrayed image should reflect the brand identity and thus the brand concept without going beyond the frame that has been set by the company, and thus should influence the presence of a niche in the market. There are two tasks that need to be conducted in order to affect the brand's image at the introductory state. First, the brand needs to be communicated. Second, the operating activities have to be executed. The operating activities refer to the removal of transaction barriers. The two tasks go hand in hand, as they are co-dependent to achieve the marketing mix goal and creating synergy effects (Park, Jaworski and McInnis, 1986). Park, Jaworski and McInnis, (1986, p. 138) further states that “*another goal of BCM during the period of market entry is to develop an image that can be extended easily and logically during subsequent stages*”.

It is important to differentiate between the three different brand concepts: functional, symbolic and experiential. As Norwegian sports clothing brands mostly are a functional concept, this is what will be presented in this section. For companies with a functional concept at an introduction stage, the mix elements «*should emphasize the brand's functional performance in solving consumption-related problems*» (Park, Jaworski and McInnis, 1986, p. 140). The marketing mix should differ from the competitor's mix, and this cannot be stressed enough. The BCM only offers general strategies; hence the strategies should be refined further to maximize effect. Regardless of brand concept in the introductory phase, the main objective of BCM is to establish the brand's image and position. For the brands with functional concepts, the marketing mix elements should place the emphasis on the strengths and performance in solving what the product is intended to do (Park, Jaworski and McInnis, 1986).

## 4. Research Methodology

The aim of this chapter is to introduce the research method that will be used in this paper in order to answer the problem formulation and the research questions. The purpose is to get an overview of the research, and to see how primary and secondary data can be collected and compared. The aim is to provide an understanding of the basic characteristics of the case study research approach.

### *4.1 Type of Research*

A research design is a framework used when conducting a marketing research project, and can broadly be classified as either exploratory or conclusive (Malhotra, Birks and Wills, 2012).

According to Parasuraman (1991), the choice between the two depends not only on the nature of the situation, but also on how the decision maker and researcher perceive it. The research design details the procedures necessary in order to obtain the information needed to answer the problem at hand, and it lays the foundations for conducting the project. A proper research design will ensure that the research is conducted efficiently (Malhotra, Birks and Wills, 2012).

#### *4.1.1 Exploratory Research*

The primary objective of exploratory research is to provide insights into, and an understanding of the nature of a marketing phenomenon. This research design is used in instances where the subject of the study cannot be measured in a quantitative manner, or where the process of measurement cannot realistically represent particular qualities. When using exploratory research, the information needed may be loosely defined, making opportunities for a research process that is flexible and unstructured (Malhotra, Birks and Wills, 2012). Thus, it may be used in cases where the problem must be defined more precisely, relevant courses of action identified, or when additional insights is needed before the findings can be confirmed through a conclusive design. What recognize the exploratory design is that the samples are relatively small and non-representative, and that the data can either stem from a qualitative or quantitative approach. The sample selected to generate maximum insight is dependent on having “quality individuals” (experts) who are willing to open up and share their insights. Considering the fact that the adopted research process is flexible and evaluates on a non-representative sample, and because the paper will be based on a qualitative research approach for gathering primary data, the exploratory research seems to be the right option for this thesis. This, because it enables a detailed in-depth analysis of precisely defined problems such as the problem formulation and the sub-questions that are to be answered (Malhotra, Birks and Wills, 2012).

## *4.2 Research Method – Qualitative Approach*

Qualitative research is an unstructured exploratory design based on small samples, intended to provide in-depth insight and understanding of a marketing phenomena. Qualitative research covers a variety of methods that can be applied in a flexible way, enabling participants to reflect upon and express their views, or to observe their behaviour, motivations, and/or attitudes (Malhotra, Birks and Wills, 2012). According to Parasuraman (1991), qualitative research involves collecting, analysing, and interpreting data that cannot be quantified meaningfully, that is, summarised in the form of numbers. Thus, qualitative research is often recognized as a more “soft” research approach than the “hard” qualitative research approach. Qualitative research is based on two intellectual traditions. The first, and perhaps the most important, is the set of ideas and associated methods from the broad area of in-depth psychology and motivational research. The second one is the set of ideas and associated methods from sociology, social psychology, and social anthropology – and the disciplines of ethnography, linguistics, and semiology. There can be much interaction between the two traditions, which allows a wide and rich array of techniques and interpretations of collected data (Malhotra, Birks and Wills, 2012). Based on this information a qualitative research approach will be used, since the empirical data will be collected on a small-scale level, and subsequently the purpose of this research is to gain a deeper understanding of Norwegian sports-brands actions and choices when building brand identity and furthermore targeting international markets.

### *4.2.1 Potential Sources of Error in Research Designs*

A good research design attempts to control the sources of error. Total error is the first error that is possible to make, and can be exemplified as the variation between the true mean value in the population of the variable of interest, and the observed mean value obtained in the research. From total error, there are two types of error. The first, random sampling error occurs because the particular sample selected is an imperfect representation of the population of interest, and is the variation between the true mean value for the population and the true mean value for the original sample. The second, non-sampling error, can be attributed to sources other than sampling, and can be random or non-random. Thus, they result from various reasons such as wrong problem definition, and failures in the approach, scales and questionnaire design, interviewing methods, data preparation, and analysis (Malhotra, Birks and Wills, 2012).

### 4.3 The Case Study Method

“Case study can be recognized as the detailed examination of a single example of a class of phenomena, a case study cannot provide reliable information about the broader class, but it may be useful in the preliminary stages of an investigation since it provides hypotheses, which may be tested systematically with a larger number of cases” (Abercrombie et al. 1984, p.34). Yin (2003, p. 13) states that a case study is “an empirical inquiry that investigate a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident.” The author further states that a case study approach can be used to answer a question that has a character of “how” and “why”. When explaining what a case study is, Yin (2014) suggests that the term refers to an event, an entity, an individual, or a unit of analysis. Thus, it can be characterized as an empirical examination that investigates a contemporary phenomenon within its real life context by using numerous sources of evidence. Moreover, case studies can employ an embedded design, that is, multiple levels of analysis within one single study (Yin, 1984). Case studies are not intended to study the entire organization. Rather, it is intended to shed light on a particular happening, case, feature, or unit. However, case studies typically combine data collection methods such as archives, interviews, questionnaires, and direct observations (Yin, 2014). The evidence may be qualitative, quantitative, or both (Eisenhardt, 1989). Case studies become beneficial when the goal is to gain an in-depth understanding and knowledge towards a particular situation or problem (Yin, 2014). Case studies can either be based on a single case or multiple-case studies. Single case studies are often used to either challenge or confirm a theory, or to represent an *unusual* or *extreme* case, when the case is *critical* to the theory, when the case is *common* (study to capture circumstances in everyday situations), or *revelatory* when the case provides the researcher with brand new data. Finally, the *longitudinal* case is when the researcher wants to investigate the same single case at two or more different points of time (Yin, 2014).

Multiple-case studies tend to follow a replication design or logic, not a sampling logic. Multiple-case studies can therefore be recognized as equivalent to the logic used in multiple experiments (Yin, 2014). Thus, the meaning with multiple case studies is similar to performing experiments several times, by receiving the same answers in order to verify the previous experiment. It is expected the “*same phenomenon occurs in the same circumstances or that the phenomenon differs if the circumstances change*” (Blumberg, et al., 2005 p. 377). In a multiple-case study, each case must be carefully selected that either (a) predicts similar results, or (b) predicts contrasting results

bur for anticipatable reasons. Thus, each case study consists of a full study, where the data are gathered from various sources and the conclusions are drawn based on those facts (Yin, 2014). A multiple-case study is suited when two or more entities are studied and compared. The multiple-case study method is chosen because it can reach higher validity and reliability, and analytical benefits than the single case study (Yin, 2014). Several scholars believe that case studies can provide a more in-depth understanding of an organization and its underlying relations (Saunders, et al., 2011). On the basis of the case study definition and the aim of the project, the case study approach is applied in this project. The research question is formed as a “how” question, which tries to solve a given problem that has not been investigated before. The exploratory study allows the researcher to perform a small-scale empirical study, which in certain situations can provide significant insights into the question at hand (Malhotra, Birks and Wills, 2012). Case studies are an appropriate research strategy when researchers have limited control of the research; meaning that the behaviour and actions performed by the subject investigated cannot be manipulated (Yin, 2003).

When collecting data for a case-study research, there are several sources available (Yin, 2014). *Direct observations* happen when the researcher conducts a field visit as a part of the case study, in order to observe respondents in their own environment, and thus record and measure behaviour and activities. *Historical archival* documents can be recognized as service records, organisational records, list of customers, survey data etc. It is important that the researcher is careful when investigating the accuracy of the records before using them in his analysis, as bias and typing errors can make the records less valid. *Interviews* are probably the most important source to information for the case study. Interviews can take several forms, including open-ended, focused, or structured interviews (Malhotra, Birks and Wills, 2012). *Documentation* can be letters, agenda files, administrative documents, newspaper articles etc. Every document that can be used in order to clarify or help the investigation is regarded as helpful. *Physical artefacts* are the final source that can provide evidence. This can be a technological device, a tool, an instrument, a work of art, or some other physical evidence.

#### **4.4 Validity and Reliability**

The quality of the study can and should be tested in order to increase its validity and reliability. Yin (2003 p. 34) suggests judging the quality of a case research design by four tests: construct validity, internal validity, external validity and reliability. The importance of validity and reliability is

severe, and if these factors are excluded from the study, the study might be misleading and confusing, which leads to that the study brings no real value.

#### 4.4.1 Validity

When conducting a study, it is argued to be valid if it collects the required data that is needed to answer the research questions of the project (Blumberg, Cooper, and Schindler, 2011). Validity can be defined as *“the extent to which a measurement represents characteristics that exist in a phenomenon under investigation”* (Malhotra, Birks and Wills, 2012:196). Furthermore, validity encompasses the entire experimental concept, and establishes whether the results obtained meet all of the requirements of the scientific research method. Construct validity is the first test, and it requires a sufficient development of the measures according to the multiple sources of evidence in the data collection process. According to Yin (2014) the importance of using multiple sources of evidence (triangulation) is unquestionable. Additionally, establishing a chain of evidence, and providing key informants to review draft case study reports. For the internal validity test, Yin (2014) suggests some procedures in order to make sure the study is valid. The author mentions pattern matching and explanation building. These are addressing rival explanations and are using logic models. Internal validity is creating pivotal links between relevant conditions. External validity establishes the domain where a study’s findings can be generated. The main criterion of external validity is the process of generalization, meaning that the higher external validity the study has, the higher level of generalization (Yin, 2014).

#### 4.4.2 Reliability

One can say that a study is reliable if the same research questions can be applied to a similar sample of people from within the actual company, and produce the same result, if it was conducted all over again (Blumberg, Cooper, and Schindler, 2011). Reliability can be defined as *“the extent to which a scale produces consistent results if repeated measurements are made on the characteristic”* (Malhotra, Birks and Wills, 2012:196). Reliability indicates that the study can be replicated, and thus provide the same findings and answers. An important factor for case studies is that the researcher always needs to make as many steps as possible to perform a reliability check throughout the subsequent conduct of the case study (Yin, 2014). Primary data are gathered through interviews, and is further supported by secondary data. This will enhance the reliability, by using different sources of data. However, some of the questions asked in an interview are targeting more critical subjective in- depth information, which is less available through secondary sources.



## 5. Empirical Case Studies

In this chapter, data collected from interviews with Espen Krogstad, CEO of Active Brands (owner of Bjørn Dæhlie and Kari Traa), and commercial Director at Kari Traa, Erik Hegbom, as well as secondary data from their respective websites, newspaper articles and through direct observation are presented. The purpose is to investigate how the two brands have built their brand identity, how they have positioned themselves in the market, how brand equity is created and enhanced, and how they have entered foreign markets through the usage of entry modes.

### Case 1: Bjørn Dæhlie

Bjørn Dæhlie is a former cross-country skier from Norway, competing in the 1990's. He had an incredible career, regarded as one of the best in the history. His career results speaks for it self, with a record of 8 Olympic gold medals, 7 World Championship gold medals, 46 wins in the FIS Cross-Country World Cup, 6 times overall FIS Cross-Country World Cup Champion, and 15 times Norwegian Champion. In total, he has 29 medals from the Olympics and World Championships.

*“My childhood dream of becoming Olympic Champion was an ambitious dream, that I was fortunate enough to achieve. Now, my dream is to create the best cross-country ski-clothing in the market”* (Bjørn Dæhlie, bjsport.no).

### 5.1 Company History

**1996** - Bjørn Dæhlie introduced his own collection “Bjørn Dæhlie Technical Wear”, in collaboration with Bono Ratio Sport AS. The collection was of cross-country skiing clothes.



**2001** – Bono Ratio Sport AS is being sold to the Swiss company Odlo, and a licence agreement is signed. With the long experience of Odlo, together with Bjørn Dæhlie's winner instincts, positive synergies were created for new product development, production, marketing and sales activities.

**2007** – The licence agreement with Odlo is ended. Bjørn Dæhlie and a venture capitalist firm, Katalysator, bring the brand back to Norway, and create Bj Sport.



**2011** – Bj Sport is sold again, now to Active brands. Active Brands is a house of brands, which holds brands such as Kari Traa, Vossatassar, Bula and Åsnes. Together with Active Brands will Bjørn Dæhlie continue to develop new, innovative, and functional products for both Norwegian and international markets.

**2014** – Bjørn Dæhlie is the official supplier to the US Ski Team in the Winter Olympics in Sochi, Russia. Bjørn Dæhlie also became the official supplier to the Norwegian Cross-Country ski team from May 1<sup>st</sup>, 2014 (bjjsport.no).

## 5.2 Bjørn Dæhlie Brand Identity

### 5.2.1 Brand as Symbol – Brand Elements

Brand elements and visual identity are often used next to each other to identify the brands, to enhance awareness, and to facilitate unique brand associations. These associations are the ones who ultimately should differentiate the brand from others, by being unique, favourable and strong. Thus, some of the first elements to which consumers recognize and use to differentiate brands from others, are the brand name, the logo, and the slogans that define the brand. It is important that the brand elements are: *memorable, meaningful, likeable, transferable, adaptable, and protectable* (Keller, 2008).

- Brand Name

The brand name Bjørn Dæhlie stems directly from the founder, and it is directly associated to the person himself, his personality traits, and the success he had in his active career. Hence, the brand has a “winning-oriented” departure, exploiting his heritage as a winner and legend in the cross-country environment. In that sense, quality, commitment and perfection are natural secondary associations when thinking of the brand Bjørn Dæhlie (direct observation). However, the brand name can be hard for foreign customers to pronounce, because the brand name contains the letters Ø and Æ, which is not common in other parts of the world than parts of Scandinavia. This may decrease the likability of the brand, because of the verbally troubles.

- The Bjørn Dæhlie Logo and Colour

Considering the pronunciation of the brand, and to make it more “universal”, the two first letters in Bjørn is used in the logo, with his whole name beneath. The current logo is a result of a renewed visual profile, which is a modern version of the old one. Changing the logo was a clever move, making it more clear-cut and sophisticated, while not jeopardizing the brand’s position.



Additionally, it looks good on the products. The wordmark was also redesigned to be more legible

and less out-dated, and matched the angles of the symbol to ensure a perfect fit. The logo is always printed in either white or reflex, providing a clear-cut visual identity, providing a feeling of a high-end quality brand (Espen Krogstad, Interview). The visual identity on the clothing is only the Bj logo. The wordmark beneath is not printed on the clothing; it is only used in other contexts. This facilitates the memorability of the brand, as seeing the white or reflex Bj logo makes it easy to recognized and recalled (direct observation). It is also visually likeable, because it makes the clothing recognizable without taking too much attention from the clothing itself.

Bjørn Dæhlie as a brand now consists of three collections: Race (competing), Pursuit (training), and Active (dog-walking and Sunday-strolls). Each of these collections holds their individual colour on the palette, to which the logo is printed on. Race has a red colour; pursuit has a dark grey colour, while Active has a light grey colour (work.no). This makes it easier for the customers to differentiate the products from each other, and to select the collection that fits their usage, needs and self-expressive values. It further provides the brand with its meaningfulness because it suggests the corresponding category very well, as Bjørn Dæhlie clothes are used in relation to activities with high degree of pace and endurance exercises (Bj Workbook, 2011/2012). Being associated with cross-country skiing and endurance exercises such as running and other activities to increase the stamina, the brand is capable of introducing new products in the same, as well as other categories. The brand name Bjørn Dæhlie is protected through copyrights. Furthermore, as the brand name is directly related to the person – copying the brand identity and elements is close to impossible.

5.2.2 Brand as Person – Brand Personality

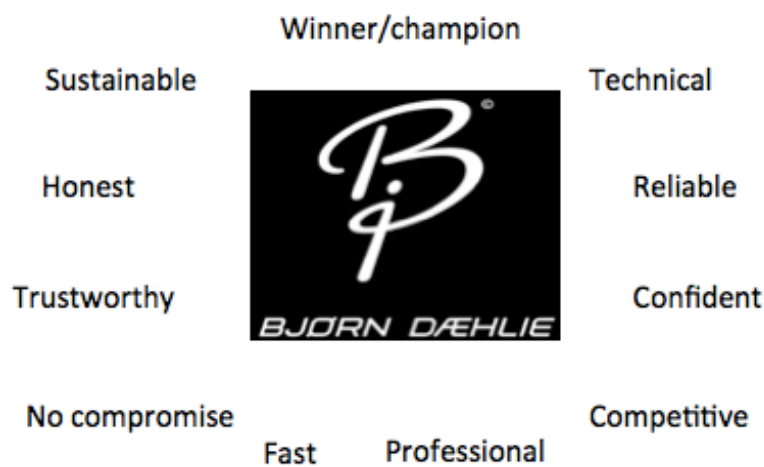


Figure 11: Bjørn Dæhlie’s Brand Personality (Espen Krogstad, Interview; Direct observation)

### 5.2.3 Brand as Product – Value Propositions

The launching point of the brand Bjørn Dæhlie is that it is a brand born as a cross-country skiing brand. The person Bjørn Dæhlie, his origin and heritage are the performance value. Bjørn Dæhlie anchors its promise on the following performance characteristics (Espen Krogstad, Interview; direct observation):

- Product quality
- Modern design
- Born as a cross-country clothing brand
- Allow you to perform an activity, knowing you have the best equipment that allows you to take out your potential, and not loose to your competitors
- Norwegian heritage

The brand key features is:

- Bjørn Dæhlie facilitates a winning and professional image
- Easy recognizable
- Three distinct colour codes on the collections – differentiating the segments
- Nice and functional fit
- Quality materials
- Clean layout

Products that are from Norway, are as previously mentioned regarded as high quality products (Sportsbransjen, 2013). Thus, product attributes such as quality and design enhance and influence the product related characteristics. When customers and users of the brand identify themselves with the person the brand is based on, being from Norway, the country of origin can play a significant role in influencing the “brand as product”, and further play a vital role to the brand identity.

- Functional Benefits:
  - Best equipment available
  - Slim Fit – still free movement
  - Low air resistance
  - Breathing, waterproof, and windproof
  - Quality materials

- Emotional Benefits
  - Confidence
  - Motivation
  - Healthy and sporty
  - Performance
  - Competitive
- Self-expressive Benefits
  - Enhanced self-esteem
  - Sporty
  - Good looking
  - Athletic
  - Trendy

(Espen Krogstad, Interview; Direct observation)

#### 5.2.4 Brand as Organization

Bjørn Dæhlie is owned by Active Brands. In that sense, it has the benefit of having access to a wide spectre of resources, in terms of innovation, design, culture, consumer knowledge, market trend expertise, and so on. The commitment from Bjørn himself, as the owner and founder of the brand, influence the overall culture, and through his involvement is “living the brand” to the fullest (Ind, 2007). Another strong association to Bjørn Dæhlie is trustworthiness, which permeates the organization and allows the brand to deliver its brand promise to the customers. Bjørn Dæhlie strives to be ethical responsible, by having strong demands to themselves and their suppliers. The brand has developed a code of conduct, which is communicated to the employees, suppliers and other partners. *“We are strongly opposed to corruption, and we do not want to be part of child labour, hazardous work environments, breakage of human rights, and social injustice”* (bjsport.no). CSR activities are performed, which is an important term that has received a lot of attention the last decades. Innovation is also an important aspect of Bjørn Dæhlie. In order to compete with the other players in the market, innovation in product characteristics and technical features in the clothing is vital for the brand. Hence, the cooperation with the Norwegian Ski-Team will be significant for the brand, as the best athletes in the world directly can contribute to innovation and product changes that makes the products more applicable. Learn from the best, in order to become the best!

#### 5.2.5 Bjørn Dæhlie Overall Identity

The overall identity of the brand Bjørn Dæhlie is closely related to the actual person himself, as the identity of him as a person has been integrated to the brand. Thus, according to himself, the core identity of the brand is purity and functionality, and it is these two core values that influence how the brand will be communicated. It can also be said that the identity of Bjørn Dæhlie is a winner,

honest, competitive, no-compromise, ambitious, and fast. In order to achieve this image among consumers in the target markets, it is very important that the brand is living up to these standards, being associated with the factors that influence the brand identity. During a re-branding process of Bjørn Dæhlie, a guideline book was made in order to cover branding from the corporate level to gear and advertising was created. As worldwide distributors on a daily basis handle the brand, the book is an effort to ensure consistent brand image everywhere the brand is being sold (work.no).

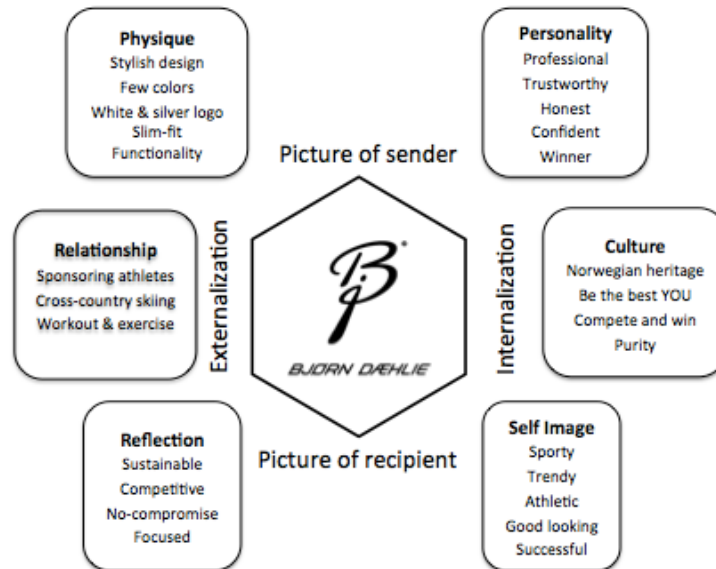


Figure 12: Bjørn Dæhlie Brand Identity Prism (Own production)

### 5.3 Bjørn Dæhlie's Brand Positioning

- Market Segmentation

In order to understand brand positioning better, it is important to have a look at the market segmentation. Within the sports-industry and the world of sports, there is a wide array of activities to perform. However, Bjørn Dæhlie has decided to target three segments (work.no). These segments are Race, Pursuit, and Active. The Race segment is targeted at competing athletes. Pursuit is targeted at people that enjoy training, but not competing at a high level. Active is targeted at people who want nice and functional clothing for dog walking or Sunday strolls. By having three segments that they are working towards, it allows Bjørn Dæhlie to customize the clothing collections to each of the target segments, making the clothing more suitable and fitting to the needs and desires of each segment. This has further made it easier for both consumers and salespeople to understand when and how to use the different collections, and it makes it easier for retail stores to order the right collections to their target audience.

- Brand Positioning

Bjørn Dæhlie is positioned as a high-end brand in the cross-country skiing (Espen Krogstad, Interview), and long distance training segments. It is clearly positioned as a quality brand in the eyes of consumers that have a connection to cross-country skiing and other endurance activities, and awareness of Bjørn Dæhlie (Direct observation). Consequently, the target market is people who are having an active and healthy lifestyle who enjoy workouts that increase the stamina, and people competing in endurance activities. The brand's ultimate goal is to attain a world leading position as provider of technical and functional cross-country ski clothing (bjssport.no). The brand's point of difference is that it is "born" as a clothing brand for cross-country skiers (Espen Krogstad, Interview). Hence, Bjørn Dæhlie is unlike its competitors as these brands origin from other categories and has entered the cross-country and endurance segment through brand extensions. For example, Odlo was originally a underwear producer; Swix was a ski-wax and gliding manufacturer, while Craft originally was a garments producer. Bjørn Dæhlie is born into the segment of cross-country skiing, and by directing much attention to a functional fit for a free movement; the ultimate goal is "*allowing people to perform the sport they love with the best possible equipment on the market*" (bjssport.no).

#### *5.4 Facilitating Consumer Knowledge and New Market Entry Mode*

The brand is being sold in Norway, Sweden, Finland, Austria, Germany, Switzerland, Russia and USA (Espen Krogstad, Interview). Looking at the countries participating in the FIS World Cup of cross-country skiing, it is mainly these countries that are represented – especially when you look at the top 30 results of each race. Hence, this gives clear indications to the fact that it is in these countries that cross-country skiing is popular, which provide incentives to target these markets. As a vital incentive to make the consumers become aware of the brand Bjørn Dæhlie, the brand has mainly been marketed through sponsorships and ambassadors. The Estonian cross-country skiers Andrus Veerpalu and Kristina Smigun were early ambassadors for the brand. At the time during the 2000's, these two were significant persons in the FIS Cross-Country World Cup, with a lot of World Cup victories and Gold medals in the Winter Olympics (fis-ski-com). This provided Bjørn Dæhlie with a lot of exposure, and the brand awareness increased. Furthermore, Bjørn Dæhlie also had sponsorship agreements with the Estonian Olympic ski-team, Estonian Biathlon World Cup team, and the biathlon teams from Bulgaria and Ukraine (Kulseng, 2004). Additionally, the Norwegian Biathlon World Cup team have been using Bjørn Dæhlie clothing, which also provided

exposure and “free-commercial” in target markets. Eirik Verås Larsen, one of the world’s best kayakers also is an ambassador of Bjørn Dæhlie. Eirik has won two gold medals in the summer Olympics, first in Athens 2006 and in London 2012, and he has won several gold medals in both European and World Championships (bjsport.no). In the Olympics in Sochi 2014, Bjørn Dæhlie was representing the US Ski-Team, which can be seen as a strategic choice in order to increase attention and awareness of the brand in the USA (Espen Krogstad, Interview). USA has one of the best cross-country sprinters in the FIS World Cup, Kikkan Randall, which provides a signalling effect when she is being followed by TV cameras through the sprint course. Additionally, by being present at large international championships, Bjørn Dæhlie himself has figured as an ambassador for the brand, communicating its identity, values, origin, by enhancing brand awareness and recognition. Bjørn Dæhlie has experienced success with its marketing and branding strategy, as the turnover has increased with approximately 13 MNOK from 2008 to 2012, while the net income has increased with 716%, from 1,509 MNOK to 12,321 MNOK during the same period (180.no).

From 1<sup>st</sup> of May 2014, Bjørn Dæhlie became the official supplier to the Norwegian cross-country national team (bjsport.no). In the recent years, Norway has definitely been the best nation when it comes to results in cross-country skiing, with skiers such as Marit Bjørgen, Therese Johaug, and Martin Johnsrud Sundby. These have won several FIS World Cup victories and Olympic Gold medals the last few years, and all of them have won the overall FIS Cross-Country World Cup. This will unquestionable benefit the brand Bjørn Dæhlie, and it will enhance the position and knowledge of the brand, and it will further influence its associations. Thus, the most important associations may be winning, performance, functionality, and quality. In fact, Martin Johnsrud Sundby, who won the overall FIS World Cup as recently as in the 2013-2014 season, was during that season an ambassador for Bjørn Dæhlie (bjsport.no). The signalling effect is definitely valuable for the brand. According to Active Brands, the cooperation with the Norwegian cross-country team allows Bjørn Dæhlie access to attractive athletes that will be used actively in new product development (activebrands.no). In order to develop tomorrow's best ski clothing, it is important to learn from the best in the class, which as of today definitely is the Norwegian cross-country team (bjsport.no). Through visual exposure related to cross-country ski races, the brand has facilitated geographical extension towards the countries involved in the FIS Cross-Country World Cup. Through the enhanced attention toward the brand, the brand knowledge has increased, while the barriers to entry new markets have decreased. The knowledge and trust associated to the brand has made consumers



in international markets craving to wear the brand, because of the winning and functional identity that the consumers associate with the brand. The sponsorships of teams and individual athletes have further facilitated brand awareness, through recognition and recall. This, because each of the persons and teams that are wearing Bjørn Dæhlie will be identified and associated with the brand.

As a result of the increased attention and awareness of the brand internationally, the next natural step was to take the brand abroad. The choice of using local distributors and agents in the respective markets was chosen, because it provided the fastest access to the new markets to an acceptable price. As the financial muscles to do all this work alone lacked, it was the best choice for Bjørn Dæhlie at the time (Espen Krogstad, Interview). Furthermore, cooperation with partners from the respective markets that understand the local environment and efficient communication strategies, while at the same time has access to a solid distribution network, has been important in order to enter new markets for Bjørn Dæhlie. The usage of distributors and agents has worked quite well. Considering the costs of doing all this work by their own, Bjørn Dæhlie has entered international markets in an economic reasonable way, and the brand are increasing its awareness and recognition in international markets. Consequently, the awareness and recognition of the brand should continue to grow in the years to follow, as Bjørn Dæhlie is the official supplier to the Norwegian cross-country ski team, in addition to other ambassadors and sponsorship agreements.

*Sum up:*

Brand as symbol	Personified brand. Black and white “Bj” logo. Logo always printed in silver or white. Norwegian heritage – cross-country skiing.
Brand as person	Brand personality. Professional, trustworthy, honest, confident, winner.
Brand as product	Product quality. Modern design, slim fit and free movement. Value propositions: Sporty, trendy, confidence and motivation.
Brand as organisation	Employees living the brand. CSR focus. Deliver brand promise, best product in market. Product development – cooperation with Norwegian ski-team.
Brand positioning	High-end brand. Three segments; Race, Pursuit, Active. Targets cross-country skiers and other endurance related activities.
Creating consumer knowledge	Sports- and event marketing. Sponsorships and ambassadors.
New market entry mode	Local distributors and agents. Selection of suitable partners. Reasonable costs, still in control of the brand, high speed.

Table 4: Summary of Bjørn Dæhlie

## Case 2: Kari Traa

Kari Traa is a former Norwegian freeskiier, who started her professional career in 1996. She was competing in freestyle moguls, and experienced a successful career, with 3 Olympic medals (1 Gold) and 36 World Cup victories. The following description of Kari is presented on the brands web page: *“Her Norwegian heritage has not only given Kari a talent for sport but also an eye for design and a passion for creativity. Even during the height of her skiing career, Kari somehow found ways to develop her creativity. In between training and competing, Kari began knitting beanies for friends and customizing her own ski-gear. Designs that became so popular amongst friends and fellow skiers from around the world that the Kari Traa brand was born”* (karitraa.com).

### 5.5 Company History

**2002** – Kari Traa is registered in the “Brønnøysund Register Centre”

**2003** – Kart Traa is officially a company, and the first collection of toques is released. This collection is a success, selling over 7000 items the first year, providing revenue of about three million NOK.



**2004** – A new collection is presented, including a brand extension toward t-shirts and pants

**2007** – Kari Traa receive an award for Design Excellence, based on the visual identity of the brand

**2009** – Kari Traa receive an award for Design Excellence, this time with the design of a ski helmet

**2013-2014** – Kari Traa changes logo. The red butterfly is replaced by a new logo, KT.

### 5.6 Kari Traa Brand Identity

#### 5.6.1 Brand as Symbol

As previously mentioned, brand elements and identity are often used next to each other to identify the brands, to enhance the awareness, and to facilitate unique brand associations. These factors should in sum differentiate the brand from competitors.

- Brand Name

The name Kari Traa is directly associated to the person herself, her traits, and the success she had in her active career. Kari Traa is a positive, happy, inspiring, enthusiastic person, and full of life. It is these characteristics that are associated with the brand name (Direct observation). As with the case of Bjørn Dæhlie, the brand name can be hard for customers to pronounce. The double aa in Traa is pronounced as the Norwegian letter Å, which is not common outside Scandinavia.

- The Kari Traa Logo and Colour

Kari Traa is a warm, fun, happy and full of life person. This is reflected in the first logo of the company (see previous page), with the red butterfly next to the wordmark. The butterfly is full of life, sparkling, colourful, and happy. As the creator of the logo states: *“The logo was extremely important, the butterfly being the symbol of sporty femininity, and represented in visual language the Kari Traa line of clothing”* (norskdesign.no).



However, in the recent collection from Kari Traa, a new and changed logo has appeared. The new logo is a KT, with the wordmark Kari Traa under it. In that way, the new logo has kept the wordmark, and thus not jeopardizes the brands position by making it unrecognizable. The red KT letters, followed by the wordmark, provides a feeling of happiness, warmness, femininity and quality. However, the butterfly still plays a significant role for the brand, as it is used as a secondary visual identity function. The butterfly is printed on a wide range of the clothes in the new collections, in addition to the new logo, telling the customers that the butterfly is “still alive” (Direct observation). Furthermore, the visual image of a butterfly is connected to Kari Traa’s personality, providing happy, energetic and playful associations!

### 5.6.2 Brand as Person – Brand Personality



Figure 13: Kari Traa’s Brand Personality (Erik Hegbom, Interview; Direct observation)

### 5.6.3 Brand as Product – Value Propositions

“Even today, fond childhood memories, the rugged Norwegian nature and a strong sense of Scandinavian traditions are still the sources of inspiration for Kari Traa’s designs. Sportswear designed to perfectly fit the feminine form but still able to cope with the demands of an active, sporty and adventurous lifestyle... Kari Traa is Scandinavia’s leading sportswear brand designed for women, by women. Like the nuns and knockouts they inspire and are inspired by, Kari Traa’s designers create clothes that are as feminine as they are unpretentious – and as high-performance as they are gorgeous” (karitraa.com). Hence, the Kari Traa clothing brand aims to appeal to sporty girls who desire to be associated with extreme sports and a adventurous personality, while at the same connect to their feminine side. The challenge is to design a visual identity that can work in many different contexts. In her clothing lines, Kari Traa has paid tribute to her extroverted form of energy, and implemented important parts of the Norwegian heritage.

The connection between the person Kari Traa and the brand Kari Traa, her origin, and the quality of the clothes are the performance characteristics of the brand. The brand key features are (Erik Hegbom, Interview; Direct observation):

- Kari Traa
  - Norwegian heritage
  - Femininity
  - Visual identity – modern + rural design
  - Quality materials
- Functional Benefits:
    - Best equipment available
    - Slim Fit – still free movement
    - Breathing, waterproof, and windproof
    - Keeps you warm when you are cold, cools you down when you are too warm
- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• <u>Emotional Benefits</u> <ul style="list-style-type: none"> <li>➤ Confidence</li> <li>➤ Motivation</li> <li>➤ Healthy and sporty</li> <li>➤ Performance</li> <li>➤ Competitive</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• <u>Self-expressive Benefits</u> <ul style="list-style-type: none"> <li>➤ Enhanced self-esteem</li> <li>➤ Sporty</li> <li>➤ Good looking</li> <li>➤ Adventurous</li> <li>➤ Trendy</li> </ul> </li> </ul> |
|---|--|

#### 5.6.4 Brand as Organization

As well as Bjørn Dæhlie, Kari Traa is owned by Active Brands. In that sense, it has the benefit of having access to a wide spectre of resources, in terms of innovation, design, culture, consumer knowledge, and market trend expertise, too name a few. Kari's personality and commitment to the brand has definitely put its signature on the organization. As an example, during the autumn of 2013, a TV show called "Kari Traa Leikane" (Kari Traa Games) ran at a Norwegian network, TV3 (tv3.no). In the show, 13 girls from Norway were competing in different activities such as skydiving, swimsuit fashion show, moguls, and "rollerdarby" (rollerblades). Thus, the competitions were recognized as a long-lasting job interview, where the final winner would get a job at Kari Traa, being a part of the design team, and contribute to the development of the brand for a year. The winner also became an ambassador for the brand (karitraa.com; side2.no). Going through exciting and relatively tough challenges, the ultimate goal was to end up with a person who shares the same kind of attitudes and personality as Kari herself. In that sense, Kari Traa got an employee who had the same values and interests as her self, and thus got a person who is suitable of living the brand, and identify to the brand values. This gives an indication of how the organization works. It is fun, playful, innovative, and has a high degree of excitement.

#### 5.6.5 Kari Traa Overall Identity

The overall identity of the brand Kari Traa is closely related to the actual person herself, and the identity of her as a person has been integrated to the brand. When Kari Traa won the Award for Design Excellence in 2007, the jury stated: *"The clothing brand's visual identity pays tribute to the Kari Traa's own brand name and her extroverted form of energy. The brand's identity combines feminine, sporty craziness and humour with the traditional culture of the mountain community of Voss. Use of ornaments and silhouettes evokes associations to traditional, Norwegian rural culture, albeit in a revamped form. In the opinion of the jury, the adopted idiom is trendy, but the basic elements will withstand the test of time. The products contain a large degree of innovation, and the visual identity supports this and promises the buyer something unique from Kari Traa"* (norskdesign.no). This summary describes the brand identity of Kari Traa quite well, and the key points of the brand identity are presented in the brand identity prism below.

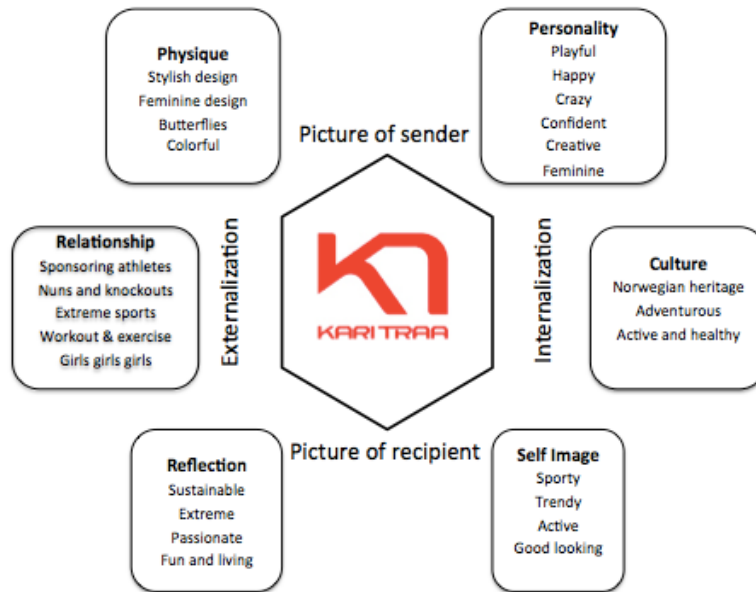


Figure 14: Kari Traa Brand Identity Prism (Own production)

### 5.7 Kari Traa Brand Positioning

- Market Segmentation

In order to understand Kari Traa’s brand positioning better, it is important to have a look at the market segmentation. Within the sports-industry and the world of sports, there is a wide array of activities to perform, and segments to target. However, Kari Traa has decided to target only females (karitraa.com). Thus, the brand aims to appeal to sporty girls of all ages, however, the core target group are 18-25 years old girls (Erik Hegbom, Interview). These girls are identifying themselves with extreme sports, a sense of adventure, and femininity. Hence, the brand is suitable for the extreme sports girls, and at the opposite side, mothers that desire to look good while they are taking their baby for a stroll in the cold winter.

- Brand Positioning

Kari Traa is positioned as a high-end brand, for girls who are active, sporty, and adventurous. Through different collections that are customized to diverse segments, the brand is targeting the most extreme-sports enthusiastic girls, as well as the girls that desire to look good when they exercise and work out. Hence, there are collections for “Training”, “Skiwear”, and “Active wear”, which can be recognized as the main products and thus the segments of the brand (karitraa.com). The brand’s point of difference is that the brand is created by girls, for girls (Erik Hegbom, Interview). Recognizable for the brand, is that the collections represent the identity of fun, sporty

and colourful lifestyle, where quality and design are key features. Every product has bright and clear colours. As Kari Traa is a brand by girls, for active and sporty girls, they have managed to attain a unique position in the marketplace, specializing on what girls want and what they desire.

### *5.8 Facilitating Consumer Knowledge and New Market Entry Mode*

The brand is sold in Norway, Sweden, Finland, Denmark, Czech Republic, Netherlands, Germany, Switzerland, and France (Erik Hegbom, Interview). Looking at these countries, it becomes clear that most of these countries are connected to either the Alps in the Middle-Europe, and Scandinavia. The brand first achieved high awareness and publicity related to the base layer collections, which became very popular amongst the female audience (Direct observation). Furthermore, it is clear that all of the countries where Kari Traa is being sold are having cold winters. The brand has been extended since its inception, and now produces training clothes, and sports-underwear and outerwear – making the target audience bigger with different segments amongst women to focus on.

In their marketing strategy, Kari Traa is sponsoring female athletes, in addition to having ambassadors that are called “Nuns and Knockouts”. All of these “Nuns and Knockouts” girls are representing the values that the brand stands for, and it can be drawn similarities between their personalities to Kari’s personality herself (karitraa.com). Typical for the Nuns and Knockouts, is that they are represented in social media with a lot of followers, through blogs, Instagram, Twitter, and Facebook (karitraa.com; Direct observation). Hence, the brand is exploiting the opportunities of social media, and reaches a lot of potential girls with direct and indirect marketing, through their ambassadors. The brand Kari Traa increased its turnover from 2012 to 2013 with 35% (172 MNOK), and according to Kari Traa, the brand success can be traced to the usage of social media (dn.no). Sponsorships of talented extreme-sports athletes are also a way of communicating the brand toward the market, as the brand become visible when the athletes are competing and training. Some of the sponsored girls are participating in extreme-sports such as freeskiing slopestyle, climbing, freeskiing moguls, and base-jumping. Moreover, in 2012 Kari Traa became one of the main sponsors of “Ekstremsportveko” (Extreme sports week). Ekstremsportveko is the largest sport- and music festival of its kind, and is hosted every year in Voss, Western Norway, who happens to be the hometown of the mogul skier. Ekstremsportveko host competitions in kayaking, rafting, skateboarding, skydiving, paragliding, hang-gliding, freeride, big air, climbing, base-jumping and longboarding, too name a few. For one whole week national and international athletes

compete and challenge themselves in the elements. However, competitions are not always the main focus for the athletes. Sharing of knowledge, when hundreds of top athletes are gathering this last week of June, is just as important. The various sports are the main focus of Ekstremsportveko, with the music as an added feature (ekstremsportveko.no).

It is not only through sponsorships and ambassadors that the brand has been marketed in order to create awareness and attention. The brand has recently started a series of webisodes on YouTube, in which is called KariTraa Urban Training – in relation to the release of the “Training” collection. Together with the Nuns and Knockouts of Kari Traa, girls residing in the city visited are participating in hard and challenging training sessions in the city. Each KariTraa Urban Training session has brought a lot of girls, all of whom dressed up in Kari Traa clothes, and together they have taken over the city they are visiting, making it their own “urban playground” (youtube.com). The cities currently visited are Bergen and Voss in Norway, Copenhagen in Denmark, and Gothenburg and Stockholm in Sweden. Furthermore, each webisode includes a challenge that Karoline Hille Nordstrøen (the winner of “Kari Traa Leikane”) must complete. These challenges are tasks that can be related to the identity of the brand, fun, adventurous, spontaneous, fearless, and daring. This is an unusual and innovative way of marketing, which has created a lot of attention towards the brand; making the consumers in these areas associate the brand with a fun, playful, happy, and an adventurous spirit. Moreover, Kari Traa signed a deal with SATS in 2013. SATS is one of the largest actors in Scandinavia within the Fitness-Club segment, with over 110 gyms, and 250 000 members. The deal facilitates the sales of Kari Traa’s training collections in SATS’s gyms, and allows the females to buy the clothes where they work out and exercise (hegnar.no).

When Kari Traa recognized attention and interest for the brand outside the domestic market, the choice of going international and sell the products in foreign markets were taken. In that sense, the brand was facing some important questions to answer, and obstacles to overcome. Examples here are “Which market entry mode was the best suited one?” “What capabilities and resources were needed?” and so on. However, as the market entry mode to the international markets Kari Traa chose to use local distributors and agents in the countries where the brand were to be sold (Erik Hegbom, Interview). One of the core reasons for this was based on the economic power of the brand – meaning, even though the brand are performing well in the Norwegian market, it does not generate the financial muscles needed in order to bring the brand international alone. Therefore, the



choice of using local distributors was chosen as it provided access to already established distribution networks. The local distributors also possess knowledge about the local market, facilitating the probability of increased sales and efficient marketing strategies. The choice of market entry mode allowed Kari Traa continued control over the brand, the investment is relatively low, and the speed is fairly fast. However, even though these choices seem right theoretically, Kari Traa experienced challenges related to their market, category, and distribution strategy. Additionally, they experienced problems with their supply chain. These challenges were the result of lack of experience, and the preparations were not good enough when introducing the brand internationally. When Kari Traa went international, several of the products in the portfolio were introduced. Accordingly, The Commercial Director at Kari Traa, Erik Hegbom (Interview), says that they should have focused only on the products they are best at (core products), and then introduce other parts of the portfolio when the initial part of the portfolio has proven successful. Hence, they should have introduced only the core products, which are the base layers, to the new markets, and then introduced outerwear and training clothes when the base layers had settled and proven successful in the respective market. This would have created increased focus on the core product, facilitating increased consumer knowledge and associations to the brand before the other parts of the portfolio were introduced to the market.

*Sum up:*

Brand as symbol	Personified brand. Red “KT” logo. Norwegian heritage, inspired by rural clothing traditions. Butterfly.
Brand as person	Brand personality. Playful, happy, crazy, feminine, confident.
Brand as product	Product quality. Modern + rural design, slim fit and free movement. Value propositions: Sporty, feminine, confidence and motivation.
Brand as organisation	Employees living the brand – “Kari Traa Leikane”. Innovation, design, excitement and femininity in focus.
Brand positioning	High-end brand. By girls, for girls. Girl clothing only.
Creating consumer knowledge	Sports- and event marketing. Sponsorships and ambassadors. “Urban Training” with ambassadors – innovative marketing. Social media.
New market entry mode	Local distributors and agents. Selection of suitable partners. Reasonable costs, still in control of the brand, high speed.

Table 5: Summary of Kari Traa

## 6. Cross-Case Analysis and Findings

In this section of the analysis a comparison is made across the two different cases. Similarities, differences, and important take-outs from the two cases are discussed in order to identify patterns in terms of which efforts and initiatives that have contributed to build the brand identity of the brands in question, and how they have worked towards internationalization and thus the related experience.

### *6.1 Overall Brand Identity and Positioning*

Both Bjørn Dæhlie and Kari Traa have built their brands as a personified brand, meaning that the brands have been developed around the values, personality and identity of the person behind the brand. In that sense, the similarities between the brands are that they both have developed a clear brand identity since their inception. Bjørn Dæhlie started out as Bjørn Dæhlie Technical Wear, but after a rebranding the brand became only Bjørn Dæhlie. The brand logo was described earlier on, however, the two letters Bj with the wordmark under, now express the logo. The colour of the logo consists of white letters printed on black, signalling something solid and enduring. This can be related to Bjørn Dæhlie himself. He has an identity that correlates to the solid and enduring principles of the logo, and gives a signal of that identity; hard work, no compromise, purity, and winning. This is also done with Kari Traa. The logo is quite similar, with KT as the letters and Kari Traa as the wordmark under. At Kari Traa, the logo is printed with red, harmonising with fun, femininity, and excitement. This further correlates to the person Kari Traa. Her personality is embodied into the logo, making the identity come forth through the usage of a proper logo with a warm colour. The visual identity has been incorporated very well into the brand logo and the products, and as mentioned, Kari Traa has won an award for Design Excellence based on the visual identity of the brand.

Cross-country skiing has become a part of the Norwegian heritage, as Norway always have been interested in, and performed very well at the sport for decades. Thus, it is not a coincidence that the saying: “Norwegians are born with skies on their feet” has emerged. Through the production of products that aim to allow people to perform this activity with the best possible clothing equipment, the heritage and the winning identity is implemented into the brand. Kari Traa has also drawn inspiration from the Norwegian heritage, by implementing traditional Norwegian rural clothing styles into her products and collections. In that way, the brand provides a source of “Norwegianness” in the collections. Hence, both of the brands have to some extent implemented the

country of origin aspect to its products; Kari Traa by building on the Norwegian heritage through traditional and rural clothing in the country, and Bjørn Dæhlie through the Norwegianness of cross-country skiing. As both of the brands are developed of persons who previously have participated in the Winter Olympics and in World Cups, associations to the brands are also drawn from these sources. Kari Traa aims at delivering products designed to perfectly fit the feminine form, while still being able to cope with the demands of an active, sporty, and adventurous lifestyle. These are the attributes, as the brand is created by girls, for girls. Through the country of origin, the value of the quality of the products is implemented into the brands – due to the recognition of Norwegian products to be of high quality. It goes without doubt that the personalities of Bjørn Dæhlie and Kari Traa are implemented into the respective brands. Thus, it is hard to not think of the traits such as honest, competitive, fast and professional when thinking of Bjørn Dæhlie. Conversely, when thinking of Kari Traa, traits such as fun, extroverted, happy, and feminine are easily identified and hard to go by.

The positioning of Kari Traa is directly targeted toward active, adventurous, and fun girls. The positioning here is a brand for women when they are performing adventurous and challenging activities, or when they work out. Kari Traa will provide women with clothing that will keep them warm and dry, while at the same time allow them to look good as they perform challenging activities in a proper way. By elaborating on the work by Kari Traa through fitting clothing to her needs during her active career, a brand created by girls for girls and the knowledge of the needs when performing challenging activities, creates the brands point of difference. Bjørn Dæhlie has chosen to target three different segments, Race, Pursuit, and Active. The brand is positioned as a high-end quality brand for athletes that are competing at a high level (Race), for people that wants to train and work out (Pursuit), and for people who wants to look sporty when they are out for a Sunday stroll or walking their dog (Active). Hence, the brand are targeting all types of people who identify themselves with a healthy an active lifestyle, allowing them to perform these activities with the best possible equipment, through three different collections that have individual price levels. The point of difference for Bjørn Dæhlie is that it is a clothing brand born in the “universe” of cross-country skiing, having the knowledge of what kind of equipment is needed in order to perform hard physical activities without being too warm or cold, wet and sweaty, and to allow free movement.

Similar for both brands is that they have defined a target market, positioned themselves in order to target that market, created points of difference and frame of reference, and targeted these segments through a clear brand identity and positioning strategy. The most important factor of developing the brands have in these two cases proven to be the establishment of a valid and reliable brand identity, which is everlasting and create positive associations. As presented by Kapferer (2008), brand identity and the signals transmitted toward the receivers (communication, places, people and products) influence the consumers' brand image, which ultimately is the core factor determining consumers' choice of brands when several options are present. When two brands with basically the same product related attributes are present, it is the overall image of the brand that is determined as the unique selling point.

### *6.2 Consumer Knowledge Effects and Market Entry Modes*

Similar for Bjørn Dæhlie and Kari Traa is that both brands have created awareness around their brand through sponsorships of professional athletes and different professional teams in diverse sports. Bjørn Dæhlie has not been marketed through traditional advertising channels such as TV or Direct Marketing. The only efforts that have been made in order to make consumers aware of the brand is through sponsorships of events, athletes competing in the FIS Cross-Country World Cup, the FIS Biathlon World Cup, and through ambassadors such as Martin Johnsrud Sundby and Eirik Verås Larsen. The brand most recently was the sponsor of the US Ski Team in the Winter Olympics in Sochi 2014. Through the sponsorship, the brand was able to target the North American segment, by creating direct associations between the brand and the athletes on the US Ski Team. This was a clever way to create awareness of the brand in an unsaturated and emerging market with huge sales potentials, due to the amount of people living in North America. However, even though cross-country skiing is a small sport in North America, the total market potential is huge compared to the limited market in Norway. Increased attention and enhanced awareness of the brand in the area is the result of the sponsorship during the Olympics and FIS Cross-Country World Cup.

Additionally, as Bjørn Dæhlie became the official supplier to the Norwegian Cross-Country Ski Team in May 2014, the goal is to increase the awareness throughout the whole target market, which mainly are the countries participating in the FIS World Cup in both cross-country skiing and biathlon. Almost all of which are connected to the European Alps and Scandinavia, in addition to Russia and USA. As the Norwegian cross-country ski team undoubtedly is the best, the brand will

receive “free-marketing” when the athletes are shown on TV during the races, and in interviews after the races. The logo will be provided with a lot of “airtime”, and the associations of the brand is expected to become even more winning, perfection, competitiveness, and fast oriented. These are traits that can be related to Martin Johnsrud Sundby, the Norwegian cross-country skier who are an ambassador of Bjørn Dæhlie. As he won the overall FIS Cross-Country World Cup in 2013/2014, in what better way can a brand be communicated and fronted? Probably none. If the worlds best overall cross-country skier uses Bjørn Dæhlie when he is training and competing, the clothing have to be of good quality while at the same time being comfortable, enduring, and technically satisfying.

On the other hand, Kari Traa has gone more “unorthodox” and innovative in their marketing strategy. However, as the brand does not rely on advertising through traditional channels, the brand has had one commercial on Norwegian TV. In the commercial, Kari Traa participates with a clothes-washing brand Milo, which is recognized as the number one in washing wool without destroying it in Norway (lilleborg.no). As the brands cooperated, they managed to create synergies for their respective brands. Kari Traa as a brand also had its own TV show on Norwegian TV3, who ran for 11 episodes in 2013. In addition to acquiring a new employee to the company with the desired personality, the brand received tons of positive responses and advertising throughout the show. The brand name, logo, values, identity, personality and characteristics of how the brand wants to be, and how it actually is, got promoted very well through effective communication of the brand identity of Kari Traa. The awareness and associations of the brand in Norway rose very much during the 2013, and the usage of country of origin aspect in the design of the collections have enhanced these positive associations both domestic and internationally.

In contrast to traditional marketing, in order to create awareness of the brand in Sweden and Denmark, Kari Traa assigned several bloggers to become ambassadors of the brand. As bloggers have received a lot of credibility the last few years, with thousands of readers they can influence, it is a very efficient and cost effective way of being promoted; through bloggers – and not through traditional “pushy” commercials. As an example, when Kari Traa most recently introduced their new collection “Kari Traa Butterfly Cool”, they invited 28 bloggers in Denmark to participate in a spinning session, with Kari Traa herself as the instructor. The bloggers received each of their own Butterfly Cool tee base layer, and participated in a warm, humid, and sweaty spinning session. The product promise to cool the body down when the body temperature rises through exercise, and this

was an efficient way of proving the brand promise to people that have the opportunity to influence a huge audience. The same stunts were done in both Sweden and Norway; however, in Sweden the bloggers participated in a private training session with the Kari Traa ambassador “PT-Fia”, who is a well-known personal trainer and fitness guru in Sweden (karitraa.com). Overall, a smart, innovative and fun way of communicating the values of the brand, while at the same time allow the bloggers to try the base layer out, and then blog about their experience afterwards. Of course, all of the bloggers were girls, as it is more common for girls to both have, and read blogs, and as a consequence these blogs becomes a source of promotion for Kari Traa, reaching thousands of girls.

When it comes to new market entry modes, both of the brands have followed the same direction. Due to the fact that Norway is a small country, with a limited amount of people to reach, brands that are born into that market will automatically experience problems in sales volumes (Espen Krogstad, Interview). Hence, a consequence for Norwegian brands is that they struggle to achieve financial muscles from their domestic market, which often is used as a source of financing internationalization processes. Thus, in order to be able to compete with brands from other countries, both of the brands in question has chosen to use local partners, such as local distributors and agents that are present in the markets in which they are targeting and entering. At Kari Traa, however, they would have chosen to do all the work themselves by hiring people to work in the respective areas if they were to do the internationalization process all over again. They have experienced different challenges with the distribution, marketing, supply chain and category strategies, which they now realize they could have done better themselves (Interview, Erik Hegbom). However, the choice of entry mode through distributors and agents on its own is a very fast and cost efficient way of entering new markets. Adding all the pros and cons with the entry mode through distributors, it can be seen as suitable for Norwegian sports clothing brands that are targeting new international markets – as it has worked out quite well for two of the most recognized sports clothing brands from Norway so far. Additionally, the financial risk is lower, when using local distributors and agents rather than doing all the work alone.

Furthermore, related to their entry strategy and entry mode, interviews with both of the companies in question have revealed an important factor when it comes to their brand architecture in the new international markets. The lesson learned is that at the time of the initial market entry, only the core product should be presented to the market. This allows the brand to “settle” into the market, with all

marketing activities intended to increase the consumers awareness of the brand are directed toward communicating the core product and its benefits only. As the core product is recognized as cornerstone of the brand, enhancing awareness and creating associations to the core product is very important when a brand is presented to a new market. Moreover, when the brand's core product has managed to settle into a new market, then it is appropriate to introduce brand and line extensions. Hence, the long term strategy of introducing products to one product category at the time until the brand has reached a significant level of awareness, are important for the success of Norwegian brands in new international markets. Thus, an important take-out point is that the brands should focus on what they are good at, before introducing new products through brand and line extensions.

## **7. Development of Theoretical Framework**

In this chapter, the proposed model and framework for how Norwegian sports-clothing brands can work towards a clear and strong brand identity, and further towards international markets is presented. In order to ensure that the thoughts and the framework itself are properly explained, the features recognized to be suitable for the framework will be presented stage-by-stage, part-by-part. The model presented is a modified version of the brand identity planning model (Aaker and Joachimsthaler, 2000). The proposed model here draws on the findings from the case studies as well as elements from the original model, aiming to fit as a proper framework for other/future Norwegian sports-clothing brands to which they can build and control their brand identity creation, and furthermore their internationalisation process to a higher degree. As the case studies implies, the value of a brand identity creation and how it is communicated, has been very important for the brands' success both domestic and internationally. Finally, the model presents factors that are important to consider and evaluate when the brand is considering going international, in addition to the different entry mode options that are present regarding internationalisation of the brand.

### ***7.1 Creating the Brand Identity***

The brand identity creates associations to the brand by crafting on the original goals of the brand, which is transformed into something that people feel when they say the company's name. The first step that must be taken in order for a company to create a solid brand identity is to think about the problem that your company solves, and how to best communicate it with your audience. The case studies of Bjørn Dæhlie and Kari Traa reveal that the brand identity creation has been an important

factor for their relative success. Both brands has proven that they are experiencing increased attention, revenues and net income due to efficient brand building strategies, and especially through their brand identity creation (work.no; dn.no;.180.no) In the following, the different steps of the framework will be presented, resulting in a model designed for Norwegian sports clothing brands as a framework highlighting important steps of creating a clear brand identity before targeting international markets. At the heart of Aaker and Joachimsthaler's model as presented in chapter 3 is a four-fold perspective on the concept of a brand. To help ensure that a firm's brand identity has texture and depth, the authors advises brand strategists to consider the brand as a product, an organization, a person, and a symbol (Aaker and Joachimsthaler, 2000). However, not all of the factors from the original model are suited for the sports-clothing market, which means that the model will be slightly modified here to fit for Norwegian sports-clothing brands. The purpose of this model is to help brand strategists consider different brand elements and patterns that can help clarify, enrich and differentiate an identity. A more detailed identity will also help guide implementation decisions.

### *7.1.1 Choosing Brand Profile*

In the first stage of the model, the company have to focus on the profile that they desire to express towards the consumers and other stakeholders. The brand as symbol part of the original model is recognized through visual image and brand heritage. Brand elements are recognized as brand name, logo, symbol, characters, packaging and slogan, which is a must for any company seeking to obtain brand equity (Keller, 2008). The obtainable brand benefits from choosing unique brand elements are memorability, meaningfulness, likeability, transferability, adaptability, and protectability. The benefits are an integral and important part of the brand identity; therefore it would be unwise and impractical to not include brand elements. The brand elements are important when creating a brand profile that is made up of several factors. It is however important to notice that the emphasis on each element can be weighted differently as different strategies are suitable for different companies.

#### *7.1.1.1 Brand Concept*

Choosing a brand concept can be recognized as a vital part of creating a sustainable brand profile. Therefore, elements from Park, Jaworski and McInnis, (1986) Brand Concept Model (BCM) are added. The model suggests that consumers have a functional, symbolic, or experiential motive for consumption. In the context of consumers, the functional motive is the most relevant as the products that are consumed are satisfying the needs and wants of the consumers. Additionally, the symbolic



motives are present as clothing and equipment can be used by consumers in order to be associated with, and being a part of a certain type of group of people through the visual identity. For these reasons, the needs included in the BCM are considered important for the sports clothing brands, and for the same reasons these elements should be taken into consideration when creating a brand profile. Subsequently, the products that the company provide are easily recognizable for a consumer who has a particular type of need. It also facilitates the process of projecting a certain brand image (Brønn and Berg, 2002). The different elements should be weighed differently to customize the brand profile to the overall brand image the company wants to portray. An example of a factor that influence portrayed image is the company's involvement in CSR activities that ultimately enhance or reduces the brand image (Becker-Olsen, Cudmore and Hill, 2006).

### *7.1.2 Brand Personality Traits*

The personality aspect of the model presented by Aaker and Joachimsthaler (2000) are maintained in this model, as it describes very well how the brand personality influences the brand identity (see chapter 3). Furthermore, the brand personality dimensions presented as the "Big Five" by Aaker (1997) are added, as these personality dimensions have been empirically proven to be very important in the personality creation of humans, and can be transferred to the brand personality. Traits that are developed by the brand personality are used in order to create relationships toward consumers. Hence, brand personality is a vital part of the creation of the brand identity, and can be recognized as the sum of different traits and dimensions that together create a distinctive and hard to imitate brand personality.

### *7.1.3 Brand Product Characteristics*

The product related characteristics as presented by Aaker and Joachimsthaler (2000) are a good proxy for how the product itself influences the brand identity. However, some changes are made to fit the sports-clothing industry. In the model used here, limits of a good, features of a good, quality, experience, endorsers, country of origin, and value propositions are creating the product related characteristics that influences the brand identity. Thus, users from the original model is changed to endorsers, as endorsers can be professional athletes and other famous people that use the product, which create associations to the brand and thus influence the brand identity. Value propositions are added to the product related characteristics as these are functional, emotional and self-expressive benefits consumers receive when purchasing and consuming the product (Aaker and Joachimsthaler, 2000), and it can therefore be argued to be fitting to the product characteristics.

### 7.1.4 Brand Essence, Core Identity and Extended Identity

Sometimes it is purposeful to set a narrow approach that determines brand essence, which is an idea, entailing the brand soul. Kapferer (2008) states that brand essence originated from a wish to generalize brand identity and positioning. Brand essence includes the principal value that is offered (for example, Kari Traa – a brand by girls, for girls). As suggested by Aaker’s (1991) brand taxonomy, brand identity consists of a core identity and an extended identity. The former represents the timeless essence of the brand. It is central to both the meaning and success of the brand, and holds the associations that are most likely to remain constant as the brand encompasses new products and travels to new markets. The extended identity, on the other hand, includes elements that provide texture and completeness. It fills in the picture, adding details that help portray what the brand stands for. A reasonable hypothesis Aaker (1991) states, is that within a product class, a larger extended identity means a stronger brand—one that is more memorable, interesting and connected to customers’ lives.

#### Sum Up

The factors that are considered the most important for Norwegian sports-clothing brands to focus on when building brand identity are presented above. In contrast to the model proposed by Aaker and Joachimsthaler (2000), organizational identity is left out. The reason for this is that when consumers are buying sports-clothing related goods, the organizational culture is not known to most consumers. Hence, when a consumer desire to attain i.e. a jacket, the brand profile, brand personality and the product related characteristics are considered to be more important in the situation of purchase, rather than the culture of the organization behind the brand. Thus, it is the product and the brands’ ambassadors that have proven to be the most important factors for facilitating brand identity, its value propositions, and the total awareness of the brand.

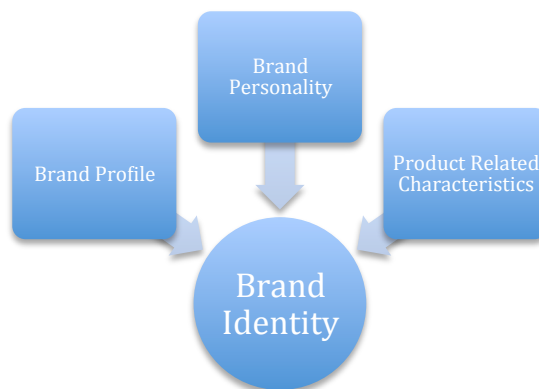


Figure 15: Brand Identity Creation

## *7.2 Strategic Brand Positioning*

Positioning is linked with creating the perception of a brand in the customer's mind, and of achieving differentiation that it stands apart from competitors' brands/offerings, and that it meets the consumer's needs/expectations. Hence, the objective should be to create the desired perception of the brand identity in the target consumer's mind. A brand position is part of the brand identity and value proposition that is to be actively communicated to the target audience, and that demonstrates the advantage over competing brands (Aaker, 1996). Therefore, important factors to consider when a brand is positioning itself are: a brand for what, a brand for whom, a brand for when, and a brand against whom. Furthermore, according to Kapferer (2008), the standard approach to achieve the desired positioning is based on four determinations; definition of target market, definition of the frame of reference and subjective category, promise or consumer benefit, and reason to believe. When a company decides on their positioning, it should therefore be consistency between the brand identity, the company's positioning, the corporate strategy, and in the communication. This requires a frame of reference and ideal brand associations, both some of which that are not unique for the brand (POP), and some that differentiate them from their competitors (POD).

### *7.2.1 Creating Associations and Incentives to Buy*

#### *7.2.1.1 Leverage of Secondary Associations*

The goal here is to direct consumers towards secondary associations of the product. All the immediate associations to a brand are those that are closer and are more tangible, like the location of the company, country of origin, channel of distribution, endorsers, and events. The intention with secondary associations is to make the consumer aware of other benefits, which give meaning to the product, and makes the products more memorable (Keller, 2008). Keller's model is slightly modified to fit for this project, as some of the elements fit better than others in the context of the sports-clothing industry. In the process of building customer-based brand equity it is also important to identify the maximum level of congruence between brand associations. Congruence means that it is beneficial to build the communication platform around the associations that are the most similar. A coherent brand image facilitates the spreading activity in the mind of the consumer. The need for congruence is related to the consumers' limited processing capacity, due to the fact that people live in a world presented with millions commercial messages. Therefore, the consumers' only pays attention to information that captures their attention and starts a spreading activity in their mind.

### 7.2.1.1.1 Sponsorships and Ambassadors

”Sponsorship is an agreement in terms of which a sponsor provides some aid to a beneficiary which may be an association, a team or an individual, to enable the latter to pursue some activity and thereby derives the benefits contemplated in terms of its promotion strategy” (Abratt and Grobler, 1989, p. 352). The main purpose of sponsorship is aligning the company with events or other benefits that can reflect positively on them (Aaker and Joachimsthaler, 2000). The goodwill aspects distinguish sponsorships from advertising, as it is a communication form that profits the society in general, as well as it hides the commercial intent. The degree of goodwill depends on the sponsorship category (Keller, 2008). Sponsorships are often recognized as a brilliant way of building brand equity, as the intentions of selling a product is less visible than in direct advertising. Sponsorships also reach venues where consumers are more receptive to information than traditional advertising. For example, in modern times Coca Cola is credited to be the pioneer of sponsorships by being the official soft drink of the Olympic Games (Aaker and Joachimsthaler, 2000). Subsequently, including sponsorship and the usage of ambassadors in the model was obvious, as this has proven very successful for the two brands investigated in the case study section.

### 7.2.1.1.2 Social Media

Social media is rather a new area within the field of marketing and media communication. According to Solis (2009), all schools that are trying to understand the phenomenon of social media are still in the learning process. Hence, mistakes have to be made, and we have to experience triumphs before one can observe when, why, and how different social media communities work. “Social media refers to activities, practices, and behaviour among communities of people who gather online to share information, knowledge, and opinions using conversation media. Conversation media are Web-based applications that make it possible to create and easily transmit content in the form of words, picture, videos and audio“ (Safko 2010, p.6). In other words, the definition are emphasizing on the social aspect, which represents a collective of individuals who have a need to connect and interact with each other frequently. The users are co-creators of the content on social media. It is however important to maintain the balance between professional and user-generated content. A marketer can provide information about the company and its products, but also need to accept that the consumers contribute to the content as well (Weber, 2007). Bergsli (2010) presents a view on social media through a branding perspective based on an assumption that Social Media is a branding tool. Social branding according to Bergsli (2010) is based on three

central assumptions of social media: *Transparency*, *Social Aspect* and *Dialogue*. Firms that participate in, and facilitate open and social dialogue-based conversations about their own brand, are enabling a deep and trusting relationship between the brand and its consumers. Hence, the consumer is an active co-producer of the company's brand communication and producer of its own brand communications. Conversation is an interactive feature on social media and interaction is the key element. Thus, the marketers should not own the conversation, but instead participate into conversation (Bergsli 2010). All companies participating in the world of social media should establish an objective with their social media engagements; companies should ask themselves what business objective they want to solve through the usage of social media. Important features of social media are that it should not be focused on hard-selling activities, but rather provide the audience with content and features of value that the given brand represents and provide the consumers with.

Norwegian sports-clothing brands should actively use the different social media platforms such as Facebook, Instagram, Twitter, Blogs, etc. in order to create and enhance the associations towards the brand, in addition to allowing the consumers to communicate and get involved with the brand. In the case of Kari Traa, the information shared on their social media platform has proven very successful for the brand, and is regarded as a key contributor to their growth the last few years, with a 35% increase in turnover the last fiscal year (dn.no). For example, on the platform Instagram, Kari Traa provides the followers with information about activities and happenings by the brand, while at the same time pictures of their ambassadors doing workouts and extreme-sport activities wearing the brands' clothes are presented. This communicates what the brand stand for, and in which situations the brand's clothes are used. Social media should ultimately create a higher degree of loyalty and commitment to the brand, as it allows the brands to connect on a higher level with their customers, while facilitating knowledge and experience sharing among the consumers. For example, social media allows the consumers to share their experiences through the usage of hashtags. As of September 4<sup>th</sup> 2014, the hashtag "karitraa" gives over 23 thousand hits on Instagram (instagram.com), where consumers are performing different activities that they have uploaded to Instagram using the karitraa hashtag. In this way, the consumers get a feeling that they connect to the brand, and become a part of the community of girls that are sporty and adventurous, using the Kari Traa brand while doing so. Hence, social media can work as a tool to create communication and distribution channels that use customers to transmit information and products digitally to other potential customers in their social group, and to motivate the contacts to adapt the products, and thus transmit the product even further (Helm, 2000).

### 7.2.2 *Communicating the Brand*

When positioning a brand, important factors are the communication of the four P's (Kotler and Armstrong, 2013). The four P's are price, product, place, and promotion. Thus, it is the mix of these elements that create and determine the communication of the brand. *Price* is the value that company puts on its brand. If a brand desire to be a high-end brand with a limited amount of customers, they usually put the price high. High prices are often correlated with high quality, while low prices is the opposite. *Product* is the element including packaging, warranties, services, quality and other features. As an example, long warranties indirectly communicate the brand's confidence in its products, and thus a sign of quality, which can increase consumers' trust and perception of the products that the brand deliver. Norwegian sports-clothing brands should take advantage of this by communicating the quality through long warranties. *Place* is recognized as the distribution related characteristics. The places the brands are being sold, is an effective way of communicating the brand. By being careful and selective in the choice of retail outlets, signals are transmitted to consumers providing information of who the target consumers are. If the brand is present in a large amount of locations and retail outlets, the brand will struggle to reach a high-end status. *Promotion* is related to the brands activities in relation to advertising, direct marketing, sales forces and public relations (Kotler and Armstrong, 2013). Promotion can therefore be characterized as the external touchpoints between the brand and the consumers, such as press releases, exhibitions and events.

When choosing the marketing mix, and thus the brand positioning, the brand has to consider the different elements and chose the factors that fit to the brand identity. Improved advertising is born out of a total understanding of all the variables impacting the brand such as new consumer trends, new competition, or technological breakthroughs (Parameswaran, 2001). Long-term integrated communication strategies demonstrating the brand's value to the target customers are necessary (Ghodeswar, 2008).

### 7.2.3 *Consumers' Brand Knowledge Effects*

This part of the framework describes the knowledge effects that are caused by the communication and positioning of the brand identity, brand essence, value propositions, and through the creation of secondary associations that are connected to the brand. The purpose of this stage is to show when the recipient gains brand knowledge, it may lead to desired outcomes. The consumer knowledge effects are a vital part of this model as the depth of the brand awareness influences the brand recall

and recognition (Keller, 1993). Moreover, the breadth influences the intention to purchase and consumption of the brand. As consumer knowledge effects are thoroughly outlined in chapter 3.2, brand awareness and associations will not be further outlined in this section.

### *7.3 Brand Image*

Brand associations, also referred to as brand image - create brand equity (Keller, 1993) The stronger, more favourable, and unique the associations to the brand are, the higher and better degree of image amongst consumers and other stakeholders are present. Moreover, with strong and favourable associations, the brand can differentiate itself from others and become more relevant, desirable, consistent, and deliverable (Keller, 1993). The uniqueness of the brand is the characteristics that provide the product with differences (POD) or similarities (POP) to its competitors. The overall brand image is based on all of the characteristics presented in this model, as all of the parts influence and contributes to perceptions held by consumers and stakeholders towards a brand.

### *7.4 Market Entry Mode*

The factors influencing the choice of entry mode, which was presented in the theoretical framework, are acknowledged as fitting for the Norwegian sports-clothing brands that are aiming to target international markets. However, some of which are more suitable than others, making some of them more viable to use in the model. Hence, firm size, firm experience and ability to create differentiated products (ownership advantages), are important factors that play a significant role of the new market entry mode. Most Norwegian brands do not have the financial resources available to go international alone, due to the financial limits of the domestic market. Furthermore, for up and coming new companies and brands, lack of experience in internationalization processes may be present. The strengths of Norwegian sports-clothing brands are the tradition – and heritage, connected to the products from Norway. Hence, these products are regarded as high quality products, which should be encompassed in the creation of differentiated products compared to their competitors. Therefore, the degree of leveraging of differentiated products is present, and influences the choice of entry mode. Furthermore, market potential and investment risk (location advantage) plays an important role when sports-clothing brands are going abroad. The market potential in the desired country or area of entry has to be regarded as satisfactory, and the new market should have

the capability to increase the sales and revenues of the company. Therefore, utilizing Porter's five forces (Porter, 2008) is very important, in order to get an overview of potential sources that influence the given market and its potential. Hence, existing rivalry among competitors, bargaining power of suppliers and buyers, and threats of new entrants and substitutes are all factors that are influencing both the market potential and the investment risk. Analysing the five forces of competition will provide the company with a better chance to take good decisions when entering new markets (Porter, 2008). Therefore, these factors are included in the model of choice of foreign entry mode, while contractual risk is removed – as contractual risk is the cost, or risks, of sharing assets and skills with another country. This is not an option for most Norwegian sports-clothing brands, as the degree of sharing assets and skills does not rely on product design, or other brand specific terms that should not be shared. Therefore, contractual risk is removed from the model here. Furthermore, investment, speed and control are important factors to consider when entering new markets, and influence the entry mode. Each entry mode provides different benefits related to the speed control and investment when entering markets. Consequently, the company's financial strength, the desired level of control over the brand, and the preferred speed in market entry are factors affecting the entry mode as well.

### *7.5 The Complete Model*

The complete model is presented on the next page, and it is a modified version of the “Brand Identity Planning Model”, by Aaker and Joachimsthaler (2000). Their model is a very good tool in coordinating and create a brand identity and the subsequent actions that follow in order to develop and sustain the desired identity. Therefore, parts of this model were used in the case studies, with the aim of highlighting important factors that plays a significant role in the brand identity creation of Norwegian sports-clothing brands. The case studies revealed some important information about brand identity creation, and some elements proved to be more suitable and important than others. Therefore, some aspects have been removed, while others are added in the new model here, as these are regarded as more relevant for the model and the framework. Furthermore, the brand entry mode and the core factors that influence new market entry mode are added to the model. This, because relevant theory about market entry modes have been highlighted, and therefore are a necessity to include in order to completing the model. Consequently, the model aims at being a suitable framework and tool, in order to guide brand identity creation and furthermore highlight the important takeouts and key elements to succeed in internationalization processes.



7.5.1 The Complete Model

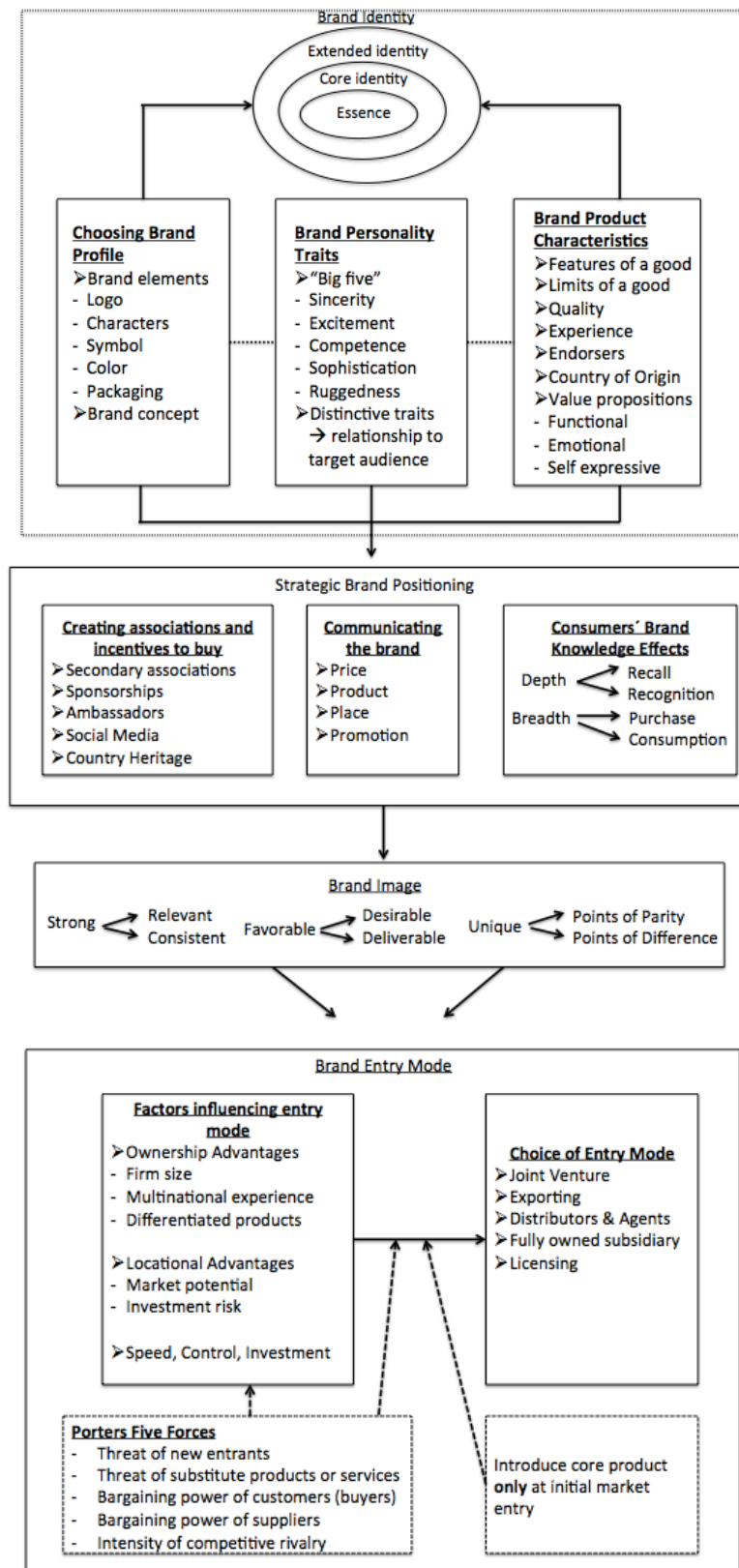


Figure 16: Brand Identity and Foreign Market Entry Mode (Own production, Modified from Aaker and Joachimsthaler, 2000)

## 8. Discussion and Conclusion

Through this eighth chapter the objective is to present the main conclusions obtained from the theoretical framework and the empirical part of this study; and also to indicate the main findings obtained from the case studies of Bjørn Dæhlie and Kari Traa that result in the final model.

Having completed the theoretical and the empirical part of the undertaken study, the researcher feels that this paper has enabled to extract a significant amount of valuable information on some of the main concepts of branding, and its importance for organisations as a way to create a strong and coherent brand identity, and hence enable themselves to build and achieve strategic competitive advantages. In today's environmental markets, branding is used to create emotional attachments to products and companies. In other words, branding is a way to bond people and companies to a product. All the efforts and hard work of branding will ultimately create a feeling of involvement, a sense of higher quality, and an aura of intangible qualities that surround the brand elements.

A brand reflects the quality and credibility of firm's products and services. Therefore, a common strategy is to focus on creating strong and powerful brands, and to use them in order to create value and differentiation in their respective competitive markets. As pointed out in the theoretical framework, the brand and what it represents is a very important asset for companies, and owning a strong and memorable brand brings benefits as brands deliver value to both the customers and the organisation. Thus, it can be concluded that strong brands not only benefit the firm and the product, they also offer to benefit the consumer by providing value added factors. Strong brands are associated with consistency, clarity, continuity, visibility and authenticity, which imply that a customer will feel more confident buying recognized brands rather than brands they don't recall.

A vital step in the process of building strong brands is to develop a thorough, reliable and sustainable brand identity. The brand identity represents how the company desires the brand to be perceived. A brand stands for the immediate image, emotions and message people experience when they think of a company or a product. A brand represents all the tangible and intangible qualities and aspects of a product or service, and strong brands represent a collection of feelings and perceptions about quality, image, lifestyle, and status. Strong brands create a perception in the mind of the consumer that there is no other product or service on the market that is equal, and they promise to deliver value upon which consumers can rely to be consistent over long periods of time.

### 8.1 Conclusion Based On Theoretical and Empirical Findings

1) Based on the assumption that Norwegian companies in general lack skills in brand building, the general objective of this thesis was to present a framework for how Norwegian sports-clothing brands could work in order to become more successful on an international basis. A first step in that direction, is to establish a brand identity that is distinct, and differentiates the brand from its competitors. Hence, the research question was formulated as:

- ❖ “How can Norwegian sports-clothing companies most efficiently establish a clear brand identity that provides a competitive brand image in international markets?”

The model presented in chapter 7 is a modified version of the Brand Identity Planning Model presented by Aaker and Joachimsthaler (2000). Even though their model has proven to be sufficient guide to brand identity building, some modifications were made, aimed to fit as a framework and a guiding tool for Norwegian sports-clothing brands. The framework implies that brand identity is influenced and created by three important pillars; *choosing brand profile*, *brand personality*, and *brand product characteristics*. Each of these pillars consists of different characteristics that can be used to direct focus and attention toward important steps in creating and developing the desired brand identity. Following the framework should ultimately provide a high degree of control of brand identity creation.

Another important feature that has come to the researcher’s attention during the empirical parts of this study, is that it is of huge importance for Norwegian sports-clothing brands to find their own niche/product/segment that they target as their core. Hence, Bjørn Dæhlie is born as a cross-country outerwear-clothing brand, while Kari Traa is created by girls for girls. Other successful Norwegian brands such as Bergans started out as a rucksack producer for expeditions, Norrøna created leather straps for climbers, while Helly Hansen created oilskin outerwear for fishermen. All of the brands have defined a target segment/niche, and developed their products accordingly in order to become the preferred brand in that given segment/niche. They have built their identity around the core product, making it the brand essence. Having established a desired brand identity, it is of immense importance to position the brand properly. With strategic positioning, the organization efficiently communicates the brand for whom, against whom, why, and when. Through the usage of the four P’s, the brand efficiently communicates who the target customer is. The price ultimately create an

association whether it is a high-end brand or not, the selection of places for the brand to be sold communicates the target segment, the product itself should satisfy a given consumer demand or desire, while promotion are recognized as the marketing activities and other sales promotions.

Through promotions, the organization can create associations and intentions to buy the brand through different marketing activities. As the findings from the two case studies implies, event and sponsorship marketing has proven very successful within the sports-clothing industry. It can be argued that through sponsorships and event marketing, the brands get exposed to the consumers in a situation where they are more receptive and open to marketing stimuli. Furthermore, seeing that professional athletes use and wear the brands when they exercise and compete may generate positive associations toward the brand. Consequently, this has proven to be a successful way of creating awareness of the brand for the two brands in the case studies, making their target customers' recall and recognize the brand when presented with the right stimuli. Strong brands help the company in positioning and extending its brand, providing greater influence on the customer purchase processes. Norwegian sports-clothing brands should also utilize the effects and scope of social media. Social media is today a fundamental way of interacting with potential consumers and customers, with the possibility of reaching thousands of people in communication channels where they are more receptive for exposed stimuli. If used properly, social media can be seen as a very cost efficient marketing tool. The findings from the theoretical and empirical parts of this study further indicate that long-term integrated communication strategies that demonstrate the brand's value to the target customers is desirable.

The brand image is ultimately created in the consumers mind. Thus, the brand identity and the communication of the brand is what determine the brand image. Therefore, it cannot be stressed enough how important communication of the brand is. Especially, the point of difference is very important. If there is consistency and authenticity present in the communication, it will ultimately benefit the brand. The relative associations that consumers hold to the brand, which can be strong, favourable and unique, are what ultimately create the brand image. When brands with basically the same product related attributes are present, it is the overall image of the brand that is determined as the unique selling point. Thus, both tangible and intangible attributes are important for the brand image creation, which resides in the mind of the consumers. Thus, the ultimate goal is to position the brand in the consumers' "top of mind", making it the preferred brand in purchase situations.

2) The second research question of this thesis is formulated as:

- ❖ *“How should Norwegian sports-clothing brands enter new markets, in order to enhance the possibility of success in the respective markets?”*

Findings and information obtained from the two case studies provide the same answer to this question. For Norwegian sports-clothing brands it seems adequate to use local distributors and agents with local market knowledge to sell and market the products. The theory indicates that factors such as speed, control, and investment are important to consider when choosing entry mode. That in mind, local distributors and agents provide Norwegian sports-clothing brands with high speed when entering new markets, relatively high control over the brand, and the cost is reasonably low. High control over the brand is important for the brands in this study, as it allow the company to ensure that brand identity and brand associations, e.g. heritage, are kept within the brand’s products. Additionally, the degree of economic investments to the internationalization is of utter importance, because it is hard for Norwegian sports-clothing companies to achieve high enough sales domestically to fully finance internationalization processes alone. Referring the theory and the findings from the empirical study, factors such as firm size, experience, differentiated products, market potential and investment risk further influence and determine the choice of new market entry mode. It is also recommended to investigate each market’s “Five Forces”, allowing more knowledge and insights to potential opportunities and threats in the desired market.

The information provided from the case studies also reveal that an essential factor for Norwegian sports-clothing brands to succeed when going international is that they focus on their core product. The lesson learnt is that the core product **only** should be presented to a new market at initial entry. Consequently, it allows enhanced focus on presenting what the brand does best, as “less is more”. Directing all efforts and resources in the new market on facilitating sales of the core product only, allows the brand to be introduced in a proper way without interference from other brand related products. In that way the company to greater extent can control the communication of what the brand is, and what it stands for. When, and if, the core product has managed to settle into the new market, then it is appropriate to introduce brand and line extensions. In that way, consumers in the new market gets to know the brand through its core product, increasing the possibility for the brand to achieve the desired image amongst the consumers, which should make the brand and line extensions more successful as well.

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## Appendix

### *Appendix 1: Interview with Bård Kristiansen, CEO at Sportsbransjen AS (sports-industry magazine)*

**Q1: Which Norwegian brand(s) have for the past decade had the strongest growth in terms of market share/sales in Norway? Over the past five years?**

A1: *For this question, I recommend you to have a look at our magazine SPORT number 6 from 2013. On page 14 you can find a table that summarizes this. The link is:*

*<http://sportsbransjen.no/aktuelt-fr/arkiv/>*

**Q2: Does Sportsbransjen AS have any surveys, numbers or other information about customer satisfaction about Norwegian brands in the market?**

A2: *Yes we do. On a yearly basis we conduct a supplier survey, where the participants in the market answers about their opinions about the different suppliers. Brand equity is something that is being answered, and you can find this in a table in our magazine SPORT. Use the same link as above, and have a look at magazine number 8, page 40.*

**Q3: Does Sportsbransjen AS have any type of information or knowledge about which Norwegian sports-clothing brands that has the highest level of awareness among consumers?**

A3: *No we do not have that kind of information available.*

**Q4: In which segments of the market, is the brand equity highest? (Software vs. hardware)**

A4: *We do not conduct that kind of surveys. However, if you look at the table from question 2, you can have a look at the list – and evaluate which brands that are placed the highest vs. what kind of products they sell. That said, I cannot say something about this, it would only be speculation...*

**Q5: Which are the most important criteria's to be aware of, in order to succeed in the sports-clothing market?**

A5: *In my opinion, there are several factors that come into play here. However, some of the most important ones are product quality, efficient marketing, good PR, service level and price.*

**Q6: If we look at the Norwegian market – does Norwegian brands sell more than foreign brands?**

*A6: In general, I will say yes. However, there are some exceptions. But for example, Jack Wolfskin who tried to settle in the Norwegian market did not make it. Even though they went all in with their marketing, and have financial muscles to back it up. Thus, we see that within software (clothing) from Norwegian suppliers has a very strong position. If we look at hardware (ski, bike etc.) the foreign suppliers has the strongest position in the market. Check out SPORT number 6 for more information about this.*

**Q7: Which Norwegian brand is most successful in international markets?**

*A7: That has to Helly Hansen. They are significantly bigger than the others, especially when it comes to turnover. But we have some other strong players as well, such as Bergans, Norrøna, Swix, Stormberg and Kjus to name someone. These are for software of course, while Madshus and Rottefella has enhanced their position in international markets the last period of time, and has become significant players in the hardware segment (ski, bindings, gear)*

**Q8: What is the criteria's for Norwegian brands to succeed in international markets?**

*A8: This is a question where I could have mentioned so many factors. Thus, naming some, I would say good distribution channels, good reputation, efficient marketing activities, differentiated products, and quality products.*



## *Appendix 2: Questions concerning Norwegian companies' branding skills*

Questions answered by Erik B. Nes, Professor at Department of Marketing, BI Norwegian Business School.

### **Q1: How would you describe Norwegian companies' ability to perform good brand building? Are good or bad at brand building in Norway?**

*A1: It is hard to say something about whether Norwegian suppliers are good or bad at branding. Norway is first of all a raw material supplier, where branding is much less important than in other industries. This means that branding is way more important for suppliers from other countries – on a national level. At an individual level, it is quite the opposite. Because of our high price level, many suppliers are dependent on creating added value for the customer through branding.*

### **Q2: For Norwegian sports-clothing brands that are going international, what is the most important factor to use/be aware of?**

*A2: I would have to say that it is very important to communicate country of origin. When it comes to suppliers of sports equipment and clothing, communication of the Norwegian origin is definitely an efficient and good way to increase the added value for their customers.*

### **Q3: Are Norwegian companies better to brand towards their domestic market, rather than towards international markets?**

*A3: See question 1. Additionally, it is hard to evaluate this. As there is quite few Norwegian brands, especially within the clothing industry in general, that are targeting international markets it is hard to elaborate on this.*

### *Appendix 3: Interview with Espen Krogstad, CEO Active Brands.*

#### **Bjørn Dæhlie:**

##### 1. The brand

- Does the brand a core product? What is it?  
*More products stand out as the core product. However, it is primarily trousers and jackets for the active cross-country skier that is the core product.*
- Does the brand have different brand portfolios?  
*No*
- Is the brand name used for all products?  
*Yes*
- Have the core product made it possible to create products in multiple categories (brand extensions) ?  
*Some brand extensions are done, but it is planned more. We recognize opportunities to enter categories such as training, cycling and sportswear*

##### 2. How to introduce your brand

- In which country is the brand sold?  
*Norway, Sweden, Finland, Austria, Germany, Switzerland, Russia and the United States*
- Is the brand global? If so, why did you choose to globalize the brand? How was the process of globalization?  
*The brand is not global, however, we are internationally represented*
- Why did you choose to develop the brand internationally? What advantages and disadvantages did this? (Speed, control, investment)  
*We chose to bring the brand international for three main reasons. First, the core consumer is the same. Second, the Norwegian market is too small. Third, by being present internationally, the brand can facilitate on economies of scale in production, and thus increase revenues with a larger market potential.*
- If you were to name three challenges in globalizing the brand, what would you highlight?  
*Knowledge of the respective markets, marketing, resources. "Cross Country Skiing" is not a global activity, as it in many countries only is recognized as a competitive activity, while it in other countries "does not exist"*

- What was done to overcome the challenges?  
*Working with local partners, who understand the local conditions and are able to define product requirements and communication strategies, and has network to obtain the distribution of the products.*
- What challenges experienced firm the first two or three years after it took the brand globally?  
*There are always local brands with strong positions locally - American brands is the best in the United States etc. It is also challenging to globalize a brand that is "born" in a small home market - it limits the sales volumes. Additionally, the financial capacity of the domestic market are often used to finance internationalization processes, which makes this challenging for Norwegian companies.*

### 3. Product Specifications

- What are the key criteria that make the brand unique?  
*Identification with "the world's best skier of all time" - which is still co-owner and ambassador for the brand*
- What makes the brand the preferred brand of customers?  
*A combination of "form and function" - Bj is "born" as a textile brand and are excellent in design, materials and fit. Other competing brands are "born" as ski-wax and lubrication brands, running brands or come from other categories.*
- What is the brand's "unique selling point"?  
*Bjørn Dæhlie is one of the few brands in cross-country skiing as is "born" in the activity. The others come either from other categories (Craft), from ski lubrication (Swix), from underwear (Odlo) etc.*

### 4. Brand Strategy

- Can you say something about the idea behind the brand's logo, color, name, and symbol?  
*The logo is always reflective or white, it is made to be a good design element on products and easy to recognize. The name says itself, as this is a personified brand.*
- How would you describe the brand's personality?  
*As the athlete - honest, competitive, fast, no compromise*
- Does the company focus on corporate or product brand strategy?  
*Active Brands is the company, however, the individual brands is of huge importance, while at the same time they are on the basis of each labelled "Brand DNA" - which applies to everything from product development, distribution, price, communication, etc.*

- Can you mention a few points that have been essential for a successful brand strategy internationally?  
*Dare to focus on brand essence and core product (less is more), People who fronts the brand (brand ambassadors), and finding the "Go To Market" model - either a private organization or agent / distributor model.*
- What could have been done differently if you were to attack international markets today vs. what has been done before?  
*We should have focused more on the products we are best at. Focus is the key, and we should have done it ourselves, with our own employees. Therefore, we should have hired our own salespeople etc. in several countries*
- Is the brand strategy, standardized, or is it designed for each market they operate in?  
*The basic values and annual and seasonal initiative (Marketing and Communications) are the same.*

## 5. Brand Value

- What are the functional advantages of this brand, compared to the competition?  
*It is difficult to invoke unique functional benefits - then one must use patented technologies (Nike - Asics Gel - Gore Tex etc). It is the combination of the understanding of the athlete, their needs and access to appropriate technology and excellent manufacturing facilities (factories) that are the key elements to ensure top performance product.*
- What does the brand promise their customers?  
*That you should be able to exercise and perform activities, feeling assured that you have the best equipment available, that will allow you to take out your potential and not lose compared to competitors*
- What emotions and benefits can your brand offer customers?  
*As the athlete, honest, competitive, fast, no compromise → identification with the athlete Bjorn Dæhlie. The feeling of well being - physically because it is functionally and psychologically because it looks good.*

## 6. Brand Identity

- What characterizes the brand's identity?  
*Again - this is a "personalized brand" that is closely related to the values Bjørn introduced and stood for as an active cross-country athlete.*
- How have you worked to build brand identity globally? (by the product itself, people, places, direct communication)  
*By using the athlete and founder himself. He is always present as an expert and thus very visible during major championships - last during the Olympics in Russia. Through the "sports marketing agreements" with the U.S. Ski Team and the Norwegian Ski Association*

*(The Norwegian National Team from 1 May 2014) and sponsorship of individual athletes and teams in Norway and other countries participating in the cross-country and biathlon World Cups.*

- Where does the brand's strengths come from?  
*Design and Marketing, colour palettes, materials and fit.*

## 7. Segmentation

- How does the customer base look like? Who is the target audience?  
*The customer base is very broad in terms of gender and age - aimed at physical activities, mainly Cross Country skiing*
- How would you describe the stereotypical customer brand?  
*Someone's have a cabin in the mountains, driving a car with four-wheel drive and are keen to keep themselves physically fit. In other words, the stereotype is persons from 25-60 years old that have strong resources, work hard, and like to stay fit through exercise.*

## 8. Product Portfolio

- Which products do the brand offer? Does the brand cover different categories? *Jackets, pants, suits, gloves, hats. Additionally; Racing suits, training suits, pants, jackets, outerwear, kids clothing*

## 9. Communication

- How does the brand communicate towards their customers? Is there any communication channel that is used more than others?  
*To the consumer through sports marketing. Sponsorships of teams, athletes and events related to sports and especially cross-country skiing. This is the only way that we "advertise" Bjørn Dæhlie.*

## 10. Brand Awareness

- How is the brand's competitive advantage in the "home market" vs. international markets?  
*Norwegian brand / Norwegian athlete / big distribution and a lot of products out in the market for a long time.*
- What gives the brand a competitive advantage?  
*Born into the segment of cross-country skiing, with the values and identity of Bjørn Dæhlie, one of the best in the sport ever.*
- What is being done to keep the competitive advantage (s)?  
*Sponsorships and ambassadors that are the best in the world. (Sponsorship of Norwegian ski-team, in addition to Martin Johnsrud Sundby.*

- Is knowledge of the product high in Norway? In international markets?  
*Yes - very high awareness as cross-country brand and textile brand. The knowledge is high internationally as a cross-country brand, low as a textile brand.*
- What is being done to create high customer loyalty?  
*Keep our brand promise. Delivering products with a good price / value ratio.*
- How do you measure brand loyalty?  
*We do not measure consumer loyalty. However, loyalty is measured through analysis of detailed sales information for each season from the different retailers.*
- Can you name three examples of strategies that have contributed positively to create a good image for the brand internationally?  
*1) Collaborate with U.S. Ski Team 2) Selection of good distributors in key markets such as Russia and Central Europe. 3) Use of Bjørn introduced as a person and ambassador at major international championships.*

#### 11. Customer Value

- What is the value to the customer of using this brand?  
*It feels good while you exercise one of your favourite activities. It feels good because it looks good, have a safe and recognized brand that delivers top competitive functionality.*

*Appendix 4: Interview with Erik Hegbom, Commercial Director at Kari Traa.*

**Kari Traa**

1. The brand

- Does the brand a core product? What is it?  
*Underwear is our core product today*
- Does the brand have different brand portfolios?  
*No*
- Is the brand name used for all products?  
*Yes*
- Have the core product made it possible to create products in multiple categories? (Brand extensions)  
*The success of underwear and base layers has enabled us to develop new categories and products that we are currently developing and delivering to the market.*

2. How to introduce your brand

- In which country is the brand sold?  
*Norway, Sweden, Denmark, Finland, Czech Republic, Switzerland, Holland, Germany, France*
- Is the brand global? If so, why did you choose to globalize the brand? How was the process of globalization?  
*The brand is not global, however, we are internationally represented*
- Why did you choose to develop the brand internationally? What advantages and disadvantages did this? (Speed, control, investment)  
*The wool market in general grows throughout the world, and represents something new in most markets. Kari Traa represents something ultra feminine and sexy within this category. At the same time, we are not behind our competitors on several of important qualities related to the product. This means that we see great potential outside the markets we operate in.*
- If you were to name three challenges in globalizing the brand, what would you highlight?  
*Knowledge of the respective markets, marketing, resources.*
- What was done to overcome the challenges?  
*Working with local partners, who understand the local conditions and are able to define product requirements and communication strategies, and has network to obtain the distribution of the products. At the same time it is important that we focus only on what we*

*do best (Underwear) and not be tempted to introduce new categories before we have successfully introduced our core product. We need to think long term.*

- What challenges experienced firm the first two or three years after it took the brand globally?  
*When we chose to introduce the brand to markets outside Norway, we were not clear with neither our market strategy, category strategy nor distribution strategy. We also had big challenges in the supply chain.*

### 3. Product Specifications

- What are the key criteria that make the brand unique?  
*Kari Traa is made by women and for women. (Do we have any competitors ☺?)*
- What makes the brand the preferred brand of customers?  
*Women are concerned with the design and quality. (Product is always king) We believe we have succeeded very well with this Kari Traa, and that we can convince the consumer about this.*
- What is the brand's "unique selling point"?  
*By women for women!*

### 4. Brand Strategy

- How would you describe the brand's personality?  
*Kari Traa will inspire women to a healthier, happier and stronger everyday*
- Does the company focus on corporate or product brand strategy?  
*Active Brands is the company, however, the individual brands is of huge importance, while at the same time they are on the basis of each labeled "Brand DNA" - which applies to everything from product development, distribution, price, communication, etc.*
- Can you mention a few points that have been essential for a successful brand strategy internationally?  
*Dare to focus on brand essence and core product (less is more), People who fronts the brand (brand ambassadors), and winning retail through good distribution contracts.*
- What could have been done differently if you were to attack international markets today vs. what has been done before?  
*We should have focused more on the products we are best at. Focus is the key, and we should have done it themselves, with their own employees*



- Is the brand strategy, standardized, or is it designed for each market they operate in?  
*It should be standardized, and the goal is to succeed in the same category in all countries. When we have succeeded in a category, then we can present a new category. This will vary from country to country, and market to market.*

#### 5. Brand's value

- What are the functional advantages of this brand, compared to the competition?  
*We work as many others with Wool. We also use the same quality as competitors, and the price for the consumer is also very similar. However, we believe that we can present a product that distinguishes itself from the competition because we play in the design, packaging, and we are a pure lady brand. By girls, for girls.*
- What does the brand promise their customers?  
*That you should be able to have fun, and allow you to have a sporty and active life.*
- What emotions and benefits can your brand offer customers?  
*Healthy, Strong and happy*

#### 6. Brand Identity

- What characterizes the brand's identity?  
*Colourful, creative, sporty and feminine*
- How have you worked to build brand identity globally? (by the product itself, people, places, direct communication)  
*Through the product itself, product presentation in stores, and by being selective in the retail outlets where the brand is sold.*
- What associations it is desirable that customers have to the brand? Are there any studies on this?  
*No. However, I have a study who provide measurements that show what we have achieved (Can be sent on request)*
- What factors are taken into consideration in the development of the reputation and identity of the brand?  
*The brand comes from a living person, and we have attempted to refine the values of Kari Traa that person. (Fun, crazy, humor, and primeval Norwegian sound)*
- Where does the brand's strengths come from?  
*Design and Marketing*

## 7. Segmentation

- How does the customer base look like? Who is the target audience?  
*The core target is a girl of 18 to 25 years.*
- How would you describe the stereotypical customer brand?  
*Young urban girl who use sport as a social alibi, she does not have a desire for highly advanced products, but expect it just work for her needs.*

## 8. Product Portfolio

- Which products do the brand offer? Does the brand cover different categories? *Outerwear, underwear, wool, small goods*

## 9. Communication

- How to communicate your business from your customers?  
*We use mainly digital platforms and social media, but also "in-store" representation is very important*
- Is there any communication channel that is used more than others? Which is most effective?  
*Digital surfaces is the channel used, and then especially social media*

## 10. Brand Awareness

- How is the brand's competitive advantage in the "home market" vs. international markets?  
*Kari Traa is a famous person in Norway, and it has given us much help. She is not that famous abroad, which means that we have not received this help outside our domestic market.*
- What gives the brand a competitive advantage?  
*That we're a brand by girls for girls*
- What is being done to keep the competitive advantage (s)?  
*That we must stand by, and be loyal to our vision. We must stay focused*
- Is knowledge of the product high in Norway? In international markets?  
*Awareness of the brand Kari Traa is very high in Norway. We are known more for the products than the brand abroad*
- What is being done to create high customer loyalty?  
*We constantly strive and innovate in design and wool*
- What is the reason that customers choose this particular brand?  
*We hope it is because of the quality, design and the values we are trying to create the brand.*

- How do you measure brand loyalty?

*We do not measure consumer loyalty. However, loyalty are measured through analysis of detailed sales information for each season from the different retailers.*

- Can you name three examples of strategies that have contributed positively to create a good image for the brand internationally?

*Products and quality are always important, our commitment to social media, Kari Traa as a person, and how we present the products in the store.*

## 11. Customer Value

- What is the value of the customer to avail products from this brand?

*We will inspire girls to a sporty, strong and healthy lifestyle.*