The Store
- The Physical Place of Branding
Abstract

The market of consumer goods has become saturated and in the superfluous range of goods it is necessary to be able to differentiate your products from the competitors’. To facilitate this, many products and services are attributed with additional qualities, such as feelings, status and personality traits. These attributes are included in the abstract concept of a brand. A brand is an essential medium of communication to the customers, transmitting the special characteristics which will differentiate the product or the service from others. The stores are the actual spot where the brand can be perceived and experienced in real life. The store will by its concrete and non-concrete means transmit feelings the customers will relate to the brand, and the store personnel are important as well as active messengers of the brand. Some of the most well-known companies today are multinational companies which sell retail products and have succeeded to create a world known brand, one of them is Apple. Apple has a renowned brand intended to represent quality, design and innovative thinking. They value and are conscious about their brand and thus care to maintain its good reputation.

The purpose of this thesis is to analyze how Apple’s brand concept is transferred to their premium reseller stores, namely Macoteket, and also to discuss whether and how the brand is seen in the stores. The study has been conducted through studying material and theories relevant to brand transfer, and then visiting Apple’s office and three Macoteket stores and carrying out several interviews with people involved in the transfer of the brand. The results show that when transferring a brand to a store, the transfer strategy needs to be adjusted to fit the different kinds of knowledge that the brand consists of. The processes Apple use to transfer their brand to Macoteket indicate an excessively codified strategy, partly due to the fact that the deeper understanding of what needs to be said and done should be taught personally, and consequently not by instructions in texts and e-mails.
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1. Introduction

The global economy has a changing structure and its characteristics are seldom permanent for longer periods of time. It is constantly affected by numerous uncontrollable factors, such as trade barriers, upcoming new economies, or large world events, which radically might change the conditions for companies (Hill, 2003). It is not unusual that large multinational companies compete about customers within the same product category. The market of consumer goods has become saturated and in the superfluous range of goods it is necessary to be able to differentiate your products from the competitors’ (Martenson, 2007, Olsson & Porsner, 2006). To facilitate this, many of today’s products are attributed with additional qualities, such as feelings, status and personality traits (Lee & Sparks, 2007). All specific attributes which can be attached to a product, company or service, and create a symbolical meaning connected with it, are included in the abstract concept of a brand (wikipedia.org). A brand is an essential medium of communication to the customers, transmitting the special characteristics which will differentiate the product or the service from others’ (Martenson, 2007). Some of the most well-known companies today are multinational companies which sell retail products and have succeeded to create a world known brand. Examples of such companies are Apple, Coca Cola, Microsoft, IKEA and Nokia, and they all have in common a strong brand identity connected with certain feelings and opinions to the customers.

These companies, independent of size and market position, are all dependent on their sales. However, it is rather easy to forget where the sales figures derive from. Eventually, all the capital and effort comes down to when the customer walks into the store and makes the decision to buy a product. Small as big concluded deal, the multinational companies are dependent on that each customer leaves the store with the company’s product, and not a competitor’s or none at all. When an important part of a product’s attributes is created by advertisement and is non-concrete, with the intention of affecting feelings, modes and personality, it is important that this is communicated also in the moment of the purchase. In order to infuse a certain feeling about a brand and their products, the store, the way of displaying the product, as well as the staff’s behavior must all be in line with each other (Nordfält, 2007, Henkel et al, 2007). Companies must manage to transfer their concept throughout the link of suppliers and retailers and out to the market, without loosing potential customers or brand image along the way. As independent of what strategy a company has chosen for its brand building, the brand needs to keep it’s depth and consistency, so as to not inadvertently send conflicting or confusing messages to customers (Aaker, 1997). The brand
as exposed in the media needs to be in line with the customers’ personally lived experience with a brand. Customers’ experiences on spot in a store create a relationship that goes beyond loyalty to the brand created in any other context (Aaker, 1997), and is likely to affect the customers’ notion and feeling about the brand (Nordfält & Söderlund).

### 1.1 Problem Description

Today, huge amounts of money are invested in creating a strong brand image and on attracting customers with advertisements (Nordfält, 2007). There are currently several studies and theories on the theme of branding in combination with other topics within the research field of marketing, such as branding intervened with how to segment the market, and then how to choose a segment and reach it by different means (Kotler et al, 2002).

Furthermore, the store and all it comprises has recently been acknowledged for its importance in affecting the customers, but the research field of retail is still unrefined and single-faceted, focusing on research of everyday goods (Nordenfält 2007). However, the importance of the store concept is clearly verified, as well as research on parameters such as store layouts, designs and price strategies, which all affect the buying decision. In order to infuse a certain feeling about products and a brand, the store, the way of displaying the products, as well the staff’s behavior must all be in line with each other, and the personnel’s importance is also argued for (Nordfält, 2007, Ahmed & Rafiq, 2003, Henkel et al 2007). The issue is how to manage to get the store and personnel to look and act correspondingly with the brand. One of the most well-known multinational companies which sell retail products and has succeeded in creating a world known brand, is Apple. Apple has a renowned brand intended to represent quality, design and innovative thinking (Kahney, 2006). Apple’s brand is argued to be one of their most valuable assets and consequently they care to maintain its good reputation.

This research aims to examine how Apple’s brand concept is transferred to their premium reseller stores (APR), namely Macoteket, and also to discuss whether and how the brand is seen in the stores.

The transfer of the brand is from Apple as a producer to Macoteket as a retailer is shown in figure 1 below.
1.2 Disposition

Following the introduction and problem description, the methodology and research process is presented in chapter two. Thereafter, theories on how brand concepts are transferred are presented and discussed. The results from the empirical studies of the stores and the customers are introduced in chapter four, along with a description of the company in focus for the research, Apple. An analysis and discussion of the empirical findings will follow in chapter five. Finally, the authors’ conclusions are given along with future directions.

1.3 Delimitations

Apple was chosen on the premise that they have a strong, and among some, well-represented brand image on the market, which facilitates the research work. Apple uses several categories of retailers; however, this thesis was restricted to study only the Premium Reseller stores. These retailer stores have specialized in selling Apple products, and they must fulfill certain requirements in order to be certified as premium resellers. Hence, since they presumably need to transfer the brand to their stores, they are of higher interest for the research. Only a limited part of the Swedish market has been examined, due to the otherwise vast proportion of the project.

In analyzing the transfers between Apple and their retailer stores, all capital and product flows were excluded from the analysis and the discussions since they might be difficult to attain due to secrecy regulations and nevertheless are not a direct part of the transfer of the company brand. The analysis of the possible influence of the stores’ design on the customers’ buying behavior is focused on evaluating the design’s influence on the perceived brand image.
1.4 Definitions and Abbreviations

APR – Apple Premium Reseller, a certified reseller that complies with certain criteria set up by Apple.

Apple Store – A chain of retail stores owned and operated by Apple Inc

ASTO – Apple Sales Training Online, a tool for online training of personnel in sales training and product knowledge

Mac – Referring to Macintosh, a brand of computers produced by and strongly associated with Apple.
2. Method

The approach of this thesis can be said to have an explorative character, due to the abstractness of the researched topic and the lack of previous studies on the research field. Due to that the thesis has traits of an explorative character, theories assumed to have relevance to, or correlation with, the transfer of the brand were reviewed to conceptualize the research. The used theory base consists of three main blocks; first a general discussion about branding and what a brand consists of, in order to later analyze what is transferred from the producer to the store, and also how and whether it is seen in the store. Secondly, as a base for analyzing the physical store, the current research field of retail relevant to the researched topic is reviewed and discussed. In order to facilitate the research, two categories were used in the preceding of the study; the store as a physical place and the personnel as the factor interacting with customers and running the store. Finally, to give depth to the analysis of how the brand is transferred and to attempt to analyze the vague character of a brand, the research field of knowledge and knowledge transfer was reviewed. This gives the thesis a theoretical broad, overlooking approach, with the consequence that each topic loses in depth. In order not to loose too much depth and thereby reliability, several different theoretical approaches of each topic are reviewed and presented.

In order to facilitate the empirical study of this research, the company Apple and their brand were chosen as a base for the research. Information was mainly retrieved from Apple’s own homepage and the book “The Cult” along with additional material. This information was then used when forming and conducting the interviews. A total of 69 interviews have been held throughout the thesis work during the period 20th of November to 13th of December 2007. In order to analyze the transfer of a brand, we found it suitable to deeper examine all parties involved in the transfer; meaning the producer, Apple, the personnel in the retail stores, and the customers who visit the stores. Due to the explorative research approach and lack of analyzable data, a qualitative method with high flexibility was used (Holme & Solvang, 1997). The structure of the interviews varied due to that the main aim of the interviews differed with the different respondent groups, which will be further specified below.

An overview of the work method used throughout the study can be seen in figure 2, where the studied material as well as the work method were grouped into the three categories the brand, the transfer, and the brand in the store.
2.1 Theory Base

Whilst starting with the research, there turned out to be plenty of written material on branding; about the concept and the use of a brand as a marketing strategy, but none facing the particular issue of the research – how to transfer a brand to a store. Hence, a theoretical gap was identified. In order to create a functional theory base, we categorized, as earlier mentioned, all material and theories about branding, transfer of the brand including comprehensive theories on knowledge and knowledge management, and finally, about the brand in the store. Several books on marketing, branding and methodology have been examined, and relevant articles and magazines were obtained using search engines such as DISA, SamSök and JStor. Other used tools are GoogleScholar and Wikipedia. Information regarding Apple and their brand was mainly obtained from an interview with Country Sales Manager Jonas Gustafsson, Apple’s web site, and from the book “The Cult of Mac” by Leander Kahney.
2.1.1 Criticism of the Sources

The information gathered about Apple’s brand consists largely of information from Apple’s web site and literature written of authors who are fond of Apple. This could imply a problem of objectivity if the aim of the study would have been to analyze the company, or to examine the real perception of their brand. However, since the aim of the research is to examine how Apple’s brand is transferred and whether and how it is seen in the stores. Apple’s web site is one of their main communication channels (Gustafsson, 2007), and can in this case be assumed to present a reliable presentation of Apple’s intended brand image.

When restructuring the customer interviews the author’s perception of Apple’s brand in combination with what had been learned during the first three personnel and eighteen customer interviews was used. The expressions used to describe and analyze Apple’s brand in the customer questionnaires are the qualitative expressions: Design, simplicity, innovation, exclusiveness, quality, and creativity. The possibility that each person interpret the words differently is a part of what makes a brand hard to analyze and nonetheless, the terms represent the essence and traits that are included in what is perceived as the brand.

An additional note worth mentioning is that present research on the field of retailing so far is single-faceted, and there exists no standard of differentiating between different kinds of products or stores. The difference between goods for everyday shopping and goods that are bought more seldom is not always defined. This together with the fact that no standardized or accepted research methods exist on the area, implicate a rather explorative approach of this study.

2.2 Interviews

The studied stores were chosen upon whether they were certified as Apple Premium Resellers (APR). Since there are requirements and criteria from Apple that the stores need to reach, it could be assumed that the parties have a more intimate relationship than general retailers, who most likely have a less intensive relationship. In this particular case of studying the transfer of a brand, this close relationship is believed to facilitate the study of the transfer. There exists several chains of APR stores but all the studied stores are part of Macoteket; a Swedish retail chain which was established in 1989 (macoteket.se). The choice of focusing on one chain of stores was also based on the attempt to minimize possible influences from rules and routines.
that may differ between different chains, which would give the transfer of the brand different prerequisites. The three studied stores were chosen because of their central locations since the authors assume the location to be an indicator of whether they are frequently visited stores, which would facilitate the study. All interviews conducted in the stores were anonymous in order to aim to improve validity in the results due to that the respondents feel more secure to speak freely and say their actual opinions (Winter, 1992).

2.2.1 Store Personnel Interviews

Part of the study was to analyze the personnel who are active in the stores. Nine personnel interviews were carried out and all personnel who were present in the stores during the days of visit were chosen for the interviews, regardless of position or time of employment at the store. In total there were sixteen employees in the visited stores, of whom six were working part time.

The personnel interviews were due to the explorative approach semi-structured with the aim of analyzing how Apple’s brand was transferred to the personnel, and by what means it was done. Furthermore the purpose of the interviews was also, however to a lesser extent, to analyze whether and how the brand could be seen in the stores. A questionnaire with relatively broad questions was created and divided into the following sections: personal information relevant to attitude towards Apple, personnel knowledge about the brand, how the transfer of the brand is conducted, and reflective questions about how the personnel perceive their store and whether they think the stores correspond to Apple’s brand.

To prepare the personnel for our visits an e-mail was sent to the store manager of all visited stores. All interviews were held separately in order to prevent the interviewees from influencing each other and notes were written separately by the authors throughout all interviews in order to sense facets in the answers and eliminate eventual loss of information (Winter, 1992).

2.2.2 Customer Interviews

To further examine whether and how the brand was seen in the stores, several customer interviews were conducted throughout the study. Primarily, 18 interviews were held with customers in the first retail store and then the interview form was restructured to better fit the study. Following, 39 additional interviews in the other two stores were held, which makes a
total of 59 interviewed customers. The restructuring of the interview form was done by a compilation of the perceptions from the 9 personnel interviews and 18 customer interviews which had been carried out prior to this moment, and also from collecting information from Apple’s website about the organizational values, customer segments and sales pitches\(^1\) for their products. The second interview form is believed to have improved the interviews with the customers, since it enabled a quicker and more standardized interview process.

The customers in the retail stores served as a control parameter to analyze whether what is seen and perceived in the stores matches with what is stated about the brand transfer by Apple and the stores’ personnel. In order to clearly examine whether the brand was perceived and seen in a way that matches the intended brand message from Apple, a general study with more respondents was necessary. The intention was also to examine whether the personnel acted correspondently and in line with the brand. Thus, the customer interviews were not intended to ask for attitude or opinions regarding the brand.

All respondents were selected and interviewed while in the store, hence our random sample had the common criteria to be a visitor and possible consumer in the store. All respondents were informed of the aim of the study and of how the results would be presented. Full anonymity and voluntary participation was also assured due to ethical aspects (Winter, 1992). Some respondents obeyed to participate in the study due to lack of time or interest, and consequently we had a sample loss. In the case of a sample loss, it is reasonable to analyze whether the respondents of the loss seem to have similar and specific characteristics. If so would be the case, the studied sample cannot be classified as representative for the population of the study. However, in this case no specific or common characteristics could be observed or identified in the accumulated sample loss. The total loss in this study did not exceed 10%, which is considered as normal and thus not affecting the results (Winter, 1992). The wide range of respondents is belied to be large enough for achieving reliable and valid results.

2.2.3 Additional Interviews – Jonas Gustafsson, Country Sales Manager Apple, and Ian Carpelan, Sales Manager Macoteket Sweden

In order to give further data on the transfer of the brand a qualitative interview with Jonas Gustafsson, Country Sales Manager, was carried out. The interview with Gustafsson aimed to give further information from Apple’s point of view on how the transfer of the brand is

\(^1\) Sales promotion by means of an argument and demonstration (thefreedictionary.com)
handled, and whether and how it can be seen in the stores. Furthermore, an e-mail with questions was sent to Ian Carpelan, Sales Manager at Macoteket Sweden. Carpelan was interrogated about what criteria need to be fulfilled in order to become a certified Apple Premium Reseller store, and also asked to describe the relation between Apple and Macoteket. Gustafsson’s and Carpelan’s working positions can both be assumed to give a good insight in the matter, which in turn could be a positive factor for the validity of the study.
3. Theory

Companies of today invest a great deal of money and effort on marketing actions to make customers choose one particular product over another similar product. In the moment of purchase, there are several factors affecting our decision; one of the main factors which influence customer preference is a company’s brand. In the following section the concept of branding will be presented and discussed, followed by how and by what means it can be transferred from the producer to the store.

3.1 Branding

The definition of the concept of a brand is interpreted differently and hard to define precisely, but the core meaning is consistent; a brand is a symbolic embodiment of all the information connected to a product, company or service, and it serves to create associations and expectations around it (wikipedia.org). It is a valuable and abstract asset, which is used by marketers to differentiate otherwise identical products (Martenson, 2007, Olsson & Porsner, 2006). The brand represents a value proposition or a specific customer relationship of associations such as expertise, trustworthiness, and liking of a product or service, which altogether provide credibility to one brand in relation to other brands. Furthermore, the brand manifests the organizational culture and corporate values to the consumers (Aaker in Martenson, 2007). A brand personality is said to be a central driver of consumer preferences and usage, which in turn might help to achieve improved financial performance. In the branding literature, the terms reputation or image are commonly used as substitutes for brand; what seems to differ between the terms is mostly the definition of the time perspective (Martensson, 2007).

3.1.1 Why is Branding Important?

“Only those companies, which are able to create, communicate and keep a unique and differentiating brand promise via behavioral branding, have the possibility to reach an undisputed positioning” (Henkel et al, 2007)

During the last decades the market of consumer goods has saturated and led to consumer confusion, which dramatically has changed the role of branding. A way for the consumer to handle the excess of what seems to be exchangeable or identical products, is by buying those goods that emit a coherent consumption experience. Brands are no longer simply product
labels, but rather mediums of communication towards customers, transmitting specific attributes of the products which differentiate them from other products (Henkel et al., 2007, Boyd & Sutherland, 2006). This leads to consumers putting a symbolic meaning to a brand, with the result that their value will mean more than simply the actual differentiated characteristics of the product. The product and its brand will as an extreme result represent who you are and who you want to be. Eventually, they will become related to the consumer’s mental representation of the ego. According to Belk (1988), our possessions are a major contributor to and reflection of our identities. The assumption of “we are what we have” is a commonly existing expression in the consumer behavior literature, and undoubtedly a powerful fact of consumer behavior (Ibid). The construction of an extended self, an aspect in which the self comprises not only that which is seen as “me”, but also that which is seen as “mine”, including the possessions of material things, implies a rich relationship between self-concept and consumer brand choice (Ibid). Branding can also be used to communicate corporate values with the intention of creating a passion for the company by the customers, which can be decisive in future purchasing decisions. (Henkel et al, 2007, Martenson, 2007). Consequently the art of being clear on what the brand stands for, throughout all parts of the organization visible to the customers, is a contributor to success (Aaker, 1997). A favorable perceived brand image on the market might increase sales and thereby help a company to achieve improved financial performance (Martenson, 2007).

To summarize, the brand is connected with specific values that are hard to measure but still an important asset to the companies, and due to the excessive amount of similar products, today’s companies must build strong brands to be competitive (Boyd & Sutherland, 2006)

The importance of branding and how it is aimed to affect customers has now been discussed. However, it is important to bear in mind that the majority of customers who buy a company’s products will visit a retail store. The store and all it comprises is the company’s face outwards to the customers. Store image in the context of brand perception, can be measured as the consumers’ perception of the overall store performance (Martenson, 2007) In order to simplify our analysis and the interpretation of what happens in the moment of the purchase, we categorized the following section into the two categories the store and the personnel.

3.1.2 The Store

When analyzing what happens when the customer walks in to a store there are several different research approaches at hand. A common way of analyzing the store is by closely
examining the store’s product assortment and its exposure; that is how the store area is organized by means of shelves, desks and such. By means of presenting and placing products differently in the stores, the outcomes in the sales may differ (Nordfält, 2007). However, this field of research is vaguely defined and often not further specified than just retail goods. Nordfält (2007) makes a review of the current studies in this field and when closely examined, the results from the present studies are based on grocery stores. They do consequently not include shopping goods\(^2\), and furthermore the concept of brand is lacking. Another approach is to by sociopsychological and behaviorist methods and theories analyze the customer’s way of making a buying decision (Kotler, 2002, Nordfält, 2007). Factors said to affect the customer’s buying behavior are the way our memory works together with our senses, such as how and why we remember what we see. Also here the impact of a brand is barely mentioned, however, the focus is on the customer as a human. Another large field of research is how the store atmosphere by physical and non-physical elements affects and controls the customer (Kotler, 2002, Nordfält, 2007). The researched parameters are basic feelings such as happiness, fear, anger, sadness and so forth. The ultimate aim is to make a customer feel positive feelings whilst being in the store which in turn has a high correlation with customer satisfaction and store loyalty. Whilst in the store, the customers’ total impression comes from all five senses and concludes what is touched, heard, smelled and seen (Holbrook & Hirschman, 1982, Sewén & Tellefsen, 2006, Baker et al., 2002, Nordfält, 2007). The above studies, as well as those presented by Nordfält (2007), do however not directly discuss the concept of the brand in the store.

Earlier, the importance of the brand for competitiveness and successful and lasting sales was discussed. The store atmosphere is proved to be an essential part of how to communicate a brand to the customers, and it is therefore of greatest importance to bind the store atmosphere with the brand (Baker et al, 2002). The atmosphere, in turn, is intertwined with the interior (Sewén & Tellefsen 2006). Thus, everything in the store needs to be in line, such as furniture, lamps, music and information material in their and overall design and placement. The store needs to send out the same message as the brand. According to Aaker (1997) the aim of a successful transmission of a brand is when the philosophy, the soul of the brand, sends a clear message to employees as well as to the customers. When customers face difficulties evaluating a consistent and coherent store brand, it might influence their interest in the brand negatively (Bendapudi & Bendapudi, 2005, Martenson, 2007, Henkel, 2007). It is assumed that a favorable brand image will have a positive impact on consumers’ behavior and attitude

\(^2\) Selective products bought less frequently, to compare with convenience goods purchased on regular basis.
towards the brand. This implies that a favorable store image increases satisfaction with the
store, which in turn increases store loyalty (Martenson, 2007).

3.1.3. The Personnel

The interaction with the personnel is the other factor that affects the customer while being in
the store. The personnel in the store is a face outwards and the sales person plays a critical
role in influencing the customers’ moods and satisfaction by behaving in different ways
retailer is to have loyal customers (Nordfält & Söderlund, Martenson, 1997) and customer
loyalty is an indicator of the level of customer satisfaction (Oliver, 1997). Further, by the
interaction with the customers the personnel are the ones that face-to-face present the brand.
Just by being in the store, the salesperson is part of how the store concept, and thereby the
brand, is perceived (Henkel et al, 2007, Martenson, 1997). The impression the salesman gives
is by actions of appearance, such as general looks, clothing, facial expressions, and behavior
such as service mind, attentiveness and attitude (Baker et al, 2002). These impressions are
given in all employee activities, such as unpacking, cleaning, and in the actual meeting and
interaction with the customer. When an employee is “living the brand” it means he or she is
behaving in a way corresponding to the company’s brand, culture and values.

In marketing research, the term service is commonly discussed when evaluating store
personnel. The higher the employee performance regarding specifically customer service, the
higher the brand’s contributor to success (Bendapudi & Bendapudi, 2005, Henkel et al, 2007).
Hence, how the brand is perceived is based on the personnel’s behavior and attitudes, which
consequently contribute to customer satisfaction and store loyalty. Furthermore, the store
personnel are able to influence what the customer ends up buying. On occasions, they can
even create, or help creating, a need for a customer. Surprisingly high margins can be
obtained in fulfilling the needs of customers defined as psychic needs, needs that are not
essential neither for utility fulfillment nor survival, but needs which origin from feelings or
emotions (Groth, 1994). Taking all this into consideration, it can be concluded that the
personnel’s behavior in the store impacts on the brand perceptions, which ultimately affects
company’s financial performance (Boyd & Sutherland, 2006).

If a brand experience in a store does not correspond to the expectations of the brand that the
company strives for, or what the customer expects, it may lead to customer confusion and
dissatisfaction which in turn could affect the sales negatively (Bendapudi & Bendapudi, 2005,
Henkel et al, 2007, Martenson, 1997, Nordfält & Söderlund, Boyd & Sutherland, 2006). A company can only realize continuous brand success if the brand message communicated through mass media is lived up to by the employees (Henkel et al, 2007, Martenson, 1997).

“Whenever a clear and strong brand identity is lacking, a brand is like a ship without a rudder.” (Aaker, 1997)

It is of great importance that the personnel’s acting is in line with what is expected and also in line with the brand concept. A shared vision of the brand identity of all employees involved in the value chain is the key; the question is how to put it into practice. All these people have influence upon the final outcome and consequently, managers must make sure every employee is delivering quality in every step (Ahmed & Rafiq, 2003). To act in line with the brand they need to know the goals and the brand values of their company and they also need to be conscious that their day-to-day activities is an important part of the company’s face outwards (Henkel et al 2007, Ahmed & Rafiq, 2003). Henkel et al (2007) further states:

“Managers have to spend time explaining and discussing targets of behavioral branding, and they have to create an organizational environment that enables employees to find their individual ways of brand communication”

The personnel matters which is intervened with how and whether the brand is seen in the store. To act in line with the brand they need to know the goals and the brand values of their company and they also need to be conscious that their day-to-day activities is an important part of the company’s face outwards (Henkel et al 2007). So if it is of high importance that the store and personnel are in line with the brand, how do companies handle this? What is done to make the retail store and personnel look and behave in a way to deliver the brand message properly; – How is the brand transferred?
3.2 How is a Brand Transferred?

We have now through various discussions concluded that the brand consists of several different values and beliefs in the context of the store and personnel. We have also concluded that the brand is of high importance in order to attract and maintain customers, and also that the store and the personnel need to be in line with the brand message. Many different factors interoperate in influencing a customer’s lived experience in the store, which affects his or her perceived brand image. How is then the knowledge about how to act, behave and design the store transferred from a producer to the store? What kind of knowledge is involved, and how is knowledge about the brand, its importance and use transferred to the personnel in the store? In order to better understand this type of knowledge and how it is managed and transferred, the following section will define and describe knowledge and its different kinds and strategies.

3.2.1 What is Knowledge and how is it Transferred?

The research field of knowledge management started in the 1990s (Hansen et al, 1999) and has since then grown both as a research topic and but also in acknowledgement by companies. Today some companies uttermost resource it there knowledge as in the case of management consultant companies (Bartlett, 1996). Knowledge can at least be categorized in two different kinds, the tacit and the codified. Depending on the kind of the knowledge, it needs to be transferred in certain ways in order to achieve a successful transmission (Nonaka, 1991, Öhman & Simonsen, 2003, Hansen et al, 1999).

The codified knowledge is knowledge which is easy to explain, store and transfer by written texts. The persons who possess the needed knowledge or information can explain and write everything down in a document and the receiver of the document will understand and fully grasp the information. Hence, the receiver will also be able to use the information correctly to its full extent and by reading the document add the knowledge to his or her own (Nonaka, 1991). The codified knowledge is relatively easy to transfer by this person to document approach and to exemplify; this can be done by books, articles, manuals as well as advanced IT-systems and databases (Nonaka, 1991). When mostly depending on the above mentioned ways of transferring knowledge, it may be defined as a codification strategy (Hansen et al, 1999).
The tacit knowledge on the other hand, is hard to explain and put in text. The tacit knowledge is for example about how to do a task and is evolved from personal experience. Nonaka (1991) defines it as following:

“Tacit knowledge is highly personal. It is hard to formalize and, therefore, difficult to communicate to others (…) A master craftsman after years of experience develops a wealth of expertise “at his fingertips” but he is often unable to articulate the scientific of technical principles behind what he knows”

Due to its elusive form, the tacit knowledge is hard to transfer. It needs a person to person approach which is mainly done through observation, imitation and practice (Hansen et al, 1999, Nonaka, 1991). This can be exemplified as training courses in group and actual visits by the person with the knowledge. Where codified knowledge transfer can be mechanized, the tacit needs to be socialized, and this approach can be defined as a personalizing strategy (Hansen et al, 1999).

When a company chooses a way of transferring its knowledge it is of high importance to match the kind of knowledge that is transferred to the means of transferring it. A further complicate thing are that most of the knowledge that is transferred is partly codified and partly tacit, which makes it hard for different actors to know what kind of knowledge needs to be transferred and how. To state an example, anyone can read about how to hold a pen and how to draw a line, but to make a beautiful painting you need years of experience. According to Nonaka (1991), it is occasionally possible to capture the tacit knowledge by creating systems and procedures which make people act and behave in a certain way. Referring once again to the painting, this could imply that such an instruction would tell the painter to put the photo he or she wants to copy up side down. By doing so, the preconceived picture in the painter’s mind will not inflict the drawing as much, and hopefully the outcome will improve. Another exemplification would be when buying furniture from IKEA that needs to be assembled. Even though the person does not know how to assemble a bookshelf, by following the instructions it can be done anyway. However, it should also be mentioned as Nonaka (1991) further explains; the tacit knowledge is deeply routed in an individual in a specific context. Hence, to make the instructions to the bookshelf work, the person reading them needs to have a basic knowledge, or be able to learn along the process, of for example how to use a hammer. Subsequently, if the instructions are not clear enough a phone call or even a visit to the store or a friend might be needed.
The way of how knowledge is stored and transferred is of great importance for a company (Nonaka, 1991, Hansen et al, 1999) and a vital tool to transfer a brand throughout the value chain. Due to the fact that most knowledge is partly codified and partly tacit, a mix between a codification strategy and a personalization strategy is in most cases preferable (Hansen et al, 1999).

As to when examining the store and how the brand is transferred to it, it may be of importance to analyze what kind of knowledge the brand consists of. This to analyze the way and the tools used to transfer the knowledge that is of concern. The different kind of knowledge can also hopefully be seen and analyzed in the day to day running of the store and by that examine if how the brand is transferred fits with the knowledge of concern. It also may deepen the analyze of how the knowledge about the brand is received by the personnel. The different kinds of knowledge may also be of use when analyze whether and how the brand is seen in the store due to the personnel’s role of the day to day maintenance.
4. Empirical Results

In the following chapter the results from the empirical studies will be presented. Primarily, a brief introduction of Apple will be held, followed by a summary of the interviews conducted with the personnel. To facilitate, the interview results have been divided into the sections the Store, the Relation between Apple and the Retail Stores, and the Personnel, the latter with the subheadings Product Knowledge, Knowledge of Apple, and Knowledge from Apple – The Transfer. In the next section, the results from the interviews with the customers are presented. The results are presented under the sections Impressions from the Store, Impressions from the Personnel, and Opinion of Apple and the Brand. The findings from the customer questionnaires will later in the analysis be used as a control parameter of the transparency of the brand in the store and from personnel.

Three stores were studied and they are different in size, product assortment, design, age and location. All interviews with personnel and customers were anonymous and therefore no division of the different stores will be made. However, differences have been discovered between the stores. Thus, when we refer to the term “the store”, this is a generalization made of all of the stores.

4.1 Apple

Apple has a strong, well-represented brand on the market and quite uniquely for a company in the computer industry, they have an extremely faithful group of customers (Kahney, 2006, Olsson & Porsner 2006). In the following section a brief background of the company will be given, followed by a discussion of their argued brand culture.

Company Background

Apple was incorporated in California on January 3 in 1977 (phx.corporate-ir.net) after having been founded by Steve Jobs, Steve Wozniak and Ronald Wayne. Their first product, the Apple I personal computer kit, was hand-built in the garage of Steven Jobs' parents (trendbook.com). Following, they developed the flagship Macintosh in the 1980s which, according to Apple, became the beginning of the reinvention of the personal computer. Today, Apple continues striving to lead innovation in the industry with its award-winning computers, OS X operating system and professional applications. They topped the Business Week’s list of 50 Most Innovative Companies, and by that they beat among others Google,
Toyota and Sony (apple.com). Apple is also spearheading the digital media revolution with its iPod portable music and video players and iTunes online store, and has recently entered the mobile phone market with its iPhone (phx.corporate-ir.net). In January 2007 the company shortened their name from Apple Computer, Inc to simply Apple, Inc. (wikipedia.org).

Apple uses a multi-channel strategy, which implies that they use a number of sales and communication channels which complement one another. One of their main communication channels is via their homepage, and the online shop is an important source of their sales (Gustafsson, 2007). Apple operate and own over 200 Apple Stores around the world (apple.com). However, in Sweden no Apple Stores are present at the moment and Apple uses several retailers, of whom the premium resellers Macoteket, Humac and Office Store are a few. In order to become certified as Apple Premium Reseller (APR), there are several criteria and guidelines the store needs to comply to. These criteria concern everything from the location of the store, the store’s internal and external design and looks, marketing campaigns and the level of education of the personnel. The aim is to show the products in the most favorable way possible; the computers should be in focus and the environment in which the products are shown must be right. The guidelines set up for the APR stores where latest defined in October 2006 (Gustafsson, 2007). Regular follow-ups of the compliance to the guidelines are carried out, mainly in form of visits to the stores in conjunction with seminars or other marketing related matters.

**The Apple Brand**

“Without the brand, Apple would be dead. The brand is all they’ve got. The power of their branding is all that keeps them alive. It’s got nothing to do with products.”
(Roberlan Borges in Kahney, 2006, p 250)

Apple’s brand is undoubtedly one of their most important assets and consequently, it needs to be constantly and carefully looked after, in every possible context (Gustafsson, 2007). The criteria regarding Apple’s marketing are strict and detailed; the logotype can only be used in approved occasions and contexts and must in all cases appear perfect regarding size and looks. Naturally, these criteria apply to all Apple retailers as well, and therefore all marketing material and campaigns are created by Apple and then sent out to the retailer stores (Gustafsson, 2007).
Another interesting aspect of the Apple brand is the argued customer loyalty to brand, the company, and the products. Mac loyalty is well known and the Mac community is arguably the largest subculture in computing (Kahney, 2006). According to Apple, there are 25 million people around the world who use Macintosh computers. It is claimed that unlike the case of ordinary personal computers, people don’t simply use Macs – they become fans. They tend to develop a passion for the computers, the company and the brand, which can sometimes turn into an obsession. According to Apple’s CEO at the time, Gil Amelio, their customer loyalty was the only thing that saved Apple during the company crisis in the late 1990’s. The company was in danger of going out of business and “the cult of Mac” saved it (Kahney, 2006). The tales about Mac fanatics are many. Famous and extraordinary examples are Swerdan, an elementary school teacher from California who was so dedicated to Mac computers that he wrote and recorded an entire album of songs about them. License plates and Apple decals on cars is a common form of declaring allegiance to Apple, as well as worship of the cofounders Steve Jobs and Steve Wozniak and birthday parties for Apple’s operative system Mac OS X. Another incredible example of the widespread loyalty, is the Macworld Conference & Expo which is held twice a year since 1985. The shows usually gather up to 180,000 people and people line up for hours, especially to see the famous keynote speech, given by Steve Jobs.

One might wonder what it is that makes Mac users so loyal. The answer may vary with whom you ask, however, marketers would claim it is the brand. According to Kahney (2006) the Apple brand represents creativity and nonconformity, most certainly in the sense being an alternative to Microsoft. According to Marc Gobé, marketing expert, Apple is an exemplary emotional brand. That implicates that it is not solely intimate to its customers – it is loved by them. Ross Goldstein, clinical psychologist, describes the Mac enthusiasts as commonly having a profound sense that Apple is one of them; that the image of the brand really speaks to who they are (Kahney, 2006).

Another vital factor for Apple lovers is the company’s pronounced focus on design, which is shown in the renowned and heavily marketed expression “design that turns heads” (apple.com). Design is consistently reflected in all Apple’s products and advertisement. Design is intended to be part of the total product concept, meaning that design is integrated in the software, hardware, on the surface, as well as in the product’s functionality (Gustafsson,

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3 Estimation of 2006
2007). Apple’s expressed aim is “to create extraordinary looking products that blend in with a design conscious consumer, regarding the hardware as well as the software” (apple.com).

“Apple’s design language is incredibly modernist and minimalist. There’s such a clear design language, it is instantly recognizable as Apple’s brand.” (Kahney, 2006)

In summing up, Apple is a company striving to be in the lead regarding modern products with high level of design and innovative thinking. They have a loyal customer base but aim to attract all design conscious consumers. The company is exceptionally conscious about their brand, which is partly reflected by their broad and costly marketing campaigns, which differ considerably compared to competing companies of the computer industry.
4.2 Results from Interviews with Personnel

The interviews with personnel were conducted in all three stores, and with store managers as well as salespersons. We had nine respondents, eight male and one female. All interviewees were between 19 and 35 years of age, however, the majority was in their younger twenties. With only one exception, all interviewees had Apple products of their own, most of them had several and of different product categories, such as computers, iPods and software. The average work experience was approximately 1,5 years.

4.2.1 The Store

On the question whether the personnel thinks the store with its interior and design corresponds to Apple and their values, half of the respondents think the store is or ought to be in line with the Apple concept, since Apple has intervened in the decision making whilst designing the stores. Several of the respondents mention that Apple exercises a high level of control before and directly after the opening of a new store. When an opening of a new store is planned, a thorough and detailed procedure to design the store and its interior follows. According to the respondents, this is a strictly controlled procedure, where floor and furniture needs approval. When the store opens, follow-ups are made within a short period of time, and Apple personnel examine the store.

Four respondents considered their store to be too messy (in some of the times due to the limited size of the store) to correspond with Apple. One said it was too dark and the interior and furniture gave a feeling of too much wood. Three of the respondents thought there was too many products and too many things in the store, that it was not simplistic enough. Three respondents compared their store with an Apple Store\(^4\) with the opinion that their stores did not look alike, which they believed was an indicator of the fact that their store did not quite correspond to the Apple concept.

Apple has the authority to decide over the interior in the store, such as furniture, colors, and the way of displaying Apple’s products. Nevertheless, during the working period of the respondents they were not sure about any follow-ups from Apple. However, they mentioned that when Apple visited the stores in other matters, they probably examined the overall look of the store. One respondent mentioned that Apple occasionally sends out mystery shoppers in order to examine the store and the personnel. Another respondent frankly points out that in

\(^4\) The Apple Store is a chain of retail stores owned and operated by Apple Inc.
one way Apple has a very high degree of control since Macoteket are dependent on Apple and their products. But on the other hand, the direct control is low due to that Apple does few or no follow-ups.

4.2.2 The Personnel

On the question whether the personnel considered themselves to present Apple to the customers in their daily work in a way that differs from their personal opinion, equally as many of the respondents said yes as no. The answers varied depending on the job position and if the respondent needed to deal with Apple in business matters. Generally, the respondents proclaimed that it is positive that they personally like and believe in the products.

Product knowledge

The personnel in all three stores considered themselves to have good knowledge about Apple’s products. The respondents were asked to rate their knowledge on a scale of one to five, where one signified very little and five very much. The median was calculated to a four.

![Table: Self Perceived Product Knowledge](image)

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<table>
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<tbody>
<tr>
<td>Store 1</td>
<td>4, 4, 5</td>
</tr>
<tr>
<td>Store 2</td>
<td>5, 4</td>
</tr>
<tr>
<td>Store 3</td>
<td>4, 4</td>
</tr>
<tr>
<td>Median</td>
<td>4</td>
</tr>
</tbody>
</table>

Since the scale we used in question 3, 4, and 5 is an ordinal scale which could give a skewed distribution, we chose only to calculate the median. Calculation of medians is a commonly used technique in summarizing statistical data, since it gives a measure that is more robust the presence of outlier values than the mean. (wikipedia.org). We had seven respondents and one fall out due to short working period, the median of the responded answers was four. Further the personnel were asked two questions regarding segmentation, where they were asked to match a given product to a specific customer and vice versa. The results showed high similarity in the answers. A question was asked about the personnel’s opinion of the store’s
product assortment, and whether any product lacked or was superfluous. The answers were random and inconsistent which may imply that operationally, the question was unique for each person and no unified picture or analyze of the product assortment could be found.

![Figure 4](image1.png)

**Knowledge of Apple**

On the questions of how well the person considered they could present Apple as a company and the company’s values to the customers, the results were lower than in the question about their product knowledge. The same rating scales were used, and the median was three in both questions.

![Figure 5](image2.png)

The personnel were then asked to with spontaneous words describe what Apple means to them. Moreover, they were asked to give reasons to why use a Mac. In both of the questions we had one fall out due to short working period; the results are displayed in figure 4.
**Knowledge from Apple – the transfer**

The personnel were asked to define where they learned what they know about Apple; which was explained to include company, products, and values. They rated in percent from which source they had gained there knowledge about Apple. The answers were given on following three preset answers: *Apple* 13%, *friends and colleagues* 31%, and *self-learned* 57%, the results are concluded in figure 6 below.

<table>
<thead>
<tr>
<th>Source of Knowledge</th>
<th>%</th>
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<tbody>
<tr>
<td>Apple</td>
<td>13%</td>
</tr>
<tr>
<td>Friends &amp; Colleagues</td>
<td>31%</td>
</tr>
<tr>
<td>Self Learned</td>
<td>57%</td>
</tr>
</tbody>
</table>

*Figure 6*

The total educational information from Apple according to the respondents is given by 3 means; e-mail, educational courses and seminars, and by the online sales training program, ASTO, Apple Sales Training Online. A couple of times a year Apple give the personnel of Macoteket the opportunity to take part in one-day seminars or courses. These seminars and courses are either pure sales training or education about products in connection with launches of important products. Not everyone from the personnel participates in this form of education, it is the store manager who decides how many from the personnel who should participate, and the intention is that persons who participate later can spread the information on to their colleagues. Consequently, how many courses the interviewees had attended varied from person to person and store.
Everyone from the personnel in an APR store needs to have a certain level of accumulated points in ASTO. ASTO mainly provides information on products, however, some sales training is also given. The sales training is based on descriptions of actual situations which might occur with customers in the store, and the personnel can choose between different options of how to act and what to say. To summarize, half of the respondents consider the questions in ASTO to be too easy and to simple. It was mentioned by several that the program and its described situations are not adapted to different countries. However, a positive effect is that it forces the personnel to have a broad knowledge base about many products.

When asked about how the regular contact with Apple is handled, the most common response was that it was to 99% done by e-mail. Some respondents claimed e-mailing to be the only contact with Apple. However, the e-mail frequency differed depending on job position, and e-mails could be received daily, once every second week, or only when products are launched. The e-mails from Apple were described, once again depending on job position, as irrelevant and often consisting of too much information, which makes them boring and does not inspire the personnel to use the information. We were told that all the information on work routines in the daily work was provided by Macoteket. However, the stores are required to display provided marketing material and to follow the marketing campaigns from Apple that are at hand for the present.

In the concluding question, the personnel evaluated to what extent they use the information provided by Apple. Sales training as well as product information are used every day, however, the common answer was that the information provided by Apple, by e-mails, ASTO and the seldom sales seminars, was used to a relatively small extent.

4.2.3 The Relation between Apple and the Retail Stores

All the respondents were asked what criteria the store needed to fulfill in order to be certified as an Apple Premium Reseller store. The consistent answer was that several criteria concerning the interior and design of the store, the product assortment, as well as the personnel knowledge was demanded. Some of the concrete mentioned examples were that one of the personnel in each store must be certified as Help Desk Service Provider, and, as mentioned earlier, all personnel need a certain amount of accumulated points in ASTO. Furthermore, the store is requested to provide seminars to the customers and follow Apple sales campaigns.

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5 One of the sales trainings Apple provides for their personnel. The training is followed by a certification.
campaigns. Several respondents answered that the store must be in line with Apple’s concept and some examples was given, such as that the computers need to be in focus in the stores and that the store should transmit an Apple feeling, but no further specific criteria could be mentioned.

Two additional persons have been inquired specifically about the transfer of the brand from Apple to their retailer Macoteket, namely Jonas Gustafsson, Country Sales Manager at Apple, and Ian Carpelan, Sales Manager at Macoteket.

Ian Carpelan was interrogated about what criteria need to be fulfilled in order to become a certified Apple Premium Reseller store, and what general opinions he had about the relation with Apple. Carpelan’s answers were similar to the answers given by the store personnel; additionally he mentioned Apple’s requisites on the location of the store, and that before opening it has to be proved that the store will make a significant contribution. Moreover, we asked about the transfer of information from Apple; how frequent it was and by what means it was handled. Similarly to the other respondents, Carpelan described the seminars and ASTO. Regarding the directions from Apple about the personnel’s work routines, work division and responsibility distribution, Carpelan answered that Apple and Macoteket are two different companies and consequently Apple has little influence over daily routines. On the question whether Carpelan regarded Apple’s brand to be reflected in their stores, the answer was that it depends on what store is referred to. The oldest store was built before Apple gave directions on the interior and design.

According to Gustafsson, this extended way of working with Macoteket is fairly new to Apple, Macoteket opened their first store in 1989 and the newest version of APR criteria and guidelines which is now used by the APR stores, was released in 2006. Gustafsson clearly states that it is of uttermost importance that the reasons why to buy an Apple product must be seen and felt in the stores. The most important aspects that need to be seen, is the thoroughgoing quality and design. The design, as earlier stated, is intended to be an integrated part of the total product, in the exterior visual aspects, the software, as well as in functionality aspects. Gustafsson points out that Apple does not in the least way own or controls Macotecet more than the fact that they provide them with products and both parties gain from the sales. This is a quite special situation, which implies a rather difficult relation for both parties. As an example, Gustafsson mentions that the Macoteket stores have to follow Apple’s marketing campaigns. The stores may not find the campaigns suitable regarding their customer base or
timing, but nevertheless the marketing campaigns must be carried out, documented by photos and texts, and reported to Apple. On the question whether he considered the stores transmitted the above clarified factors of high importance to a sufficient extent, Gustafsson’s reply was that he was satisfied but also that there, as in all cases, were improvements that could be made. Gustafsson further claims that the detailed guidelines and thorough control during the opening of a new APR store are of crucial importance in order to make the stores look right and transmit the intended feelings connected to the brand.

4.3 Results from Customer Questionnaires

Whilst studying the customers, two different questionnaires were used. In the first studied store, 18 persons were asked questions of a more open character. Later, these results were used to form a new questionnaire, where the customers could choose between multiple options and rate different claims about the store, the personnel and their personal opinion of Apple and its brand. Information was later collected from 39 customers by using the second questionnaire, which sums up to a total of 57 interviewed customers. Of the respondents, 40 were male and 17 female, and the age range varied widely from 14 up to 60. The majority of the respondents, 75.4 percent, had Apple products of their own, most had several. General for all three stores was that the answers varied depending on the respondents’ familiarity and knowledge about Apple. Three groups of respondents were observed; the respondents who had used Apple products during a longer period of time tended to have a clear and streamlined opinion about Apple and the brand, and whether or not it was shown in the store. Another large group of customers had a relatively clear and precise view of Apple. Their answers concerning the store’s correspondence to the brand were more varied. A third group of customers who had little or no experience of using Apple’s products but were passing by the store, did not have a strong sense of the brand. The respondents had difficulties answering the question whether the store corresponded to the brand or not, but nevertheless they described the feeling and look they considered the store transmitted.

4.3.1 Impressions from the Store

When asked about the total impression of the store and how special it was in comparison to other technique stores, in all three stores the respondents answered that it was special due to that all the computers were Mac computers and that the majority of the product assortment, such as the accessories, also were Apple products. Commonly for all stores was that the
respondents did not think the stores looked as special as the products. However, the answers concerning the interior design differed from store to store. Furthermore, when asked about the stores’ correspondence with the Apple brand, two distinct groups of respondents could be identified. There was one group of respondents who were loyal Apple users with good knowledge about the products and the brand, who said that the stores did not correspond to the brand message. The other identified group said that the stores corresponded to the brand. Commonly for the respondents from the latter group was that they had not used Apple products to the same extent, and many of them were owners of iPods. Some respondents did not fit into neither of these groups; however, a pattern in the answers from the respondents was clearly noticeable.

In the first store we asked the customers general questions about the store, the interior, the personnel, and about Apple as a brand. Of the respondents, eight described the store as messy and unstructured. Eleven respondents did not think the store corresponds to Apple and several argued that this store did not transmit the same feelings as the Apple Stores, which they refer to as good transmitters of the brand. Three answered that they did not know enough about the brand to decide whether it corresponded or not. When asked about what the Apple brand communicates, most respondents had similar answers and the most frequently occurring words were later used in order to get a more quantitative questionnaire in the two remaining stores.

The interior in the first store was rated by most respondents as not special and giving a feeling of wood, due to the wooden panels and furniture. It was twice compared to a wildlife store rather than a technique store. Most of the respondents in this store did not think the store corresponded to Apple’s brand, regardless of whether they were users of Apple’s products or not. Reasons that could be mentioned to this were that the store displayed too many products, too many different kinds of accessories, the placement of the computers was unsatisfying, and that the color setting in the store was not correct.

In the second and third store, the respondents were asked to rate to what extent the store by means of its interior, atmosphere, design and overall look, corresponded to the parameters design, simplicity, innovation, exclusiveness, quality, and creativity. The results from the customers’ impressions from the store can be seen in figure 7, 8, 9, 10, 11, 12, 13 and 14 below. To sum up the answers about the correspondence to the brand was quite similar in both
stores and in average they were rated to a four. However, the second store got lower rates on correspondence to exclusivity and innovation.

Figure 7

Figure 8

Figure 9
Figure 10

Figure 11

Figure 12
In the second store the overall design was described as more open and light, but still not close enough to having the "Apple feeling", due to too many and too little organization in the display of the products. On the question whether the store corresponded to the Apple brand, the responses were that the store should be more in line with the products, regarding their design, and innovative and modern approach. Some reasons mentioned to why the store did not correspond to the brand was that there was no structure in the organization of the products, the accessories and especially the bags did not look like Apple and took too much space in store, and misplaced items could be seen in the store. However, the open area giving a spacious atmosphere and the light color setting, were said to be in line with the brand.

In the third store and smallest store, most respondents argued that the overall look was quite special in comparison to other technique stores, not only because of the Apple products, but since it gave a simplistic and modern feeling. It was mentioned several times that the product assortment, the section with bags and accessories, and the interior design could be further improved in order to better correspond to the Apple brand. The overall customer impression of the interior and placement of the products was positive. The customers in this store were to large extent customers with little or no experience from using Apple products.

Generally for all three stores, the positive impressions and answers were regarding the positive atmosphere, and two of the stores were rated high regarding the open and spacious areas. In all three stores the respondents who had experience from being in an Apple Store concluded that these stores did not look like Apple Stores, which according to them was an indicator of a mismatch with the Apple brand.
4.3.2 Impressions from the Personnel

The same parameters used to measure the store’s correspondence to the brand were also used to examine the customers’ perception of the personnel and their correspondence to the brand. On the questions of the personnel’s correspondence to the brand, there was a loss in responses. The questions turned out to be difficult to answer and not all respondents had talked to the personnel. The results from these questions were not sufficient enough to rely on or come to any relevant conclusions. They will consequently have little relevance for the proceeding of the study and will therefore not be further analyzed nor discussed.

On the question of how much product knowledge the personnel appeared to have, most respondents, 89%, rated their product knowledge as at least four. As much as 86% considered the personnel’s ability to help to four or five.

![Figure 14](image-url)
5. Analysis and Discussion

This section will analyze how to transfer a brand and whether and how it can be seen in the store. The analysis and discussions are based on the companies Apple and Macoteket.

5.1 The Personnel

The personnel in all three stores considered themselves to have good knowledge about Apple’s products and the median answer was a four on the scale from one to five. The customers also rated the personnel’s knowledge high on the scales, and as much as 86% of the respondents who had interacted with the personnel rated the personnel’s ability to help them to a four or a five. In summing up, these results imply high product knowledge of the personnel. The product knowledge provided by Apple was transferred by means of product specifications in forms of e-mails, ASTO and seminars, which altogether is used as knowledge base in their everyday work. However, most of the personnel regarded their overall product knowledge to be self-learned and that they had learned by using the products or reading about them on web sites. The way in which the product knowledge is transferred by Apple and the information’s contents imply that it concern codified knowledge, which appears to be in line with the discussed theory of codification strategy.

However, all information concerning the products and specifically their usage cannot be obtained by only reading product specifications or by reading training in ASTO; the tacit knowledge needs personal experience that is self-obtained or a person-to-person transfer, such as from friends and colleagues or seminars. Deep and broad product knowledge consists of codified as well as tacit knowledge, and is necessary for a salesperson in order to sell products. It could therefore be viewed as a base for selling skills. Furthermore, the personnel need to be able to match the information about the products with the customers. When the personnel were asked to match products with certain customer segments, their matching was highly similar and also corresponding to the Apple website. The knowledge on selling skills provided by Apple is mainly by ASTO and occasionally by seminars with sales training. Similar to the product knowledge, information on sales training can to some extent be obtained by reading. The presented sales situations with customers in ASTO are a codified way of illustrating actual experiences with customers. Accordingly, the personnel referred to ASTO as a good tool in order to learn basic sales skills, such as stereotype matching of products and customers. However, the sales training was also described as to simple and as a
complementary tool. Similar to the case of the tacit product knowledge, the tacit selling skills probably need to be self-learned or by a person-to-person strategy. In order to achieve the details not possible to transmit solely by texts also the socialization strategy plays an important part. Examples of these details might be intonations of speech, the order of words, or the general way of handling customers. Throughout the interactions between the personnel and the customers everything that is said or done affects the customers’ brand experience and thereby perception of the brand. However, due to the losses in the customer interviews regarding their impressions from the personnel, no further analysis could be done of the personnel correspondence in the interaction with the customers.

The personnel were asked to describe their knowledge about Apple as a company and Apple’s values. When they were asked to freely describe their associations with Apple, the mentioned words matched the words used in the customer questionnaires. On the following question when the personnel were asked to motivate why to use Apple’s products, once again the same words reoccurred. However, when the personnel rated their knowledge about Apple as a company and Apple’s values, the responses were not as highly rated as about their product knowledge. Consequently, the personnel did not consider themselves to know as much about this, but they did however point out the same words. The company values, in which parts of the brand is included, consist of complex values such as feelings, emotions and vague associations. They can be complicated to define and this may be a reason to why it is harder to store and transfer it in a text, or as in this case, words. An explanation to this could be that this knowledge is partly codified and partly tacit as well. The ability to identify and name the words can be attained by reading, which could constitute the codified knowledge base. However, this may not imply that the personnel understand the underlying value and depth of the words, which might be more of a tacit knowledge. In these words a deeper, hermeneutic, meaning is embedded and what exactly is associated with the words varies with the individual. For example, one word that was mentioned often was design. Design is a concept that once read and associated with Apple, it is easy to memorize it. But Apple’s intended deeper meaning of the word might be harder or impossible to grasp by just reading. The meaning of the word design as part of Apple’s brand message could consequently be interpreted and understood differently by everyone. This deeper understanding could be seen as tacit knowledge about Apple’s brand.

Apple uses a codification strategy to a large extent and that may give the result that not enough of the tacit knowledge about Apple’s brand is properly transferred. The information
from product and sales seminars from Apple was said to be used often when demonstrating and selling a product, the information from e-mails on the other hand was mostly not used, and the information obtained from ASTO was only used to some extent. The company’s values and brand message may be partly tacit knowledge, implying the need of a personalization strategy in order to fully transfer the knowledge.

5.2 The Store

The previously discussed theories proves the importance of that the brand is reflected in the retail stores. When the personnel were asked about whether they considered their store to be corresponding to the Apple brand, the answers differed between the stores. One of the stores was to a large extent referred to as non-corresponding, and the remaining two stores were rated fairly corresponding. In the following sections, an analysis of the factors affecting the correspondence in all stores will be presented. The differences between the stores might have several reasons, of which differences in the design of the interior and maintenance might be some. Carpelan argues that the stores’ correspondence varies and depends with the age of the store. The first Macoteket stores were built before Apple started giving guidelines and approval concerning the stores’ design and interior. The other two stores were described with words as open and simplistic, and the light-colored design was said to be more in line with the Apple brand. Accordingly to the statement of Carpelan, these two stores were given assistance with the design planning before their opening. A pattern can be identified in the stores’ correspondence to the brand which might be connected to a divided timeline; the time before and up to the opening, and the preceding maintenance of the store. The transfer of brand up to the moment of opening can therefore be considered as prerequisites for brand correspondence in the following maintenance of the store. The following discussions are based on that the stores have different prerequisites that are, for shorter periods of time, unchangeable and fixed. Instead, the personnel affect the store by the daily maintenance in different ways. The personnel organize and operate the store in the everyday activities and thereby are the ones who need to make the store look correctly and correspondingly each day.

The daily maintenance of the stores includes all actions in operating the stores, such as the handling of product deliveries, unpacking, stacking, organizing products, information sheets and posters, and so forth. These things could be taken as details but are nevertheless affecting the overall impression of the store. When it is hard to define what is or is not corresponding in a store, it might be these details that are really affecting the impression. According to the answers from the interviews with personnel and customers, none of the three stores totally
transmitted a total “Apple feeling”. The two stores that were visited last both got comments on the light design and were said to correspond more to the Apple brand. The personnel also answered that the design ought to be correct and corresponding to the Apple brand, due to the strict control from Apple. This might be a part of the earlier mentioned prerequisites for brand correspondence. Both the first and the second store got comments on certain things that did not correspond with Apple’s brand. It was mainly small things such as unordered product assortment, too much clutter in the stores; the products were displayed with too many wires and non-organized. Furthermore, the wall section with bags in all three stores was described as messy and ugly, and not in line with the Apple brand.

This leads us again to the notion about what kind of knowledge that needs to be used. To know that the products need to be unpacked and displayed is easily learned, but as seen in the stores it may be harder to know how it is done; how to arrange the products, and what and when to unpack. When the personnel were asked about the criteria for how the store should look and which the prerequisites were for the store design, the answers were mainly vague and several respondents claimed the design to be fixed, referring to the interference by Apple in the store design before opening. It may be one thing to learn that the stores need to look in a certain way that corresponds with the Apple brand or that the computers should be in focus, but how to actually manage this is a deeper knowledge which is harder to obtain. During the interviews, both the personnel and the customers often had troubles defining exactly what was and what was not in line with the brand. This further implicates the difficulties of analyzing and controlling what precisely creates an atmosphere. It may be several small objects and solutions that are not in line with the brand or contradicting with the wanted feeling, such as a dirty window where a feeling of cleanness was intended, misplaced items that are hard to find when you want simplicity and functionality, or a broken keyboard where you want quality. When working day after day in the same store the human mind has a tendency of not seeing and reflecting over what has been seen many times and small things, such as the ones mentioned above, often goes unnoticed unless actively searched for.

When taking the above mentioned into account, there may be a similar mismatch of how the knowledge of what the stores should look like is transferred. The guidelines, according to the personnel, are very strict on the point that the stores need to look correspondingly to Apple’s brand, but few concrete ways or examples of how to achieve this could be presented. Once again this brings us back to the deeper, underlying, understanding of what the words the brand consists of represent. The knowledge and understanding of the brand goes a step further, and
the personnel need to be able to conceptualize the brand and maintain the brand feeling whilst running the store. However, there could be several thresholds of achieving this, such as being aware and seeing the importance of all details, keeping a fresh mind, and also being able to finding the time between the more obvious tasks such as taking care of the customers. The guidelines for the APR stores are given in written text, but it can be argued that the content to a large extent is tacit. As Carpelan and Gustafsson claim, Macoteket is a separate company and Apple has no saying in the daily routines. If operating a store and at the same time transmitting a brand is, as argued for in the above discussions, highly tacit and complex, there would be a need of either educating the personnel to get the deep tacit knowledge, or introducing certain routines of operating the store in order to achieve an optimal result. Possibly, the preferable way is somewhere in between. Due to that this study did not examine the routines provided and educated by Macoteket, there can be no deeper analysis of this.

5.4 Conclusions

When a product is to a large extent dependent on the brand in order to sell, it is of importance that everything is in line with what that brand stands for. The store is the actual place where the customer meets the brand and the total experience while in the store affects how the brand will be perceived. The personnel that operate the store need to be aware of this importance and also act in line with the brand. The idea of the personnel “living the brand” should be a natural part of the corporate strategy. By providing information and education the personnel’s passion and knowledge of the brand could be strengthened. By helping the personnel to better understand the corporate values and strategies, they will improve in delivering the important customer expectations, which in turn will transmit a coherent message of the brand.

How is the Brand Transferred

When transferring a brand to a store, the transfer strategy needs to be adjusted to fit the different kinds of knowledge that a brand consists of. A brand partly consists of knowledge that can be transferred through a codification strategy, but it also consists of a deep understanding that needs to be self-learned or transferred by a socialization strategy, as described in figure15.
In the case of Apple and Macoteket, a pattern in the transfer of the different kinds of knowledge can be identified. The knowledge provided by Apple is mostly in a codified form, as seen in figure 16, and Apple turned out to be the least used source of information in the personnel’s daily work.

The processes Apple use to transfer their brand to Macoteket indicate an excessively codified strategy, partly due to the fact that the deep understanding of what needs to be said and done should be taught personally and consequently not by instructions in texts and e-mails.
How and whether the Brand is seen in the Store

The Apple brand can clearly be seen in two of the studied stores. The brand is conceptualized in everything in the store; from the interior and the atmosphere, to the personnel. However, when the interior of the store is viewed as a fixed parameter, the personnel is the continuing factor affecting how the brand is seen. While being in the store and performing various tasks, the personnel’s level of understanding of what the brand stands for is continuously reflected (figure 17).

![The Brand in the Store](image)

**Figure 17**
6. Additional Remarks and Implications for Further Research

After having finished this study, several interesting and related topics in order to deeper examine the research field have emerged. A few of these topics will be discussed below.

This study has not empirically researched these factors but the authors also found additional circumstances or factors affecting the transfer of the brand. One important factor may be the relation between Apple and Macoteket as separate companies. Even though both companies are dependent on whether Apple’s products are sold or not, there may be a notion of differences on how to best manage this. Apple trusts another company to specialize in their products and thereby in a way represent them. This may give them the high urge to control how it should be done. Macoteket on the other hand, is the actual retailer and must in many cases compete with Apple itself. Further studies of how the relation between the two companies affects the transfer of the brand may deepen the understanding of how to transfer the brand to a retailer.

Furthermore Macoteket has existed as a more independent player in recent years, and quite recently made this turn of acting and looking more in line with the brand Apple is displaying at present. An interesting and important point of view is how the corporate cultures affect the relation and communication between a producer and a retailer. It would certainly be interesting to deeper analyze the different parameters of corporate cultures, and by what strategies companies could improve their communication skills by being aware of and managing their corporate cultures. The corporate culture may be inflicting how employees act and in the case of Macoteket this could be a reason to why the stores often were described as containing too many products. Macoteket does not have the tradition of strictly displaying the Apple products whilst mixing the concept of Macoteket and Apple in one store. Moreover, employees are believed to be more devoted and perform better if they feel passion for their work. In the case of retailing, this brings additional aspects to the issue since the employees need to feel passion not only for their employer, but for the producing company as well. In the case of Apple, studies have shown that there are Mac users who are passionate on the verge of addiction to the brand and the products. This brings further interesting aspects to such a study. To broaden the understanding of the transfer of a brand, it would be of interest to carry out similar studies in several countries, since the country culture might bring further interesting aspects to the topic.
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**Interviews**

All interviews except the one with Jonas Gustavsson and the mail correspondence with Ian Carpelan were strictly anonymous.

Carpelan, Ian, *Sales Manager,* Macoteket Sweden, November 26, 2007

Gustafsson, Jonas, *Country Sales Manager,* Apple, December 13, 2007
Appendices

In this section, material referred to and used throughout the research is presented.

Appendix 1 Personnel Interviews

Personalintervju

Ålder _____________ Kön _____________

Apple Premium Reseller Butik _____________

Om butikspersonal

1. Hur länge har du jobbat här? Vad har du för annan arbetslivserfarenhet?

___________________________________________________________________

___________________________________________________________________

___________________________________________________________________

2. Äger du själv någon/några Appleprodukter och i så fall vilka?

___________________________________________________________________

___________________________________________________________________

___________________________________________________________________

3. Hur mycket anser du att du vet om Apple’s produkter? (1 = lite, 5 = mycket)

   1  2  3  4  5

4. Hur väl anser du att du kan presentera Apple som företag? (1 = lite, 5 = mycket)

   1  2  3  4  5

5. Hur väl anser du att du kan presentera Apple’s värderingar? (1 = lite, 5 = mycket)

   1  2  3  4  5

6. Vad betyder Apple för dig? Vad står de för? Ge fem exempel/ord!
7. Den bild av Apple du presenterar för kunderna, skiljer den sig från vad du själv tycker?

______________________________

______________________________

Om säljkunskap och segmentering

8. Varför tycker du att man ska ha en Mac?

______________________________

______________________________

9. Hur skulle du beskriva den typiska Macanvändaren?

______________________________

______________________________

10. Vilken produkt ur sortimentet skulle du sälja till denna kund?
Student _____________________________________________________________
14-åring_____________________________________________________________
Musiker_____________________________________________________________
Egenföretagare_______________________________________________________

11. Till vilken sorts kund skulle du sälja denna produkt?
MacBook_____________________________________________________________
MacBook Pro_________________________________________________________
Ipod________________________________________________________________
MacMini_____________________________________________________________

12. Vad har ni för produktsortiment, anser du att någon produkt saknas eller är överflodig?

______________________________________________________________
13. Anser du att butikens utformning stämmer väl överens med vad Apple står för? Om inte, vad skulle du ändra på?


Om kunskapsöverföringen i relationen Apple – butik


15. Hur mycket inflytande anser du att Apple har över din arbetsgivare?


17.Hur får ni information om nya produkter som kommer till butiken? Hur får ni
information om hur ni bör sälja dem på bästa sätt?
_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

18. Hur mycket och vad för information får du ifrån Apple i genomsnitt per vecka? Hur
sköts detta informationsutbyte?
_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

19. I ditt arbete, i vilken utsträckning använder du dig av information du fått direkt från
Apple?
_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

20. Varifrån kommer direktiven gällande era arbetsrutiner? T.ex. om arbetsuppgifter,
arbetsuppdelning och ansvarsfördelning.
_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

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Appendix 2 Mail to Ian Carpelan

The e-mail was sent to Ian Carpelan, Sales Manager of Macoteket Sweden, on 26/11 2007.

Frågor:

1. Vilka kriterier måste uppfyllas för att en butik skall kunna bli en auktoriserad Apple Premium Reseller butik?

2. Vilka riktlinjer får ni ifrån Apple om hur era butiker skall se ut, t.ex. vad gäller interiör, design, känsla, produktsortiment?


5. Hur skulle du beskriva Macotekets relation med Apple?

6. Hur väl skulle du säga att Apple’s koncept syns i Macotekets butiker? Förekommer någon kontroll eller uppföljning från Apple’s sida?
Appendix 3 Customer Interviews

Kundintervju
Älder ________ Kön _________
Apple Premium Reseller Butik ________________

Om kund

1. Äger du någon Appleprodukt?
☐ Nej ☐ Ja, ____________________________

Om kundens intryck av butiken

2. Hur skulle du beskriva inredningen i denna butik? Beskriv med hjälp av skalorna hur pass väl följande påståenden stämmer överens med butiken! (1 = lite, 5 = mycket)
   Design: 1  2  3  4  5
   Enkelhet: 1  2  3  4  5
   Nytänkande: 1  2  3  4  5
   Exklusivitet: 1  2  3  4  5
   Kvalitet: 1  2  3  4  5

3. Hur mycket tycker du butikens atmosfär utstrålar kreativitet? (1 = lite, 5 = mycket)

4. Hur lättillgängligt/lämpligt tycker du att produkterna i butiken är uppställda? (1 = lite, 5 = mycket)
5. Hur speciell skulle du säga att denna butik är i jämförelse med andra teknikbutiker? T.ex. vad gäller utformning, design, utseende. (1 = lite, 5 = mycket)

1  2  3  4  5

6. Motivera ditt svar!
___________________________________________________________________
___________________________________________________________________
___________________________________________________________________

Om kundens intryck av butikspersonalen

7. Pratade du med personalen? Hur väl kunde de hjälpa dig med ditt ärende? (1 = lite, 5 = mycket)

1  2  3  4  5

8. Demonstrerade personalen något för dig?
☐ Ja  ☐ Nej  ☐ Vet ej

9. Hur kunnig verkade personalen? (1 = lite, 5 = mycket)

1  2  3  4  5

10. Hur engagerade verkade de? (1 = lite, 5 = mycket)

1  2  3  4  5

11. Vad får du för uppfattning om personalens attityd gentemot Apple, hur mycket tycker de om Apple? (1 = lite, 5 = mycket)

1  2  3  4  5

12. I hur stor utsträckning tycker du att personalen förmedlade:

Kreativitet:

1  2  3  4  5

Nytänkande:

1  2  3  4  5

Exklusivitet:
Om kundens uppfattning om Apple

12. Om kunden använder Mac – motivera varför/varför inte!

Använders:
☐ "Enda alternativet" ☐ Enkelt ☐ Alltid använt, vana ☐ Design
☐ Vet ej ☐ Annat

Använder inte:
☐ Ingen vana ☐ Dyrt ☐ Vet ej ☐ Annat

14. Vad tycker du Apple står för?
___________________________________________________________________
___________________________________________________________________
___________________________________________________________________

15. Hur mycket skulle du säga att den här butiken stämmer överens med din uppfattning om Apple? (1 = lite, 5 = mycket)

Motivera!
___________________________________________________________________
___________________________________________________________________
___________________________________________________________________