Creativity vs. Traditional Practices

Low-cost marketing strategies used by local clothing stores in Umeå

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Thank You,

Amanda Lundmark
Johannes Wikström

Umeå 2010
Summary

In the Swedish society of today, there are numerous big clothing chains lining up in city centres all over the country such as Hennes & Mauritz, MQ, Brothers, Sisters, Kappahl etc., whose heavy advertising is often hard to avoid noticing. However, they do not occupy the entire market. Smaller clothing stores also fight their way into the vast competition of the giants and often do so with limited capital.

In Umeå, some of these smaller clothing stores stand out. Through passionate entrepreneurs and a permissive and demanding fashion city climate, they have succeeded in creating awareness and also customers, even though their marketing budgets are usually not very big. By answering the research question: How do local independent clothing stores make use of low-cost marketing? – A case study on Umeå, the authors of this paper want to gain and share knowledge on how these stores can and do use low-cost marketing, how their strategies differ from each other, how they are alike and how they can learn from each other.

There are several independently owned local clothing stores in Umeå that were asked to participate. Four of them accepted and became the research subjects for this study. These are Art & Eco, Gregers, Kii and Schmäck Kompaniet, which are four stores of different age and size and with different product assortment and target customers. A qualitative study was conducted with a 30-50 minute semi-structured interview with the owner or manager of each store.

As a result of the literature review, three main low-cost marketing categories were identified: Public Relations, Customer Relationship Management and Public Communication Channels (word-of-mouth, online social networks etc.). The empirical data collected through the interviews was reviewed and analysed in the light of previous research under each of these categories and all stores were found to be users of all categories, to a greater or lesser extent. Differences and similarities in usage of the categories, and why there are such differences and similarities, are explained thoroughly in the analysis chapter and how the stores can learn from each other is explained under recommendations in the conclusion chapter.
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1. Introduction

“In the struggle for survival, the fittest win out at the expense of their rivals because they succeed in adapting themselves best to their environment.”

(Charles Darwin)

1.1 Background

Just as Darwin explains is the case for all living species, the businesses (in this case clothing stores) that succeed in adapting themselves to their environment are the ones who survive. Also, for any store or shop to stay alive, it needs customers. To attract customers, there are many issues to consider: products, prices, image, location etc. Awareness is of importance, when consumers prefer a brand they recognize before one that is unfamiliar (Bornmark et al, 2006). If potential customers do not know about a store, they will naturally not go there unless they pass by and become attracted by the name or what they see in the display windows. Awareness can come from reading about the store or recommendations by friends for example. This is true for shops and stores (and other businesses) around the world, and it makes it crucial for them to engage in marketing. One niche that occupies a share of the shopping market is clothes, with numerous stores offering different types and styles of clothes and attracting various customers.

Stores in Sweden belonging to well-known large chains, such as H&M and MQ, have a central entity backing them up if sales would go down or customers fail them. If one store has to close down, the chain will still survive and have money to keep the remaining stores running and maybe even open a store some place else. For an independent, stand-alone store the picture is different. If no customers buy their clothes or commodities the store will eventually cease to exist. Thus, creating awareness and an attractive image of the store and obtaining a group of customers, either a good number of regulars or a consistent flow of random shoppers (or both), is vital. The bigger chains have an already known brand name and established locations in most cities and towns. This makes it difficult for new, local stores to enter the market and compete with already existing players. Still, some succeed. How do these stores gain ground and how do they stay competitive and remain profitable despite competition from the giants?

However, not all advertising can be controlled. Nowadays, news and information can be transferred from one end of the world to the other in no time, and no one can keep track of everything that is said about oneself or one’s store. This creates “hidden marketing”, and word-of-mouth has more impact and power than ever before. It is more likely that a large chain has a well-established reputation not as easy to break, while an independent local store is far more vulnerable and can more easily be harmed by a few negative lines said or posted on the Internet by someone influential enough (Peelen, 2005). One consequence of this is that it is important for the small stores to create the image that travels from mouth to ear, and also increasingly important to make sure that the image is created by the store and not somewhere or by someone along the way. When they cannot control, hear or read everything that is said about them, they can still affect it with their actions and conscious image creation. Communication between people and via social networks works as unintentional promotion, and can be both positive and negative.

Umeå, as the largest city in Norrland and population wise number 11 in Sweden, is the county seat of Västerbotten province (Umeå Community, 2010). There are plenty of things to do and see, and there are shopping opportunities to be explored by the city citizens and the many visitors.

Out of Umeå’s clothing stores, the majority belong to large Swedish or international clothing store chains, like H&M, MQ, Kappahl, Dressmann, etc. This is a trend that can be seen in many towns and cities around the country, where the same large, well-known stores fight for customer’s attention wherever one goes. They have built up little ‘empires’ with a large number of stores and high turnovers, and their logos and information on new product arrivals are difficult to avoid noticing. Much money spent on market research and marketing have helped these stores to build an image and associations that they attempt to place in customers’ heads.
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(Buttle & Westoby, 2006). Customers know when they walk into a store what type of clothes they are most likely to find.

However, not all stores do belong to a centrally controlled company. Some are run independently and locally. In Umeå’s streets and malls, there are clothing stores offering local design, a personal style and a concept not decided and directed from a central office but by the store creators. Even though the brands that the stores sell may not be exclusive to that particular store, there is an atmosphere created that cannot be found in other places. The atmosphere creates a feeling of genuineness different from the multi-industry the larger chains may seem to represent.

The smaller stores do usually not have the same marketing budget, especially not in the initial phase of establishment. Still, there are local actors on the clothing store market in Umeå that have not only survived, but grown and become well-known in the region and even in the country. What is the secret behind their success?

All clothing stores engage in advertising in various ways, in large or small scales. Most of the large brands’ advertisements can be seen in TV commercials, at bus stops, in newspapers and fashion magazines etc. These spots are expensive, and not affordable for all small stores. It is also a matter of image – where one wants to be seen and how. This is conscious and intentional advertising and done purposely by marketing management. Today there are numerous ways to communicate information: face-to-face; traditional advertising in papers, magazines, radio and TV; banners and links online; articles; social networks; blogs etc. The rapidly growing online world with its hundreds of millions of users all over the world have facilitated marketing and opened up new channels to reach old and possible new customers, not necessarily costing a fortune. Customers spreading positive words about a store is very cost efficient, as it is publicity without having to pay for it (Richardson & Domingos, 2002). The more influential the people are who talk about a store and its products, the more efficient is the word-of-mouth effect.

With this in mind, the authors have set out to look into how local clothing stores in Umeå make use of low-cost marketing possibilities and opportunities to spread awareness, build an image and attract customers. Umeå has a number of local clothing stores of varying size and age. There is one independent store that was established already in 1960, another one opened up last year. Regardless of age and target customers, these local entrepreneurs have in common that they offer fashion in stores with a personal setting and atmosphere. While selling different styles of clothes, they are alike in that none of them belong to a large chain of stores, but are privately owned and exclusive, i.e. there are no other stores with the same name or concept. The stores will be presented later in this chapter.

Through a qualitative case study, this research aims to find a possible answer to the question

**How do local independent clothing stores make use of low-cost marketing?**

– A case study on four local clothing stores in Umeå

The two purposes of the study are:

1. To gain and share knowledge on how local clothing stores can and do use low-cost marketing as a strategy to create awareness and attract customers in a cost-efficient way.
2. To find how the stores’ marketing strategies differ from each other, how they are alike and how they can learn from each other.

This is an exploratory study in the sense that experts on each store’s marketing strategies have been interviewed, as well as it is descriptive in its nature (Saunders et al, 2007).

The units of analysis are the low-cost marketing activities that the stores engage in.

**1.2 Umeå Fashion**

Umeå is a city of steady growth when it comes to population development, jobs, political leadership, cooperation abilities, new ways of thinking etc. The population has doubled since
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the 1960’s and the city has to this date more than 114 000 inhabitants. A goal of 200 000 inhabitants is set for year 2050. Umeå won the prize of “The growth municipality of the year” in 2008, which indicates that Umeå is a city that is working towards a set target of increased city growth over a number of years (Umeå Community, 2009). The award also proves that a lot of companies and investors see the growth possibilities in Umeå and decide to take part in it.

Umeå as a city of fashion is quite a new phenomenon. Not only has Umeå a label of being an alternative city with a lot of youth groups and trends, the city’s culture and music scene has flourished since the mid 1990’s (Törnmarck & Wikström, 2009). In the same way, Umeå’s reputation as a fashion city emerged during the early 21st century due to the work of dedicated designers, entrepreneurs and marketers. The “Umeå style” differentiates itself from the national trend usually set in Stockholm or the like in a mysterious and unidentifiable way. This can be partly explained by both the positive growth climate mentioned in the paragraph above, and by findings of Törnmarck and Wikström (2009), which prove that people in Umeå have a unique eagerness to be creative and to express themselves.

One sign of this expressive need is Umeå Fashion Weekend (held the first time October 7-10, 2009). This is an event where local designers get the opportunity to show their talents and the city is trying to get people to associate Umeå with fashion. Anna Olofsson, the marketing director of Umeå, comments on the event:

“Umeå is a city where fashion is used to express ideas and ideals by a lot of people. /.../ This weekend shall strengthen the networks between stores, designers, tourism and event organizers. Together, we can build up Umeå’s design profile and position ourselves as the greatest fashion city in northern Scandinavia.” (Umeå Community, 2009).

1.3 Background about the Stores
The objects in focus in this study (four stores in connection to Umeå fashion) will now be presented. Information about the companies and their stores has been retrieved from their web sites and other internet sources. Throughout the thesis, the four stores are treated in the same order to facilitate for the reader.

1.3.1 Art & Eco
When Heléne Idahl came back to Umeå after 20 years of working for the Ministry for Foreign Affairs, she stepped into a new arena than the political one. Idahl thought that Umeå needed an organic fashion store, and in the fall of 2008, she opened Art & Eco, “a unique boutique”. On the website it is described as “the fashion store for conscious women, men and children” (Art & Eco, 2010). Idahl is the only person working with and in the store.

Art & Eco was the first organic fashion store north of Stockholm when it opened, and offers “the best ecological and ethical fashion including vintage” (Art & Eco, 2010). In the store one can find local design, hand made clothes and jewellery for example. Idahl has an aim to make a change in people’s attitude towards an ecologic and organic way of thinking. To do so she has a lot of personal communication with her customers on the subject, and she hosts events such as workshops, talks and exchange venues.

1.3.2 Gregers
Since founded by Greger Dahlström in 1960, Gregers has been selling fashion for men in the heart of Umeå city, still occupying the same location today as in the early days. The store is proud of its competent staff, personal service to customers, the high quality clothing and the complete range of products. Men can find both quality casual wear and clothes for dressed-up occasions (Gregers, 2010). Gregers has five employees and had a steady turnover in 2007, 2008 and 2009 between 9.4 and 10 million SEK (allabolag.se, 2010).

1.3.3 Kii
Kii clothing store was founded in late August of the year 2000 by Filippa Rådin and Frida
Stighäll and is located in the centre of Umeå. The idea behind store is to offer well-chosen brands to a wide price range, and also provide a forum where local design and fashion people can work and express themselves. Throughout the years, collaboration with international suppliers and local talents has given the store a unique product and brand range and also the specific character it has today. The key vision of Kii is to inspire their customers and provide as good service as possible.

Kii has been awarded with three prestigious prizes. In 2003, they received the prize for “Sweden’s fashion store of the year” and in 2004, they were awarded “Umeå’s marketer of the year”. In 2008, they were awarded the prize “Sweden’s store of the year” by the magazine Market and the jury’s motivation was:

“A fashion store that fills a void in the local market. With its own investment in both international and local designer brands, a personal touch and marketing through customer mailings, theme nights, public relations, a breakthrough in the blogosphere and a web shop, Kii has reached a clientele far outside the municipality” (Kii, 2010).

Kii has three employees and had a steadily growing turnover from 2007 and 2009, from 6.7 million SEK to just over 7.6 million SEK. (allabolag.se, 2010).

1.3.4 Schmäck and Schmäck Kompaniet

Schmäck was founded by Linnéa Therese Dimitriou and Josefin Holmgren in 2005 and is located next door to Kii, in the centre of Umeå city. It started out as a café with a small section with art and design inside. When this smaller section’s assortment grew to include lithographies, furniture, fashion, jewellery and gifts, it needed more space and the owners of the café gave more room to the store in 2007. The store inside the café was named “SKATBO”, and in 2008, they created their own jewellery brand “Skatskatt”. The same year, a web shop was opened to meet the demand from outside the city (Schmäck Kompaniet, 2010).

In 2009, the name “SKATBO” was replaced with “Schmäck Kompaniet” and a new store was opened in cooperation with Mattex Antik, Ragata Vintage and JohannaN, in new locations not far from the café. Also, at this point, the talented fashion guru Monika Kichau started working within Schmäck Kompaniet. Since all furniture in the store is for sale, its interior is constantly changing (Schmäck Kompaniet, 2010).

Schmäck has always been advocating culture, creativity, fair trade and the use of organic products. The café does not serve any coffee that is not labelled fair trade and they are always trying to be as environmentally friendly as possible. Schmäck Kompaniet is sharing Kii’s vision of supporting local culture and design.

Schmäcket AB (owning both the café and Kompaniet) had a turnover of almost 3.5 million SEK in 2008, a result of a steady increase in turnover over the last few years (allabolag.se, 2010).

1.4 Research Process

The case studies will be conducted through semi-structured interviews, which allow the researchers to ask questions that emerge during the interview. Art & Eco, Gregers, Kii and Schmäck Kompaniet, four actors on the local fashion market, will be the focus of this research and used as subjects for a case study. Some other data gathered in other ways than through interviews, such as from websites and blogs, will also be reviewed.

Previous research on low-cost marketing strategies will be looked into, with a focus on Public Relations, Customer Relationship Marketing and Personal Communication Channels. Information regarding marketing strategies in general and low-cost marketing in particular about the actors in focus in this study, will be carefully examined. The most relevant findings will be presented and compared to previous research.
1.5 Definition of Terms

Many concepts used in this study have a lot of different definitions. This part of the introduction aims to list the key concepts used throughout the research to get the reader to interpret them in the same way as the researchers.

Advertising – A marketing tool that uses advertisements (“paid, non-personal, communication about causes, goods, and services, ideas organisations, people, and places, through means such as direct mail, telephone, print, radio, television, and internet” (Business Dictionary, 2010)).

Customer Relationship Management (CRM) – “A process that addresses all aspects of identifying customers, creating customer knowledge, building customer relationships, and shaping their perceptions of the organisation and its products” (Peelen, 2005, p. 3).

Independent local clothing stores – Local, privately owned, clothing stores in Umeå that are not centrally controlled and backed up by a larger retail clothing chain.

Low-cost marketing – Marketing by a firm that does not involve high costs. For the purpose of this research, the concept entails mainly PR, CRM and Personal Communication Channels.

Marketing strategy – “A plan, often written, where businesses state how they use product development, promotion, distribution and pricing, identifies the firm’s marketing goals, and explains how they will be achieved within a stated timeframe. Marketing strategy determines the choice of target market segment, positioning, marketing mix, and allocation of resources” (Business Dictionary, 2010).

Nöjesmagasinet – A local entertainment magazine in Umeå.

Online social networks – Networks on the Internet via which members and users communicate, share opinions, thoughts and experiences. Users invite friends to join and find new friends in the network. (Networks mentioned in this study are Facebook, a world-wide social network with over 400 million users (Facebook, 2010), and Twitter, a live-update service where users post live updates online via text messages).

Public Relations (PR) – “Building good relations with the company’s various publics by obtaining favourable publicity, building up a good ‘corporate image’, and handling or heading off unfavourable rumours, stories and events” (Kotler et al, 2005, p. 719).

Umeå – The largest city in northern Sweden and population wise number 11 in Sweden (Umeå Kommun, 2010).

Umeå Fashion Weekend – An event held during a weekend in the beginning of October, 2009 where local designers get the opportunity to show their talents and the city is trying to get people to associate Umeå with fashion. Also, famous brands and designers visit the city during the weekend to hold seminars and lectures (Umeå Kommun, 2009).

Umeå Kommun - The municipality of Umeå.

Viral marketing – “Any message that is passed along from one consumer to another. The majority of viral marketing takes place online” (Dave Balters in Thorstensson et al, 2006, p. 59), or “the Internet word-of-mouth communication” (Woerndl at al, 2008, p. 34). For the purpose of this study, focus lies on online social networks, the role of the company’s website, bloggers and if the companies have interest in what is written about them online.

Västerbottenskuriren (VK) – A local newspaper in Umeå.

Word-of-Mouth (WOM) – Personal communication about a product between target buyers and neighbours, friends, family members and associates. (Kotler et al, 2005). It can be positive or negative, depending on the level of satisfaction (Evans, 2006, cited in Woerndl et al, 2008).
1.6 **Limitations**

There are countless clothing stores in Sweden, and a large number only in Umeå. This study does not seek to find generalisable results that can be applied on all types and styles of stores, but aim to describe how local stores can go about using low-cost marketing. Gregers, Art & Eco, Kii and Schmäck Kompaniet have been chosen as unique cases. They are by the authors perceived to fit the purpose of the research since they are all independent, privately owned, local clothing stores in Umeå. There are more independent stores in Umeå that fit the purpose of the study, but they did not have the time or interest to participate. Thus, the research includes four clothing stores.

1.7 **Architecture of the Thesis**

*Figure 1.1 Architecture of Thesis. (Developed by the Authors).*

Chapter 1 provides the reader with an initial understanding of the study. After a background to the topic, the research question, the purpose of the study and the stores in focus are presented. Because many of the key concepts used can be interpreted in different ways, a list of definitions used for this study is provided to facilitate for the reader.

Chapter 2 presents theories on the subject, divided into three categories. The theory is followed by previous research and findings within the different categories, leading up to a research gap.

Chapter 3 presents and explains the research design, philosophy and approach along with the data collection method and quality measures.

Chapter 4 lets the reader take part of the data collected. Each interviewee and his or her store is introduced, and after that the outcome of the interview.

Chapter 5 includes an analysis of the data where the similarities and differences between the four stores’ marketing strategies are shown. The chapter ends with a discussion on why the stores have similar and dissimilar marketing features and whether the results of the study support the proposition.

Chapter 6 compares the findings of this study to previous research and studies within the categories.

Chapter 7 concludes the findings and answers the research question. The strengths and weaknesses of the study are explained, and the authors suggest topics for future research.
2. Literature Review

This chapter covers literature and previous research on the subject of low-cost marketing strategies. It starts out with describing how the authors searched for literature and continues with identifying and defining the three categories of literature for the thesis. Each category introduction is followed by a short argumentation that shows the reasoning behind the authors’ choice of areas for further investigation. Previous research within each category is then presented, and the chapter is finalised with stating the knowledge gap. (Previous studies under each category are summarised in three tables (Appendix A, B and C)).

2.1 Literature Search

Saunders et al (2007) suggests that research should be based on different criteria such as: what language the literature is written in, where it is from, newness of literature and what kind of literature (books, journals, articles, internet sources etc.). For this research, literature has been searched for and retrieved in the English and Swedish language. The geographical area from which the literature has been gathered is mostly concentrated to Europe, but some originates from North America. The authors have tried to limit the literature to the last five years’ findings, (i.e. limited search to 2005-2010), but some basic theories originate from before this. No limit has been put on what kind of literature should be used and consequently there is a mix of books, journals, articles and internet sources in this literature review chapter.

After deciding upon which topic to write about, the authors searched through the website of the Umeå University library to find broad theories in the area. The key words used were: low-cost marketing, low-cost advertising, branding, customer relationship management (CRM), relationship marketing, public relations (PR), fashion marketing, word-of-mouth (WOM), online social networks and viral marketing. Many books were borrowed from the library and read through to find interesting information on the bigger topics of PR, CRM and Personal Communication Channels. Some books were only accessible online through the university website and thus only read on the web. Also, the literature lists of some books were reviewed to find additional sources of information.

After a first review of books on the different topics, three main categories were distinguished (presented below in 2.2). The authors found what parts of the categories that were most relevant to the study and focused on those to conduct a deeper literature review on previous research in the areas. In this search, scientific articles, journals and e-books were reviewed. These were retrieved by using Google Scholar, EBSCO-host, Emerald Insight, Business Source Premier and Google E-books.

2.2 Definition of Categories

Three categories for the literature review have been developed. A definition on what each category entails is presented before the deeper literature review on relevant areas within each follows. The categories are:

- Public Relations (PR)
- Customer Relationship Management (CRM)
- Personal Communication Channels.

2.3 Theoretical Background on Public Relations

One of the fundamental theories introduced in Kotler et al’s Principle of Marketing (2005) is the 4 P’s of marketing – Product, Price, Promotion and Place. These four P’s are basic parts of the marketing mix for all businesses to consider, but for the purpose of this research, only the theory around Public Relations under the Promotion P will be discussed.

When efficient strategies have been considered around what to sell, where to sell and to what price, one also has to consider how to sell. This is called promotion and can take the form of
advertising, direct marketing, sales promotion, personal selling and public relations (Kotler et al, 2005). These five promotional parts help businesses communicate their messages and increasing customer awareness, sales and facilitating customer relationships in different ways.

Public relations (henceforth referred to as PR) is by Kotler et al explained as: “building good relations with the company’s various publics by obtaining favourable publicity, building up a good ‘corporate image’, and handling or heading off unfavourable rumours, stories and events” (2005, p. 719). Efficient PR strategies can develop positive associations with a business and foster long-term customer relationships to a lower cost than advertising. Since PR messages reach out to buyers as news rather than sales-directed marketing, many barriers can be crossed to reach those who do not desire to be exposed to ads. This makes the message more believable and credible because customer awareness is created through interesting stories and news communicated by the company in different ways rather than by large sums of money spent on advertising. It is also interesting that even though PR usually captures a small part of the marketing budget, it is still seen by many companies as a very powerful brand-building tool (Kotler et al, 2005).

In the fashion business, the need for effective PR is crucial. This fact is even more evident for smaller businesses in a competitive environment because if they do not realize the importance of PR and put effort into it, they will have troubles surviving. If smaller businesses succeed in being very creative in their PR practices, they can have some advantage over larger firms (Ilhator, 1998, cited in Malem, 2008).

According to Easey (2009, p. 226), PR in fashion marketing should aim to:

1. raise or confirm the profile of the brand/retailer;
2. place products in the public arena;
3. enhance other parts of the promotional mix;
4. communicate with influential media

The second and fourth bullet points are extra important when it comes to promoting ‘behind the scenes’ as will be explained in more detail later in this chapter. This means that it is not very apparent to the person being exposed that the promotion is on behalf of the company. To place products in the public arena can be to lend out merchandise for magazines to use in their photo shoots and let people of certain events or performances use one’s brand’s clothes for example. Communicating with influential media can be intentionally; to put oneself up for magazine and newspaper interviews and unintentionally; when information from one’s company’s press releases are used in editorials for example (Easey, 2009).

Kotler et al (2005) puts forward several PR tools that can be used to gain public recognition in the market. These are things like special events, written materials, websites, sponsorships, speeches etc. As mentioned in the paragraph above, placing products in the public arena and communicating with influential media are by the authors seen as the two most relevant PR strategies for the purpose of this research and will thus be the two theories around which previous research will be discussed later in this chapter.

Concerning PR strategies, it will be of interest for this study to see if and how local independent clothing stores in Umeå use this kind of promotion. The two theories chosen (placing products in the public arena and communicating with influential media) will be in focus because they allow clothing stores to expose themselves in public in different and relatively inexpensive ways, in contrast to for example sponsorship where it often is a matter of offering larger amounts of financial means. Also, these two are chosen because they are believed to be the PR strategies most frequently used by local independent clothing stores in Umeå. Companies do not usually pay for time in media, and lending out clothes to photo shoots and be seen at fashion shows can be quite an inexpensive way to create awareness as well. It will also be interesting for the authors to see how aware the clothing stores are of this fact and how they can and do use it to their advantage.
2.3.1 Previous research on Public Relations

As explained earlier, PR is a very effective marketing strategy and can be quite inexpensive. PR is more credible than advertising and a slow build-up by PR should be emphasised rather than heavy advertising (Ries & Ries, 2004). Ries & Ries also state that advertising should only be used to maintain brands established through publicity.

2.3.1.1 Placing products in the public arena

Ahlberg & Einarsson (2008) have studied how four Swedish independent brands market themselves with limited capital. Two of the brands, Odd Molly and WeSC, make and sell clothes. The findings of the case studies on the clothing brands show that the companies engage in marketing via product placement, event marketing, exhibitions, be seen in the right places in the right way resulting in a pull strategy (others contacting them), trade fairs, advertising and finally WeSC has We-activists. These do not need to be famous people, but they voluntarily communicate the message that We represents and thus spread the word of the brand simply by interest. Ahlberg & Einarsson (2008) reach the conclusion that it is “cheaper to communicate what you are actually doing than mass communicate what you think that people want” (p. 39). In other words, a genuine message can be communicated inexpensively and still gain much attention. Further, even for companies that can afford traditional and more expensive marketing, it can be more valuable to find a new way of being seen in the media noise than spending for the sake of it.

An investigation of fashion designers in London and their business survival strategies show that PR and communication is very important. Actual strategies used among them were exhibitions, press, trade shows, having a shop, holding catwalks and having sales agents (Malem, 2008). Exhibitions is considered to be an effective way to engage in niche markets and get press around it, and trade shows are important for designer relationships. Catwalks are found to be very expensive and thus sometimes financed by an external sponsor (Malem, 2008).

Daniels (2004) says that media events, such as automobile shows, dressed up as fashion shows can generate a positive buzz, even though the products shown have nothing to do with fashion. This proves that putting products in the public arena on a runway or catwalk is a very efficient strategy to create awareness and attract interested parties.

It is also important to make one’s offerings more readily available to customers after fashion shows. It can take months to get products that were shown on a catwalk to be sold in the actual stores. Therefore, emphasis should be put on having products available for sale quickly after shows; like Norma Kamali, who had the products for sale on her web site soon after exhibiting her styles in New York (O’Connell, 2010).

2.3.1.2 Communicating with influential media

“There is no such thing as bad publicity”

Publicity is a big part of PR and also a low-cost or no-cost solution often overlooked by small businesses (Sternal, cited in Wearables Magazine, Aug 2009). The fundamentals of it are to know your market, building relationships and have a good sense of timing which all together generates a marketing buzz that cannot be bought. To have media relations, write attractive press releases and communicate effectively with reporters are also important ways to get people to associate positively with your business (Wearables Magazine, Aug 2009).

Susan Morgan (2009), a freelance consultant crafting PR programmes and marketing plans for retail jewellers and luxury retail businesses, identifies three reasons to why PR adds value to marketing: public contact is a form of PR; PR helps influence public perception and ideas and editorial coverage is influential. All three reasons are connected to the importance of being seen through media. Every time a store is seen on the web, in the newspaper, on the air or the like, it increases the store’s credibility. This is why Morgan argues that one should always “live
the brand’ (Kapferer, 2004) and be aware of that every time one’s business is seen in media, its reputation grows. This increases the importance of reaching out with intended messages to the targeted clientele. To succeed with this, Morgan suggests researching local publications to reach the right clients and offer expertise and inventory to editors for their photo shoots (Morgan, 2009).

Press and press relations are also identified by Malem (2004) as one of the main PR strategies for communicating effectively with one’s chosen markets.

2.4 Theoretical Background on Customer Relationship Management

The theory around the importance of building and maintaining profitable customer relationships is called Customer Relationship Management (henceforth referred to as CRM). It is a very modern and proven successful business strategy that affects all parts of an organisation: marketing, IT, service, logistics, finance, production and development, HR, management etc. (Peelen, 2005). It has a few different definitions, but the one used for this research is: “a process that addresses all aspects of identifying customers, creating customer knowledge, building customer relationships, and shaping their perceptions of the organisation and its products” (Peelen, 2005, p. 3).

CRM is a big theory and smaller ones have emerged through it. Two of these are the customer equity theory and the theory of CMR (the Customer Managing the Relationship). The first one suggests that companies should consider the customer as a financial asset and thus something they should measure, manage and maximize as any other asset (Blattberg et al, 2001). CMR means putting the customer in charge of the supplier-buyer relationship to make the business more beneficial for the customer rather than for the company, based on understanding customer needs and building long-term relationships (Newell, 2003).

CRM has been called the “new title for relationship marketing” (Business Teacher, 2010) and a model concluding relationship marketing is the relationship marketing model by Blomqvist et al, 2004:

**Figure 2.1 The Relationship Marketing Model, Blomqvist et al, 2004, p. 22.**
On an operative level, a collection of methods and tools customises the relationship marketing strategy to help the business carry it out efficiently. Customer loyalty is a crucial part of relationship marketing and a target for which businesses should work towards to gain profitability. Thus, businesses should try to enhance loyalty since it is cheaper to retain an existing customer than to find a new one. Another argument for working towards increased customer loyalty is that much money and effort is saved when the customer base is known and the marketing can be efficiently directed (Blomqvist et al, 2004).

Using CRM as a marketing tool can be a very efficient, yet not necessarily expensive, way to create customer loyalty and thus business profitability. If managed correctly, it is of high relevance to companies and organisations looking for less costly marketing strategies. Customer equity is not of much interest to this study since the authors believe that the clothing stores in Umeå do not specifically view their customers as financial assets. Nor is it believed that the stores set their customers in charge of the supplier-buyer relationship and thus, CMR will not be relevant to this study. Instead, the local independent clothing stores in Umeå will be examined in the light of the general theory of relationship marketing. It will be investigated if and how they build and maintain customer relationships, create customer loyalty and how the profitability is increased from this.

2.4.1 Previous research on Customer Relationship Management

“If you have honourable, positive relationships with those who support you, they will advocate for your company in a way that can’t be bought.”

As it was argued earlier, much money can be saved if focus is put on retaining existing customers instead of finding new ones. Therefore, businesses should put emphasis on creating, cherishing and maintaining customer relationships to increase customer loyalty.

In a content analysis of 149 articles about retailers, a desire of using CRM as a means for improving marketing effectiveness was identified (Anderson et al, 2007). Also, CRM was used by the retailers investigated as a marketing strategy and through customer loyalty programs because CRM is linked to customer acquisition and retention. Another finding was that customers were often analysed through data mining tools to facilitate the retailers’ understanding of their customers. This type of technique helps the seller to better understand their customer segments, shopping behaviour, customer loyalty and buying patterns to implement special customer services and design product offers (Anderson et al, 2007). Gathering information about one’s customers has been proven a successful strategy by for example the clothing store chain Harry Rosen. There are 16 Harry Rosen stores in Canada and all the store representatives can easily access a web-based CRM system where they can see information on the individual’s size, past purchase, designer/brand preferences, family, career etc., without trespassing customers’ privacy (Power, 2007). This facilitates the specialisation of offers from the seller to the buyer.

A study conducted in the Korean fashion industry shows that larger firms are willing to put more funds into implementing CRM technologies since they quite obviously have more capital and flexibility of labour (Ko et al, 2008). Also, firms with a mature customer information system are more likely to adopt CRM since they benefit more from it as well. 50% of the firms investigated are engaged in CRM because it helps managing existing customers and acquiring new ones as well as increasing profits. The other half of the respondents does not adopt CRM systems because of high costs and lack of understanding (Ko et al, 2008).

When it comes to relationship marketing, it is rather obvious that it can enhance customer loyalty. A contributing factor to enhanced customer loyalty is how the customer perceives the organisational relationship marketing efforts to develop trust, commitment, and ultimately loyalty with the customer (Too et al, 2001).

A scientific perspective in CRM is to view the relationship as a business investment. Through
empirical data analysis, De Wulf et al (2003) arrived at the conclusion that consumers recognise service quality as perceived relationship investment. Therefore, retailers should put more emphasis on direct service quality in stores to build up the perception of relationship investment which then can result in stronger customer relationships. In contrast to service quality, price and quality levels of apparel are the same for all customers visiting a store which reduces their roles as indications of relationship investment (De Wulf et al, 2003).

Taking on the customer’s role in the buyer-seller relationship, it is interesting to see why they choose to engage in marketing relationships and commit to certain firms. Lacey (2007) developed a model called the Relationship Drivers Model which presents three factors motivating why customers engage in marketing relationships: the economic factor, the social factor and the resource factor. According to the study, the customer’s choice of marketing relationship with a firm is thus dependent on the firm’s economic value, if it’s values and the customer’s personal values conform and the brand reputation and trust (Lacey, 2007).

A study conducted on 620 Americans found that customers shop at their favourite retailers “for experiential stimulation, for bargain hunting, for image-maintenance, and for pampering” (McCabe et al, 2007, p. 16). The same research states that the level of customer motivation for shopping at favourite retailers depends on the individual’s evaluation of service quality, behavioural intentions, loyalty and satisfaction (McCabe et al, 2007).

2.5 Theoretical Background on Personal Communication Channels

According to Kotler et al (2005), a communicator chooses ways to communicate from two categories: non-personal and personal communication channels. It involves very little costs, if any, to communicate a message verbally to a customer. Having people talking about one’s brand, store, products or such is even cheaper. Thus, the authors consider personal communication channels to be highly relevant for any business engaging in low-cost marketing.

Word-of-mouth (henceforth referred to as WOM) is informal communication about a good or a service from a satisfied or dissatisfied customer to people around him or her (Bayus, 1985, cited in Woerndl et al, 2008) who might become future buyers. It is used by customers to support and strengthen the purchase they have done and to communicate opinions and information to friends and acquaintances (Fill, 1999). This is a highly cost-efficient form of marketing, when the customers themselves function as marketers without the brand or company that is being recommended has to pay. For the one that is being talked about, this works as “behind the scenes” advertising. However, WOM can also work in a negative way, when the communicating individuals are dissatisfied (Evans et al, 2006, cited in Woerndl et al, 2008).

Today, to absorb all information that is communicated, we need to read hundreds and thousands of magazines, books, websites, newspapers and books every day (Thorstenson, 2006). This is an impossible task. Still, living in the western world, we are exposed to a constant, never-ending stream of all kinds of news and information. An adult in the US is exposed to 1000 commercial messages each day (Thorstenson, 2006) and it is likely that it is similar for adults in other western countries. It can be difficult for marketers, brands and others to be seen in the media noise, and it is difficult for ordinary people to know what to believe and what is relevant. A consequence of this is that we tend to listen to those we know and trust whose opinions we believe are honest (Thorstenson, 2006). Support to this claim can be found in the book “Personal Influence” by Katz and Lazarsfeld (1964), which despite its long past origin is often referred to today. Katz and Lazarsfeld find that concerning changes in fashion, personal influences, i.e. what one sees others wearing and hears other people say, is more effective than sales people and magazines. WOM happens without the stores necessarily pushing it, and must thus not be an intentional strategy.

Internet has new platforms, forums and numerous other types of communication possibilities emerging, providing opportunities for people all around the world to share thoughts and opinions with friends and strangers. The online social networks, together with blogs and other communication forums, boosts the so called viral marketing, which means words about a store,
brand or similar are spread like a virus, usually on the internet (Allen, 2008). Allen (2008) defines viral marketing as “marketing on the Internet or word-of-mouth”.

Marketers can also use opinion leaders to communicate. This means that the marketing is targeting people with much influence in a society or group in order to make them influence others and creating a buzz. Logically, this is known as buzz marketing (Kotler et al, 2005).

This study will focus on the phenomenon of WOM and its virtual counterpart viral marketing. Fashion is always changing and a matter of personal opinions. A new garment can be the subject for discussions among friends, colleagues and family members, who all influence each other. The stores selling clothes are, as a consequence, talked about (“where did you buy that?”) in positive or negative words. WOM spreads, via live communication, telephones or the internet, without the stores even having to be active. This makes WOM and viral marketing efficient, inexpensive marketing opportunities that all companies should be aware of in order to maximize its effect.

2.5.1 Previous research on Personal Communication Channels

“Word-of-mouth is the world’s most effective, yet least understood marketing strategy.”

2.5.1.1 Word-of-mouth offline and online
There is limited previous research on how clothing stores make use of viral marketing and WOM to market themselves to a low cost. Most such reports concern e-commerce and online shopping. This is relevant to some extent, when three of the four stores in this study have web shops, but the authors are also interested in how a physical store (i.e. not a web shop) have made and can make use of viral marketing.

Fashion stores with a favourable reputation benefit from WOM by and between customers. Stores can also benefit from selling designer clothing that generally is well thought-of and associated with a “reputable personality” (Brengman & Willems, 2009).

The article “How Word-of Mouth Advertising Works” (Dichter, 1966) is still, despite its age, cited in many studies and articles. Dichter states that two-way communication is important for all advertising, but especially for WOM, and he explains that there are two motivations needed for WOM to be effective: that of the Speaker and the Listener. In short, the listener believes a person who has experience with the product (or what is being recommended) and who has interest in the listener’s best rather than in making a profit themselves. This is a reason why WOM is often more effective than advertising, where the sender (speaker) of the message obviously has an intention to sell and will only tell the positive things about the product (Dichter, 1966).
Dichter lists four categories that he has found motivate customers to talk about products or services. These can also be applied on brands and stores.

**Product involvement:** Experience with the product (or service) produces a tension which is not eased by the use of the product alone, but must be channelled by way of talk, recommendation and enthusiasm to restore the balance (provide relief).

**Self involvement:** The accent is more on the self of the person than on the product, with the latter serving as a means through which the speaker can gratify certain emotional needs.

**Other involvement:** Here the product chiefly fills the need to “give” something to the other person, to “share” one’s pleasure with him or her, or to express care, love or friendship. In these instances the recommendation takes the place of a “gift”, just as a thoughtful gift often expresses a tacit “recommendation”. (“I want you too to have it”)

**Message involvement:** This refers to talk which is mainly stimulated by the way the product is presented through advertisements, commercials, or PR, but is not necessarily based on the speaker’s experience with the product proper.

As can be seen, it is only number four that is obviously affected by the store’s marketing. The other three concern customers’ conversations with others without the store pushing it. However, the store interior, staff and service may have a severe impact on what is said about the store and how positive or negative the WOM is.

### 2.5.1.2 Website influence and effect

According to Teerling (2007), customers that have a positive attitude towards a store’s web site have a positive attitude towards the physical store. Thus, an attractive web site can be more beneficial and have more impact than just creating awareness among customers and providing information via the internet. However, there is a risk that customers use an informational website for free-riding in the sense that they gain information from one store’s web site and then purchase the products from another place, making the website beneficial for the customer but not as much for the store (Teerling, 2007).

Teerling (2007) also states that a website affects visitors’ and customers’ buying behaviour regardless if there is an online shopping opportunity or not. Coordinating the online site with the offline physical store creates a positive cross-channel effect and makes it easier to relate the information on the web to the physical store. Further, offline shopping can be stimulated by online marketing via an informational website, and it is worth the effort for a store to keep an attractive and up-to-date website (Teerling, 2007).

### 2.5.1.3 Viral marketing

Many small businesses believe using social networks is a waste of time (The Economist, 2010), but there are also many examples of successful use of such networks. Social games and networks encourage members and users to invite friends to join (The Economist, 2010) – the socialising factor is dependent on others to socialise with – and also encourage sharing of opinions and information. Companies sending out messages on news, special offers and other information via for example Facebook and Twitter have not only found it a simple way to reach many followers, but also an inexpensive kind of marketing. These online media also provide small companies with an arena where they can play under the same conditions as the large businesses that have a substantially larger marketing budget (The Economist, 2010).

Klaassen (2009) describes a trend of companies using celebrity endorsement in a modern way: by paying them to tweet (post live updates on the Internet) and write blog posts about a certain
product, company, service or the like. When it is discussed whether this can be considered word-of-mouth or should be compared with “classic celebrity endorsement”, it has nonetheless aroused attention and thus served as marketing in a way. As it cannot be believed to be genuine recommendations when a person has been paid to have certain opinions, this type of advertising has not only generated positive reactions (Klaassen, 2009). Still, it serves its purpose as a marketing strategy since the name of a product or service or company is mentioned by a celebrity. It is important for marketers to understand that “you can’t buy your way into real organic, earned media”, says Forrester Researcher Sean Corcoran (cited in Klaassen, 2009).

2.6 Category Discussion

2.6.1 Commonalities between categories

The three categories (PR, CRM and Personal Communication Channels) can be used both to high and to low costs. What is relevant for this study, and what connects them to the subject, is the fact that they can be utilised for low-cost marketing. The contents of the categories are accessible and usable for all businesses, and focus on what companies can do to be seen and talked about among customers. They can also trigger each other. For example, a strong customer–store relationship is likely to lead to positive word-of-mouth, and a successful PR event such as a fashion show can spin off with photos watched and discussed online by numerous users. All categories involve customer benefit as well as company benefit.

2.6.2 Differences between categories

The most obvious difference is to what extent the store or company pushes the marketing. As an example, PR is planned and carried out as a marketing strategy, while word-of-mouth is informal communication between customers (or others) that has not been initiated by the stores. PR and CRM involve interaction of some sort between the company and its customers, but viral marketing and WOM do not.

PR can be an expensive way of marketing a product, brand or company, but there are ways to use it to lower costs. The same goes for creating CRM, while WOM is never expensive. All it takes is communication between two parts. However, WOM and viral spreading of a message is not controlled by the store, and can be indirectly expensive to the store if it is negative information being communicated. PR is in general positive, since it is controlled by the stores that want to attract customers.

2.7 Summary

Through the search and review of previous literature within low-cost marketing strategies, the researchers have found very little information about how small stores go about to attract new and keep old customers. First of all, local independent stores in a market that is dominated by “big players”, such as clothing store chains, are likely to engage in marketing that is not as expensive, but no studies that prove this have been found. Further, the researchers have not come across any previous research on Umeå’s independent clothing stores and their marketing strategies.

Consequently, there is a large research gap for the authors to approach: How local independent stores use marketing, particularly low-cost marketing, to attract and maintain customers. The authors have narrowed it down even further when focusing on a particular type of store – clothing stores – in a particular place: Umeå.

2.8 Proposition

At the end of this research the authors will have a deeper understanding in how independent clothing stores engage in low-cost marketing. The authors expect them to purposely find alternative ways, different from the traditional, expensive advertising strategies, in order to be
Three categories of theory have been defined, which are all highly useful in low-cost marketing strategies: Public Relations, Customer Relationship Marketing and Personal Communication Channels. Theories in the area have been read up on by the authors, and reviewing previous research on the categories led up to a clear research gap.
3. Methodology

This chapter presents the reader with information regarding the research process. First, the authors explain their choice of topic and what possible influences their preconceptions might have on the study. The chapter continues with explaining the research design and how knowledge and reality are viewed upon under the epistemological and ontological considerations. Furthermore, the scientific approach of the research is presented and also how data was collected. Outlooks on expected results and quality measures of the study finalise the chapter.

3.1 Choice of Topic

The growing presence of advertisements on billboards, on television, on the internet, through social networks and such, made the authors think. Why is so much financial means spent on heavy advertising? Is there not a cheaper way to get people’s attention than throwing out loads of money on advertisements which sometimes may not even be worth the investment? As the researchers are students in an ever-changing university environment with daily contact with friends and strangers, free access to newspapers and magazines and more than daily checks on online social networks such as Facebook, they came to think of that there have got to be less costly ways of spreading customer awareness through either one or all of these channels. What is done by companies to investigate these channels and how can a firm with limited capital create customer awareness high enough to remain strong in the competitive environment?

This is where the interest for low-cost marketing strategies arose. The marketing interest originally derives from that both of the authors have studied in the field, one of them on bachelor level and the other on master level. Why local independent clothing stores in Umeå were chosen for the purpose of the research originates in that the authors have a big interest in clothes and fashion. They also find it interesting that even though there are larger clothing store chains in Umeå with a lot more capital to put on marketing, the smaller ones survive and are still the ones that contribute with the extraordinary experience. From what the authors had experienced even before beginning with this research, the local stores in Umeå have more personality and something more to offer than the national and international apparel chains, making them even more interesting for the purpose of this research.

3.1.1 Choice of research subjects

When the topic of low-cost marketing strategies had been decided upon, local independent clothing stores in Umeå were chosen as research subjects. This was because the authors live in Umeå, there are not that many of these stores and they could thus be covered through a few interviews. Owners or managers of eight clothing stores in Umeå were contacted with the question of if they wanted to take part of a study about low-cost marketing strategies used by smaller clothing stores in Umeå. Due to too much work at that specific time or an unwillingness to participate, not all stores took part in the study. Four research subjects (Art & Eco, Gregers, Kii and Schmäck Kompaniet) were thus chosen on the basis of that they are local independent clothing stores in Umeå and also had time and willingness to take part of the research.

3.2 Preconceptions

Every researcher is affected by previous experiences in life, such as orientation of studies, social background and culture. The authors are aware of that this also affects the way they look upon data and other information, and have attempted to maintain an objective standpoint. However, in order to create an understanding on how this study may be affected by the researchers’ backgrounds and previous knowledge, a brief presentation of the two follows.

Both researchers have lived, studied and worked mostly in Sweden, but have also spent a lot of time in other countries. They both have a bachelor degree in International Business from Umeå University, of which one semester was spent at University of British Columbia in Canada. Currently, they are attending different master programs at Umeå University; one in marketing and one in management. During the first half of the spring semester in 2010, the researchers...
spent ten weeks at internships in Norway and Australia respectively. The combination of marketing and management knowledge led to an attempt to combine the two in the study, thus to focus on marketing management.

Not only previous knowledge and experience affect researchers’ interpretation and action. Heron (1996, cited in Saunders et al, 2007) even means that “our values are the guiding reason of all human action” (p. 110), and this applies on how the researchers choose to go about in every step of the research process. For the purpose of this study, the authors consider information gathered through personal meetings being more useful than collecting anonymous data from a vast number of respondents. They have thus used interviews as the main data collection method, and the values of the researchers will also affect the way the data is interpreted. On a philosophical level, this consideration regarding effects of value is known as axiology (Saunders, 2007).

3.3 Research Design

As mentioned in the introduction, this study aims to explore and describe how independent clothing stores make use of low-cost marketing strategies. According to Saunders et al (2007), ‘talking to experts in the field’ signifies an exploratory study. The interviewees in this study are highly involved in the marketing of their stores and have extensive knowledge about it.

In order for the authors to gain a deeper understanding about the reasoning behind low-cost marketing strategies, a case study was chosen as research strategy. According to Saunders et al (2007), this is an efficient way of finding an answer to a question starting with ‘how’, ‘what’ or ‘why’, when it involves gathering of data on a deep rather than broad level. The use of a case study for this research is further supported by Robson (2002, cited in Saunders et al, 2007), who states that a case study is a preferred method to investigate a contemporary phenomenon in its natural context. A case study involves acquiring information from a number of sources in order to understand a phenomenon. In this case low-cost marketing strategies by independent stores have been researched by use of information obtained from interviews with representatives from four different stores.

3.4 Research Philosophy

When conducting research (and thus developing new knowledge), it is crucial to take a philosophical standpoint in how knowledge, reality and value is looked upon to consistently and successfully follow a line of investigation throughout a whole thesis. To do this, one should consider three branches of research philosophy: epistemology, ontology and axiology. The axiological considerations about value were discussed under preconceptions earlier in this chapter, and the epistemological and ontological considerations will be discussed below.

3.4.1 Epistemological considerations

The philosophical branch of epistemology concerns how knowledge is looked upon and what constitutes appropriate knowledge in a specific field of research (Saunders et al, 2007). These views are of big importance since this whole study is influenced by how the authors look at knowledge and choose what is considered acceptable knowledge. There are three positions a researcher can take when viewing knowledge development: the positivist position, the realist position and the interpretivist position.

Looking upon knowledge from a positivist perspective is like taking a totally objective view on reality and truth. Much like the physical or natural scientist, the positivist researcher desire generalisable results applicable to a larger context which can only be produced by observable phenomena (Saunders et al, 2007). This is confirmed by Bryman & Bell (2007) who state that positivists only regard information acceptable knowledge if it can be captured by using the human senses.

Realism is similar to positivism in the sense that developing knowledge assumes a scientific approach. It is a branch of epistemology saying that only “what the senses show us as a reality
Creativity vs. Traditional Practices

is the truth; that objects have an existence independent of the human mind” (Saunders et al, 2007, p. 104).

Taking the interpretivist position, it is necessary for the researcher to view the human as an actor in a social world and understand the differences between individuals in these roles (Saunders et al, 2007). People act out their roles in accordance to what meanings they and others have given their individual roles. Interpretivism is an epistemology that is trying to save the rich complexity of this world through understanding why it constantly changes rather than trying to make law-like generalisations of the present (Saunders et al, 2007).

The purpose of this research is to investigate how local independent clothing stores in Umeå make use of low-cost marketing strategies. Since these stores are social actors in a constantly changing environment, the authors of this paper are taking the interpretivist position to try to understand their behaviour as opposed to explaining it. When researching people rather than objects, it is hard to make generalisable studies as is often the case for natural scientists. Nor is it necessary. Instead, the authors want to view the reality in the eyes of the interviewees and have thus entered their social world to try to understand it from their perspective. This is why the interpretivist stance has been chosen.

3.4.2 Ontological considerations

Ontology concerns the nature of reality (Saunders et al, 2007). Two main positions diverge here, objectivism and subjectivism. Depending on which position one takes as a researcher, they differ in how social entities and phenomena are looked upon. Objectivism suggests that “social entities exist in reality external to social actors” and subjectivism advocates that “social phenomena are created from the perceptions and consequent actions of social actors” (Saunders et al, 2007, p. 108).

As the authors of this thesis view the research subjects as social actors with constantly changing and constructed social phenomena, a subjectivist approach is taken in this research. ‘Social constructionism’ is a term stating that the reality is socially constructed (Saunders et al, 2007). This stresses the importance for the authors to realise that to be able to understand the social actions of the research subjects, they must explore the subjective meanings motivating the research subjects to act in certain ways.

3.5 Scientific Approach

Research can be built up by developing a hypothesis to test, ending up with a result backed up with statistics and numbers. This is known as a deductive approach to research, that Saunders et al (2007) states is generally seen as traditional scientific research. However, it is not the only way. A research with an inductive approach has no hypothesis to test, but collects data to interpret and use for developing a theory at the end (Saunders et al, 2007). In short, induction aims to understand, and deduction seeks to prove.

This study is carried out with an inductive approach. The authors have reviewed previous theory and research to develop a base to use for collecting data, and the data collected was analysed in order to find an answer to the research question. As Saunders et al (2007) point out, a deductive approach may make the research rigid and locked into a mindset of an expected outcome (i.e. the hypothesis tested), while an inductive approach provides an opportunity to collect a more broad spectrum of data, which suited the researchers for this study.

3.6 Research Method

When conducting research, data collection is essential. To do so, there are a number of ways to go about that are divided into two broad categories of methods: qualitative and quantitative methods. The first category focuses on non-numerical data and a deeper understanding of a certain phenomenon, while the latter relies on numbers, often a hypothesis to prove and a sample representing a larger population (Saunders, 2007). The researchers were interested in
finding how local, independent clothing stores can, and examples of how they do, go about when marketing themselves in an inexpensive way. There is no desire to be able to generalise the results on a larger population, rather a wish to gain a more in-depth understanding of a few stores’ marketing strategies, thus a qualitative method was chosen.

3.7 Data Collection

Qualitative research is usually connected with methods like ethnography, focus groups, group interviews and one-to-one interviews (Bryman & Bell, 2007). The method to gather data for this specific research will be one-to-one interviews with one person face-to-face at each store. It is desired to have at least two parties from each firm to hear the same story from two different sides and thus reduce bias. However, as the clothing stores in focus are small businesses, one is even a one-man company, with only one person with extensive knowledge about their marketing strategies, only this single person was chosen to represent the store in this research.

3.7.1 Interviews

Three major interview types are identified: unstructured, semi-structured and structured (Saunders et al, 2007). The unstructured interview is much like a regular conversation, but with some thoughts on in which direction the interviewer wants to lead the discussion. Other than that, both the interviewee and the interviewer are free to ask any questions as they appear. The structured interview follows a strict plan to how the interview is carried out and the same questions are read in the same order to all interviewees in a predetermined order (Saunders et al, 2007). The purpose of this study leads the authors to use the third kind of interview type: the semi-structured method. When collecting data through this method, the interviewer often has a quite clear interview guide with what topics and sometimes also which broad questions to cover. The difference from the structured interview is that the same questions do not have to be asked to all interviewees, neither do they have to be in the same order. Why it was chosen for this research was also because it allows the interviewers (the authors), as well as the interviewees, to ask questions spontaneously and let impulsive thoughts surface that otherwise might have been lost. The interview guide used for these interviews can be found in appendix A in the end of the thesis.

As already mentioned, four interview subjects (one from Art & Eco, Gregers, Kii and Schmäck Kompaniet respectively) were chosen. When the authors had decided on a topic, the eight stores initially intended to be questioned for the research were contacted by telephone. After finding out who could and wanted to take part of the study, four stores remained. They were asked if they could devote around 45 minutes of their time to a face-to-face interview with the authors. Once they agreed to this, an email with the interview guide attached was sent to let them know how the interview would be outlined and what kind of information they were expected to share on the date of the meeting. The interviews were held the same week, two on the Tuesday and two on the Thursday, helping the authors to keep the discussions fresh in mind. This also allowed the authors to easier remember questions and thoughts from previous interviews to question in later interviews.

Two of the interviews were held at two different cafés in the centre of Umeå, one was held in the actual store and one in the office above the store. Some noise was encountered during the café interviews, but nothing significant enough to disturb the interview process. The interview held in the actual store was disturbed when customers entering the store questioned the interviewee about products. Some customers even joined the conversation but this was not perceived by the authors to have any influence on the interview outcome.

After getting consent from the interviewees, a tape recorder was used to record the interviews. This facilitates the control of bias and the production of reliable data for analysis (Saunders et al, 2007). The recorded material was then transcribed in great detail into word documents to make the coming analysis easier.
Table 3.1 Interview table

<table>
<thead>
<tr>
<th>Nr.</th>
<th>Participant</th>
<th>Store</th>
<th>Type</th>
<th>Time</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Monika Kichau</td>
<td>Schmäck Kompaniet</td>
<td>Face to face</td>
<td>30 min</td>
<td>2010-05-04</td>
</tr>
<tr>
<td>2.</td>
<td>Lisa Karlsson</td>
<td>Kii</td>
<td>Face to face</td>
<td>29 min</td>
<td>2010-05-04</td>
</tr>
<tr>
<td>3.</td>
<td>Fredrik Bernhardsson</td>
<td>Gregers</td>
<td>Face to face</td>
<td>50 min</td>
<td>2010-05-06</td>
</tr>
<tr>
<td>4.</td>
<td>Heléne Idahl</td>
<td>Art &amp; Eco</td>
<td>Face to face</td>
<td>39 min</td>
<td>2010-05-06</td>
</tr>
</tbody>
</table>

3.7.2 Operationalising concepts

In order to use previous research for comparison with the collected data, the interviews need to generate information that is relevant to the study. In other words, the interview questions and the way they are asked are essential for the analysis and outcome of the research and need to be developed carefully.

The authors discussed between themselves how the concepts and theories could be turned into questions. First, they talked over the categories and developed questions for each to make sure all parts were covered. Then, to prevent a too structured format and to encourage the respondents to talk more freely on topics, broader questions were designed with sub-questions only known to the interviewers. These were to be used if the interviewees’ answers were insufficient.

3.8 Outlook on Expected Results

The authors expect the four stores to engage in low-cost marketing to quite a large extent, as these stores are (by the authors) assumed to have significantly smaller marketing budgets than the nationally and internationally well-known clothing store chains. Instead of being seen on bus stops and in expensive advertisements in fashion magazines, the stores are expected to find creative, less expensive ways. The four stores exist only in Umeå and it is likely that they focus most of their marketing on the local area.

However, the stores were established at different times, they are of different types and target different customers. For example, Gregers sell only men’s wear and Schmäck Kompaniet sells antique furniture as well as vintage clothes. Consequently, the authors expect to find differences in how they market themselves.

3.9 Quality Measures

When evaluating the quality of a scientific research and methods used to arrive at conclusions about different phenomena, one can look at the reliability and validity of the research.

A research is said to be reliable if it is possible to repeat the study with the same data collection techniques and/or analysis procedures and arrive at consistent findings (Saunders et al, 2007). It should not be confused with replicability which refers only to the study procedure being spelled out in great detail so other researchers can try to investigate the same thing again (Bryman & Bell, 2007). This study is reliable in the sense that the same results would be generated if the same study was conducted on the same research subjects at the same point in time. But since the people interviewed are working in a constantly changing environment and are subject to change themselves, they would probably not answer the same set of questions in the same way at another point in time. This reduces the reliability of the research. However, since the findings of this study are not intended to be repeatable because they reflect the reality at the time they were gathered, in a situation subject to change, it maintains reliable (Saunders et al, 2007).
Validity refers to the extent to which findings of a study really measure what they are intended to measure (Saunders et al, 2007). In case studies, the concept is sometimes extended to include construct validity, internal validity and external validity (Yin, 2009). Construct validity means “identifying the correct operational measures for the concepts being studied” (Yin, 2009, p. 40). In the case of this study, this was done through thorough discussion of the concepts used and a careful construction of the interview questions so that no misunderstandings would make the interviewees answer questions they were not intended to answer. Internal validity is not relevant to this research since it concerns explanatory or causal studies and this study is descriptive and exploratory (Yin, 2009, p. 40). External validity (defining the domain to which a study’s findings can be generalised (Yin, 2007, p. 40)) is not of major importance either since the authors of this paper are not trying to find generalisable results. However, case researchers sometimes claim that their findings can have some theoretical generalisability (Bryman & Bell, 2007). This does not mean that the four cases covered in this research provide the authors with enough information to generalise on a bigger population, but that the findings can to some extent give an idea of what the reality looks like for the context in which the cases operate.

This is a qualitative case study, where the authors look at four independent clothing stores and how they go about marketing themselves. Data is collected through interviews, and analysed by comparing the stores against each other and previous research on what has been successful low-cost marketing strategies. In the next chapter, the interviews and the interviewees will be presented.
4. Empirical Data

In this chapter, all empirical data from the interviews are presented. To get a good overview, the reader is suggested to take a look at Appendix D and E to facilitate further reading. A short introduction of each interviewee and store is then put forward before the qualitative data is presented. Art & Eco is presented first, Gregers second, Kii third and finally Schmäck Kompaniet is presented.

To get a good overview of the interview findings in relation to the literature review findings about the three categories as well as information about each store, two grids has been developed for the convenience of the reader. These can be found attached to the thesis as Appendix D and E and are by the researchers suggested to be read at this point to facilitate further reading.

4.1 Interview with Heléne Idahl, Art & Eco. May 6th 2010

The founder and owner of Art & Eco, Heléne Idahl, has no employees but runs the company by herself. She says it is a struggle sometimes, to have time to work in the shop, set up display window, deal with all the bookwork and take care of clothes that when they are delivered need to be priced and put out in the shop. Despite all the work, Idahl really enjoys this new challenge. She has never run a store before and says she still, 18 months after opening, definitely learns as she goes.

4.1.1 Short on Art & Eco

Art & Eco was founded in 2008 and is located at Renmarkstorget in central Umeå. Here, Idahl sells vintage shoes and fashion, jewellery and clothes by environmentally friendly brands. It is the first organic clothing store north of Stockholm, and it is more than a regular clothes shop, Idahl wants to communicate her strong commitment to sustainability and environmental matters in combination with fashion.

The target customer is anyone, basically. Also, those interested in fashion, and those who have an interest in environmental thinking and sustainability are obvious targets when looking at Art & Eco’s profile. Customers looking for vintage constitute a large share of those who actually come into the shop, just like people interested in sustainable fashion. Shop visitors are of all ages above 20. Idahl thinks that teenagers may be less concerned about the environment, and more influenced by advertisements and group pressure.

Idahl wishes that more people had time and will to spend on scanning stores and putting together a personal wardrobe. “Most people cannot find time to do so, or simply does not have the interest”, she says and states that it is important to have brands that easily communicate what they stand for and what one gets when buying it.

The outspoken vision of Art & Eco is “To advocate sustainability through fashion. To influence and make a change for the better.” In order to make this happen, Idahl wants people to feel – when they see the display window, come in to the shop or visit the website – that “this is no ordinary shop”. This should also be felt in all contexts where Art & Eco is seen. “It is definitely a challenge; it is a new concept in Umeå and it is new to me.”

4.1.2 General marketing and advertising

“I am myself trying not to get drawn into this hyper commercialised life style of consumption we are in. I enjoy shopping, and I think people should shop, but we need a balance and make better choices. One should not cause harm when buying things. My purpose is not to make a large profit but to make a change”, says Idahl and states that she markets the concept which she wants to communicate as much as the store. They are connected, as the store is a brand that she can make well-known and communicate through.

Idahl has no marketing budget but tries to spend as little as possible on it and be cost effective.
When trying to make a change, she thinks it is important to have intense marketing that is visible and easily accessed.

When it comes to what channels that are most effective, Idahl is not sure and is still searching for new ways. She has not been in Umeå for 20 years, and is not really sure how people search for information. Thus, she tries to learn from those who have been on the market for a long time and have reached their target. She thinks it is important to be known locally and nationally. She is about to set up a web shop, but wants to keep the physical shop too. “Personal contact is important when communicating a message.”

Another way to be seen while working for a good cause it to cooperate with others that have the same intentions, says Idahl, who for example donates money to the Society for conservation of Nature to advance their work. She also seeks to communicate information about the textile industry.

When it comes to marketing strategies in general, Idahl tries to think different from others and not use “templates”. “It is worthless to get stuck on a strategy that does not reach customers. Also, since this has to do with the environment, it is a lot about being seen in different ways and doing good things”.

4.1.3 Low-cost marketing

With a minimal marketing budget, Idahl engages in low-cost marketing in different ways, more or less intentionally.

4.1.3.1 Public Relations
Because Art & Eco offered the Umeå people a new concept, the shop and company has had some attention in local media. A lot of people came to the store right after it opened, much thanks to pre-opening articles in media and some dispatches sent out by Idahl. Media wrote about the opening of Art & Eco, and wrote more about the shop later.

Idahl is very positive to any kind of PR activity. She believes that all publicity is good publicity and that all channels can be beneficial. “Where I fit in, I want to be.” She does not actively search for it, but there are people coming and asking, and when they do she usually accepts. “It is important to clearly show that it is okay to come and ask! I think cooperation is vital.”

4.1.3.2 Customer Relationship Management
Art & Eco is intended to serve as a forum for discussion, online and in the store, as well as a shop. Idahl emphasises that personal contact with customers is essential, and she talks a lot to those who come in to the store. Many visitors to her shop have an interest and knowledge about the environment, sustainability and other issues that she wants to bring forward.

There is no club to become a member of yet, but Idahl intends to set one up when there is time. Until then customers can sign up on a mailing list and are encouraged to leave comments on the web site if they have something they want to communicate. Idahl wants a dialogue and she really listens to her customers’ suggestions and remarks, especially if it is something that she can change immediately. If someone asks for certain items, she tries to look for them.

4.1.3.3 Personal Communication Channels
Word-of-mouth is something that Idahl is well aware of but she is unsure if something can actively be done to affect it. She hosts events and such things that create WOM, and focuses on service and making people feel like home in the store. “How they are approached is crucial, and I do all I can to help my customers”, says Idahl who hopes that the customers talk about Art & Eco and bring friends back with them.

Idahl has not tried to influence any certain type of customer especially. When thinking about it, she reaches the conclusion that it could be good to do so, because some people are more influential and know more than others. She really wants to be seen in all channels and do as
much marketing as possible, but again time is limiting.

Art & Eco has a web site where more information can be found for those who want to learn more about the company, fashion and sustainability. The brands are represented there, and visitors can leave comments. When there is time, Idahl looks at numbers and demographics of website visitors. “Now I mostly look at increases and decreases in how many visitors I have”.

Idahl has tried to set up a page on the social network Facebook, but has not succeeded. She has however not been sure if it is worth it to have one, when she posts things on the website. “But I guess that if I post those things on Facebook people would see it right away, and they would have wanted it to”. She has yeij not decided what to do. Idahl has searched the internet before to see if something is posted about Art & Eco, mostly because she was curious to see how she was ranked. She was happy to see that her name showed up, and found that some environment forums have a link to Art & Eco.

4.2 Interview with Fredrik Bernhardsson, Gregers. May 6th 2010

Fredrik Bernhardsson is the owner and manager of Gregers since 2003, when he took over after his father. When he has been working full-time at the store since 1992, and before that during summers or school breaks, one can say that Bernhardsson grew up with the store. Nowadays, he deals with everything from selling clothes in the store to office work such as marketing, salaries and purchases – practically anything but the book-keeping.

4.2.1 Short on Gregers

Gregers was founded in 1960 by Greger Dahlberg, who at the time also owned another store named Dahlbergs. In the late 1970’s Hendrik Bernhardsson joined as a business partner, and eventually they parted, owning one store each. Gregers has been in the Bernhardsson family since, with Hendrik’s son Fredrik as the present owner and manager.

It has been the same store ever since it opened. Already then, the advertisements had texts like ‘if you want clothes with a touch of youth, we recommend Gregers’, and ‘from 16 years of age and older, we who want to follow the fast changes of fashion can always find the newest of the new at Gregers’. At that time there were many men’s outfitters, but they have closed down one after another and now Gregers is almost alone on the market in Umeå. ‘Oves Herrmode’ still exists, but has a slightly different target customer and is not located in central Umeå. Ove offers larger sizes and not as young fashion, says Bernhardsson.

Bernhardsson thinks that the secret behind Gregers’ success is that they have developed with time. While remaining at the same address and targeting the same type of people, Gregers has rejuvenated, found new brands and “not followed the customer to the grave”. New customers have showed up along the way. But Gregers has not come in like a lion and out like a lamb: if jeans is the major trend one year, Gregers has not become a jeans store. They have had jeans if people want it, but still kept their focus with suits, shirts and ties. Gregers has many regular customers, even people who have left Umeå that come back from Stockholm to buy a suit. That is common, men are traditional and when a man buys his suits at Gregers his sons come to buy theirs for graduation, and then they keep coming back.

“An ordinary store for ordinary people” is what Gregers wants to be, even if it is a place selling high quality clothes, often but not always to a high price. Service is the main focus, and that includes not only selling clothes. If someone calls and asks if stores in town have late hours today, the one picking up the phone should know. Gregers’ staff wants it to be easy to come to the store and to be open. Anyone should be able to come in to the store, regardless if they are 16 or 66, and say ‘I want a suit, what to you have?’ It should also feel okay to say ‘this does not feel right, it does not suit me.’ The opposite should also be okay: Gregers’ staff would never say ‘that looks great, buy it!’, if they do not mean it. “We do not sell to any price, we want to be credible.”
Gregers has no outspoken vision. Keeping the focus on quality and service is more important than reaching a certain turnover. There is no vision such as a goal that should be reached or something they want to become. Gregers simply wants to remain another 50-100 years and keep the high standards.

The target customer of Gregers’ is naturally a man. The broad aim is on people in the ages between 20 and 60, but then the store ‘zooms in’ on certain age groups at different times. They sell many ‘young’ brands, such as Filippa K, J Lindeberg and Ben Sherman and even twelve-year-old hockey players come in to buy Björn Borg underwear. “I think we target a little younger and those who actually come in to the store are a little older”, says Bernhardsson and explains that times have changed: there are no typical oldsters anymore. Senior men want more modern fashion rather than looking like a classic old man like in the 1980’s. Bernhardsson has seen a change in Umeå’s men’s fashion interest in the last five years, when men have become much more aware of trends. He says it is like a new generation, men want to have an own style, and their interest in fashion is important to Gregers. “That is what we want! We try to teach and show them things when they come in so they learn something new.”

It is difficult to say whether Gregers is a brand or only selling brands, but Bernhardsson means that it has become a brand in itself. Many customers come in and say ‘I would like to buy a suit’, rather than asking for a certain brand. He thinks that the staff would most likely be quite trustworthy without the brand logotypes outside the door and only kept Gregers’. This is thanks to that Gregers has existed for so long, are well-known, and customers know they can go there for quality clothes.

Bernhardsson mentions the major dilemma that Gregers is facing: “We are so young and so old at the same time.” Young guys come in and ask for skateboard brands, prints and size XS, and 80-year-olds want a large size, mail and a tie-pin. This causes trouble and forces Gregers to really think about where they want to be seen and what they want to be associated with. Having very little competition broadens the already wide customer group, and Gregers faces the problem of wanting to meet demand and keep its profile.

4.1.2 General marketing and advertising

Since Gregers is privately owned and practically alone on the men’s outfitters market in Umeå, there is a lot of freedom in how they can choose to market themselves. There is no strategy or anyone else deciding for them but they can do what they feel like. “Our market decides, where we think our customers want to see and find us, that is where we should be seen and heard.” Bernhardsson says that instinctive feels are crucial, to feel where the wind blows and what customers ask for. If there is much demand on spring jackets one day and the forecast for the following day is sunny weather, he tries to get an ad for jackets in the local newspaper the very next day. He tries to not book any advertisement spots on beforehand.

Gregers makes use of many channels: radio, TV, the Internet, advertisements in newspapers etc. According to Bernhardsson, social medias and moving pictures is what people see today, rather than print versions. Still, Gregers’ advertisements can be found in student magazines, phone books, at hotels and in local maps as well as on the web and on TV.

Gregers has been in the business for so long, and have learned what works and what does not. “There is no use to shout ‘we have really nice shorts’ if it is -2 degrees outside, no one will buy it. We know our customers. But of course, we could still learn”, says Bernhardsson.

He does not know how many percent of total turnover he spends on marketing, but estimates it is around 3-400 000 SEK out of a turnover of 10-11 million SEK (excluding VAT). Their Internet marketing costs almost nothing.

4.1.3 Low-cost marketing

Bernhardsson says that Gregers not purposely engages in low-cost marketing. He thinks that
it is positive that using the Internet is inexpensive, and of course wants to reach as many as possible to a minimum cost, but says that all contexts are not right for Gregers to be seen in. For example, if they have an ad in an advertisement bulletin together with Ö&B, Expo and Willys (low-cost warehouses and food stores), it does not matter how inexpensive it is, Gregers does not get anything back from that. “Then we are seen in the wrong context and it has a negative effect instead.” It is more important for Gregers to communicate in the right ways and via the right channels than to keep down the costs.

4.1.3.1 Public Relations
There are much people asking to use Gregers’ clothes for various purposes, but Bernhardsson does not think all publicity is positive. He turns down even offers that are of no cost, if it is the wrong forum for the logotype. Some proposals are accepted, such as display windows of opticians and shoe shops, or photo shoots for Nöjesmagasinet (a local entertainment magazine in Umeå), but Gregers are quite cautious concerning this kind of PR. They took part in fashion shows before, but not anymore. “The men are not there, and even if they are, they do not go shopping for what they have seen.” Bernhardsson says that they cannot change customers’ behaviour, but try to act according to their behaviour instead.

Gregers has done quite a lot of sponsoring, especially to the local ice hockey team Björklöven. This goes long back, since Hendrik Bernhardsson (Fredrik’s father) was a member of the Björklöven board. Bernhardsson and his staff are all interested in sports, and have sponsored other well-known women’s and men’s teams in Umeå as well: UFC and UIK (soccer) and floorball for example. Bernhardsson thinks that especially the ice hockey sponsoring has paid off. The Gregers logotype has been seen on jackets and shirts in the arena since the 1980’s, and that has a repetitive effect of association on the 3000 people that came to see each game. Adding to this, in the store there is a Björklöven match shirt with the name ‘Gregers’ on the back.

“I think we would be okay without the PR. As I said, we are almost alone in our niche and we are well-known”, says Bernhardsson, but adds that marketing is essential for any company. Information like opening hours, news and what is happening in the business must be communicated to people. “It is our responsibility to tell the customers that ‘now is the time to buy a summer jacket’.”

4.1.3.2 Customer Relationship Marketing
When talking about customer relations, it becomes clear that the customer club, Club Gregers, is the main focus. The club has 7000 members, of which 1500-2000 are very active, and those are the ones that contribute the most to Gregers’ turnover. The members of the club receive news first and get discounts, no discounts are offered in any other way. Becoming a member is very easy; the club is open for everyone and non-members are asked to sign up when they pay. To facilitate for the members – Gregers know men and their shopping behaviour – there is no plastic card to hold on to and no minimum amount one needs to spend to join. Bernhardsson wishes they could maintain the club more, but there is no time. On the other hand, the members have been thankful for not being drowned in offers and news via text messages, emails and mail. A bonus of 10% of spent amount is paid out twice a year if the customer spends more than 3000SEK. That makes it worthwhile for almost all customers to join, when one spends that amount just buying a suit, and gets 300SEK in the mail without having to do anything.

Gregers does nothing for non-members but welcomed everyone to become a member. The website is the communication channel where a non-member can access information and tips.

4.1.3.3 Personal Communication Channels
Bernhardsson is aware of the importance of Word-of-mouth and says that finding one specific customer and make him satisfied is extremely efficient. “We practically choose for him and tell him how it should be, it is easy and quick, and he does not need to know much himself but he can trust us. If we have a very satisfied customer leaving the store we get incredibly much back. This could be anyone. He could be here now or in an hour, so we need to be ready every minute.” He says that reputation and being well-known are crucial in a small city like Umeå, where it is the same 100 000 people walking past the door again and again. And he thinks
Gregers is credible, in the way that people discuss something at work and someone says “I will ask at Gregers, because they know.” That spreads the word too.

Bernhardsson and his staff do not treat anyone differently or chase people to come shop, and would not give away anything to be seen. “Of course we think it is great if the influential and trendy men come to shop here, it is positive if it shows that they have been to us, but we put no focus on that.”

The website gregers.se is important for the logotype and the brand, and is appreciated by visitors. It has existed for quite some time now, and has received much praise. People think it is fresh, has short news, not too much to see or read, up-to-date but not absurdly often updated. On the website, visitors can read news, facts, tips and information about Gregers. “We facilitate for the customers that look for information on the web and tell them what is important.” Bernhardsson checks statistics on the website regularly, to see where the visitors come from and what other sites they visit. How to tie a tie is the most read text on the site, especially on Christmas Eve and New Years Eve. “The contents of our website are not meant to be revolutionary or reveal a secret; we want to offer something useful.”

Gregers has a Facebook page that people can become fans of, where Bernhardsson posts news and information. Here he can reach a younger audience, and Bernhardsson thinks it can be interesting to see who the fans of the page are and what they like (such information is revealed on Facebook about its users). There the readers can show ‘thumbs up’ to things, that does not happen in the store. For example, Gregers has more organic garments than ever, which was posted as news and had several ‘thumbs up’. That is important information to Gregers. Nonetheless, Bernhardsson finds Facebook tiresome because so much is posted there constantly. “We have things to tell every five minutes, but then people would get tired and get off the list, and then we would not talk to anyone. So we need to really think what is relevant and attractive to read.”

Bernhardsson googles ’Gregers’ on the web every now and then to see what is written, if it is positive or negative, where the name is mentioned and how it is linked between sites. He finds Gregers in some blogs and news sites, and sometimes the traffic to Gregers’ website is intense from somewhere else. It is most often related to a brand and someone reading a blog in southern Sweden has clicked on a link to Gregers.

Bernhardsson thinks that it is easy to understand that written ‘facts’ spin off on the Internet when looking at the blogosphere, with ‘today’s outfit’ and what not. He says that people do not have time to take a stand about everything, so when fed with information via blogs or emails such as ‘this is how it should be, this is it right now’, one just believes in it. “That can be dangerous. ‘Rolled-up chinos is the thing’ – says who? And why? It is difficult to know if the blogger has any credibility or knowledge”, Bernhardsson says. Thus he considers this viral spreading of news both positive and negative. He thinks that it is good that people with an interest in fashion spread information between each other, but it is difficult for those who read a line out of context and misunderstands, and much incorrect information is spread. Gregers’ buyers travel the world to look and listen, and know approximately a year on beforehand how it will be. “Then people read random blogs on the Internet and come in to us and say ‘I have read that it is supposed to be like this or that’. Yes, but maybe not on you, or right now, or in Umeå.”


Lisa Karlsson is the store manager of Kii and she is responsible for things like personnel, store purchases, displaying etc. Frida Stighäll, one of the two founders of Kii, is on maternity leave since a year back. She is running the web shop and is also the owner of Kii, but at the time of the interview, Karlsson is managing the store. Karlsson has worked within Kii for two years. Other than Karlsson, there is one working 100% with Kii, one 75% and one person on 50%. Filippa Rådin, the other co-founder of Kii is no longer with the business.
4.3.1 Short on Kii

When Kii started up there was no other store providing the same kind of clothing store idea or even the same clothing brand assortment, giving them a unique opportunity to flourish in Umeå. Karlsson believes that this uniqueness was the biggest contributor to the store’s success. The store opened up in the year of 2000 in connection to the hair dresser WOW in the eastern part of Umeå and operated in those premises for four years before it moved to the “western blocks” of Umeå city (where Schmäck later opened up as well).

When Karlsson is asked about what Kii’s business vision is, she shortly states: “inspiration”. Kii should act as a forum for local designers to be seen and develop in and thus be inspired and also inspire other designers. This was even more evident a couple of years back, in the start-up of the store. To get people inspired and get them to feel that they experience something extraordinary when coming in to the store is the store’s main purpose.

Kii view themselves and their store as a brand and a concept. Karlsson has experienced this during business trips where credible stores and brands know about Kii and she finds this fantastic. Also, the fact that Kii has won different prizes has of course helped the spreading of awareness of the store.

Kii’s target group is very broad with an age range from 15 to 80 years. The division of product range between women and men are approximately 70% vs. 30% respectively. They are aiming to increase awareness and make more offers for men since there are not many stores in Umeå focusing on men since ‘Flott’ (a clothing store providing a wide product assortment for men) went bankrupt in early 2009. The problem with men, says Karlsson, is that they need big and credible brands to even enter a store, and since this is not Kii’s main objective, the male customers are difficult to attract. “Women are much easier to attract with anonymous, unknown brands than men are”, says Karlsson. Though, this is something that Kii is actively working with and they are planning on putting more efforts on attracting this customer group.

4.3.2 General marketing and advertising

In the beginning, WOM acted as main marketing since the store did not have any money to put exclusively on marketing. After a while, Kii started hosting fashion shows and having “customer evenings” with different themes (these are things they are still engaged in). Today, the marketing and advertising has developed a bit and Kii is now working with magazines and newspapers. They have had ads in Elle, Damernas, King and DV Man for example, which are all famous and credible magazines. Also, they sometimes put ads in the local newspaper Västerbottenskuriren (VK) to boost local sales.

Karlsson does not know the exact percentage of the budget that is used for marketing activities, but it is not very high she says, only a few percent. More emphasis and money is put on hosting fashion shows and the like to indirectly obtain attention and thus also marketing themselves. Karlsson finalises the question of general marketing strategies with stating that Kii wants to target students more and are thus increasing the investment in this segment.

4.3.3 Low-cost marketing

The low-cost marketing strategies used by Kii involve fashion shows and “customer evenings” as already mentioned. Also, putting up posters and handing out flyers is a cheap way to advertise. Another advantageous thing for Kii that Karlsson mentions is that “there is not much happening in Umeå, making it easy to get the press to write about you”.

4.3.3.1 Public Relations

Kii uses PR in many ways. They often lend out clothes for photo shoots and fashion reportages to for example Nöjesmagasinet. Some artists or other performers sometimes ask to borrow Kii’s clothes for their performances, but this is not accepted since it tears the clothes down. Instead,
they can get a discount if Kii’s logo is shown in some way for example. Other people ask to use clothes for fashion shows, but since Kii prefers having their own shows, these request are never accepted either.

During Umeå Fashion Weekend (a weekend in early October, 2009, where local designers as well as internationally famous brands come to visit Umeå for fashion shows, seminars, activities and exhibitions) Kii had their own show on the town square. Together with Schmäck Kompaniet, they had a group of models walking around with a big banner saying “GO WEST”, implying that people should go to Umeå’s western blocks and visit the stores of Kii and Schmäck Kompaniet who operate there. During this show, they used high school students from the Stylist Program at Dragonskolan to style the models with make-up etc. Kii also sometimes cooperates with this high school program when they change the looks and styles of the store’s display windows every month. Karlsson also stresses the importance of the store’s web site exhibiting the same theme presented in the display windows.

When it comes to publicity, Karlsson believes the expression “there is no such thing as bad publicity” is true. She says herself that this might be because she cannot remember one time something negative has been written about Kii. The interest from local media is quite big and Kii has been mentioned many times in VK; “last time we had two pages, for free, great!” says Karlsson.

4.3.3.2 Customer Relationship Management

To build and maintain profitable customer relations, Kii has a kind of club membership which makes you a “Kii Buddy”. “If you are a Kii Buddy, you do not get a regular bonus card, you get more like a surprise card through which you sometimes get presents or invitations for fashion shows and such”, Karlsson says. Other than having the surprise card, these buddies are contacted via email or even with SMS whenever a new fashion show or event is coming up or the new collection has arrived for example. Today, there are around 2000 Kii Buddies, plus 1500 members connected solely to the web shop. This strategy has proven to be very much appreciated, says Karlsson.

Another strategy used is customer evenings to which any person can attend, meaning that the store is open after regular hours and something special is going on. “Last week, for example, we had two of these customer evenings, one gentlemen’s night and one for party inspiration”, says Karlsson. During the gentlemen’s night, Costas from the café just on the other side of the street, was there serving coffee, E&E (a newly started glasses business) where there showing sunglasses, some brand representatives attended and some competitions were held during the evening. On the party inspiration night, an underwear brand was there showing their product assortment, WOW (a local hairdresser in Umeå) hairdressers were there showing party hairstyles and Bistro Le Garage (a local restaurant) had a chef there serving party canapés. Different themes are used for different customer segments.

Why people return to the store is by Karlsson believed to be due to their wide brand assortment from a cheaper to a more expensive alternative to reach a wider range of customers. Customer loyalty is also created through that little extra thing that Kii provides for customers, creating a feeling that you have experienced something extraordinary when leaving the store. Other factors enhancing customer satisfaction and thus creating loyal customers (which Kii has a lot of according to Karlsson) are the high service quality, a coffee corner in the store and the fact that customer feedback is very much listened to. “For example, many brands that we have in the store today are there because of customers’ tips”, says Karlsson.

4.3.3.3 Personal Communication Channels

As above mentioned, WOM had great impact in the beginning when Kii had just opened up. Though, WOM is something that never looses importance, and this is something that Karlsson is very aware of: “you really have to be concerned about your consumers because if someone is unhappy, his word is spread twice as fast”. To deal with this problem, Kii focuses a lot on customer treatment and tries to see every customer and give him or her that little extra thing that only Kii can give so no one will be disappointed. Another strategy aiming at gaining positive
WOM was when Kii took part of Umeå Fashion Weekend to try to get people to talk about them more.

The Kii website was founded three years ago and is by Karlsson believed to be very important for the customers. People can take a look on the website before coming to the store to see what is in and the name Kii as well as the clothes are spread all over Sweden which was not possible before the website came to existence.

Some clothing brands post Kii’s website link on their websites so visitors can get access to kii. se via a simple mouse click. Also, if a brand is searched for on Google for example, Kii can be found quite high up among the search results (on some brands).

Other websites from where Kii is linked to are some local bloggers’ sites. This is an intentional strategy by Kii and Karlsson, who sometimes sends gifts to the blogger in return of the favour of linking to their website or writing about them. A more qualitative relationship is already existing or sought after when giving and taking favours, instead of just sending clothes and gifts to anyone. For example, Kii cooperates with the local blogger underbaraclara (who has worked on Kii before) who sometimes borrows an outfit which she writes about on the Internet. This often has noticeable impact says Karlsson. “It is free marketing and it sells like crazy! It clearly shows that people have seen something on the internet and are coming in to the store to buy it”, says Karlsson. Sometimes, random bloggers are mentioning Kii if they have been into the store and bought something. “We are trying to keep track on what is written about us, but it is very time consuming”, says Karlsson. By the time of this research, Kii is in the process of starting a blog of its own; an inspirational blog.

Kii has a web shop since two years back where you choose from the exact same product assortment as in the store. Many people visit their web shop and people from all around the world are placing orders through it.

Kii is working more and more with looking at the website’s visitors and can electronically see statistics on who clicked the Kii website link on what blog for example. Also, this gives information on how many people visit the website per day, the percentage of website visitors that buy things etc.

Another forum where Kii is operating is on Facebook. Here, they have a page which is updated whenever there are new brand collections, news, customer evenings coming up etc. and these updates can be seen directly by everybody who is a fan of the Facebook page Kii (which are around 630 individuals). Locally, this is a very efficient and cheap marketing strategy says Karlsson.


Monika Kichau is a part-owner of Schmäcket AB since 2009 and is the only one employed in Schmäck Kompaniet. In the whole company, there are three part-owners working fulltime and around ten employees working hours.

4.4.1 Short on Schmäck Kompaniet

Schmäck has been in existence for five years as a café next door to Kii. Schmäck Kompaniet was founded in 2009 as an extension of the café who had had a small store inside the café for a few years by the name SKATBO and moved the store 50 metres away. Schmäck Café and Schmäck Kompaniet are thus two divisions under the company Schmäcket AB. When changing premises, Schmäck Kompaniet was extended to offer more second hand furniture and clothes.

The vision of Schmäck Kompaniet is to be engaged in art, design, fair trade, organic products and recycling and get customers to associate these things with Schmäck Kompaniet. This
business vision can be seen both in the café and in the store. “There are not that many producers of these kinds of things or much customer interest. Therefore, it is even more important to be knowledgeable about it”, says Kichau. Although, the customer interest about these things are increasing in Umeå according to Kichau. This might be since actors such as Costas (a coffee house across the street from Schmäck) and Art & Eco with focus on organic products and fair trade have opened up quite recently. Schmäck café was the first café in Umeå providing fair trade and organic coffee.

In Umeå, Schmäck is a deeply rooted brand when talking about the café and the whole thought around how the business is managed. Much focus is put on letting people know that the café and Schmäck Kompaniet is managed as one unit and concept, not as separate entities.

Schmäck Kompaniet does not target any specific customer segment since they have people from all age groups shopping in the store. “Though, most people coming in are individuals with a big interest in fashion with a personal style”, says Kichau. A big contribution to this is the exclusiveness that Schmäck Kompaniet offers in the way that much of what they have in the store only comes in one or a few copies. A person looking for a really personal style can thus obtain it quite easily. Another thing adding value to the store and its reputation is that it provides self-produced jewellery under the name Skatskatt.

4.4.2 General marketing and advertising

Almost all marketing strategies used by Schmäcket Kompaniet are somehow connected to how the café is promoted. Sometimes, separate ads for the store have been put in local newspapers, but the main means of marketing used are flyers, exhibitions and collaborations with other stores or clothing brands. The proportion of the total budget that is put on marketing is small. “The key for us is to show what we do and be seen through that”, says Kichau. She also mentions display windows as very important marketing tool and that how you expose your products and what products you choose to expose is essential. Also, “just having your store at a specific location can mean everything, even though this is quite an expensive indirect marketing because of the high rents”, says Kichau.

A simple and effective way for Schmäck Kompaniet to advertise is through the Schmäck café which is located only a minute away from the store. A small display window just by the café entrance shows a handful of products from the store and the personnel are often telling the visitors about the store’s existence.

4.4.3 Low-cost marketing

One of the part-owners is the one responsible for Schmäck’s graphic profile, which reduces the costs for producing the posters, flyers and the website. Both Schmäck café and Kompaniet are sometimes mentioned in press, and whenever that happens, it is free marketing for the company.

4.4.3.1 Public Relations

As Kichau is working as an art director and a stylist with Nöjesmagasinet now and then, she sometimes writes fashion editorials as well. If relevant, products from Schmäck Kompaniet have been used in photos in the magazine, but Kichau emphasises that her freelancing jobs are totally separated from that with Schmäck. Also, clothes have been lent out by Schmäck Kompaniet to fashion shows that someone else is hosting. For example, a showcase was put on at Umeå Open (the biggest indoor pop and rock festival in Sweden, held in Umeå) with some of Schmäck Kompaniet’s own products and also clothes of a small brand from northern Sweden.

During Umeå Fashion Weekend, Schmäck Kompaniet had a small fashion show and beyond that, they also held a “fashion demonstration” together with Kii with the message: “GO WEST”. During the weekend, the band “The Bombettes” performed and they borrowed all their clothes from Schmäck Kompaniet. Other than this, they had an exhibition at the Schmäck café with the brand Eljest Art Collective (an art collective with two fashion designers, a photographer and a filmmaker).
When it comes to press relations, “there are often requests for interviews and such, but we do not always have time”, Kichau says. She continues by saying that it is unfortunate that they often lack the time to participate in interviews since it is very important how people perceive the store.

4.4.3.2 Customer Relationship Management
Kichau uses Hennes & Mauritz as a comparison when talking about the importance of customer relations: “For H&M, the main thing is to keep the production costs down so they can sell their clothes for 100SEK. For us, it is a totally different thing. We have to create and maintain customer relations so we know what the customers want”. Kichau stresses the importance of CRM since Schmäck Kompaniet is a small company for which a reflux of customers is essential. Also, CRM is used a lot for the sake of the people working with Schmäck as well because “just viewing the customer as a financial asset is very boring”, Kichau says. Instead, much focus is put on seeing all customers and satisfying the loyal customers so they will come back in. Especially the everyday customer treatment and service quality is extremely important.

Schmäck Kompaniet has a club to which customers easily can get membership. The club organises customer evenings, much like the ones hosted by Kii and they are updated whenever there are news about the store or the café.

4.4.3.3 Personal communication channels
“WOM is extremely important. Maybe even more important for us than for someone else”, Kichau says. It is hard to influence what words are spread, but the everyday customer treatment and the fact that Schmäck Kompaniet does not have ten or more copies of everything in the store are important contributions to positive WOM, Kichau thinks.

The website as well as the web shop and blog play increasingly important roles for Schmäck Kompaniet. Sometimes, Kichau can notice that people have seen something on the blog and come in to ask about it. It is mostly Kichau and Linnéa Therese Dimitriou, one of the other two part-owners, who works in London who updates and writes in the blog.

Visitumea.se (the tourism website for Umeå) and some blogs are linking to Schmäck through their websites. Also, random bloggers are sometimes writing about something they have bought on Schmäck Kompaniet for example. This is of course hard to keep track on, but Kichau says that they are sometimes using Google to search for Schmäck and Schmäck Kompaniet to try to get an overview of what is said about them.

Since the café and the store have the same website, it is hard to measure who visits the website for what reason, but sometimes visitor statistics are looked upon. Kichau thinks that it is especially important for the local market since Schmäck is such a deeply rooted brand in Umeå and not very much outside the city borders. However, people from all over the nation and even the world are buying things (mostly jewellery and gift vouchers) through the web shop.

Schmäck has a Facebook group with 456 members to this date, which is both connected to the café and the store. The Facebook application “latest news” is used to send out information to the members. “Even if internet is global, it matters mostly for the local market”, Kichau says.

The empirical chapter presents all data gathered from the interviews. Every interview object is presented together with a short paragraph on the store in question, before deeper information about their marketing strategies is presented. Art & Eco is presented first, Gregers second, Kii third and Schmäck Kompaniet fourth.
5. Analysis

The analysis chapter presents and analyses the relevant empirical data found through the interviews. A table is presented in the beginning to facilitate for the reader and then similarities and differences among the stores under each category are analysed. The structure is the same as before with the PR category analysis first, CRM second and lastly Personal Communication Channels.

To provide the reader with a good overview of the interview findings that will now be analysed, a table has been developed:

<table>
<thead>
<tr>
<th></th>
<th>Art &amp; Eco</th>
<th>Gregers</th>
<th>Kii</th>
<th>Schmäck K.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PR</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsorship (money)</td>
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<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Lend to fashion shows</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Own fashion shows</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Lend to performances</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Lend to others’ display windows</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Lend to photo shoots</td>
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<td>X</td>
<td></td>
</tr>
<tr>
<td>Mentioned in press</td>
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<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Exhibitions</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Talk to media</td>
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<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Thinks that “all publicity is good publicity”</td>
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<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
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<td></td>
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<td></td>
</tr>
<tr>
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<td>X</td>
</tr>
<tr>
<td>Mailing list</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Host customer evenings</td>
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<td>X</td>
<td></td>
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<tr>
<td>Value personal dialogues in store</td>
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<td>X</td>
</tr>
<tr>
<td>Focus on service</td>
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<td></td>
</tr>
<tr>
<td>Customer loyalty</td>
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<td>X</td>
<td></td>
</tr>
<tr>
<td>Want customers to experience something ‘beyond the ordinary’</td>
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<td></td>
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</tr>
<tr>
<td>Influenced by customers’ wishes (e.g. for a certain brand)</td>
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<td></td>
<td>X</td>
<td></td>
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<tr>
<td><strong>PCC</strong></td>
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<td></td>
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<td></td>
</tr>
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</tr>
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<tr>
<td>- with service</td>
<td></td>
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<td>X</td>
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<tr>
<td>- by standing out / being different</td>
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<tr>
<td>Website</td>
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<td>X</td>
</tr>
<tr>
<td>- look at statistics</td>
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</tr>
<tr>
<td>Blog</td>
<td>X</td>
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</tr>
<tr>
<td>Facebook</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Try to influence certain customers (“opinion leaders”)</td>
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<td></td>
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<td>X</td>
</tr>
<tr>
<td>Searched store name on the Internet</td>
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<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Table 7.1 Present Low-cost Marketing Practices by the Stores
Creativity vs. Traditional Practices

Amanda Lundmark - Johannes Wikström

An X under the store’s name indicates that this store engages in the activity mentioned to the left. The analysis procedure will follow the order of the three low-cost marketing categories in the left column, and the components under each will be analysed one by one. After that, general differences and similarities between the stores, and reasons to those, are discussed.

5.1 Public Relations

The four stores investigated are quite different in what they offer, how they view themselves, how well-known they are, how long they have had their business, how they are marketing themselves etc. All these factors have impact on how they use PR. As a marketing strategy, it is used by all stores, but in different ways. Some are more expensive and some are cheaper.

A more expensive PR strategy is sponsorship. Gregers, the oldest of the four stores investigated has used sponsorships a lot throughout their 50 years in the business. They have sponsored local soccer and floorball teams since many years back and the ice hockey team Björklöven since the 1980’s. Bernhardsson says that the ice hockey sponsorship has paid off well since their logotype has been seen on the back of the jackets and shirts shown at the arena by almost 3000 people each game. What allows Greger’s to sponsor sports teams like this is their large marketing budget and why they choose to do this is simply because of their big interest in sports since early days. Idahl with Art & Eco also engaged in sponsorship by financial means when she donated money to the Society for the conservation of Nature. This was done because it advances her work through not only stating that her store is working for sustainability and environmental issues, but actually taking action towards change. Why the other stores are not engaged in this kind of financial sponsorship is because they lack the money and interest to do so. Even if they had the money, sponsoring a sports team or a society for nature conservation or the like might not serve the right purpose for a store like Kii or Schmäck Kompaniet.

Though, sponsorship can actually be quite cheap if used in the right way. For example, clothing stores can lend out clothes for different reasons. Schmäck Kompaniet sometimes lend out clothes to others hosting fashion shows as well as host their own shows. This is because they think that these shows are perfect ways to be seen and to really show people what they are doing and not only advertise. Together with Kii, they hosted a “fashion demonstration” during the Umeå Fashion Weekend in October 2009. A couple of models were dressed in clothes from the stores holding a banner saying “GO WEST”, meaning that people should visit the western part of Umeå city more, where both Kii and Schmäck Kompaniet are located. To style the models for the show, they collaborated with high school students from the Stylist Program at Dragonskolan in Umeå. These students are sometimes also helping out when changing the display windows of Kii. This collaboration with students creates a win-win situation where the students get experience in styling and how to expose clothes in a display window at the same time as the store gets the opportunity to spread awareness among the students and also create customers. Art & Eco has not yet had enough time to expose themselves through neither fashion shows nor lending out clothes to others’ shows, even though both ideas might be interesting for them in the future. Kii choose not to lend out clothes to others’ shows simply because they rather host their own shows through which it is easier to send a message and be seen in a desired way. Gregers neither lend out clothes to others’ shows nor host their own, even though they did before. This is because they have found that men do not attend fashion shows and even if some do, they do not buy things seen on the show. Also, the fact that the owner is a man might have an influence on the lack of fashion show engagement.

“The Bombettes”, a punk and rock band performing during Umeå Fashion Weekend used whole clothing outfits from Schmäck Kompaniet. This was done because Schmäck Kompaniet believed this kind of sponsorship is a perfect way to be seen through, especially since it was during a fashion event. Performers asking questions regarding this kind of sponsorship are also something Kii gets to deal with quite often. Though, since the clothes are often worn down during a music performance or the like, Kii prefer to give the artists some discount on the clothes in exchange for having their logo visible during the performance instead of just giving away clothes. Art & Eco and Gregers do not lend out clothes for these purposes. Art & Eco because they have not been in the business long enough to even be asked about it and Gregers...
because it is not the forum they want to be seen through or associated with.

Lending out clothes to others’ display windows is something that Gregers and Schmäck Kompaniet do. Gregers lend out clothes to local opticians and shoe shops because it gives them an opportunity get their clothes seen in another setting which is good for Gregers to be associated with. Schmäck Kompaniet expose some of their products (not only clothes) in a small display window just by the entrance of the Schmäck café. This is a perfect way to get the café visitors, who often match the target customers of the store as well, to come and visit the store. Kii do not lend out clothes for others to put in their display windows. Probably, this is because they have huge display windows of their own on a good location in the centre of Umeå which makes them feel that they do not need to expose themselves anywhere else. Though, this could be an idea for them to be exposed at different and unexpected places to gain even more customer awareness. Why Art & Eco is not exposing themselves through any others’ display windows than their own, the authors believe has to do with their yet quite undeveloped marketing strategy but that this is possibly something they will do in a near future.

All stores except Art & Eco are similar in their view of lending out clothes to photo shoots and fashion editorials, (which are things that all of these three stores do). Lending out clothes for these purposes is of no cost for the store and creates a lot of reader awareness and thus also customers. Gregers, Kii and Schmäck Kompaniet are often mentioned in and their clothes shown in Nöjesmagasinet, a local entertainment magazine. Though, Kichau with Schmäck Kompaniet, who freelances as an art director and sometimes works with Nöjesmagasinet herself, only use Schmäck Kompaniet’s clothes when absolutely relevant. Again, Art & Eco are not engaged in this kind of promotion which is believed to be because of their recent entering on the market.

Another way to be seen is through exhibitions which were found to be a strategy only used by Schmäck Kompaniet. For example, they had a showcase during Umeå Open (one of Umeå’s biggest music festival and also the biggest indoor rock and pop festival in Sweden (Törnmarck & Wikström, 2009)) with some of Schmäck Kompaniet’s own products and also clothes of a small brand from northern Sweden. Also, they sometimes host exhibitions in their café with for example Eljest Art Collective (an art collective with two fashion designers, a photographer and a filmmaker) which is a PR strategy creating value both for the organisers as well as for the customers. Having a showcase at a big music festival is relatively cheap and creates a lot of awareness for the right kind of people according to Schmäck Kompaniet. Also, a vernissage like the one for Eljest Art Collective creates awareness among visitors about all products that the store offers, not only the clothes. Gregers do not have any exhibitions and neither do Kii, because they do not believe that it serves a purpose for their specific target customers. Art & Eco are not said to have any exhibitions yet either because of their recent market entrance. Though, this would probably be quite an inexpensive and efficient way for them to create customer awareness on the local market and thus something the authors recommended them to start thinking of doing.

All stores have been are quite often mentioned in media. Quite recently two whole pages were written about Kii in VK, the local newspaper, for example. Kii talks to media because this is one of the cheapest ways to spread and is very much appreciated if positive things are written (as has always been the case for Kii – which is why they think that all publicity is good publicity). Art & Eco, the newest shop of the four, has not had the time to engage in many PR activities other than being seen through the press at some occasions (for example in the pre-opening articles in the local newspaper). This makes press relations very important to the store. Idahl, the store manager of Art & Eco, is very positive to all kinds of press and thinks that publicity is a very efficient way to gain customer awareness and get people to visit the store. This is why she values all channels and wants to be seen where she fits in. Gregers talk to media but are careful with what is said and where because if Greger’s logotype or name is shown through the wrong forum, it is not worth it, even if it means no cost for them. Schmäck Kompaniet values press relations and publicity very high as well, even though they do not explicitly state that all publicity is good publicity. This is because it press relations and publicity are very important contributors to peoples’ perception of the store. But unfortunately, Kichau and others with Schmäck Kompaniet often do not have the time to participate in as many interviews as
they would like.

5.2 Customer Relationship Management

All stores investigated in this research share a common goal: to find, create, cherish and retain customers. They all value the customer relation very high and see the relation as something profitable for both the buyer and the supplier instead of only viewing the customer as a money machine. All stores have both similar and different strategies to build and maintain customer relations.

All stores except Art & Eco have a customer club, but with different purposes. Idahl of Art & Eco is just waiting to get enough time to create a customer club and until then, the web site and mail dispatches work as information spreaders for the really dedicated customers. Kii has two different clubs you can become a member of: one for the store and one for the web shop. Together, they have approximately 3500 members. The membership card is not a regular bonus card, but a surprise card, through which the customer gets newsletters, gifts, invitations to fashion shows etc. This strategy to create customer relations is said by Karlsson with Kii to be very much appreciated. Schmäck Kompaniet has something similar to Kii with newsletters, a few club evenings and fashion show invites sent to the Schmäck club members whenever there is something new coming up. Kichau with Schmäck Kompaniet believes that CRM matters even more for them as a smaller clothing store than for a bigger clothing retail chain because it has a lot to do with knowing what the customers desire on a small and basic level. Gregers has a different approach to their club members. Instead of having a plastic membership card and a minimum amount of money the customers have to shop for to get a discount, they simply send out the most important news to their club members and a high bonus of 10% is paid out twice a year if the member shops for more than 3000SEK. Gregers know that men value simplicity and are thus trying to create and maintain customer relations in straightforward, yet efficient ways. Club Gregers has around 7000 members, of which 1500-2000 are very active.

A mailing list is thus used only by Art & Eco, even though the other stores have mailing lists through their clubs by which they send out newsletters, relevant information etc.

Kii and Schmäck Kompaniet both have customer evenings as a CRM strategy which means that anybody can come to the store after regular opening hours on certain nights to experience something beyond the usual. Karlsson with Kii mentions an example when they had a gentlemen’s night with some competitions, a person from a café across the street serving coffee, some clothing brand representatives and a glasses brand showing sunglasses. At another time, they had a party inspiration night where an underwear brand was there, a local hairdresser was showing party hairstyles and a restaurant had a person there serving party canapés. The whole idea of mixing all these ingredients in one pot is very much appreciated by the customers who get to experience something extraordinary and maybe a desire to do it again or become a club member is developed. Having these theme nights for different customer segments creates value for everybody involved. Extending a regular store idea of offer something like this is very profitable, says Karlsson. Gregers are not using customer evenings as a CRM strategy because it does not fit their purpose. Why Art & Eco are not using it either is due to the fact that they have not yet had the time to develop any specific strategy for CRM. When more time, money and labour or flexibility of labour is found, customer evenings could be something for Art & Eco to aim at launching.

One of Art & Eco’s intentions is to serve as a forum for discussion, both online and in the store, for dedicated customers. Idahl with Art & Eco feels that this is partly accomplished by the dialogue she creates with her customers. This view is shared by Kichau with Schmäck Kompaniet, who lets her desire and liking of personal dialogues shine through for the customer to see. They both believe that this creates a personal and familiar feeling which is highly valued by the customer. Gregers and Kii put no specific effort on creating a personal dialogue with their customers (even though they value personal contact and service quality very highly, but this is discussed under the next paragraph).
To create loyal customers, Kii and Schmäck Kompaniet agree on that it is the everyday customer treatment and high service quality that matter the most. Moreover, Karlsson at Kii believes that their wide brand and price assortment and that special feeling of having experienced something beyond the ordinary when leaving the store, are all contributors to customer loyalty. Schmäck Kompaniet pushes the product exclusiveness they provide as one of the main factors to why customers come back to their store which is also something out of the ordinary. Also, the fact that both the café personnel and Monika Kichau with Schmäck Kompaniet really appreciates meeting and interacting with customers shines through as mentioned before, adds to the service quality and thus also customer loyalty. For Gregers, the secret of loyal customers lies within their many years in the business and that they have always focused on service. It is not uncommon that a man that bought his suit at Gregers comes back years later with his son to buy a suit for his graduation, for example. Even relocated Umeå citizens sometimes come back to buy their suits at Gregers. After 50 years, the store is still located at the same address and is still targeting the same type of people. These are believed to be two very important contributors to why they have such loyal customers. Art & Eco has existed for a short time, making it hard to distinguish any returning and loyal customers. But as mentioned, Idahl puts a lot of effort on personal dialogues and is thus engaging in personal contact and high service quality, which are things adding to customer loyalty. Also, she believes that customers return to shop in her store because of the uniqueness the store possesses in providing organic fashion which provides the customer with a feeling of having experienced something extraordinary when exiting the store.

A lot of customer value is created when their suggestions and recommendations are catered for and brand or product assortment changes can be seen quickly. This kind of feedback retention is seen within Art & Eco and Kii, whose range of brands sometimes has been extended after customer recommendations. For example, many of Kii’s brands have been purchased into the store after tips from customers. Gregers never do this because it is not in line with how they work. Schmäck Kompaniet also decide on their product assortment on their own after valuating what they themselves think is interesting and not from customer feedback.

5.3 Personal Communication Channels

All interviewees are aware of the power of Word-of-mouth, and agree on that treating customers well and giving them the best service possible is the way to affect what is said about the store, a view they are likely to share with many retailers of all kinds of products. Bernhardsson describes how satisfying one specific customer, who then talks about Gregers with his friends and colleagues, generates in increased sales. Because that individual could be any customer, he emphasizes that everyone needs to be approached in a positive manner and provided the best service.

Idahl, Karlsson and Kichau all mention the importance of being a little different, and stand out, to enhance WOM. Apart from all having personal designs in the stores, they have individual features also that make them unique: Art & Eco has the underlying purpose of enhancing awareness on organic fashion and environmental issues, Kii has the coffee corner and Schmäck Kompaniet sells items that are the only one of its kind and cooperates with Mattex Antik. Gregers does not share this aim to stand out from the others.

The reason why Gregers is different on this matter is that it has a tradition of being a store with quality clothes for men, rather than offering something extraordinary, and also can rely on a history of credibility. As the store has had the same concept for 50 years and it has been successful it is not likely to change at any time soon. Also, Gregers sells only men’s fashion, and men buy “the same as usual” while women seek change and news, according to Bernhardsson. The other three stores sell women’s and men’s fashion, and have various reasons for why they seek to stand out and be different. Schmäck Kompaniet’s owners enjoy art and creativeness, and run the store because of their own interest rather than to make money. Kii is similar to Gregers in the sense that they sell modern, high quality fashion, but Kii has an outspoken vision to offer more than just selling clothes, that remains since the opening of the store 10 years ago. Art & Eco stands out for several reasons: it is the first organic clothes store north of Stockholm, and Idahl seeks to communicate a message and create a change as well as run a shop.
The four stores all have websites where visitors can find information about the stores and products and brands they sell, read news, pictures, tips etc. This is a service they again share with many other companies world-wide, as the Internet has become an everyday tool to search for information for most people in the western world. Not only do the websites provide information, they are also a way for new customers to discover the physical store.

However, despite similarities in content they look very different from each other. All four websites have a trendy, personal design, just like the physical stores. Schmäck Kompaniet shares its website with the café, but has a blog that is only about the store where readers can find inspiration and news. Kii is about to start an inspirational blog too, and Art & Eco’s website is a blog, but used mostly for news and information. At the blogs visitors can leave comments on what they read, which is not possible on their regular websites. Gregers’ website gives no opportunity to comment. Again, the fact that Gregers is a traditional men’s outfitter, targeting customers who are not assumed to spend much time on the web looking at inspirational blogs or discussing the fashion, play a role in why their website design differ the most from the others. Rather than inspiring, Bernhardsson stresses how Gregers aims to help its visitors to find information they may need at gregers.se.

Not only have the three stores that sell men’s and women’s wear a blog or intentions to have one, Kii and Schmäck Kompaniet both have web shops on their websites, and Idahl aims to set up one for Art & Eco. That makes the website / blog even more important as it is a store representative towards many online buyers that do no get the experience from the physical store.

Statistics on website visitors is something that all interviewees find interesting and look at. This is relevant for the stores in order to see what visitors read on the sites and if posted news are looked at. It can also be useful for when Kii sets up the blog for example, to see if it reaches the readers. Finally, it can be interesting for the stores to see demographics of the website visitors and how they have found their way to the site, for example from other blogs.

Apart from a website, many companies are active on the online social network Facebook nowadays, so also the stores in focus here. Gregers and Kii have a page each, which Facebook users can become “fans” of to show that they like the store. Schmäck has a group instead, that one can become a member of and make posts with comments or the like. Idahl still does not have a Facebook site; she has not succeeded to set one up. She is unsure whether she wants one or not though, as she already has the website/blog. Art & Eco is the most recently opened store, and the company is still under construction. Idahl is still trying to find channels for marketing and time to do everything she wants, while Gregers, Kii and Schmäck Kompaniet (via the café) have been on the market for between five and fifty years, have more people involved than only the owner, and have had time to try out more channels.

None of the interviewees say that they try to influence any particular type of customer to enhance the effect of WOM, they all try to treat everyone in the same way. However, Kii cooperates with some local bloggers, for example ‘underbaraclara’, to whom Kii sends a gift or lends clothes that she blogs about. The authors believe that this has to do with Umeå being a rather small city with few obvious trendsetters and opinion leaders. Furthermore, Umeå is a city where many styles are worn and mixed, making it important to target individuals equally rather than seeking a few influencers that are difficult to distinguish. Clara has worked at Kii before, and that is a reason why they cooperate with her. Nonetheless, Karlsson says that their cooperation with Clara, who has worked at Kii before, is extremely effective, and it could be an idea for the other interviewees to consider.

All interviewees have searched for their company name on Google to see what is written about them on the Internet. The reason why is assumed to be the same for them all, simply that they want to have some control of the words that are spread online. Finally, Bernhardsson has many opinions on blogs and information spread on the Internet. While he finds it a positive thing that credible bloggers share and spread information, but much incorrect information circulates on
the web. Also, it is dangerous when people read things out of context and believe anything that they read, not knowing who wrote it or how credible that person is. There is not much he (or anyone else) can do about it, other than keep communicating to their own customers what he wants them to know.

5.4 Why the stores differ or are alike

What becomes obvious when analysing the empirical data is that the four stores share similarities and differ from each other, both in their stores’ nature and in how they are marketed, and Gregers is least similar to the others. The authors believe that this is due to a number of factors. First of all, the number of years the store has existed and how large the turnover is seems to affect how much money the company spends on marketing. Gregers was founded in 1960 which makes it the oldest of the stores investigated. They also have significantly higher turnover than the other stores with approximately 11 million SEK. This is due to their many years in this niche market and that a lot of customers have been by their side for many years and have continuously been shopping with them. Also, it might have to do with them only offering high-end fashion to a higher price than the other stores. This high turnover due to their many years in the business is thus believed to be in direct correlation to what they spend on marketing which can be seen through that they are the sole users of money sponsorships and TV and radio advertisements among the stores investigated. Kii was founded in 2000 and have a turnover of 6 million SEK, making them younger than Gregers and also smaller in terms of turnover. Though, compared to the remaining stores, it is still significantly older and bigger. During their years in the business, they have learned what marketing that works for their target customers and use all different kind of strategies, including many low-cost strategies. Though, they have had more expensive ads in for example Elle magazine and the authors believe that they would engage in more expensive strategies if they had the capital to do so. Art & Eco and Schmäck Kompaniet opened up in 2008 and 2009 respectively (making them just two and one years old) and do not have a large turnover at all. Having a larger turnover thus make stores engage in more expensive marketing strategies, moving away from the creativity of the low-cost strategies. Art & Eco and Schmäck Kompaniet, who are still starting up, have to be creative and find low-cost strategies, simply because they do not have the money to do otherwise. This is also found to be true in the results. Gregers, on the other hand, are after 50 years in the business still increasing their revenue, but reducing their use of low-cost marketing strategies because it does not fit their purpose. Therefore, it is believed that the more money a store is making, the less focus is put on being creative and to find inexpensive marketing strategies to create awareness and attract customers. Kii is a good example of a store using both more expensive and creative low-cost marketing strategies.

Kii started out with two owners just like Gregers. Even though both have only one owner nowadays, there are many employees engaged in the companies. They have existed for 10 and 50 years respectively, and the owners and employees have experience in marketing: what works and what does not work. This makes the marketing even more effective and cost-efficient as they do not engage in activities they know will not have an impact. Also, since both Kii and Gregers always have had more than one person engaged in their stores, they might have been better in finding low-cost marketing approaches because there have always been at least two perspectives. At Schmäck Kompaniet, Kichau is the only one working in the shop, but it has three owners who share responsibilities and all bring ideas to the company and thus also to how it is marketed. Also, they have been running and marketing Schmäck café for five years already and know what profile they want to communicate, that can be applied on the store as well. Art & Eco’s owner Idahl is the only one in the young company, and thus carries all the responsibility for all parts that it involves running a company and a clothes shop. As a consequence, she must make sure the book-keeping is taken care of, receive clothes deliveries, price-tag and hang garments in the store, keep the store open and meet customers, engage in marketing etc. When she can not share those duties with anyone, less time is left for her to do marketing and find creative, inexpensive ways to gain attention. Even if Art & Eco would have a large turnover and be able to spend vast amounts of money on marketing, time would be a restraining factor. Thus, the authors believe that having more people in an organisation brings about more creative ideas and thus also less costly ways to attract customers (if not more costly ways are purposely
Further, the stores target different customers. Gregers has only men’s wear, while the other three have clothes for men and women. Bernhardsson stressed how marketing to attract male customers differs substantially from trying to win women’s attention, because men and women have different shopping behaviour. While men rather buy new clothes less often, but to a higher quality and more expensive, women are keener on change and do happily buy an outfit to a low cost without worrying about quality. Women are more likely to go seek for what they want than men are, according to Bernhardsson. Karlsson at Kii pointed out that men are difficult to attract without well-known, credible brands, while women are likely to appreciate brands that are unknown. These differences in how men and women are reached naturally affect the way the stores are chosen to be marketed, as Gregers has no intentions to attract women and the other three have more women’s wear than men’s in store. The nature of the customers that a company wants to attract has impact on how the company is marketed, and such a fundamental thing like gender definitely has such influence. When looking further at the marketing strategies, the three stores selling women’s wear say that they try to influence WOM by standing out and being different, and that they seek to provide their customers with ‘something beyond the ordinary’. Along Umeå’s shopping streets and malls, there are more stores selling fashion for women than there are men’s outfitters, another factor that makes it crucial for Art & Eco, Kii and Schmäck Kompaniet to stand out in order to be seen. Gregers is almost alone in its niche, which makes them stand out practically just by existing. Furthermore, as men do not seek news and change like women do, Gregers is not in the need to attract their customers with creativity. This is instead important for Art & Eco, Kii and Schmäck Kompaniet, who target both genders and share the desire to be creative.

Schmäck Kompaniet is cooperating with Mattex Antik that sells antique furniture, and the store has thus a constantly changing inventory, as well as a broader product range than only clothes. This means that more customer value is created when a customer can come in with the intention of looking for antique furniture but find something desirable in the clothing or jewellery section instead, and vice versa. Adding to this, Schmäck is a well-known and appreciated café in Umeå that has existed for five years. Probably, Schmäck Kompaniet would not have existed without this café. The store started on a smaller level there and today, the café personnel acts as frequent promoters of the store. Also, Schmäck Kompaniet takes advantage from the café’s reputation through using the same name as the café, the same logotype design and a concept that is in line with the café – fair trade, organic products and such. The positive word-of-mouth created by the café visitors and personnel as well as by customers and people connected to Mattex Antik acts as free marketing for Schmäck Kompaniet and is a big contributor to why people go there. The cooperation with Mattex Antik and with the café thus creates an advantage for Schmäck Kompaniet over the other stores since it is marketed for free through two additional channels than just the store.

Art & Eco seek to communicate a message and make a change as well as selling clothes, and even though all interviewees mention “organic fashion”, the others are not as focused on this as Idahl. The fact that she cooperates with environmental organisations such as the Society for conservation of Nature and that she lets people know about her interest in sustainability and environmental issues, creates extra value for her customers. This idea of really being passionate of what you do and show it instead of just focusing on making money is also shared by Schmäck Kompaniet. Both of them let the genuine thought behind their businesses shine through which adds to a positive customer perception of the store, leading to greater awareness and ultimately customer loyalty. Thus, really showing enthusiasm and interest for one’s store concept can be a cheap way of marketing in itself.

5.5 Support and Non-support of Proposition

Proposition (from 2.8)

At the end of this research the authors will have a deeper understanding in how independent clothing stores engage in marketing, particularly in low-cost marketing. The authors expect them to choose inexpensive strategies over expensive ones, and that they purposely find alternative
ways that are different from the traditional, expensive advertising strategies. They are expected to do so in order to stand out while still using a small marketing budget.

Looking back at the proposition, one can tell that the authors had expected all the stores in the study to try and find inexpensive and non-traditional marketing channels. That is true to a certain extent. Art & Eco has the intention to keep a low marketing budget but still communicate a message, and Kii and Scmäck Kompaniet do purposely engage in low-cost marketing and strategies that make them stand out in the ocean of clothing stores. However, Gregers has no intention to find low-cost strategies and engages in many kinds of traditional marketing, such as sponsoring of sports teams and TV advertisements. Kii also has expensive advertisements in national fashion magazines. Gregers and Kii are the companies with the highest turnover and that have existed the longest of the four.

This chapter has showed how four stores all independently owned and located in central Umeå, have different approaches to how they go about marketing themselves. They all make use of the three categories this study looks at, in some ways similarly and in others differently. There are various reasons for this, which were briefly discussed in 5.4. Next, the discussion chapter will present how these findings match previous literature and research.
6. Discussion

In the discussion chapter, the authors will present their data and benchmark it against previous theories and research. The categories are discussed in the usual order: PR first, CRM second and Personal Communication Channels third.

6.1 Public Relations

As a marketing strategy, PR is used by all four stores under investigation to a bigger or smaller extent. The approaches vary among the stores, but almost all of them use special events, written materials, websites, sponsorships etc., which are PR tools presented by Kotler et al (2005). However, speeches are also mentioned by Kotler et al as a major PR tool, something that no store make use of except when writing in fashion editorials or making statements through different publications.

As Easey (2009) suggest that fashion marketers should do, Art & Eco, Gregers, Kii and Schmäck Kompaniet often place their products in the public arena in different ways. Gregers use a more expensive approach to Kotler et al’s suggested PR strategy sponsorship by financially supporting local sports teams in Umeå. So did Art & Eco when they donated money to the Society for the conservation of Nature. Schmäck Kompaniet sometimes sponsor artists with clothes during their performances and lend out clothes to people hosting their own fashion shows. They also expose some of their products in a small display window by the Schmäck café entrance, something that can be seen by both café visitors and by-passers. Gregers use this cheaper form of sponsorship as well when they lend out clothes to local opticians and shoe shops to use in their display windows. All stores lend out clothes for photo shoots and fashion editorials, such as for Nöjesmagasinet. This is in line with Morgan (2009) who suggests that fashion marketers should lend out inventory and provide expertise in connection to photo shoots and editorials. It is also consistent with Ahlberg & Einarsson (2008) who found that efficient product placement and to be seen in the right places are two important marketing strategies for brands with limited capitals. Trade fairs and traditional advertising are also important ways for marketing brands with limited capital according to Ahlberg & Einarsson (2008). Though, none of the stores investigated use trade fairs as a part of their marketing strategy. However, advertising is more or less used by all stores depending on their marketing budget. Gregers put a lot of focus on this kind of marketing. They think it is worth spending money on advertising rather than using low-cost strategies the latter could confuse peoples’ perception of Gregers as a highly credible and quality brand. To advertise, they use radio, TV, the Internet, ads in newspapers etc. Kii also put ads in magazines such as Elle and use flyers and posters from time to time (something Art & Eco and Schmäck Kompaniet also do) but none of the stores except Gregers engage in advertising to any greater extent.

Schmäck Kompaniet is sometimes engaged in exhibitions like the one when they had a showcase with their products present at one of Umeå’s biggest music festivals. Also, they host vernissages in their café from time to time to engage in their niche market. These kinds of exhibitions are something Ahlberg & Einarsson (2008) and Malem (2008) agree on as efficient marketing PR strategies.

All previous research reviewed on this subject pushes the importance of showing products through trade shows or catwalks (Ahlberg & Einarsson (2008), Malem (2008), Daniels (2004) and O’Connell (2010)). Daniels (2004) even states that presenting products that has nothing to do with fashion through a show much like a fashion show or a catwalk, can have a very positive effect. This importance is looked after by Kii, Schmäck Kompaniet and Gregers. Gregers do not host that many fashion shows anymore because of the decrease in male fashion show visitors. Schmäck Kompaniet host their own shows and even lend out their clothes to other fashion shows while Kii chooses to solely have their own shows. Fashion and trade shows are important for designer relationships and to get press around it (Malem, 2008). Malem (2008) also points out that catwalks can be extremely expensive and are thus often externally sponsored. This huge cost is something Kii and Schmäck Kompaniet evaded when they together hosted a fashion show in the public space of the Umeå town square. They used clothes from the stores...
and students from a local high school specialising on styling to style the models and so on. A collaboration of this kind creates a lot of value for everybody involved quite inexpensively. The clothes used during this show were clothes already available for sale in the stores at the time of the show. This is in line with the view of O’Connell (2010), who stresses the importance of having products readily available for customers soon after shows.

To host fashion shows, engage in exhibitions and other ways of placing clothes in the public arena, are all big contributors to why things are said about the stores in the media. Art & Eco, for example, believes that the pre-opening articles had big impact since so many customers showed up right after the store opening. Press and press relations are identified as very important parts of PR by Malem (2008) and this view is shared among all four clothing stores in this research. Art & Éco and Kii themselves use the expression “there is no such thing as bad publicity” (Lai, 2006, cited in Littler, 2008), and Schmäck Kompaniet also value publicity very high since it influences people perceptions. Although, Kichau with Schmäck Kompaniet does not have enough time for all interviews she is asked to participate in, something she finds unfortunate. As Morgan (2009) suggests, it is very important to research your local publications to reach the right clientele. Gregers use this kind of strategy and choose sometimes not to participate, even if it means free publicity. This is because they do not want their logotype to be seen through the wrong forum and thus maybe be wrongly associated.

Kii, Schmäck Kompaniet and Gregers all cooperate with the magazine Nöjesmagasinet and are thus often seen by its readers. This kind of relationship between a magazine and a store is by Sternal (cited in Wearables Magazine, Aug 2009) as something very important. Also, Sternal (2009) and Malem (2008) stress the importance of communicating effectively with one’s chosen market through this kind of media and reporter relation. For Schmäck Kompaniet, this is even easier since the store manager Kichau is sometimes writing for Nöjesmagasinet and is through this having a relationship with the magazine already from the start. Even though it is known that Gregers and Kii also sometimes cooperate with Nöjesmagasinet and other magazines and newspapers, they do not specifically emphasise the relation with reporters or writing attractive press releases which is said to be important according to Sternal (cited in Wearables Magazine, Aug 2009).

Morgan’s three reasons to why PR adds value to marketing (2009) are considered important by Kii, Schmäck Kompaniet and Art & Eco. The everyday public contact (as will be returned to later in the CRM discussion) is essential, PR as an influencer of public perception and ideas is crucial and the importance of editorial coverage is already covered in the paragraph above. Though, Gregers contradicts the importance of PR and the store manager even believes that they would manage without it. This is because they are so well-known and that they are the only ones within this niche market in Umeå. Gregers have a bigger marketing budget and can thus advertise more to maintain the strong brand they have come to be, something that might have to do with a slow PR build-up (Ries & Ries, 2004). None of the stores are said to research the local publications to reach the targeted clientele as Morgan (2009) suggests.

6.2 Customer Relationship Management

All four stores under investigation have realised the importance of building and maintaining profitable customer relationships. How they use CRM varies, but they all agree on that it is essential to understand and value the customer highly and to make the business profitable for the individual and not only use CRM to get people to open up their wallets.

As Blomqvist et al (2004) states with their model on relationship marketing, it is crucial for a business to have a strategy on how to create customer relationships since it is cheaper to retain an existing customer than to find new ones. Ko et al (2008) also argues that firms with more capital and flexibility of labour are more often using advanced CRM systems and why firms choose not to engage in CRM is usually because lack of understanding and high costs. However, none of the stores under investigation explicitly says that they have a formal document or the like stating how CRM should be used in their organisations. Though, they all have an overall strategy of how to go about creating and maintaining these relations. This also means that they
have a simple CRM approach which is easy to understand and does not necessarily cost a lot of money. Gregers as the firm with more capital out of the stores investigated, could possibly have a more advanced and mapped out CRM strategy. Though, something like this was not found during the interview.

The stores do not use any web-based technology or data mining tools to gather personal and buying-related information as is used by the samples in Anderson et al (2007) and Power (2007). If this was used, the stores could understand their customers more, their shopping behaviour and buying patterns (what they usually buy, size, price preferences etc.) and easier specialise customer services and design product offers (Anderson et al, 2007). However, simple recordings of how customers behave and give feedback have lead to the stores’ understanding of their customers to the extent that they sometimes can specialise product offers. Gregers, for example, have throughout many years of customer relations come to understand that male customers value simplicity and can therefore provide a very simple club membership with no plastic cards to keep track on or specific amounts needed to get a discount. Kii and Schmäck Kompaniet have many returning customers as well and are cherishing these through store club memberships. This strategy is in line with how the clothing brand WeSC uses We-activists (Ahlberg & Einarsson, 2008). Kii has around 3500 “Kii Buddies”, Schmäck Kompaniet has “Schmäckers” and Gregers has 7000 members in their Club Gregers. The members of the clubs get product and discount offers, gifts, invitations to shows and club member evenings and are often the first customers to take part of a new clothes collection for example. Art & Eco is the only store under investigation that does not yet have a club. However, this is something Idahl with Art & Eco is working towards creating in a near future.

None of the stores specifically consider their customers as financial assets as Blattberg et al, 2001, suggests. This view of measuring, managing and maximizing the customer as any other asset is by for example Schmäck Kompaniet considered boring and unexciting and does not fit their purpose at all. Instead, they look at their regular customers and try to engage in a relationship which is not only trying to open up the customers’ wallets.

CRM is an efficient marketing strategy to create loyalty among customers (Anderson et al, 2007 and Blomqvist et al, 2005) and this is something all stores are aware of. They all have dedicated customers who return on a regular basis, but the belief on how customer loyalty is created differs among the stores. Kii and Schmäck Kompaniet believe that the everyday customer treatment and high service quality are big contributors to customer loyalty. This is in line with De Wulf et al (2003) who argue that retailers should emphasise direct service quality in stores to build up the customers’ perception of the relationship as an investment. McCabe et al (2007) also mentions service quality as one of the major motivators for customers returning to shop at their favourite retailer. Using the model of Blomqvist et al, (2005), the service quality acts as the operative CRM through which customer loyalty and hence also profitability is created.

Too et al (2001) underline the importance of letting the customer know that you as a retailer are putting efforts on creating and maintaining the relationship to further increase trust, commitment, and ultimately loyalty. This is something that is true for all stores, but especially for Art & Eco and Schmäck Kompaniet since they let their eagerness and liking of customer relations and personal dialogues shine through for the customer to see. Kii and Art & Eco share the commonality that customer feedback is retained and looked over to the extent that sometimes even brands are bought in to the stores after customers’ recommendations. This is adding to the commitment mentioned by Too et al (2001) as a big factor of enhanced customer loyalty. It is also the only way through which these stores are putting the customer in charge of the relationship; by sometimes valuing their recommendations high enough to extend their store’s product or brand range. Other than this, the Customer is not Managing the Relationship (CMR) to any bigger extent in any of the stores, as Newell (2003) suggests.

Applying the previous researches Lacey (2007) and McCabe et al (2007) onto the stores allows the authors of this study to identify what factors are by the stores believed to be the ones driving their customers to come back. Art & Eco are using their uniqueness in providing only organic fashion in Umeå. For a customer who desires organic fashion, shopping at Art & Eco maintains
the customer’s image and gets the customer to feel that this store can provide an experience out of the ordinary (McCabe et al, 2007). The store’s value also corresponds to the customer’s value, motivating the social factor of the customer (Lacey, 2007). Gregers believe that people shop at their store because of corresponding values, reputation and trust (Lacey’s social and resource factor) and also that their personal image is preserved through shopping there (McCabe et al’s image-maintenance motivational factor). The reputation and trust has to do with Greger’s many years in the business. Kii and Schmäck Kompaniet are quite similar in their perception of why they have loyal customers. McCabe et al’s experiential and image-maintenance factors for shopping motivation (2007) apply to both stores. For Kii, it has to do with the customer’s feeling of having experienced something beyond the ordinary when leaving the store as well as shopping at Kii involves a specific personal image which is believed to be important for their customers. The experiential stimulation that Schmäck Kompaniet can provide for their customers is their products’ exclusiveness, meaning that most of the things they sell only come in one or a few copies. Shopping at Schmäck Kompaniet also gives the customer a certain image which is said to be important. Using Lacey’s three factors for motivating customers to engage in marketing relationships (2007) on Kii and Schmäck Kompaniet, one can see that the social and resource factor apply. According to the interviewees, customers choose to engage in a relationship with them because their values cohere with the customers’ personal values and because the stores have a good reputation and are trusted. This has to do with customers’ knowledge about the stores and that they are both two deeply rooted and well-known brands in Umeå. Lacey’s economic factor (2007) as a motivational factor for customers engaging in buyer-seller relationships, is not mentioned by any of the stores. This is due to that the firm’s economic value is not considered as important for the customers shopping there. Also, experiential stimulation and image-maintenance as two reasons for why customers shop at their favourite retailers are identified by McCabe et al (2007) and mentioned by the stores. However, the other two reasons identified: bargain hunting and pampering, are not discussed by the stores as factors of customer motivation to shop at their store. This is because the stores investigated do not offer any bargains nor pamper their customers with any excessive indulgence.

6.3 Personal Communication Channels

Personal communication channels are of significant importance according to all interviewees. They are all aware of the importance of word-of-mouth and mentioned it as an essential marketing phenomenon. It is difficult to have a word-of-mouth “strategy”, but the four stores try to make the words that circulate about them positive. This is mainly done through providing best possible service to customers. Gregers, Kii and Schmäck Kompaniet put a lot of effort into treating all customers in the same manner. Art & Eco emphasises the importance to talk to store visitors when wanting to initiate a dialogue and create awareness on sustainability issues among Umeå’s shoppers.

Dichter (1966) has distinguished four categories that motivate customers to talk to others about a product or a service. Two of those can be influenced by the store and its staff. First, PR or advertisements stimulate talk. The stores all engage in PR (as discussed previously) in different ways in order for people to talk about them, for example Kii’s and Schmäck Kompaniet’s alternative fashion show at Umeå Fashion Weekend. Gregers and Kii advertise in papers and magazines. According to Dichter (1966), the way that the product is presented stimulates talk about it. Schmäck Kompaniet puts much effort into design and what the flyers and other ads look like, but Gregers is last-minute producers of ads. Bernhardsson thinks that it is more relevant to be seen on the right day in the newspaper – if the weather is nice for example – than that the advertisement is worked-through.

Another of Dichter’s (1966) categories that motivates talk is if a product experience needs to be shared with others for some reason, it may be satisfaction or the opposite, or surprise for example. The stores try to maximise the product experience in different ways: Gregers sells top quality clothes, Schmäck Kompaniet has unique products that only exist in one or a few copies, and Art & Eco sells quality organic fashion.

Thorstensson (2006) describes how it is difficult to be seen in today’s never-ending stream of
news and information from all kinds of channels. Bernhardsson at Gregers finds this particularly stressful with Facebook, the online social network where millions of users post news on just about anything 24 hours a day, making it difficult to be seen. Karlsson thinks that it is difficult to reach students that are drenched in flyers and advertisements at the university. The other interviewees do not mention the difficulty of being seen as a problem, but Idahl says that the problem is rather a matter of finance and time.

The interviewees consider their websites an important tool. Art & Eco, Gregers, Kii and Schmäck Kompaniet all have trendy and updated sites to attract visitors. The importance of focusing on this detail is in line with Teerling’s (2007) findings that a positive attitude towards a website creates positive attitude towards the physical store. Bernhardsson says that the website is a way for non-customers to discover Gregers, another reason to create positive attitudes. On the websites, the visitors can find information, news, pictures, events and facts, which, according to Teerling, can stimulate offline shopping. Schmäck Kompaniet has noticed this, as customers come in to the store and ask for products they have seen on their website. Further, the websites’ designs match the physical stores, with logotypes and layout, another feature stressed by Teerling (2007). A positive cross-channel effect between the store and the website makes it easier for the visitors to relate the information online to the physical store. Kii sells the same products online in the web shop as in the physical store, creating an even stronger cross-channel effect.

An article in The Economist (2010) describes how online social networks have been found to be highly effective and inexpensive marketing channels by companies. The network Facebook and the live-update service Twitter are used as examples in the article. This is agreed upon by Gregers, Kii and Schmäck Kompaniet, who have Facebook pages or groups which users of the social network can become fans or members of and access information and updates on. Karlsson and Kichau think that Facebook has good effect locally, and Bernhardsson likes that he reaches a younger audience. But just as the article in The Economist (2010) has found that not all companies find such media worthwhile, not all stores in this study are sure that Facebook is needed. Idahl of Art & Eco has still not decided whether she will set up one or not.

According to Klaassen (2009), celebrities have been used as influencers by companies who have paid famous people to blog or twitter about their brand. Cases when it has not been known that the person has been paid to spread positive WOM have been a matter for debate, when someone’s opinions should not be considered genuine if they are paid for. Nonetheless, it has generated attention. Kii sends gifts to certain bloggers that they have a personal relation to, and for example lends clothes to the blogger “underbaraclara” for her to write about. When the authors looked through her blog, no information about that she had been sent products could be found. Thus, even though it is assumed that she has a genuine positive attitude towards Kii regardless of being given things, her words can be seen to be “bought”. Even so, Karlsson says that using bloggers for marketing works incredibly well, thus disagreeing with Klaassen’s findings.

To keep track of what is written about them on the Internet and what information that circulates online, the interviewees search for their stores’ names on the web. As WOM spreads on the Internet as well as verbally between people (Allen, 2008), they are curious to know what is said.

At the end of the day, however, the store managers and owners of Art & Eco, Gregers, Kii and Schmäck Kompaniet agree on that the most important factor behind positive WOM is service and how they and their staff treat customers. This goes well with Sean Corcoran’s (cited in Klaassen, 2009) view that “you can’t buy your way into real, organic media”, meaning that one has to earn people’s opinions and positive attitude.

This chapter presented the interview findings in relation to previous literature and research. The PR category is covered first, CRM second and Personal Communication Channels third.
7. Conclusion

This chapter begins with an answer to the research question according to the two purposes. Support of propositions and recommendations then follow. Strengths and weaknesses of the study, ideas for future research and final comments end the chapter.

With the aim to find how local independent stores make use of inexpensive marketing strategies, the authors reviewed literature on the subject to find how this has been done before. Interviews with four owners or managers of privately owned clothing stores in Umeå resulted in data for interpretation, comparison and analysis. Three literature categories were found to be relevant for the purpose of this research: Public Relations, Customer Relationship Management and Personal Communication Channels. These categories were also identified as the major low-cost marketing strategies, and serve as a basis for how the study is built-up.

The research question had two purposes, which develop the initial research question *How do local independent clothing stores make use of low-cost marketing?* (A case study on four local clothing stores in Umeå). Below, the two purposes are repeated from the introductory chapter:

3. To gain and share knowledge on how local clothing stores can and do use low-cost marketing as a strategy to create awareness and attract customers in a cost-efficient way.

4. To find how the stores’ marketing strategies differ from each other, how they are alike and how they can learn from each other.

In order to gain and share knowledge as suggested in purpose 1, the authors read up on the subject and conducted interviews. Below, the interview findings have been summed up and similarities and differences between the four stores are shown. A discussion on how the stores can learn from each other (purpose 2) can be read under ‘Managerial Implications’ (7.5).

7.1 Summary of Findings

Regarding PR, all stores lend out clothes to photo shoots, talk to media (even though there is not always time for that, as Kichau at Schmäck Kompaniet emphasises) and are often mentioned in the press. Gregers and Art & Eco are the only ones that engage in sponsorship by financial means, and Kii are the only ones hosting their own fashion shows (Gregers used to do it, but not anymore). Schmäck Kompaniet is alone with having exhibitions, lending out clothes to others’ fashion shows and also to performers such as The Bombettes, a band that performed during Umeå Fashion Weekend. Like Gregers, they lend out clothes to feature in others’ display windows. Art & Eco and Kii agree on that “all publicity is good publicity”, meaning that all channels they are seen through are considered important.

Under the CRM category, all stores focus a lot on service quality and the customer dialogue inside the store is highly valued by Art & Eco and Schmäck Kompaniet. Art & Eco is the only store not having a customer club and thus some sort of membership the customers can become a part of. Instead, Idahl at Art & Eco has a mailing list through which she sends out important information to her customers. She intends to set up a customer club as soon as she finds the time. Kii and Schmäck Kompaniet sometimes host customer evenings with different themes to attract people after regular hours, increase the awareness among the visitors and also encourage them to become club members. These two stores, together with Art & Eco, try to meet the customers’ desire for experiential stimulation through providing a feeling that the customers have experienced something beyond the ordinary when exiting the store. Lastly, Kii and Art & Eco retain customer feedback to the extent that they sometimes extend their brand assortment after recommendations from customers.

When it comes to Personal Communication Channels, all stores understand the effects of word-of-mouth and try to influence it with flawless service. Everybody except Gregers also try to influence WOM by standing out and offer something special and different. All stores have a website through which they share information, news and tips and show pictures of new clothes collections etc. Art & Eco’s website is actually a blog serving as a website while Schmäck
Kompaniet has a blog separate from the website (since their website is connected to the one of the café Schmäck). Kii is just about to start up an inspirational blog of its own. The purpose of these blogs is to provide fashion tips and updates connected to Art & Eco and Schmäck Kompaniet respectively, for the dedicated customers or just interested online readers. Gregers does not have a blog since it serves no purpose for their targeted clientele. Kii tries to influence a certain group of people to attend when having their customer evenings, the type of people that can have more influence on other customers than others.

The findings of this research are thus telling us that marketing strategies within the three categories PR, CRM and Personal Communication Channels are something that all stores under investigation engage in to a greater or lesser extent and in different ways.

7.2 Summary of Why the Stores Differ or are Alike

There are many reasons why the four stores find different ways of marketing themselves. The most fundamental differences come from how long the stores have existed, how large turnover they have and how their whole business concepts look like. Also, the target customers of the stores and how many they are in the organisation influence their marketing practices. Moreover, collaborations with other actors and store owners’ private interests have an effect on low-cost marketing strategies.

7.3 Support of Proposition

Through these findings, one can see that the earlier stated proposition is partly supported. That all stores engage in low-cost marketing activities is true, but that all stores choose less expensive marketing strategies over expensive ones, is not. Art & Eco, Kii and Schmäck Kompaniet all purposely find alternative ways to gain customer awareness and attract customers in a cost-effective way, while Gregers do not. In addition to the low-cost marketing strategies, Gregers use traditional advertising which are much more expensive. This is because they want to be seen in the right way through the right channels instead of saving money.

7.4 Theoretical Implications

This study has shown how Public Relations, Customer Relationship Marketing and Personal Communication Channels (with Word-of-mouth) can be efficient low-cost marketing strategies if used in an inexpensive way.

Theories and previous findings have been tested on the stores in the study, and whether they have been confirmed or challenged has been dependent on the stores. Thus, it has been found that many features can be tested on and said about companies and their marketing, how they should go about and what is mostly efficient, but to know what works best one must look at one individual store at a time.

7.5 Managerial Implications

The authors have found that the stores have control of their marketing practices, and that they have good knowledge about the area. The exception is Idahl and Art & Eco Idahl has control but is still very new on the market, just like her store. With this in mind, the authors have worked out a few recommendations for the stores.

The one who at the moment can learn the most from the others is Idahl, who also herself says that she tries to learn from colleagues who have been in the business for a longer time. All the other three talk about their customer club as something valuable, and it would be a good idea for Idahl to set one up. That would suit her purpose, as a club could work as a forum – just like she wants Art & Eco to be – for dialogues, discussion and learning about the issues she wants to create. Furthermore, Idahl says her customers are older than 20 years of age. If she wants to reach the teenagers, a Facebook page could be a way. Bernhardsson at Gregers says he reaches a younger audience via Facebook.
If it is in line with Schmäck Kompaniet’s vision, they are recommended to design their customer evenings like Kii’s. By cooperating with other types of companies, such as cafés, stylists etc., Kii creates more value for the visitors and the store, and attracts more and new visitors. The authors think that this could be a good idea for Schmäck Kompaniet to do, but in a way accustomed for the them and their style.

Regarding Kii, the authors believe that the blog they are about to set up is a good move, since people today have a lot of interest and read many fashion blogs on the Internet. Kichau at Schmäck Kompaniet says that people come in to the store and talk about what they have read on the blog, and Karlsson at Kii has the same experience but from customers who have read about Kii on others’ blogs.

Bernhardsson says Gregers is seen in the right ways via the right channels rather than keeping the costs down. They do not want to lose credibility by being seen in the wrong contexts. Thus, the authors have no recommendations specifically for Gregers regarding low-cost marketing.

All stores should use customer information systems more. Maybe by using a computerised system with customer records with customers’ preferences, buying patterns, sizes etc. It would enable the store to understand its customers and easier develop a relationship with them. This kind of CRM strategy would also enable the stores to easier direct their marketing, reducing costs even further.

The authors’ general advice to all the interviewees is to keep the personal style of the store, the passion for what they do, and the focus on service. Furthermore, engaging in the kinds of marketing that the store owners and managers feel good about, and that seem to enhance and match the image of the store, is the right way to go.

### 7.6 Strengths and Weaknesses of Study

The strength of this study is that the three categories found through the literature search (PR, CRM and Personal Communication Channels) are very broad and are thus covering most of the practices under low-cost marketing used by the stores. Another strength of the study is that even though no generalisability is sought after, the four stores investigated give quite a good picture on how low-cost marketing strategies are used by independent local clothing stores in Umeå.

A weakness of the study is that only four out of the intended eight stores agreed or had the time to be a part of the research. If more stores could be investigated, additional low-cost marketing strategies could have been identified and shared among the stores. Also, more peer-reviewed articles could have been used for the theoretical framework.

The authors have, after finishing the study, realised that even though there are many ways of going about marketing a store with limited capital, most of the ways can be categorised under PR, CRM or Personal Communication Channels. As a consequence, the findings about the stores have not been very exciting, but rather descriptive about the stores’ strategies within the three categories.

Furthermore, since the study includes four stores that are compared, most of the theories and previous research have been proven to be true for these representatives of Umeå’s independent stores. As the stores are different, they have different strategies. Thus, even if one theory or previous finding has been challenged by one or two stores, it is likely to be proven true by the others. If only one store had been the focus of the case study, it would have been a more clear reading on which theories and findings that had been matched or not with the results.

### 7.7 Ideas for Future Research

To develop this research further, a quantitative study could be conducted. This would allow the researchers to look at the store’s low-cost marketing through the eyes of the consumer. One
could then compare the low-cost marketing strategies used by the stores with how the customer has heard about the store and chooses to shop there. This would help the stores measure the effectiveness of their marketing to become even more cost-effective.

Another interesting idea would be to use Lacey’s Relationship Drivers Model (2007) about customer relationships, in the same manner. One could then compare the stores’ beliefs with quantitative findings on why customers choose to engage in a relationship with them to further develop the relationship and make it more valuable for both parts.

### 7.8 Final Comments

The authors of this research hope that the findings can and will contribute to the investigated stores’ marketing effectiveness in the future and also for them to understand each others’ intentions and values. Furthermore, the researchers hope that the results will be valuable for other firms trying to market themselves with limited capital.

The authors of this study have learned a lot during the process of this research, both on thesis writing and about low-cost marketing. For this they are very thankful.
8. Reference List


Creativity vs. Traditional Practices


Creativity vs. Traditional Practices
Amanda Lundmark - Johannes Wikström


Electronic sources

Alla Bolag
www.allabolag.se Accessed on several occasions during April and May 2010.

Art & Eco

Business teacher 1

Business Dictionary

Charles Darwin Quotes

Facebook

Gregers

Kii

Schmäck

Schmäck Kompaniet

Umeå Kommun

UMEÅ. VILL MER. 

**Interviews**

Kii – Lisa Karlsson, store manager of Kii. 29 minutes interview.

Schmäck – Monika Kichau, part-owner of Semäck Kompaniet. 30 minutes interview.

Gregers – Fredrik Bernhardsson, owner of Gregers. 50 minutes interview.

Art & Eco – Heléne Idahl, owner of Art & Eco. 39 minutes interview.
## Appendix A

<table>
<thead>
<tr>
<th>Study</th>
<th>Sample</th>
<th>Keywords</th>
<th>Key Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daniels, C. 2004. &lt;br&gt; <em>Runway PR.</em> Marketing Magazine. Vol. 109 Issue 34, p. 4-4.</td>
<td>Brand image, Brand name products, Public relations firms, Marketing, Fashion shows, Formula one automobiles.</td>
<td></td>
<td>• Media events dressed up as fashion shows can generate positive buzz  &lt;br&gt; • Connecting a brand to fashion can be a smart strategy because of what fashion represents: luxury.</td>
</tr>
<tr>
<td>Ahlberg, K. &amp; Einarsson, P. 2008. <em>A Comparative Study of Traditional Marketing and Doing More With Less.</em> Master thesis. Jönköping University, Sweden.</td>
<td>Case studies: Four Swedish independent brands and the way they market themselves with no or limited financial resources</td>
<td>Marketing, PR, Brand management, Product placement, Event marketing, Packaging, Unique selling propositions, Traditional marketing.</td>
<td>• It’s cheaper to communicate what you do than to mass communicate what you think people want  &lt;br&gt; • Need today to follow the changing environment and reconsider traditional/existing marketing strategies  &lt;br&gt; • Low-cost marketing is often presented in a way that is perceived to be non-commercial</td>
</tr>
</tbody>
</table>
• PR helps influence public perception and ideas  
• Editorial coverage is influential |
### Appendix B

<table>
<thead>
<tr>
<th>Study</th>
<th>Sample</th>
<th>Keywords</th>
<th>Key Findings</th>
</tr>
</thead>
</table>
• CRM is used to enhance customer loyalty and identify and implement special customer services  
• Customer acquisition and retention was linked to customer loyalty  
• Data mining tools are used to increase profitability through understanding the customer |
| Ko, E., Kim, S. H., Kim, M. & Woo, J. Y. 2008. *Organizational Characteristics and the CRM Adoption Process*. Journal of Business Research 61, pp. 65-74. Elsevier Inc. | 94 Korean fashion companies | Customer Relationship Management, Adoption process, Organizational characteristics | • CRM is adopted because it allows the firm to manage existing customers, acquire new ones and increase profits  
• CRM is not adopted by firms because of high costs and lack of understanding  
• Larger firms and companies with mature information systems are more likely to use CRM |
• Customers’ perceptions of organisational relationship marketing efforts can develop trust, commitment, and ultimately loyalty |
<table>
<thead>
<tr>
<th>Reference</th>
<th>Sample Size</th>
<th>Relationship Drivers</th>
<th>Notes</th>
</tr>
</thead>
</table>
- Price and quality levels of apparel in a store are the same for all customers, thus limiting their role as signals of relationship investment |
| Lacey, R. 2007. *Relationship Drivers of Customer Commitment.* Journal of Marketing Theory and Practice. Vol. 15. No. 4, pp. 315-333. | 2576 customers belonging to a national upscale department store and 639 customers of a national restaurant chain in America | | - Relationship Drivers Model developed as to why customers engage in marketing relationships  
- Three motivating factors: economic, social and resource factors. |
- Motivation depends on the individual’s evaluation of service quality, behavioural intentions, loyalty and satisfaction |
## Appendix C

<table>
<thead>
<tr>
<th>Study</th>
<th>Sample</th>
<th>Keywords</th>
<th>Key Findings / Content</th>
</tr>
</thead>
</table>
- Stores should focus on coordinating on- & offline channels  
- Informational websites are likely to improve customer efficiency and lowers impulse buying |
| Economist, unknown writer (The Economist 2010. *A Peach of an Opportunity*. Vol. 394, Issue 8667. | | | - Small companies benefit from using Twitter and Facebook (social networks) as a marketing channel  
- Social network members recruit new users and word is easily spread |
- Reputable stores benefit from WoM |
| Easey, M. 2009. *Fashion Marketing*. 3rd edition. Blackwell Publishing. Oxford, United Kingdom. | Depth interviews where 255 consumers in the USA recalled freely “conversations where products, /.../ had been discussed” Verbal tests on 103 adults on sales messages that invited WoM | | - WoM is one of the strongest (if not the strongest) marketing ally  
- Mass media creates awareness. It also sells products, but then the risk factor and the economic factor must be low |
<table>
<thead>
<tr>
<th>Company Name</th>
<th>Year of Foundation</th>
<th>Owner(s)</th>
<th>Number of Employees</th>
<th>Turnover (in thousands of SEK)</th>
<th>Corporate Vision</th>
<th>Inspiration</th>
<th>Target Audience</th>
<th>Actual Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kii</td>
<td>Late 1970</td>
<td>Greger Dahlström</td>
<td>7</td>
<td>2007: 9 405 2008: 10 002 2009: 9 433</td>
<td>No outspoken. Focus on quality and service and aim to still exist in another 50-100 years with the same high standard.</td>
<td>To engage in art, design, organges.</td>
<td>Very broad. Between 20 and 80-year-old men.</td>
<td>20-40 different kinds. Big 60 years of age. Though more than 40.</td>
</tr>
<tr>
<td>Scmäck Kompaniet</td>
<td>2000</td>
<td>Frida Stighäll and Filippa Rådin</td>
<td>4</td>
<td>2007: 6 711 2008: 6 931 2009: 7 638</td>
<td>Advocating sustainability.</td>
<td>To give customers inspiration and something extra when they come in. To influence and make a change to the better.</td>
<td>No specific age-wise, customers from all age groups.</td>
<td>Same as target.</td>
</tr>
<tr>
<td>Gregers</td>
<td>2003</td>
<td>Fredrik Bernhardsson</td>
<td>1</td>
<td>2007: 9 405 2008: 10 002 2009: 9 433</td>
<td>No outspoken. Focus on quality and service and aim to still exist in another 50-100 years with the same high standard.</td>
<td>To engage in artistic, design, organges, fair trade.</td>
<td>Many groups. Different things.</td>
<td>Target customers are interested in art and want a little different.</td>
</tr>
<tr>
<td>Schmäcket AB</td>
<td>2009</td>
<td>Monika Kichau, Josefin Holmgren &amp; Linnéa Therese Dimitriou</td>
<td>1</td>
<td>2007: 3 243 2008: 3 334 2009: 3 438</td>
<td>Advocating sustainability.</td>
<td>To give customers inspiration and something extra when they come in. To influence and make a change to the better.</td>
<td>No specific age-wise, customers from all age groups.</td>
<td>Same as target.</td>
</tr>
</tbody>
</table>

NB: Turnover of Schmäcket AB runs Schmäck café and Schmäck Kompaniet as one company.
Creativity vs. Traditional Practices
Amanda Lundmark - Johannes Wikström

Appendix E

Art & Eco
Gregers
Kii
Schmäck Kompaniet

Marketing budget
Still no budget for it but as little as possible.

Around 3% of turnover
Very small

Very small

Customer relations (create & maintain)

Why people come shop
Because of the products and service

Why people come shop
Because of the products and service

Wants to be associated with
No. Good to reach maximum number with low cost, but to be seen "in the right way via the right channel" is more important than low costs

Engage purposely in low-cost marketing?
Yes.

Engage purposely in low-cost marketing?
No. Good to reach maximum number to minimum cost, but to be seen "in the right way via the right channel" is more important than low costs

Customer relations
Mailing list, create a dialogue.

Customer relations
Focus on the coffee. Something extra from buying something.

Engage purposely in low-cost marketing?
Yes. Easy to attract media at shows and happenings. Posters and flyers cheap.

Engage purposely in low-cost marketing?
Yes, but expensive things too. Location and display windows are essential, and expensive. Yes, but expensive things too.

Marketing strategy
Customer relations, direct mail.

Marketing strategy
Customer relations, direct mail.

Engage purposely in low-cost marketing?
Yes, but expensive things too. Location and display windows are essential, and expensive.

Engage purposely in low-cost marketing?
Yes.

Customer relations
Mailing list, create a dialogue.

Customer relations
Focus on the coffee. Something extra from buying something.

Engage purposely in low-cost marketing?
Yes. Easy to attract media at shows and happenings. Posters and flyers cheap.

Engage purposely in low-cost marketing?
Yes, but expensive things too. Location and display windows are essential, and expensive.

Marketing strategy
Customer relations, direct mail.

Marketing strategy
Customer relations, direct mail.

Engage purposely in low-cost marketing?
Yes, but expensive things too. Location and display windows are essential, and expensive.

Engage purposely in low-cost marketing?
Yes.
| **Is all publicity good publicity?** | **Yes.** | **Yes.** | **Yes.** |
| **Website's role** | **Import ant. Customers can check out extended information.** | **Important for supporting WOM and focusing on service.** | **Very important channel today.** |
| **Other internet marketing** | **No.** | **Facebook. Great.** | **Facebook. Most important for the local market.** |
| **Anything on the web not published/written by the store** | **A little.** | **Yes.** | **Yes.** |
| | | | **PR-Cont.** |
| **Other Internet marketing** | | | |
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Appendix F

Interview guide

1. Tell us a bit about yourself and about your role in the store.
2. When was the store founded and how many are employed?
3. What is your corporate vision?
4. What is your target audience?
   a. Is this target audience the same as the actual visitors to the store?
5. Tell us your opinion on marketing and how you use it in your store.
   a. What is your general marketing strategy?
   b. What strategies do you use the most?
   c. How have the strategies changed over the years?
   d. Do you evaluate the strategies to see what works best and what works not as good?
   e. How many percent of the total budget is spent on marketing? (Approximately).
   f. Do you have someone employed to work with only marketing?
6. Do you purposely engage in low cost marketing?
7. What do you want your store to be associated with?
   a. What do you do to become (and remain) associated with that?
8. Do you consider your store a brand, or a store selling brands?
9. When your store was opened, were there any place in Umeå offering something similar as you do?
   a. Do you think you created a new store concept when you opened yours?
10. Why do you think people come shopping in your store? (Based on reputation, differentiation, loyalty, trust etc.)
11. Do you consider your customers being financial assets?
   a. If yes – what do you do to maximize the value of the customer as an asset? (Evaluations, quality follow-up, personal approach etc.)
12. What do you do to create customer relations? (Club memberships etc.)
   a. What do you do to maintain these relations? (News letters, club events, membership offerings etc.)
b. Do you let the customer be “in charge” of the relationship? (Bring ideas, do their feedback decide how you change etc.)

13. How do you use PR? (Sponsorship, be seen at events, creating positive associations, interviews, lending out clothes etc.)
   a. Do you have a PR strategy? If yes – what does it look like?
   b. Do you think “all publicity is good publicity” is true, or do you carefully choose where and how to be seen? (What are the criteria?)
   c. Do you think your PR activities are crucial for your survival?

   a. Are you aware of the power of these two?
   b. How do you think WOM matters to your store?
   c. Do you actively do something to influence what is said about your store?
      i. If you do – do you target people you think are more influential than others?
      ii. Who are these?

15. What role do you think your website has?
   a. Are there links to your website from other websites? (That you are aware of?)
      i. Are those chosen for a reason?
   b. Do you keep track of number of visitors? Can you see increases/decreasing numbers?

16. Do you market your store in other ways on the internet? (Facebook group/blogs etc.)
   a. When were they created?
   b. What is the reason behind having them?

17. Do you know if there are any websites/facebook groups/blogs etc. about you that was not created by you?
   a. Do you know what is written/posted on these?
   b. Do you have interest in knowing?