MULTISENSORY PERCEPTION IN CONSUMER BRAND VALUATION

A Neuromarketing Study of Abercrombie & Fitch Co.’s Branding Strategy’s Affect on Consumer Behavior and Brand Equity

MSc. Marketing Communication Management

Anne-Sophie Dyreborg Schrøder

Advisor: Stephen Bruyant-Langer

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EXECUTIVE SUMMARY

Brands communicating from a multisensory platform are believed to have the greatest likelihood of forming strong emotional connections with consumers. Nevertheless new implications for managers have developed, as consumers’ valuation of the brand can be altered, if there is a perceived incongruence between the sensory stimuli presented.

This study addresses what consequences multisensory branding has for brand equity. The case example is the apparel retailer Abercrombie & Fitch Co. (ANF), as the company uses a multisensory branding strategy, as the only marketing tool while expanding into Europe. The objective is to analyze the consumer brand valuation by understanding how their multisensory perception shapes cognitive- and emotional decision-making as well as psychological engagement with the brand. The research is conducted through focus group interviews with Danish consumers representing the European mind set. Additionally environmental and economical factors in Europe affecting ANF’s shareholder value are assessed to connect the analysis to real world phenomena.

The analysis revealed that when four senses are addressed simultaneously by different incongruent stimuli, multiple basic emotional systems activate creating confusion and conflicting reactions. The decision-making process, which is driven by both unconscious intuitive emotions and conscious reasoning, overtly becomes rational responding to the conflicting emotions, resolving in avoidance behavior and negative brand valuation. Furthermore the brand is perceived as a negative stereotype and cannot function as an identity signal for potential European consumers as their cultural backgrounds bias valuations. The brand value is predominantly founded in the store experience, however its stereotypical nature is perceived as becoming mainstream. Additionally it is likely ANF will be influenced negatively by economic uncertainties in Europe like modest growth, high unemployment rates and inflation. The brand is also positioned in a highly competitive market with risk of being outperformed.

It is concluded that if ANF’s brand equity is to be sustained, the company must find a balance in customizing the concept by becoming responsive to European consumer behavior and trends, without loosing the differentiating effects of the multisensory strategy. Indeed the multisensory brand experience offers a process generating value at deeper behavioral, emotional, cognitive, sensorial and symbolic internal level. However the findings offer insights to the implications of managing a multisensory concept, as brand equity only is positively affected when multiple sensory stimuli are congruent and subtle, engaging consumers at an unconscious cognitive psychological level.
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INTRODUCTION

What we see is not always what we get. This fact has become modern consumers’ primary navigation mantra in the world of advertising. Given the gamut of explicit marketing appeals, consumers have become visually sophisticated and consciously selective, creating new challenges in branding. Marketers are today forced to use untraditional strategies to both get the attention of consumers and engage them emotionally and psychologically in the brand. These new methods focus on the use of unconscious triggers, which appeal to the five human senses. From a managerial perspective this way of sensory branding is more efficient, as the created unconscious triggers are believed to result in the consumers’ self-generation of desirable brand attributes, rather than those verbally provided by the advertiser (Krishna, 2011).

The human brain uses multiple sources of sensory information derived from the modalities of vision, touch, hearing, smell and taste, by merging them efficiently to form a coherent and robust perception of the world. These multisensory signals originate simultaneously from a physical event like an in store experience. Surrounded by multiple objects and sensory stimulations the brain is faced with a decision of how to categorize the stimuli in a perceived synchrony. The nervous system is responsible for whether to integrate or segregate certain groups of temporally coincident sensory signals based on the degree of spatial and structural congruence of those stimulations. Thus for an in store experience to be successful the congruency of its elements is important, if consumers are to make sense of the situation. As gestalt psychologists claim, the whole is greater than the sum of its parts, which stress the importance of a holistic perception. In this relation research in multisensory perception has found that converging stimuli can produce perception that is not only different in magnitude than its individual parts, but also quite different in quality. In a branding context this means that the valuation of a brand can be altered if the sensory cohesiveness consumers depend on is lacking (Stein & Meredith, 1993).

The best example of a brand using one such multisensory branding strategy is the American apparel retailer Abercrombie & Fitch Co. (ANF). The company offers an in store experience, which is supposed to lead the consumer to perceive the environment as a Hollywood nightclub by bombarding them with loud dance music, powerful signature perfume, dim lighting and half nude male models. Controversial as it is, the company has faced several lawsuits concerning the concept as regarded offensive. Consequently the brand has been worn down moving from cult status towards
becoming mainstream. As a reaction to the initial buzz, too many stores were opened and when the financial crisis began ANF insisted on maintaining high prices claiming luxury status, which lead to an economical downfall along with consumers fatigue.

After a long period with poor results in the U.S. it became ANF’s primary survival strategy to expand the brand to non-U.S. markets. For the citizens of Europe the arrival of ANF was hyped and overwhelming, however many consumers seemed more interested in experiencing the concept than buying products, why the attempt to sustain brand equity also has become challenged in Europe. At this point in time it is unsure if the brand can sustain brand equity while expanding, especially because opening new stores are costly and risky in unexplored markets. ANF is also facing economic uncertainties caused by the ongoing recession, which ultimately might have an effect on the mood of stock markets and the brand equity in financial terms. Thus there is an external perspective that has a decisive influence on the equity as well. ANF’s strategy to sustain value seems unwise looking at the history of the company and if the fatigue with the concept also evolves in a crisis affected Europe it can be the beginning of the end for ANF.

**RESEARCH QUESTION**

Studies of sensory processing in the human brain have traditionally been performed one sense at a time and numerous academic journals are largely restricted to considering sensory modalities separately. Though, there is a parallel history of multisensory research, however it is only recently the field has gained enormous interest (Hultén, 2009). Within this novel field of branding new implications for managers have developed, as the consumers’ brand valuation can be altered, if there is a lack of congruence between the sensory stimuli. In this thesis I will therefore study how multisensory branding can have consequences for brand equity. The research will be conducted with ANF as the case example because of the company’s use of a multisensory in store experience as the primary marketing tool during expansion into Europe. Thus my objective will be to understand how the consumers’ multisensory perception shapes the cognitive and emotional decision-making process as well as psychological engagement level with the brand. As there also are external factors in Europe affecting ANF’s brand equity, I will additionally assess environmental and economical forces influence on shareholder value.

The research question is:
How does the multisensory branding strategy affect ANF’s brand equity during the expansion to Europe?

To answer this question following sub questions will guide the analysis:

- How does the in store experience affect the European consumers multisensory perception, decision making and thus valuation of the brand?
- At what cognitive psychological level does the consumers engage with ANF and at which level can the relationship be improved?
- How does the external micro- and macro forces in Europe affect shareholder value?

CONSIDERATIONS

The subject of neuromarketing is a relatively new research field to be constructively used within the world of branding, why there still are controversies regarding its purpose. Neuromarketing tools and theory have been scrutinized from an ethical point of view and some may claim that neuroscience doesn’t bring anything new to marketing research other than neuroimaging, only making existing conclusions “extra” believable (Perrachione, 2008). Nonetheless neuromarketing has proven to be very helpful in understanding the value based decision-making process and differences in choice, which consumers themselves are unable to verbalize and explain. I thus find the field relevant to grasp as a marketer, however I have found it challenging to unify and balance it with an external economical perspective. I have thus found it relevant to focus overtly on the multisensory aspect in the consumer decision-making process, as these factors are significant in being able to suggest value optimization, where as external factors are unchangeable. Therefore I only focus on the economy and external forces at a fundamental level, acknowledging the decisive influence of this perspective in a branding context. The financial shareholder evaluation will furthermore be based on my own on estimates, why the calculations may not be entirely precise, however I believe they present scenarios from which discussion can spawn. Consequently the economy in the thesis will provide a required “reality check” relating the analysis of multisensory perception in decision-making to real world phenomena.

CASE DELIMITATION

I have chosen not to analyze ANF’s expansion into Asia, as the expansion into Europe currently is the most rentable and influential on the company’s brand equity. As ANF has a policy, which dictates collaboration with students is forbidden, I have written the thesis from an uninfluenced objective
point of view. There are limitations when not being able to access internal information about the case company, which makes personal assumptions regarding marketing strategies a necessity. Nevertheless ANF is listed at the American stock exchange, why a significant amount of financial data is available online.

Caused by the lack of internal marketing information related to the expansion, I have had e-mail correspondences with the Danish agencies Dansk Annoncørforening, OMD Insight Group, Danmarks Statistik, TV2 Analyse and Gallup Adfacts, in an attempt to clarify if ANF has made use of the Danish media for advertising purpose. I was informed by all the agencies that ANF had not marketed the brand via Danish media at all, as no data was to be found on the company. This fact confirmed that ANF’s only marketing tool in Denmark, and presumably also in many other countries in Europe, is the in store experience. From this standpoint I have throughout the thesis chosen to singularly focus on the in store experience as the only marketing influencer on consumer brand valuation.

METHOD DELIMITATION

As I am dealing with multisensory perception and the emotions derived from this process which affects cognition and decision-making, the most appropriate research method has been to use qualitative interviews, as these allowed a more personal in depth perspective on consumer thoughts and behavior (Kvale, 1997). These interviews were conducted with Danes, why the focus could seem local. However as ANF’s stores are globally standardized in consensus with the concept, it becomes possible to generalize the in store experience the consumers have in Denmark across Europe. Therefore I assume that the neural reactions to the stimuli will be similar across counties, though I do acknowledge that Danes are not a completely valid representation of the European population due to minor cultural differences.

THEORY DELIMITATION

I will draw on neuroscience theories regarding emotion, cognition and value based decision-making. In relation to these scientific standpoints theory regarding learning/memory, preference/liking as well as consciousness/unconsciousness will be drawn on. I have chosen to rely on the most recent literature within the field, as this data offers new perspectives on already pre-established valid and reliable research. I though realize the newest articles from 2012 propose untested theory, like Schmitt’s Cognitive Psychology Model and Plassmann, Ramsøy and Milosavljevic’s (2012) Model of Value Based Choice, which I will be using extensively. I though believe that the use of new theory is a necessity, as the analysis accordingly will be stimulated towards the most interesting study.
Additionally I have not found it relevant to include neuromarketing theory of social decision-making as I focus on the individual emotional differences between loyal consumers and non-consumers. Furthermore, sub-disciplines like neuroeconomics and neuroaesthetics will not be included, as these theories concentrate on prediction of choice, mathematical game theory and the understanding of visual aesthetic experiences like art.

Ultimately I have chosen to make use of a brand value chain as a theoretical framework for the analysis, as I wanted to display both the internal consumer mind set as well as the external shareholder value perspective. The value chain is inspired by Keller (2008) however in a modified version, as I have chosen to add an extra value stage and incorporate the multipliers into the value stages for the sake of simplicity. Additionally the value stages in the model will not only incorporate new models, but also an older Porters Five Forces model. I acknowledge that this model is simplified and limited, however it provides a functional framework for narrowing down the information heavy external forces to the most relevant for the analysis.

**THEESIS FRAMEWORK**

**Value Stage 1** presents ANF’s multisensory branding strategy and will thus serve as a descriptive introduction to the analysis.

**Value Stage 2** initiates the analysis by systematically dividing the consumers emotional and cognitive reactions in constituents according to the in store experience. The constituents consist of emotion, motivation, the four senses of smell, vision, hearing and touch, decision-making and cognitive systems. A new type of “customer based brand equity” decision-making model (Plassmann et. al. 2012) will be incorporated in analyzing the consumers’ brand valuation.

**Value Stage 3** adds a new dimension to Keller’s original value chain by addressing the consumers’ perceptions and valuations revealed in Value Stage 2, in a definition of their cognitive psychological
engagement level with the brand. A new model developed by Schmitt (2012) will be incorporated revealing at which engagement levels ANF needs to improve the brand relationship with consumers. This stage thus determines the internal analytical perspective.

**Value Stage 4** concerns the external micro- and macro environmental conditions in an assessment of the brands performance and position in the European market. Current fluctuations in the European Business Cycle, market- and consumer trends as well as competitors in Porters Five Forces will be reviewed. This stage thus develops an understanding of how the market place conditions challenge brand equity.

**Value Stage 5** ultimately reviews ANF from a financial perspective spawning a discussion of the possible outcome for the future of the company. In this relation a forecast will be presented and the brand equity and shareholder value will finally be assessed in terms of a positive, negative and realistic scenario.

**METHOD**

This section will provide insights to the scientific foundation of the thesis and my approach regarding data collection, interview hypotheses, interview design and reliability/validity of the method used.

**SCIENCE PHILOSOPHY**

Within the philosophy of science there are two fundamental paradigms, which are relevant to discuss in relation to the field of neuromarketing; the positivistic natural science and the interpretive human science. The positivist approach is based on the idea that the reality is measurable, why the challenge for the scientist is to find the most effective and objective way to measure it. Thus the respondent is seen as a scientific object to be measured and quantified without influence from the scientist. As a contraire the interpretive paradigm is based on the idea that it is impossible to conclude a final truth, why it is only possible for the scientist to create a snapshot of a changeable and manifold reality. Thus the scientist is seen as an inevitably influencing factor that brings presupposed attitudes to the research. These two ways of perceiving the reality is naturally not black and white, as both have different degrees of interpretation (Christensen, 2009).

The two paradigms are in spite of being very different not incommensurable. What the natural sciences and the human sciences have in common is the subject field of the consciousness. When the “human being” or “the existence in the world” has such a central role, it is because the focus is on
what is perceived as the specific peculiar human. The consciousness can for that reason be seen as a meta-concept covering the psychological functions as perception, conceptualization, thought process and memory in both a natural- and humanistic perspective (ibid.). Therefore the interdisciplinary link between the two paradigms can be defined as the cognitive psychology, which is based on the neurological fact that conscious rational thoughts are never separate from emotions, and emotions are never separate from thoughts.

Ulrich Neisser (1967) defined the cognitive psychology as the exploration of internal mental processes in a study of how people perceive, remember, think, speak, and solve problems. It accepts the use of scientific methods but also explicitly acknowledges the existence of internal mental states such as belief, desire, idea, knowledge and motivation. The term "cognition" refers to all processes by which sensory input is transformed, reduced, elaborated, stored, recovered, and used. Given this definition, it is apparent that cognition is involved in everything a human being might possibly do, concluding that every psychological phenomenon is a cognitive phenomenon and vice versa. In this thesis I therefore use the objectivity of the natural sciences to understand the subjectivity of the human science’s perception of consumer behavior through a cognitive psychological link, so I can constitute the reflective authority needed for constructing contributing knowledge (Gordon, 2001) (Baars & Gage, 2010) (Elsass & Lauritsen, 2006).

When trying to understand the consciousness neuroscience automatically addresses the unconscious by observing personality changes. This means that emotions, consciousness and unconsciousness are thought to have a physiological origin in the brain structure, which is linear with psychological awareness, intentionality and meaning creation. I consequently perceive that consciousness and unconsciousness, in a significant way, is conditioned by a physical manifestation in the body (Christensen, 2009). Nevertheless I also believe that when dealing with emotion and psychology, factors like culture and subjectivity are equally as relevant, to understand the phenomenon of human behavior. These factors are not considered in a positivist natural scientific perspective but in the human science as an understanding of consciousness and human behavior as conditioned by the body and minds activity in the environment (ibid.).

Based on the interdisciplinary cognitive psychological link between the natural and human sciences, I accept the use of the positivist neuroscientific theory, but also explicitly acknowledge that the existence of emotion demands an interpretive humanistic methodological approach. Therefore on
the basis of the positivist view I adopt a hypothetically deductive experimental research method, as my analysis is conducted with the purpose of investigating the consumers’ multisensory perceptive experience, by testing some hypotheses and deducing the effect of the phenomenon with the help of neuroscience theory (ibid.). Nevertheless I do not seek results that are ultimate, as the multisensory phenomenon I explore originates in the brain of individuals, who has the free will to always choose different patterns of action. My most important strive is thus to understand why individuals chose as they do, why the research method will be qualitative interviews accompanied by a hermeneutic interpretation technique.

DATA COLLECTION

The data collected for the thesis consist of both secondary and primary data. The secondary data includes preliminary neuroscience articles, which contains the most recent scientific trials founded in previous research within the field. The secondary data also includes extracts from ANF’s annual reports and quarterly financials, market statistics for the European Apparel Market (MarketLine Industry Profile, 2012), consumer surveys (Euromonitor Int.: TOP 10 Consumer Trends & Generation Z, 2012) and European Business Cycle forecasts (European Commission Prognosis 2012-2013) all available on the World Wide Web and CBS databases. Lastly I especially rely on following books: Cognition, Brain & Consciousness, Introduction to Cognitive Neuroscience (Baars & Gage, 2010), Strategic Brand Management (Keller, 2008) and Emotion & Reason, The Cognitive Neuroscience of Decision Making (Berthoz, 2009). The primary data consist of qualitative focus group interviews, which purpose and design will be described in the following section.

INTERVIEW HYPOTHESES

The intention behind the focus group interviews is founded in the lack of internal information regarding ANF’s strategy and its purpose. My speculations of how the brand lost value in the U.S. and if the company will come to face the same adversity in the European market, led to some assumptions regarding the effect of the multisensory branding strategy, which I narrowed down to four hypotheses (Appendix A):

- **H1**: The multisensory stimuli in store taps into the cognitive and emotional processes in the brain, and affects the consumer decision-making process.
- **H2**: By using sensory stimuli the brand will be more memorable in the long term.
- **H3**: The sensory in store experience has a significant negative effect on the brand equity.
- **H4**: The in store experience has a significant differentiating effect for the brand, but is also a hurdle in the long term for sustaining brand equity.
The purpose of using hypotheses is to create an understanding of the field I want to analyze, as the cross between multisensory perception, emotion and cognition is complex. The hypotheses thus help a thought process develop from the basis of no pre-established knowledge about the consumer sentiment to be investigated. Thus I use the hypotheses in a circular hermeneutic manner, as the field as a whole only can be envisioned in terms of a reality situated in the detailed experience by the individuals (the parts). Therefore my understanding is developed on the basis of "fore-structures" of understanding that allow the phenomena to be interpreted. Consequently the relevance of the hypotheses will diminish after them being falsified, why they will not be referred to again after the presentation of results, as their illuminating purpose has been fulfilled.

INTERVIEW DESIGN

I wanted to perform a total of three focus group interviews, a main interview lasting 2 hours and two follow-ups each lasting 1 hour. The interviews were explorative as I followed a semi-structured approach. This means that all the interviews were hypothesis testing throughout the questioning, however the participants were allowed to speak freely developing the conversation in other directions (Kvale, 1997). I strived to collect valid empirical information, which is the reason I performed two follow-up interviews as a measure of, if the emotional and attitudinal responses were similar across different individuals, who had diverse relationships with the brand (ibid.).

Participant Selection

Each interview group consisted of four anonymous participants, both male and female, within ANF’s primary target audience aged 18-22. The participants in Focus Group 1 (F1) were found through my personal network, as I had knowledge of individuals being either very fanatic or oppositional towards the brand. The participants for Focus Group 2 and 3 (F2, F3) were however individuals I recruited by addressing people leaving the store in Copenhagen. This selection method was functional, as I needed interview participants with different relationships with the brand, to create an interesting group dynamic (ibid.).

F1: Consumer/Non-Consumer Mix

The first group of participants consisted of two males and two females aged 17-22. One male and female were regular customers whereas the other two only had awareness about the brand. The dynamic of this group played on a tense field, as there at every question were two sides of the story. This pro versus con towards ANF created a constant stimulation, friendly discussion and many interesting testimonies.
F2: Consumer/Employee Mix

The second group of participants consisted of two females and one male aged 20-22. The male was a regular consumer and the two females were a non-consumer and a former employee of ANF. The dynamics of this group was more differentiated, as there were fewer opportunities for mutual bonding between the participants as a result of attitudes coming from three different angles. Instead I experienced a tendency between the participants, to listen to each other’s stories and thereafter as a group reflect over them, which possibly had an effect on how following answers were developed.

F3: The Employees

The third group of participants consisted of one male and three females in the age of 20-21. The male was a former employee, two females were current employees and one female had applied for a job in ANF. The group participants were representative of the consumer segment as they also owned clothes from ANF as employees, but they were additionally objective representatives of how consumers reacted to the in store experience, as they had observed consumer behavior during work. The dynamic of this group was especially founded in the social context where stories fed to more stories about the same subjects. There was much agreement in this group, when answers came from an employee perspective, and there was a good understanding of the consumer, as the employees found them relatable.

Focus Group Interview

The interview process began with a 10 minute visit to the ANF store in Copenhagen, with purpose of the participants having the experience fresh in mind creating more adequate responses. Before the store visit, the participants were not told to specifically notice any of the multisensory stimuli. After the session the interview began in the privacy of my home. At the beginning of the interviews participants were informed, that the purpose was to assess the brand equity of ANF through a deeper understanding of the consumer experience. No notion was made about the hypotheses.

Question Guide

The interview guide was inspired by the hypotheses and consisted of 10 superior scientific questions. To each scientific question were 1-5 interview questions directed the participants, as the abstract nature of the scientific questions would not lead to spontaneous answers. Therefore the scientific questions were translated to a more common language in the interview questions to trigger rich emotional responses. Thus the interview questions supposedly would answer the scientific
questions, which would falsify the hypotheses (Kvale, 1997). The interview questions were especially explanatory, specifying and interpretive questions, as I wanted the participants to reflect and describe rather than answer superficially. Below is an example from the interview guide (Appendix B):

<table>
<thead>
<tr>
<th>H#</th>
<th>Scientific Question</th>
<th>Interview Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>H3</td>
<td>What kind of memory is involved (implicit or explicit)?</td>
<td>a) What do you remember most significantly from the in store experience?</td>
</tr>
<tr>
<td></td>
<td>Which different aspects of the in store experience affect brand memory?</td>
<td>b) Does the store experience remind you of any specific situation or memory?</td>
</tr>
</tbody>
</table>

RELIABILITY AND VALIDITY

There are several challenges when verifying qualitative interview research. This type of research is known for the personal contact and personal activities in relation to a case, where individuals reflect over and review the meaning of experiences, why formal and statistical generalizability is difficult. The focus group interviews are therefore instead analytically generalized, which involves my deliberate judgment of to what degree the interview results may be indicative of what can happen in a similar situation. I believe it is possible for other researchers to stage the same priming session and informal setting for the interviews, and thereby reach the overall same dynamic and synergy with the same questioning technique. Nevertheless the generalizability of the results might vary a across different participants from other countries in Europe as an effect of cultural differences. Furthermore there might be differences in response in a gender specific relation.

As qualitative research rests on the assumption that the individual humans perception of itself and the world is unique and subjective, it actually doesn’t make sense to speak about reliability and validity in traditional terms. Reliability and validity in this relation will be valuated in relation to whether it reflects the reality, as the interviewees perceive it. Using a qualitative research method my objective was not to achieve results that were repeatable, but to strive for a truthful understanding of the participant’s world (Kvale, 1997) (Christensen, 2009). I assess the interviews as reliable and valid as the results are based on several different individuals coherent perception of the same phenomenon. Additionally the anonymous terms are believed to increase the truth-value of the interviews, as participants are able to be more honest.
THEORY

In this section I will explain how the senses are connected to bodily reactions through the sensory motor systems. Hereafter the senses and their neurological functions will be reviewed in a branding context and ultimately the decision-making process influenced by cognition and emotion will be described.

SENSORY MOTOR SYSTEMS

Initially I will introduce an overview of the functional areas of the sensory regions of the brain. The sensory, or input, regions in the cortex are overtly located in the posterior part of the brain. The parietal, temporal and occipital lobes contain the visual cortex, auditory cortex and somatosensory cortex, where information coming from the eyes, ears and body is processed.

This large region encompassing three cortical lobes also functions as the region of cortex processes where information from various senses is bound together for higher order processing in a multisensory perception of the world. The motor, or output, regions of the cortex are located in the frontal lobe just besides the primary sensory area. The close physical connection between the somatosensory cortex and the motor cortex allows for a tight coupling between senses of touch, pressure, and pain and the action or motor system (Baars & Gage, 2010).

The different regions of the body are not equally represented in these cortical regions; some areas, such as the face and hands have quite a disproportionately large representation where other regions such as the center of the back have a disproportionately small representation. The regions of the body are divided into two body maps called homunculi (little men): one is in somatosensory cortex and a very similar one is in motor cortex. Both the motor and sensory homunculus is represented as a small man superimposed over the top of the precentral or postcentral gyrus, for motor and sensory, respectively. The man’s head is depicted as large and exaggerated together with the lips, hands, feet and genitals because they have more sensory neurons than other parts of the body being the most sensitive and receptive of sensory stimuli (ibid.) (Penfield & Boldrey, 1937).
An important landmark to be aware of in relation to homunculus is the central sulcus, which is the fold in the cerebral cortex of the brain that separates the sensory and motor homunculi. This fold also separates the more sensory posterior half of the cortex form the anterior half. In contrast to the sensory posterior half, the frontal cortex is involved in action control, planning, some working memory functions and language production. This means that in a sense, the posterior half deals with the perceptual present, while the anterior half tries to predict and control the future (Baars & Gage, 2010).

The prefrontal cortex and more specifically the dorsolateral prefrontal cortex is thus the most distinctive cognitive areas in the brain. The prefrontal cortex plays a central role in forming goals and objectives and creating plans of action to attain them. It selects the cognitive skills needed to implement the plans, coordinates these skills, and applies them in a correct order. Furthermore the prefrontal cortex is responsible for evaluating our actions as success or failure relative to our intentions (ibid.).

As humans our goals are visions of the future that we act upon, but to guide our behavior in a sustained fashion, these mental images of the future must become the content of our memory. Cognition is forward looking and proactive rather than reactive. It is driven by goals, plans, hopes, ambitions and dreams, all of which pertain to be the future and not the past. Goal formation is about what “I need” and not about “it is”. Therefore the ability to formulate goals must have been inexorably linked to the emergence of the mental representation of “self”. Thus self-awareness is also intricately linked to the frontal lobes of the brain. All these functions can more over be referred...
to as meta-cognitive rather than cognitive because they provide an overarching organization of all the mental skills. Therefore the functions of the cognitive area in the brain, the prefrontal cortex and lobes are executive functions, by analogy with a governmental- or corporate executive (ibid.).

**THE FIVE SENSES**

Almost our entire understanding of the world is experienced through our senses. Aristotle proposed his theory of aethesis or sensation, which suggests that our five senses are ordered hierarchically, with touch first, followed by the other senses increasing the acuity of the touch sensation. Per Aristotle, touch provided a true picture of the intrinsic nature of the object and it is also the first sense to develop in the woman’s womb as well as the last sense we lose with age. During pregnancy the senses develop in the following order: touch, smell, taste, hearing and vision (taste is excluded in the following) (Krishna, 2011).

**Touch**
The primary sensory area for touch in the cortex is located in the parietal lobe of the brain or the before mentioned motor homunculus. Initiation of somatosensation begins with activation of a physical receptor. These somatosensory receptors tend to lie in organs, most notably in the skin or muscle, and can be activated by movement, pressure, chemical or temperature. Transmission of information from the receptors passes via sensory nerves through tracts in the spinal cord and into the brain (Baars & Gage, 2010).

In relation to branding, the need for touch can be categorized within two subscales: instrumental and autotelic. The instrumental need for touch is for testing the functionality of a product by touching it and thereby validating it. The autotelic need for touch captures the emotional and compulsive touch for the sake of touch alone. Touching people can also have interesting consequences as physical warmth generates interpersonal warmth and contamination can have an effect on how consumers react towards products. Consumers can for example be less likely to purchase a shirt if another shopper has touched it earlier, even though nothing was changed or defect about the shirt (Krishna, 2011).

**Smell**
The olfactory part of the cortex is placed in the medial temporal lobes of the brain, which includes the olfactory bulb - the structure for perception of odors, the amygdala - the hub for emotional reactions, and the hippocampi - which plays an important role of consolidation of information of
short-term memory to long-term memory as well as spatial navigation (Baars & Gage, 2010). Quick synaptic transfers characterize these areas in the brain, which also defines that the transfer of olfactory information differs from that of the other senses, as it is much more directly connected with memory and emotion.

Scientific research has shown, that humans can retain information about scents for a long period of time all the way from childhood to late adulthood (Morin & Ratneshwar, 2003). Though humans often have difficulties identifying scents by name, but their ability to distinguish among different scents and to recognize scents previously smelled after long periods of time is very robust. Therefore memories for scent exhibit flatter forgetting curves over time than do memories for information acquired via the other sensory modalities (Krishna, 2011). Most importantly scent and the salience of scent has an impact on product/store evaluation, the time spent in store and motivation of the consumer (Bosmans, 2006). Scents found pleasant can indeed enhance product evaluations and increase variety-seeking behavior in store, however the variety-seeking is overtly occurring with a congruent versus an incongruent odor in relation to the concept (Krishna, 2011).

**Hearing**

The anatomy and connectivity of the auditory system is very complex with multiple stages of processing. Sound processing does not happen in isolation, what we hear combines with what we see and touch. Initially a sensory input in form of sound enters the ear and the auditory cortex through ascending pathways, where the sound briefly is stored, while the brain selectively directs attention to it for processing. At this stage, there are complex interactions between inputs and existing memory and experiences as well as with other sensory systems. Sound becomes decoded, understood and stored in our long-term memory. The auditory cortex is not the end stage, but serves as a hub for sound processing interacting dynamically with other systems. These dynamic processes provide a wide range of perceptual acuity, and allow us to perform complex tasks such as selectivity listening to one persons voice in a crowded and noisy room, or recognize a melody even through it is played in another key or different tempo (Baars & Gage, 2010).

When humans hear a sound a meaning is attached to it as well as a picture of the physical features of the sound. Music for example helps influence mood and it has been proven to affect the shopping pace and the actual time spent in store. The sound of language can also have an impact on brand and product perceptions, as there exist some generalizable language-related associations in bilingual cultures that use English as a second language. The use of English in advertising has come to suggest
a social stereotype that symbolizes modernity, sophistication, progress and a cosmopolitan identity (Krishna, 2011).

**Vision**

The visual cortex is responsible for processing the visual image. For most people vision is the most important sense they rely on to navigate through their everyday lives. In branding vision is the brains tool to understand for example faces of models, product images on packaging and brand names (Spence, 2012). Vision is the sense that helps us to know what is where (these functions in the brain is also called the ventral pathway (what) and dorsal pathway (where)), but vision is far more complicated than simply seeing the world as if it was a picture taken with a camera. Visual perception is what happens after a picture reaches the eye, where the brain processes visual features such as color, orientation, motion, texture and stereoscopic depth. Most neurons in the brain are highly tuned to specific features – some fire strongly to color, some to motion and so on, which means that the brain combines information that is divided across the network of neurons. The gestalt psychologists proposed that perception could not be understood by simply studying the basic elements of perception, why they claim there are laws of perceptual grouping such as similarity, proximity, continuation, closure, symmetry and common motion. Perception makes us perceive the shape of entire objects and match shape representations to the objects we know from previous experience (Baars & Gage, 2010).

The human senses work closely together and are each an important part of a holistic system that makes us perceive the world both consciously and unconsciously. What the senses have in common is that they are universal and shared by all people across the world. This means that the senses can be addressed the same way particularly well in the global marketplace. If multisensory branding is to be successful however, it is important that the principles of multisensory perception in the brain are followed. Multisensory perception is stronger when the constituent unisensory stimuli arise from approximately the same location at the same time and evoke relatively weak responses when presented in isolation (Stein & Meredith, 1993). There might also be some implications in the symbolism of multisensory stimuli when shared cross-culturally. Culture seems to have an impact on people’s perception of the same brands, though the human brain, no matter cultural origin, bears the same anatomical structure, why neuroscientifically people should act the same way to the same stimuli across countries. However marketers are often surprised by consumer choice, and have challenges predicting choice in relation to cultural and individual differences (Spence, 2012).
DECISION MAKING AND COGNITION

After having defined how the consumers’ multisensory perception works in a branding context, the last step is to define the brain’s decision-making processes. Plassmann et. al. (2012) have defined four stages that are involved in consumer preference formation in value based decision-making. These four stages are 1. Representation and Attention, 2. Predicted Value, 3. Experienced Value and 4. Remembered Value and Learning, demonstrating the decision-making process as a learning loop. In these decision stages there are several emotional and cognitive processes for valuation involved.

Daniel Kahneman (2003) has introduced the process of two cognitive systems that people use for information processing: Intuition (System 1) and Reasoning (System 2). System 1 is experiential, fast, automatic and driven by immediate emotions. System 2 is analytical, rational, deliberate, slow, logical and can be parallelized with anticipated emotions, which are awoken in relation to the gains and loss spectrum of a decision (Lowenstein & Lerner, 2003) (Kahneman, 2003) (Berthoz, 2009). The outcome of combining Plassmann’s model with the theories of intuitive/reasoned cognition and immediate/anticipated emotion is portrayed in the figure below:

The role of emotions in decision-making is to direct attention, motivate behavior, guide anticipation of reward and aversion and determine the significance of a situation. An emotion is thus an immediate changed physiological reaction that originates in a psychological situation, which puts events in relation importance and creates bodily changes. The emotional spectrum is vast, however
the brain has evolved some basic emotional systems that all humans rely on: The seeking-, fear-, rage-, and panic systems accompanied by the lust-, care- and play systems (Baars & Gage, 2010). When making decisions, the physiological signals, also called somatic markers, and their evoked emotion are consciously or unconsciously associated with past outcomes and bias decision-making by guiding behavior in favor of more advantageous choices. Generally, when a somatic marker is associated with a positive outcome reward-directed behavior is motivated, whereas a somatic marker associated with a negative outcome can cause avoidance behavior (Bechara & Damasio, 2004). Avoidance motivations tend to be more powerful than approach motivations, as people feel that a loss is more emotionally devastating than the equivalent gain is gratifying.

Accordingly the decisions we make draw on learned experiences, as we retrieve the needed information from our explicit (conscious) or implicit (unconscious) long-term memory. The short term working memory can be seen as the sensory input channel to two different types of long-term memory. Explicit learning and retrieval involve conscious knowledge, both for facts (semantic memory) and autobiographical experiences (episodic memory). Implicit learning and retrieval involve primed tasks, highly practiced habits and motor skills (Baars & Gage, 2010).

The unconscious intuitive and emotional system is strong, however it is closely monitored by the reasoned rational system. Cognition and emotion thus interact constantly to produce behavior. The role of cognition in the decision making process is first of all that it is a source of signals that can trigger packaged emotional reactions, but it also contributes to emotion by giving us the ability to make choices about what action should occur next, given the situation we find ourselves in now. This is the reason why cognition is such a useful part of the mental arsenal, because it allows a shift from reaction to action.

**INTERVIEW RESULTS**

In this section I will present the interview results (Appendix C). To organize and decode the data, the four hypotheses will serve as overall categories for relevant statements, to create a narrative structure as well as holistic meaning condensation (Kvale, 1997).

**H1: The multisensory stimuli in store taps into the cognitive and emotional processes in the brain, and affects the consumer decision-making process.**
As all decisions humans make initially are affected by emotional reactions to some form of stimuli, I sought to explore how the consumers felt when being in the store, if they wanted to stay in there for longer and felt the urge to buy. My assumption was that the intense impact of the in store stimuli had both a curiosity and confusing effect within the consumers’ brain.

Even though participants from F1 were both non-consumers and loyal consumers all agreed on a two-dimensional effect of the experience. One described;

“The concept is made to lure you in, but it is also so fierce that you can’t stay there for very long. All the sensory triggers make you want to leave, but the entirety of the concept makes you curious and want to stay. I’m psychologically drawn to the store, but physically repelled by it when I enter” (F1, p. 16).

Obviously the multisensory stimuli has both positive and negative effects on the consumers’ behavior towards the store and brand. I found that all the participants from F1 agreed that the positive thing about the experience was that it made them interested in knowing more, but at the same time they felt stressed as a result of all senses being emotionally involved, when trying to rely on rational decision-making processes. In this relation a non-consumer explained;

“It is almost like you get stressed into buying some clothes, just to get out of the store again quickly (...) even though the clothes are the only thing you can really see, they are not what you notice (...) I have never gone in to the store to buy something actually, I have always gone in there for the experience. But if I decided to buy for example a shirt in there, I think I would come out with the wrong one because I would be stressed to just buy something” (F1, p. 3, 4 & 9).

Another non-consumer added;

“I loose my focus in the store (...) there is no hope of finding what I want” (F1, p. 9). It was obvious that the stimuli tapped directly into the brains processes already when entering the store, even before the consumers were to pay attention to the products and make a choice of liking or purchase. When being present in store all participants from F1 underpinned H1 when explaining how it was almost impossible to make any decision at all, as the stimuli became a stress factor. These results also made it clear that there was an overt conflict between the intuitional and rational processes in the brain, taking the cognitive decision-making process into a standstill.

I asked the participants if they felt like staying in store for longer or felt the need to buy more and both non-consumers and loyal consumers agreed that the store was not a place where one “hangs out” for hours. Nor was the experience a factor that made one want to buy the clothes more, rather
than it was a factor, which made one want to flee the scene. A loyal consumer described how she felt when having visited the store;

“I think after having visited the store, both in Denmark and abroad, I don’t feel like visiting the store again for a long period of time. I have to get used to it slowly. You need to have the desire, the time and the energy to go into a store like that” (F1, p. 9).

Even the loyal consumers apparently seldom visited the store, as the experience was too intense, having a negative effect on the urge to buy. This added up with the non-consumers comment on being stressed to just buy something and leave, even though the clothes wasn’t the main focus of the visit. The arguments supported each other in that if a consumer really has the desire to buy something, they have to be used to the experience. A former employee from F3 also had a similar point to add to the confirmed fact, that the in store experience had a two-dimensional emotional and cognitive effect on the consumers;

“The hype gathers attention and pulls people in. But if they don’t like the clothes, they don’t come back” (F3, p. 8).

H2: By using sensory stimuli the brand will be more memorable in the long term.

I already knew in the beginning that the ANF brand had something special even though it could be both hated and loved. I thus assumed that the brand would be memorable, but I also wanted to explore if the brand was memorable in the long term, as this factor would be relevant for sustaining brand equity. In F1 a non-consumer talks about her in store experience;

“I think it was fun... And it was fun because it was different. I have never experienced stores like this one, which makes it a store you remember. You remember the scent and the naked men and so on, which make it very characteristic for that brand” (F1, p. 7).

Throughout all three interviews the participants described their store experiences the same way. Everyone focused on the experience, and not the actual products, as a memorable thing. The clothes were apparently disguised in the experience, which in stead became what was stored in the minds of the consumers. What lacked in the memory of the clothes was given in the memory of the experience, as both a very negative and positive thing. It became clear that what would be remembered in the long term would be the effects, which was easiest recognizable about the store experience; the perfume scent, the male models, the night club theme, the loud house music as well as the behavior of the staff. A non-consumer from F1 revealed how she especially remembered the male models;
“They didn’t wear a lot of clothes, and I noticed some of them wore belts and other things – but actually I don’t remember it that well, because you mostly remember their bare upper bodies, like the model standing just inside the entrance. You don’t remember as much the clothes they wore” (F1, p. 5).

I learned that she obviously was so affected by ANF’s way of getting the consumers’ attention in store, that she completely overlooked the actual clothes the models wore. The female participants especially described that the male models were one of the most memorable aspects about the experience, as a model is the first person you meet when entering and the last when you leave. In contraire the male participants of the interviews all found the models a nuisance, as they felt intimidated by them. However they still mentioned them as a very memorable aspect, though in a negative way. A female loyal consumer stated;

“No matter if it is positive or negative, I think it is memorable and worth telling others about” (F1, p. 10).

In this relation it should furthermore be mentioned that the only place in store consumers are allowed to have their picture taken, is at the entrance together with a male model. I interpreted this as another attention trick from ANF, which evidently was supposed to make the consumer stimulated to think about the experience for longer by pulling it from memory, when looking at the photo. A current employee from F3 explained the photography strategy;

“It’s a way to keep the experience special and memorable. It forces people to enter the store themselves if they want the actual experience” (F3, p. 4).

What especially confirmed that the brand was memorable in the long term was the interview participant’s reaction to the scent. This was a focus point mentioned many times in all of the three interviews, as the scent was defined, as the most recognizable and memorable somatic marker for the entire brand. Both males and females had formed a special attitude towards the unique scent present in store. When one leaves the store, the smell lingers with the person physically as well as psychologically for a long time. A loyal consumer explained;

“I was once on a bike trip, where someone on a bike several meters in front of me wore the scent, and I could clearly smell it and recognize that this someone was wearing ANF” (F1, p. 14-15).

A non-consumer continued;

“No matter who wears it, the scent is very recognizable. Even though they are not wearing the clothes, you still know that the perfume is ANF” (F1, p. 14-15).
H3: The sensory in store experience has a significant negative effect on brand equity.

An important focus point throughout the entire interview process was how the brand equity was affected by the multisensory in store experience, as the only marketing tool used by ANF. During all three interviews I sought to find out, how the consumers valuated the brand in relation to how the concept, experience and quality/design of the clothes played together. With this third hypothesis I assumed that the multisensory appeals towards the consumers had to be fully balanced and in sync with each other for them to be successful in a positive way for the brand. Thus I expected the participants would overtly agree on the concept being overwhelming and that there was a perceived mismatch between what identity ANF wanted to portray in relation to the image consumers actually experienced.

The most loyal consumer of all three interviews explained his point of view already early in F1;

“The clothes is of high quality, it is thick and sturdy – it is not the clothes there is something wrong with, it is the way it is being branded I think is wrong. (…) When I go in there I already know what I’m going to buy. I go after specific things all the time, and these are things that I find on the ANF webpage on the Internet” (F1, p. 3 & 9).

It quickly became clear that not only non-consumers but also loyal consumers thought of the experience as being over the top, making them react with avoidance behavior. Many participants throughout the interviews described their confusion regarding mismatches between the sensory markers. Already before entering the store, the dark window displays holding old vintage outdoor gear made the consumers expect a certain type of store, but as they entered the American nightclub setting with all its sensory markers surprised them. A non-consumer from F1 explained;

“All I saw in the windows was old pairs of skis and shotguns, and it makes you think; “what is that?” Then you enter the store and the experience is something completely different that what you expected. I think it is interesting that you enter the store and experience something you didn’t expect from the outside” (F1, p. 6).

A current employee had a similar argument in this relation;

“The façade doesn’t resemble a clothing store. When my parents wanted to see where I worked they couldn’t find it, because there are no clothes in the windows. You have to know the brand to even know that it’s a clothing store, but generally, once you enter you want to see more” (F3, p. 3).

The participants discussed the cohesiveness of the brand with its positives and negatives and all agreed that the concept was what made the brand interesting, but it was just too much of the good at the same time. In this relation I found it relevant to bring up a question of how they would prefer
the store if it should be more appealing. Almost all participants across the three interviews agreed that the experience should be tuned down quite a notch, for example a former employee F3 said;

“I think they’d have more success if wasn’t for extreme concept, especially if they had more changing rooms, less noisy music and a little lighter environment. The models are really providing value but if they just eased up a little on the rest, then they’d be better of” (F3, p. 10).

Though a non-consumer F1 had a relevant argument, which fed to some reflection;

“I could agree with the others, but then I think, why should I even go in there then? Because if it wasn’t because there was darkness, the stink of perfume and so on, then the store wouldn’t be special enough for me. What makes me go in there is that the concept is so over the top, and it might be the only reason I would ever buy something in there, or else it wouldn’t appeal to me at all” (F1, p. 11).

An employee also said:

“I think the store experience is everything, absolutely everything” (F2, p. 9).

The hypothesis was partially confirmed as it was supplemented by an understanding of how important the experience was for the value of the brand. As all participants agreed on the experience being both a limitation for value perception as well a necessity for success, I started wondering if there was anything at all that could be changed about the brand, which would sustain or further build the brand equity.

**H4: The in store experience has a significant differentiating effect for the brand, but is also a hurdle in the long term for sustaining brand equity.**

After having the former 3 hypotheses confirmed with a clear message of the in store experience having an impact on consumer behavior and the perception of the brand, I reflected over the mentioned positives versus negatives. In this relation a confirmation of the fourth hypothesis was essential to wrap up the assumption, that even though the experience served as the differentiating factor for ANF, it was also prone to become a hurdle for brand equity in the long term.

ANF had informed the employees from F3 that the experience serves as the tactic that differentiates the brand from competitors. Furthermore they had been informed that the theory was to engage more senses at the same time, which should affect consumers and thereby influence sales (F3, p. 3). However it seemed like the opening of new stores was the only investment in the future development of the brand, why the value of the actual clothes, was perceived as having fallen behind. I asked if the participants felt there was cohesiveness between the brand image and the clothes, to which a loyal consumer F1 answered;
“Not at all! The first clothes I got to wear from ANF seemed like any other normal average clothing brand, which you would be able to find anywhere else. It is only because it is branded this way that it becomes different to wear and creates a different feeling about the ANF brand” (F1, p. 3).

Later a non-consumers followed up;

“Because the clothes are so simple on its own, shorts, tees, jeans, it looks alike and it is the same all year around. So if they didn’t carry such a strong brand, I don’t think people would be interested in the store at all in relation to other competing stores with the same clothes” (…) “It is the concept that sells... Everybody wants to be unique, and if you don’t have unique clothes you must have a unique concept (F1, p. 11 & 14).

I realized that the experience was in fact the long-term brand value investment for ANF, but wondered if it in reality could sustain the brand for years to come with the changing external environment and competitors. Participants from F2 offered points of view that were in sync with my wondering;

“I think it has become a cliché. A: And it’s always the same, they don’t change anything, or evolve. Now you’ve tried it, and the experience wasn’t that good”.

Furthermore they stressed their annoyance with the lack of change in the products as well;

“ANF doesn’t follow general fashion trends. The shirt I bought around four years ago in London is still on display in the store” (…)

“In ZARA or H&M I often buy stuff I hadn’t planned on, but I think it’s because you don’t know what you are going to find when entering those stores. It changes a lot. In ANF it’s always the same” (F2, p. 4-6).

It was surprising that the participants actually found the store experience became somewhat predictable and boring in spite of the bombarding sensory stimuli that initially felt so new and different. Thus the fourth hypothesis was confirmed, as it became a reality that the one thing ANF relied on and kept investing in, could become an obstacle that ended consumer interest. An employee from F3 completed the confirmation, with her internal knowledge about the brand;

“They don’t try to adapt to the market they are in. Not once have I been told to do something because that’s what Danes like. Every tiny part of how we run the shop in Denmark is dictated by the American concept. I think it’s because of the American “we are the best” attitude” (F3, p. 12).

And she also stated;

“When it got to Denmark it was really hyped but then it became a brand everybody bought into. I think that’s the case with most things that become too popular, like the Kawasaki shoes that everyone ended up wearing. It just became too mainstream” (F3, p. 6).
In the closing stages of F3 I was certain that the in store experience was the fundamental building block for the brand equity. Though through the interview process it had become clear that the concept, which was the pulse keeping the company alive, was both hated and loved. The brand was without doubt memorable in the long term because of the sensory concepts differentiating effect, however the same concept copied from country to country, without investments in further concept and product development, seemed to be a potential hurdle for sustaining brand equity in the long term.
MULTISENSORY PERCEPTION IN CONSUMER BRAND VALUATION

VALUE STAGE 1: INVESTING IN MULTISENSORY PERCEPTION

At this first value stage I will introduce ANF’s marketing program investment, the multisensory in store experience, in relation to its clarity, relevance, distinctiveness and consistency. The quality of the program determines to what extent the consumer mind set is affected in Value Stage 2. Furthermore the quality of the program is the determinant if the company achieves a greater return on investment in Value Stage 5 (Keller, 2008).

ANF

In 1892 David T. Abercrombie and Ezra Fitch established ANF as a supplier of outdoor clothes, camping gear and sporting goods to high end customers in New York. The interior design of the stores was uncharacteristic as fake outdoor areas were build, tents were erected and everything from boots to fishing poles, rifles and golf gear could be tested by consumers. In these environments, the employees would not only wear and use ANF products but also live the brand. The company filed for bankruptcy in 1976, mainly due to a combination of over-expansion and diminishing sales, however Limited Inc. purchased the brand in 1988 and Michael Jeffries took over as CEO (wikipedia.org). The brand had reached its maximum growth potential in the American market, why the international expansion began in 2006, with the long-term goal of opening flagship stores in Europe and later Asia. Thus the company expects 30% of its sales to be from non-U.S. stores by 2012 (Annual Report, 2011).

Through the stores and the brand webpage the company sells a broad array of products across the four sub brands Abercrombie & Fitch, Hollister, Abercrombie Kids and Gilly Hicks including: casual sportswear, knitwear, t-shirts, jeans, shorts, underwear, sleepwear, perfume and accessories for men, women and kids. ANF’s consumer segment is broad, addressing young men and women as well as teenagers and kids in the age group 7-22. The psychographics of the consumer groups in relation to the four brands can all be characterized as being overall stereotypically American. The typical ANF consumers can thus be defined as good looking, charismatic and privileged but also casual. They value camaraderie and take pride in being part of an exclusive crowd. These types of consumers care
about how others perceive them and they believe that “actions speak louder than words” (Euromonitor Int. TOP 10 Consumer Trends for 2012).

MARKETING PROGRAM

The current marketing strategy is to stimulate the human senses in a reinforcement of the lifestyle that represents the brand. The store design, furniture, fixtures, perfume and music are all planned and coordinated to create a shopping experience that reflects the American concept. The merchandise is similarly displayed to ensure a consistent in store experience. The sales associates and managers are a central element in creating the atmosphere in the stores. In addition to serving customers, they reflect the casual but energetic attitude of the brand. Store managers receive detailed plans designating fixture and merchandise placement to ensure coordinated execution of the company-wide merchandising strategy. The in store experience is thus heavily standardized across all existing shops and serves two primary functions; first of all it allows for a fast and efficient expansion, second the management is able to have complete control, not risking the growth to dilute the brand. Additionally, franchising is not allowed for the same reason (Annual Report, 2011) (wikipedia.org).

Distinctiveness & Clarity

The multisensory experience indeed underpins that the marketing strategy is highly distinctive. When nearing an ANF store a customer will be able to smell a characteristic perfume scent before even seeing the brand logo. The perfume oozes from behind large wooden doors and toned windows. The perfume is a signature fragrance called Fierce and it is sprayed on the street outside the store, into shopping bags as well as distributed in store frequently on a timely schedule. When entering the ANF store, a shirtless male model in the entrance meets the consumer, greeting with the standard phrase “hey, how are you doing?” As an addition to the model a female employee offers to have a picture taken with the model. Loud house music blasts with up to 90 decibels from the speakers and the rooms are poorly lit, dominated by dark wood surfaces and floor to ceiling mirrors and the interior design resembles a wooden cabin in upper New York. The actual clothes are portrayed as a part of the décor and are only noticeable because of the rainbow color scheme and spotlights.

ANF’s controversial ways of branding have though far from always been received well. Since its re-establishment in 1988, the company has faced numerous accusations regarding its employment practices, merchandise and concept, which have been described as sexually explicit and racist. In
addition there has been a lot of product criticism towards shirts with inappropriate slogans disrespecting women. In relation to the many accusations and diverse attitudes towards the brand, the marketing strategy definitely can be defined as lacking clarity, as some consumers interpret and evaluate its meaning negatively finding the concept incomprehensible.

Relevance & Consistency
In relation to the interviews both loyal consumers and non-consumers expressed their opinions about the meaningfulness of the brand. Loyal consumers obviously found the concept relevant, as they were already devoted to the brand, however they also had negative considerations as non-consumers regarding the meaningfulness and congruency of the experience. Thus the experience was not equally as relevant for non-consumers. In this relation the consistency of the program was discussed as consumers felt a lack of cohesiveness between the multisensory somatic markers, impacting the valuation of the brand. Furthermore the interviews revealed a fatigue with the unchanging marketing strategy and unnoticeable evolvement of the brand. Investing solely in new stores across Europe is not necessarily successful if the sensory concept is not well conceived by consumers.
VALUE STAGE 2:

CONSUMER MIND SET

At this value stage I will initiate a consumer mind set analysis by systematically dividing their emotional and cognitive reactions in the constituents of emotion, motivation, sensory stimuli, decision-making and cognitive systems. My aim is to interpret the meaning behind how the constituents holistically work together in relation to brand awareness, associations, attitude, attachment and activity, when consumers are judging brand value.

EMOTIONS

As mentioned in the theoretical section, all emotions have their evolutionary origins in 7 basic emotions. From this theoretical aspect I can unravel the consumers felt emotions through their descriptions of immediate reactions when being in store. The very interesting aspect to be considered in relation to the way ANF uses sensory branding, is that it initially creates a conflict in the emotional response, the reason for purchasing the products and ultimately the consumers’ decision judging the brand. This conflict has its origin in the opposed negative and positive emotions expressed by the interview participants. The basic emotions generated within the consumers are many and contradictory. A total of 4 basic systems are activated unconsciously and automatically when a consumer enters an ANF store; the seeking-, fear-, rage- and lust system.

Already before entering the store consumers have explained their curiosity about the façade design and the concept. Here an activation of the seeking system happens, as this system makes a person curious about the world and promotes goal directed behavior toward a variety of goal objectives. After entering the store consumers described experiencing a chock, feeling very surprised and overwhelmed about their first impression of the concept, as it didn’t fit with their previous expectations or the actual clothes being sold.

“The clothes are hyped without reason. It’s very expensive despite being a little similar to H&M. It’s soft and nice but very American, with a big logo; “Look at me, I’m a brand”. (...) They focus on the smell, loud music, and naked men but you expect something more than just sweatshirts” (F2, p. 2).

Some consumers additionally said they felt “scared” of the nude male model and the aggressive nature of the staff. Others explained a feeling of being out of control wanting to flee the scene because of the loud music and strong scent. Here an activation of the fear system occurred, as this
system is respondent to pain and threat, which leads to fight, flight or freeze behavior. Additionally, after having experienced the concept for longer, the rage system was activated as the non-consumers begin to feel aroused by frustration by sensing a direct bodily irritation because of the many sensory stimuli. Also to be mentioned is the lust system, which coordinates sexual behavior and feelings, as it is being stimulated throughout, because of the sexual nature of the concept, the nude models and wall pictures inside the store (Baars & Gage, 2010).

The consumers’ descriptions of feeling overwhelmed and sensory overloaded is undeniably created by the many basic systems being activated at once. Instead of being able to react instinctively, they feel paralyzed by all the mixed system signals, being unable to think and thereby decide anything immediately. Non-consumers from F1 stressed;

“I think that when you enter the store, you are bombarded with impressions in all kinds of ways. Like E says, there is this strong odor that fills up your head immediately, the music is very loud and there is dim lighting, and I think you pretty fast get kind of confused and stressed out. There are also mirrors all over which also is a stress factor” (F1, p. 3).

“I guess it is because there are so many sensory impressions that you don’t even get to think for a second. Your eyes register something, but you are at the same time thinking of something different, because you also are experiencing with your nose” (F1, p. 4).

As mentioned in the theoretical section, emotion is the unconscious driving force behind motivation, and this motivation either positively or negatively driven, is bound to the decision-making process. In this relation I will define the motivational impact of the in store experience on the non-consumers in comparison with the loyal consumers.

MOTIVATION

People are often motivated by the pursuit of pleasure and the avoidance of pain. Pleasure can come from many tasks such as shopping and pain can come from physical injury or result from emotions. The brain has mechanisms that control behavior through the pleasure and pain system, to get people to do things that are most likely to bring them happiness. The theory of regulatory focus can be related to these brain mechanisms. Consumers make different decisions depending on their specific wishes and needs. For one consumer a product has to be very reliable, whereas for another consumer it has to be well designed. Recent research has demonstrated that such decision criteria are affected by basic orientations and motivations related to hedonic goals of avoiding an undesired state and approaching a desired state (Florack & Scarabis, 2006).
A basic prediction of regulatory focus theory is that individuals are more concerned with information that is relevant for their activated regulatory focus and that they weigh attributes compatible with this focus more carefully. In spite of all interview participants having the feeling in common of being overwhelmed by the experience, the loyal consumers and non-consumers have different motivational backgrounds for visiting the store.

The motivation of the loyal consumers refers to the self-regulatory strategy: the promotion-focus, where there is a regulation of behavior according to ideals, hopes and aspirations (ibid.). Research in this relation has shown, that promotion-focused persons give more weight to hedonic, performance-related and attractive attributes. Furthermore promotion-focused people are more likely to be persuaded by a message that stresses more eager means to reach a personal subjective goal, for example the stereotypical American identity. This indicates that the loyal consumers are high self-monitoring individuals for whom image aspects are the motivational factor (ibid.). A loyal consumer from F1 confirmed this by saying;

“It is like, if people see you on the street, they don’t think, wow, this clothes or style is so unique, but when they see the logo of ANF they might think, okay - wow, this person shops in this unique store where all these things happen and that is cool (...)”

“When I started wearing the clothes, my goal wasn’t for people to think, “oh, how nice and how high quality clothes he is wearing”. I thought to myself, that I have something the others don’t have. But people didn’t know the brand at that time, so they didn’t really notice it, but I feel good in it, in relation to what they wore, because my clothes was different. It made me more confident” (F1, p. 11-12).

When considering the non-consumers, it is furthermore argued in the regulatory theory that it is not only important for a marketing claim to be clear, unique, and memorable, it must also speak to the consumers’ motivation in the context of purchase. This means that the fit between ANF’s in store message and the regulatory focus of the non-consumers has an impact on the persuasion of the sensory message. For example are the non-consumers primarily affected by the activation of the seeking system, which in fact is a positively valenced energizing system that is more responsive to the anticipation of reward than to the receipt of reward. This can be related to the unconditioned stimuli of the in store experience that functions as the proximal cue of upcoming internal events. In translation the non-consumers are more aroused by the prospect of what the in store experience and concept will be like, than they are by the need for purchasing a piece of clothing as an identity
statement. For non-consumers the reward is psychological, and not necessarily material as for loyal consumers, which functions as the primary motivation (Baars & Gage, 2010). Non-consumers from F1 explain;

“*It is not like I run away screaming from the store, because when you go further in there, you get this more fun feeling, than the scared feeling you get, when you just walk in the door and get surprised by all the sensory inputs*” (…)

“*You use much more time in the store, than what you actually benefit from when being in there. Where, when you use a lot of time in other stores, you use the time to rule out what you need and don’t need to buy. Then you get some form of reward from being in there. But when you get into ANF you look at the clothes and don’t know if you like it or not, because you have to get out of there again relatively fast. The time you spend in there is to perceive the experience, and not so much the clothes, why the time you spend is in a way unrewarded*” (F1, p. 17).

Before moving on from the analysis of the motivational factors for the loyal consumers and non-consumers, it is also relevant to define the influencers on the decision-makers, which provide a noteworthy motivational aspect. Employees in F3 explained that they had noticed a rising interest from a much younger target audience. They stressed that even though ANF targets a broad and young audience in general, younger consumers were beginning to show interest in the clothes targeted the 18-22 year olds, probably due to the image attached to it;

“*I think the customers are getting younger. I talked to a woman with a 13-year-old daughter who told me that amongst her daughter’s friends, ANF was the thing to wear. (…) But they have several brands, including Hollister that targets a younger segment and Abercrombie Kids. ANF is targeting the oldest segment amongst these, but you can discuss whether this is a target group they actually reach. I think that the hype amongst people my age has been bigger than it is now*” (F3, p. 5).

As the target group generally is very young, their parents come into the decision making process as influencers. Another employee described;

“*Regarding parents buying clothes for their kids, almost all have a little note with the name and size of the clothes they want*” (F3, p. 8).

Parents can have more than one motive in relation to influencing the decision making process of consumers. They evidently want to satisfy their children by providing for their wishes and desires. However, they might feel skeptical towards the controversial concept, why they visit the store instead of their children, to prevent them from having any direct contact with the brand.

The motivation for the parents, which can affect the still younger consumers, can be related to a
hedonic goal of avoiding an undesired state and approaching a desired state, on behalf of the children, that should be protected from an in store experience with a stereotypical, Americanized and sexual expression. The experience might have a significant effect on the children’s behavior, which parents could consider inappropriate for their age. The impact of this basic motivation refers to the self-regulatory strategy; the prevention-focus, where there is a regulation of behavior according to responsibilities, duties and security (Florack & Scarabis, 2006). Research has in this relation shown, that prevention-focused persons give more weight to utilitarian and reliability related attributes, why a marketing message that entailed the use of more vigilant means, than for example ANF, would be more effective (ibid.).

MULTISENSORY PERCEPTION

Having defined the emotional and motivational backgrounds of consumers, I will dig deeper into how different sensory stimuli work as brand associational somatic markers. Research has shown that it is important that a brand is strongly associated with a product category if it should become memorable. In this context, the category–brand association is related to the probability that a consumer recalls a brand from memory. Consequently a brand with strong associations to the category is more likely to be considered as a possible option when a consumer decides between brands (ibid.).

ANF uses a lot of associational somatic markers to enhance brand memory. The interesting aspect about the multisensory strategy is that the tactic of bombarding the consumers on all senses at once, is supposed to make the brand more memorable. It is true that the more associational touch points a person has with a brand, the better the relationship with it is considered, however the intensity and inconsistency of the stimuli, might have unintended effects on non-consumers (Plassmann et. al. 2012).

ANF not only uses associational somatic markers that are strong, these markers are also presented to the consumers in an order, which is considerable in relation to for example Aristotle’s hierarchy of the senses, which I mentioned in the theoretical section (1. Touch, 2. Smell, 3. Taste, 4. Hearing, 5. Vision). There is evidently no specific order in which the senses should be addressed to be most effective, however research has in fact proven that the sense of smell is directly connected to the memory areas of the brain. Furthermore throughout years marketers have worked from the assumption that humans are overtly visually dependent, because our vision makes us perceptive of
the world. Exactly for these reasons, the order in which ANF addresses the senses in store is interesting. Consumers explained in the interviews that the first thing they noticed was the smell, then the loud music, hereafter the dim lighting and lastly the actual products (Appendix C). It seems like the natural order of the senses is reversed in the in store experience, with vision and touch being the last ones stimulated. Throughout the following analysis of the sensory stimuli, I will therefore consider if the order in which the senses are addressed have significance as well.

**Smell**

The sense of smell is the first activated when consumers near the ANF store and eventually enters it. Indeed it makes sense for ANF to connect with the consumers with a signature perfume, as it is a powerful tool that affects the mood of the consumers instantly. Scent is a tool that can be used to assist telling the story of the brand as well as help match a product to its purpose. In this relation ANF has had success with the very masculine signature fragrance Fierce, which is the scent present in the store. The success lies within the perfume becoming a unisex perfume, as the loyal female consumers also began to identify themselves with it and the American concept attached to it. A loyal consumer from F1 stated;

“Many girls wear it because the clothes smell like it, and therefore they want it. I don’t think it is weird if a girl wears it, even though it is a masculine scent”

A non-consumer added a significant point;

“It has more become the scent of ANF, than the scent of a man” (F1, p. 17).

The scent has clearly had significant effect on consumers. The reason also lies in the motivation of the loyal consumers that are promotion focused. Because loyal consumers not initially buy the clothes for its functionality but also for the lifestyle it symbolizes, the fragrance has the effect of adding an element of pleasure evoking a feeling of exclusivity and identity. A loyal consumer confirmed;

“It’s the very recognizable scent. When you buy a piece of clothing you also buy a piece of the store, and get to take it back home with you” (F1, p. 14).

And one of the employees also mentioned;

“The smell distinguishes your ANF clothes from other clothing brands in your closet. It’s being washed a hundred times, but still every time I open my closet in the morning, I’m hit with the smell” (F3, p. 11).

It is apparent that ANF heavily relies on the scent to attract and influence consumers, even though it is not directly associated with the product. However in spite of the successful aroma loved by many brand loyals, non-consumers as well as some loyal consumers expressed annoyance in relation to the
fragrance. In this relation research has shown, that pleasantly scented environments elicit approach behavior while unpleasant environments elicit avoidance behavior. Even though loyal consumers find the scent pleasant, non-consumers can logically find the same scent unpleasant, as a pleasant scent can fail to have the desired affect if it is incongruent with the consumers expectations or preferences regarding the retail store and its merchandise (Spangenberg, 2005), (Bosmans, 2006), (Morrin & Ratneshwar, 2003).

Throughout the interviews there has been agreement across all the respondents, that there is some form of mismatch between the sensory stimuli and products (Appendix C). This means, that for ANF’s scented atmosphere to be successful, the olfactory cue should be not only pleasant but also ought to fit with the other components in the environment. Though, because non-consumers experience the scent to fail to fit with the context (casual sportswear), their cognition is taxed to the point of inhibiting attitude formation and counterproductive evaluations of the brand (Spangenberg, 2005). This leads me to believe that the intention of ANF using scents are not to influence the consumer to use more time in store, which also might inhibit consumer spending (Morrison et. al. 2011), as much as it is to make the brand memorable. The presence of any scent, even though it is unknown or disliked, will improve subjects recall and recognition of the brand. Furthermore it has been proven that non-consumers attend to unfamiliar brands for longer presumably just because of the novelty of the stimuli (Morrin & Ratneshwar, 2003).

Because the consumers primary reaction to scent is of like and dislike, the most salient attribute of a scent seems to be its pleasantness or unpleasantness. What can happen to the loyal consumers otherwise positive attitude towards the smell is especially bound to the level of saliency. As the salience of the extraneous source increases, the loyal consumers become more aware (conscious) that a source other than the target can be responsible for their initial reaction. As a result the effect of the fragrance becomes discredited (Bosmans, 2006). This fact has also been stated in the interviews;

“I think the smell has been ruined by overuse (...) Walking around in CPH, it’s very easy to smell if anyone near you are wearing the signature perfume, and I think guys use it as a means to pick up girls. Personally, I like the scent, but I think it has been ruined because you smell it everywhere” (F2, p. 2, 9).

I think for ANF the consequence of the scent being as salient, the effect on product- and brand evaluations dissipates, especially when there is little semantic overlap with clothes.
Hearing

Hearing is the second sense activated when a consumer enters the store as ANF uses sound to suggest the experience of being in a nightclub. Originally sound branding is intended to affect the consumer unconsciously, however a sonic branding element that is not congruent with the product category can attract undue attention and lead to consumer annoyance. In this relation the interview respondents all complained about the high music level, and not so much the genre of the music played. They expressed that the music was congruent with the nightclub theme, however it seemed off in relation to the casual design of the clothes (Appendix C).

I find it apparent that the music in store provides the context for the consumer experience of a nightclub, however it should be stressed that congruency is important if factors like time spent in store, propensity to make a purchase and satisfaction with the experience should be affecte (Yalch & Spangenberg, 2000). The music in store varies in different aspects like volume, tempo, pitch and texture of the specific songs played. One of the employees described the musical effort ANF makes;

”They have their own DJ’s creating these mixes that can be based on regular pop music but then added a heavy beat” (F3, p. 3).

Research has shown, that individuals react to their environment along three basic approach-avoidance dimensions; pleasure (displeasure), arousal (non-arousal) and dominance (submissiveness). As the non-consumers feel displeasure when being in store and additionally submissive as they feel out of control in the environment aroused by the fast pace music, their behavior is negatively influenced. These approach-avoidance behaviors can be grouped into four categories based on the type of behavior; time, exploration, communication and satisfaction. Non-consumers explained they wanted to spend less time in store partially because of the loud music, which made it hard to communicate. Less time for exploration also leads to lower satisfaction with the experience. In this relation research has shown, that it is likely a shopper spends more time in store during slow music than fast pace music. The duration of being in store is also related to the familiarity of the music. Individuals feel like they shop for a longer time when being exposed to less familiar music compared with the familiar music, however it is likely that consumers remember familiar music better than unfamiliar music, as unfamiliarity makes them feel less aroused (ibid.).

I can define that the type of music used by ANF has both advantages and disadvantages for the consumers’ evaluation of the brand. Intense emotional reactions to music involve the reward circuitry in the brain, which confirms that human cognition makes non-consumers capable of enjoying a store experience as an abstract form of pleasure, just like the loyal consumers do.
(Salimpoor et. al. 2011), (Blood & Zatorre, 2001). However disconfirmed expectations, when the product experience does not meet the non-consumers’ product expectations, can give rise to long-lasting negative consequences for product perception and consumption of the ANF brand (Spence, 2012).

Additionally, when considering the sense of hearing, another important associational somatic marker ANF uses in store is the language used by the employees. Interview participants commented heavily on this subject across the three focus groups;

“The ways they act seem superficial and dishonest, also when they greet you at the door. I have heard they get lines to say when interacting with customers, and if that is true, it’s obvious that it becomes less and less real when you say it a 100 times every day. It becomes standardized. The “Hey, how you doing?” seems fake, because they were told to say it, and you can feel that right away” (F1, p.2).

In Europe it is not all countries that have a bilingual culture with English as the second language. In some countries English is learned in school, but it is not necessarily used otherwise in everyday life. For example France, Italy and Spain have less use of other languages than the mother tongue. The Danish consumers also expressed annoyance with the English language and very stereotypical American phrases used in store. As mentioned in the theory the use of English has come to suggest a social stereotype and it symbolizes modernity, progress and a cosmopolitan identity, which indeed is ANF’s attention. However the primary language of the consumers are likely to have high levels of belongingness, which connotate a stronger sense of closeness as well as in-group associations (Krishna, 2011). This means that the consumers, even though they understand English, in general feel confused by the Danish employees greeting them and assisting them in English because the store policy dictates so. One interviewee said that it created a feeling of the Americanized theme being forced upon him when visiting ANF. A loyal consumer F1 also had an interesting opinion of why the English language used in store in Europe seemed dysfunctional;

“I think, if you look at Europe, the countries are very different from each other, where as in the U.S., all the states are fundamentally the same. In the U.S. they all speak English, have the same culture and the same president and so on. But in Europe all the different countries have different cultures, languages and so on. And because the European culture is so different from the American, Europeans in general looks differently at ANF, in relation to how an American would perceive it” (F1, p. 20).

It is clear that language emitted by the spokespeople of ANF has an important impact on the brand perception. Research suggests that frequency (voice pitch) and vocal speech rate are two important
influencers of a listener’s response to verbal communication and that they can affect personal perceptions of the speaker. Especially the non-consumers feel annoyed by the exaggerated high pitched happy greeting “hey, how you doing?” for a logical reason, as general research results show that low-pitched voices are evaluated more favorably than high pitched voices (ibid.) (Spence, 2012). The non-consumers thereby attribute less competence and credibility to the employees when being greeted in this manor, which definitely isn’t the intention of ANF.

**Vision**

Oddly vision is not the sense most strongly activated when consumers are present in the ANF store - at least not to begin with. Even though the eyes get used to the dim lighting at some point, it is still hard to see if a pair of pants are black or blue. As I mentioned in the theory, vision helps us to perceive the sum of the parts as a whole, and creates a full understanding of “what” and “where” things are. This fact is initially why non-consumers feel somewhat inhibited by the dim lighting, mirrors and spotlights in store, as these makes it difficult to visually perceive the holistic enclosure of the experience. A non-consumer F1 stated;

“I think the balance between the lights, sound and scent is fine. There are equal amounts of all of it. The clothes are not one of the balanced things in there, because you might see the clothes, but you don’t really perceive it” (F1 p. 18).

However, research in visual neuroscience has in this relation shown, that visual attributes of stimuli that affect the visual saliency, such as brightness or color, can affect the location and duration of the fixations when individuals approach complex displays like the ones in the ANF stores (Milosavljevic et. al. 2012). This means that the darkness is meant to work as a background to enhance other elements in the store, like the clothes that are lid up by diode spotlights. Furthermore more salient items are fixated on for longer than less salient items, why the consumers, at the time of choice, assign most value to the items that has received the most attention in the experience. A non-consumer confirmed this neurological fact;

“I really noticed the lighting in there as well, because the only thing you can see it the things that are dedicated to the spotlight. The clothes then become very visually attractive with the bright colors. I don’t really notice the interior at all, because it in contrast is very dark” (F1, p. 15).

I think from this fact, that independent of the non-consumers’ preferences, more visual salient options are more likely to be fixated on due to the specific way in which the brain processes visual information. Weather the non-consumers like it or not, they are affected to pay attention to the clothes, even though they are overwhelmed by the other sensory inputs in store. What is relevant for visual attention is feature contrast, which suggests that what matters for ANF, especially when the
consumers’ other senses are activated beforehand, is to make the clothes visually different from the local surroundings, which in fact have been achieved.

**Touch**

The last sense brought into play when a consumer visits the ANF store is touch. Non-consumers have described throughout the interviews that the clothes were the last things they noticed in the store, as it seemed like a part of the décor. One participant even stated that because the clothes were lined up so perfectly straight and color coordinated, tucked away in the dark shelves, she felt like she wasn’t allowed to touch it (Appendix C). A participant from F1 explained;

“(...) the clothes is of a certain quality, no doubt about that, but you can’t see that, you would only know, if you went in and touched it” (F1, p. 11).

It becomes clear throughout this analysis that ANF has more focus on selling the experience than the actual products, which creates an interesting dilemma in relation to the neurological evidence that touch is one of the most important senses when consumers evaluate products and brands (Krishna & Morrin, 2008) (Krishna, 2011). In the case of ANF especially non-consumers are inhibited from satisfying their instrumental need for touch, that is, to test and validate the functionality of the clothes. Furthermore it seems controversial that ANF focuses massively on creating an emotional experience, which ends with a repressed need for touch. Attitudes formed about the products are therefore based on something intangible, which in this case might lower consumer brand valuation. Nevertheless, if a positive should be highlighted, the problem of contamination mentioned in the theory is minimized with the way the clothes are presented. As the clothes seem untouched and very new, the problem of consumers being less likely to purchase clothes others might have tried will diminish (ibid.).

ANF might not live up to the stimulation of touch when it comes to the clothes, however another form of touch has become a trademark for the brand, provoking both negative and positive reactions. Here I mean touch between humans, which has nothing directly to do with the products. The half naked male models have a serious influence on the perception of the brand, though male and female consumers experience this part of the sensory experience differently. An employee talked about the strategy and reactions from the consumers;

“Camera girl told me that when she’s standing in the entrance greeting customers she has to be positioned in a special angle and distance towards the shirtless model. And the shirtless model is very popular amongst younger girls” (F3, p. 4).
The strategy ANF uses engages consumers in the experience by letting them interact with the American stereotype that represents the brand. To enhance the Hollywood and nightclub feel, another employee offers consumers to have a Polaroid picture taken with the model to bring home. As mentioned in the theory, physical touch can enhance sales, as people combine that sensory experience with sincerity and an act of trust. Additionally ANF purposely seeks a sexual emotional response within the audience, as research correctly has demonstrated that physical warmth generates interpersonal warmth, and stimulates the brain to become aroused and interested. Obviously the sexual vibe affects the female crowd the most, whereas the male nonconsumers oppositely find the nude male models provoking and react with homophobic behavior towards the sexual tension. Despite some men might react negatively, the image the models are supposed to symbolize might though be appealing in relation to the earlier mentioned promotion focused motivation, where consumers are identity focused. A consumer described this scenario;

"I would say that, when you enter the store as a guy, and you see this trimmed male model, and you smell the masculine odor, you probably think, I would like to look like that, even though your confidence might get at notch lower. And because I want to be like him, I want to wear the clothes. And as a girl, you don’t mind a good-looking guy saying hello. But it doesn’t make me want to buy the clothes more as a girl, it seems like it is mostly for show" (F1, p. 13).

Either way, the male models definitely create attention and make the image, ANF wants to portray, stand out. I recon the idea is to furnish consumers with a feeling of being present in an American world, however I perceive the concept is forced upon the nonconsumers rather than it is willingly lived.

There are obvious variances in the consumers’ multisensory perception of the in store experience. Obviously there are both positive and negative emotions involved, why the effect of ANF’s strategy is twofold. The experience is successful in relation to the multisensory principles, as the stimuli rise from the same location at the same time. However consumers and employees stated that the brand would be more successful if some of the stimuli was tuned down or removed, why the last principle, of the different unisensory stimuli evoking weak responses when presented in isolation, is failed (Stein & Meredith, 1993). Furthermore the consumers categorized the stimuli as being incongruent and therefore segregate the sensory signals, which inhibits a perceived synchrony. The next section will elaborate how this perception affects the consumers’ valuation of ANF.
DECISION MAKING

To arrive at a holistic understanding of the consumers valuation of ANF, the before analyzed multisensory somatic markers will here be related to Plassmann’s model of value based decision making.

1. Representation & Attention

At the representation stage consumers identify a set of choices, which consist of different brand alternatives. At this stage the consumers are not only affected by different choice options, but also internal- and external factors, which will drive their attention. In relation to the foregoing analysis, the internal stages consisted of the 4 basic emotional systems activated before and after entering the store; the seeking, fear-, rage- and lust system. The external stage of course include the store experience.

It is especially the visual system of the brain that activates before entering, as it allows for rapid brand and product identification. Here the dorsal visual pathway in the brain, which is involved with the spatial deployment of attention, functions as a stream for potential actions. These action signals will initiate the decision making process. At the same time the ventral visual pathway is responsible for defining ANF from beforehand-learned experiences (Plassmann et. al. 2012) (Esch et. al. 2012).

At the attention stage the consumers’ brains initiate a mechanism for selecting the information that gains status above other available information. Here bottom-up or saliency filters selects the most important information from the sensory store experience components. The most salient of these stimuli will bias the decision maker, as it attracts the initial eye movements of the person for longer, and thus has a profound effect on the related behavior. Another mechanism initiated is the top-down control, which depends on internal- and external stages, but also the consumers goals and expectations (Plassmann et. al. 2012). This relates to the before-mentioned motivational self-regulatory strategies of the promotion- and the prevention focus, as consumers regulate their behavior in relation to the goals of perusing an identity, a psychological reward or the prevention of an undesired state. The information that is relevant for goal attainment will be attended to more than the irrelevant information; for example loyal consumers will attend more to the clothes, where as non-consumers will attend to the experience itself.

Ultimately this stage ends with some form of visual selection, where the consumers give special attention to a particular location in the space. Since ANF offers a multisensory experience, which initiates the eyes later than normal shopping experiences would, the decision maker is forced to
become selective in what information is encoded. This means that the locations he or she process and give attention to might just be a single stimulus. Therefore it becomes especially hard for non-consumers to actually purchase a product, as the information encoded might be mostly devoted to for example male models. Here it is worthy to note that ANF manipulates what consumers look at by displaying the choice options one at a time, while manipulating the exposure duration. This biases the resulting valuation to be based on the stimuli the consumers are exposed to for longer (Plassmann et. al. 2012).

2. Predicted Value

At this stage the consumer evaluates how much enjoyment he or she will derive from consuming the ANF brand/products. Again, the predicted value is different in relation to the loyal consumers and the non-consumers. Studies of the brain have investigated how brand associations, like the sensory stimuli in ANF, can alter predicted value signals in the prefrontal cortex. It was found in these studies that there was increased neural activity her when a choice set contained the consumers favorite brand compared to choice sets containing less preferred brands. Furthermore it was discovered that the part of the dorsolateral prefrontal cortex, involved in the working memory and the part of the visual system involved in object recognition, were less active when the choice set contained the consumers favorite brand compared to a set of two non-preferred brands (ibid.). This means that loyal consumers need not use much activity in recognizing and assessing the brand, as their brains have already experienced the value and stored it in memory. In comparison the non-consumers need to go through a library of remembered value of similar brand experiences, where after they by comparison can predict the value they will gain from ANF (Esch et. al. 2012). Relatively, this means that the degree to which the consumers brain areas are involved in selective attention and conflict monitoring, is correlated with the degree of how much consumers valuations are biased by the sensory brand associations (Plassmann et. al. 2012).

Furthermore a non-consumers decision of whether to purchase a piece of clothing from ANF is also founded in economic analysis taking place during valuations. It is normal that people consider the characteristics of products by determining cost and decide whether or not to purchase. However, in addition to being attracted to preferred products, consumers avoid prices that seem excessive. Evidently there is a hedonic competition going on in the non-consumers’ brains between the immediate pleasure of acquisition and an equally immediate pain of paying. Consumers and employees expressed their opinion of the high prices;
"I’d love to have a pair of ANF sweatpants but I refuse to pay the price ANF demands" (F2, p. 8).

“I think the prices in Denmark are higher than they should be, in terms of clothes quality. The prices are as they are because of the brand. This is one of the reasons I don’t buy ANF clothes” (…) “I think ANF was optimistic when setting the prices in Denmark. I’d rather buy the clothes in the U.S.” (F3, p. 9).

Consumer purchasing normally reflects an anticipatory combination of preference and price combinations, as their brains frame preference as a potential benefit and price as a potential cost (Knutson et. al. 2007). Their preference of ANF might initially lead to purchase, but apparently only if the price also is right.

3. Experienced Value

At this stage in the decision making process the actual experienced value is derived from consumption. This true value consists of the valence and intensity of the consumption experience. The interesting aspect here is the encoding of the experience as being negative or positive. Research has shown that activity in the brain at the time of a reward being enjoyed correlates with the feeling of pleasantness or valence of the experience. This has been shown for olfactory experiences, musical rewards, visual rewards and pleasantness of touch (Plassmann et. al. 2012).

The findings therefore suggest that when loyal consumers feel rewarded by the sensory stimuli or by buying the clothes in ANF, they will also find the experience pleasant and thereby judge the brand more positively. However the experience has been valuated more negatively by the non-consumers, and some stated a feeling of being unrewarded. But there is a problem related to the brain valuating the experience as negative, as it is hard to dissociate negativity from intensity. This problem arises because negative experiences are usually also perceived to be more intense than positive experiences and thus they are often confounded (ibid.). This means that when the non-consumers valuate ANF negatively, it is possible that it in fact is the intensity of the experience, more than the actual experience and concept, which is perceived as being negative. The non-consumers can therefore actually be biased in their valuation of ANF by their own cognitive processes, as their consumption of the experience is dependent of their beliefs and assumptions about the brand. The factors determining this stage hereby suggest, that non-consumers’ higher cognitive processes, which determine expectations and beliefs, modulate the experienced value of the brand (ibid.).
4. Remembered Value & Learning

This stage considers the remembered value of how the different brand associations are encoded, consolidated and retrieved in the consumers’ memory. A brand associated with a multisensory experience, which later will influence subsequent retrieval and recognition. Because of the way ANF addresses almost all the senses, the experience becomes so intense, that it will impinge itself in the memory areas of the consumers’ brains. The two long-term memories affected in this relation are the explicit and implicit memory.

The explicit episodic memories are those that store specific events such as the sensory in store experience. The retrieval of these memories can be thought of as mentally reliving the past events they concern, which easily can be activated by associational somatic markers like the scent or music, if something similar is met other places than ANF stores. The implicit memory is the one in which previous experiences aid in the performance of a task without conscious awareness of these previous experiences. Low-level computations like motor reflexes and sensory processing are driven by unconscious mechanisms, while high-level executive functions such as decision making require consciousness (ibid.) (Baars & Gage, 2010). However the emotional reactions created by the stimuli in store, which functions at an unconscious level, are highly engaged in the higher processing level of the consumers. This means that when ANF presents the brand subliminally, consumers’ goal pursuit and preference will be influenced.

The retrieval of these long-term memories is actually an active and dynamic relearning process rather than the mere replay of previously acquired information. Therefore the information packages regarding ANF, positively or negatively stored in memory of consumers, are not stable. This means that if previous negative experience interferes with positively experienced-based reactions in the present, consumers will retrieve the negative post-experience behavior as a proxy for their liking of the present experience and vice versa (Plassmann et. al. 2012). Additionally it should be mentioned that the brain automatically tend to remember negative experiences better than the positive, why if a non-consumer decides to revisit the store and actually experience something positive, the beforehand learned negative memories will absolutely bias the new experience.

What we know biases what we see, thus we learn form experience. This fact completes the learning loop of the value based decision-making model, as the brain is able to activate the visual areas by memory and in this way prepare new visual analysis (Berthoz, 2009). Nevertheless, to completely understand the consumers’ valuation of ANF and how it can be altered, it is relevant to know if the 4 stages in the decision-making are conducted mostly on a conscious or unconscious level.
COGNITIVE SYSTEMS

System 1
Stage 1 and 2 are affected by the unconscious immediate emotions, which activate the brains intuitive cognition. Immediate emotions that are related to the current environment of ANF’s in store atmosphere impact the decision of the non-consumers as an incidental influence and allow an integration of somatic or bodily experienced components with cognition. Immediate emotions are very sensitive to how vivid the possible outcome is to the decision-maker (Lowenstein & Lerner, 2003).

The intuitive cognition is activated at these two first levels, as it is a preconscious learning system, which is fast, automatic, holistic, and intimately associated with affect or emotion. The emotional reinforcement from the immediate emotions is necessary for associative learning to occur at the learning stage of the decision making model (Kahneman, 2003). Thus System 1 is strong as it based on intuition, which gives non-consumers a gut feeling of ANF being good or bad. However this system is monitored by System 2, which is involved in all judgments, whether they originate in impressions or in deliberate reasoning (ibid.).

System 2
At stage 3 the consumer changes from being unconsciously affected toward entering a conscious stage where value is directly experienced. However anticipated (or expected) emotions affect the cognitive process first, as the overlapping factor between stage 2 and 3. Anticipation is not experienced directly as a true emotion by non-consumers, but it functions as an expectation of how they will feel once gains or losses associated with that decision are experienced. It is this contemplation of incremental losses or gains that generates anticipated emotions in decision-makers, as opposed to their overall emotional condition. This means that the non-consumers, who imagines a negative outcome of “investing” in ANF will generally focus on the loss in purchasing a piece of clothing from the store (not wanting to pay the price or be associated with the image attached to it). Also, decision-makers tend to compare a possible result of a decision against what could have been decided instead, rather than to what their current state is, why they could feel disappointment or regret with a purchase (Berthoz, 2003) (Lowenstein & Lerner, 2003). This regret relates to the price problem discussed earlier in the decision-making process. Regret adds to costs, and this form of loss has much greater psychological impact than gains. The thought of loss make a person hurt more than a gain would create a good feeling, why loss aversion is a serious outcome for ANF, as consumers feel they might get more value for money from another brand (Schwartz, 2004).
From stage 3 to 4 the cognitive reasoning sets in, which is of slow and logical conscious thought. The system is unique because of its awareness and capacity for conscious control. It is an inferential system that operates through reason and demands large amounts of cognitive resources. This system is emotionless and can be changed relatively easily through appeals of logic and reason. Unlike the intuitive system, which is unaware and independent of the reasoning system, the reasoning system is capable of understanding and correcting for the operation of the intuitive system. This means for the non-consumers, that the rational reasoning system can, with conscious effort, decide to accept or reject the positive or negative influence from the intuitive system. Normally System 1 is only monitored lightly by System 2, caused by the fact that people are not accustomed to thinking hard and are often content to trust a plausible judgment (Kahneman, 2003). This seems to be the case for loyal consumers, but not non-consumers as their cognitive reasoning system rationally overrules any curiosity or interested intuition there might have been to begin with, deciding that the brand should be avoided. The avoidance behavior is stored in non-consumers long-term memory, which later will bias similar decisions regarding ANF or another brand alike. At this point the learning loop of the value based decision-making process is complete, as what was consciously decided will unconsciously affect future decisions.

**SUB CONCLUSION**

Consumers are affected by several basic systems creating emotional conflict as a reaction to the many and different stimuli. Visual attention and selection initiates the decision-making process, but is challenged as the sense of vision is one of the last activated in store. Thereby the most salient stimuli will bias the decision makers along with their goals and expectations about the brand. Because loyal consumers already know of the concept, they valuate the brand as more positive because of both the psychological and material reward they get. In comparison non-consumers feel unrewarded not buying anything, however their curiosity is satisfied. Non-consumers best remember the stimuli they found most intense, however the intensity is perceived negatively. Both explicit episodic- and implicit unconscious memory is strongly affected by the experience, and will bias any future valuations as past memories.

Thus non-consumers’ decision-making process is driven both unconsciously and consciously by the cognitive systems of intuition and reasoning. Immediate emotions are strongly awoken when non-consumers are curious about the brand, but later negatively affected by the intense stimuli after
entering the store, as they interact with anticipated emotions that drive reasoning. The cognitive system ends up rationalizing over the conflicting emotions, resolving in non-consumers disapproving ANF consciously. The negative valuation of the brand also resides in the lack of innovation and development of the concept. The design of the clothes was described as uninteresting, which made it clear that ANF’s brand equity is predominantly founded in the in store experience and not the actual products.
VALUE STAGE 3:
COGNITIVE PSYCHOLOGY

The analysis discovered that the consumers and non-consumers have different levels of engagement with the brand, because of their different motives, needs and goals. My primary focus here will be on non-consumers lack of engagement caused by their negative valuation. The understanding of the difference of engagement between the consumers in relation to Schmitt’s (2012) model will pinpoint in which areas ANF needs to improve to be successful in developing relationships with the potential non-consumers and maintaining the existing one with loyal consumers.

An important fact to consider when examining brand loyalty is that a loyal brand relationship only can be developed if the brand is loved (Carroll & Ahuvia, 2006). As the loyal consumers do have a type of interpersonal love connection with ANF, and non-consumers obviously do not, the concept of love is very relevant for the outcome of this value stage. Therefore, I will relate my key points throughout the analysis of the non-consumers engagement gaps to the concept of brand love. Hereby I can ultimately suggest how potential consumer relationships can become loyal relationships in alignment with the pinpoints of where ANF should improve.

The figure portrays an overview of the cognitive psychological engagement levels the loyal consumers and non-consumers have with ANF. The blue color symbolizes non-consumers current engagement level with ANF, why the red/yellow color indicates the levels on which engagement is lacking. The yellow color represents the only level where loyal consumers lack engagement. Creating a fundament for comparison I will shortly begin by defining the loyal consumers’ engagement level with ANF.

The loyal consumers especially engage at the self-centered- and social engagement levels. The reason for them to be engaged in such a self-relevant way is because the concept and in store experience are integrated further into their selves, since consumers infer trait and personality.

Source: (Schmitt, 2012)
characteristics to the brand. The **brand relationship** is thereby not just a normal brand relationship for loyal consumers, but also a “best friendship” or a “love/romantic relationship”. Furthermore the loyal consumers relate to the brand with social engagement, as ANF’s **brand symbolism** is not only significant for their **self-identity**, but also represents a group, a society and a culture. As a cultural symbol, ANF stands for America and its young generations and their cultural values, why in a socio-cultural way, the brand becomes a rebellious archetype with witch loyal consumers can **attach** themselves to and create a **brand community** around (Schmitt, 2012).

Brand love is necessary for a consumer to become loyal, however brand love can be conceptualized as a mode of satisfaction, which is a response experienced by some, but not all consumers like in the case of ANF. Brand love includes passion, attachment, positive evaluation, positive emotions and declarations of love for the brand, but it precludes negative feelings for the brand as disliking and hate (Carroll & Ahuvia, 2006). As I previously found that non-consumers overtly disliked ANF, they can be defined as inhibited of becoming loyal consumers. Because the non-consumers don’t engage in a self-relevant way, they lack the important symbolic understanding and personification of the brand, which differentiates them from the loyals. This differentiation is portrayed throughout several characteristics of the brand, and these characteristics are founded in the brand related processes of signifying, integrating and connecting (Schmitt, 2012).

**SIGNIFYING**

*The Brand as an Identity Signal*

The difference between the way loyal consumers and non-consumers engage with the brand seem to consist of individual differences in how the brand functions as an identity signal. Research has shown that the self consists of stable self-schemas, which organize incoming self-related information and help people make sense of themselves in their environments (ibid.). However people vary in their tendency to possess particular self-schemas, which leads to differential attitudes and behaviors towards brands. For example the loyal consumers may have a strong popularity focused self-schema, which makes them define the sensory stimuli from ANF in more accentuated terms. Therefore they hold more sharply different brand preferences than the non-consumers, who have weaker popularity focused self-schemas. There are also individual differences among consumers, who have another or a lower tendency to include brands in their self-schemas, why the strength of the link between the self and the brand can vary. If a brand is congruent with the self, it can be used to express the self to others or to infer the self and the identity, but if it is incongruent none of these relations will occur.
The liking and disliking are indeed signs of underlying emotional states, thus the interlinked nature of the emotional and rational brain underpin the analysis; what influences the brand equity of ANF is how much non-consumers license the brand to surprise or disappoint, and how willing they are to let it rise into their consciousness. It can therefore be stated that loyal consumers are affected overtly on the unconscious level, and they stay in this state of mind, as the sensory stimuli is consistent with their self-schema, ideals and goals. The loyal consumers emotionally driven instinct tells them, that ANF is the right brand to buy into as an identity investment, and overrule any rational calculation.

Non-consumers react oppositely, as the sensory stimuli is inconsistent with their self-schema, leading them to avoidance behavior as they rise into conscious thought about how the brand is trying to manipulate their emotional responses. Consciousness is a true survival mechanism for human beings, and it allows the non-consumers, who in this case are being thrown into something new and unknown, to reflect and learn from the experience and thereby act accordingly in the future. Unfortunately for the brand value, the sensory associational markers are not subtle enough to function as an unconscious emotional stimulant, why potential consumers are chocked into a conscious stage where they rely on a feeling of “this is bad” instead of a deeper emotion of “this is good”.

Ultimately brand love requires neither expectancy nor disconfirmation. The consumer experiences this emotional response to the brand in the absence of cognition e.g. the loyal consumers know what to expect from the brand, so little, if any, disconfirmation takes place. Brand love includes the willingness to declare love and involves integration of the brand into the consumers’ identity (Carroll & Ahuvia, 2006). Evidently brand loyalty is connected to love emotions, and not conscious cognition, which is the direct brain function non-consumers rely on, when encountering ANF.

**Brand Symbolism**

It is apparent that the behavioral preferences for European consumers are potentially modulated by a number of sensory variables, hedonic states, expectations, semantic priming and social context as the analysis stated. Nonetheless it should be acknowledged at this stage that cultural and cognitive influences combine to produce brand related behavior as well. Cultural influences on behavioral preferences are intertwined with the biological expediency that shaped the early version of the underlying preference mechanisms in the brain. However the cultural factor in decision-making is a modern problem, in which the neural substrates underlying brand preferences and their influence by cultural images haven’t been explored to the fullest (McClure et. al. 2004).
Though, studies have indeed shown that cultural information can modulate reward related brain responses. A dialogue between consumers in F1 underpinned the cultural effect on preference;

“I don’t think the brand fits the European consumer overall, but I think the reason it can be successful is because it is different and unique. The concept could also be Chinese or African or something, and these would the same way also be able to gain success”.

“I guess it is because it gets thrown at you that way. I want clothes I pick, and not something that was forced on me under these circumstances. You kind of feel if you are not American, it pressures you in another way”.

“Yeah, and Europeans are more down to earth maybe, than Americans whom have this out-there appearance, and they like to experience these things every day, but it is not everyday a European wants to visit such a store, because they don’t feel at home the same way” (F1 p. 19).

ANF possess a wealth of cultural meaning for Americans, however for Europeans there is a lack of correlation between their cultures, behavioral preferences and what the brand stands for. This has turned out to be a significant reason why potential European consumers judge the brand overtly as negative.

In relation to loyal consumers relating to ANF as an archetype, there is mismatch in the socio-cultural symbolism and ideology of the brand in relation to European non-consumers. Archetypes are normally universally understood like reoccurring symbols in the collective unconscious that appear in cultural myths, literature and art, and, in contemporary consumer culture, as brand stories. However the brand personality structure might not be universal, even though the archetype is universally understood.

**INTEGRATING**

*Brand Personality*

When consumers are engaged in a self-relevant way like the loyal consumers, information and experiences may be integrated further by inferring trait and personality characteristics to the brand. By ascribing human characteristics to a brand loyal consumers are anthropomorphizing it. Anthropomorphizing means seeing the human in non-human forms and events, like the when the loyal consumers engage in a loyal loveable relationship with the American archetype that is ANF (Aggarwal & McGill, 2007). However the effect of presentational devices that humanize the products does not always lead to more positive evaluations, like when the non-consumers see the brand as a negative stereotype rather than a positive archetype. ANF is obviously perceived in humanized terms by both the loyal consumers and non-consumers, even through they have different opinions about
wanting to initiate a relationship to the type of “person” ANF is perceived as. Therefore non-consumers are only partially anthropomorphizing ANF, as they see the in store experience as having important human traits and interpret these attributes without going so far as to see ANF as literally human. Again the implications of the self-schema of the consumers has an influence, as to anthropomorphize a product, consumers bring to mind their schema for the type of person suggested and then the brand is evaluated by how well its features fits that schema (ibid.).

In addition to the cultural phenomenon mentioned earlier, a five-factor structure can display American consumers’ brand personality perceptions, which can also fit with how ANF wants to portray its personality: sincerity, excitement, competence, sophistication and ruggedness. In comparison only three of the five factors can be applied to brands in for example Japan and Spain, as passion emerged instead of competency in Spain and peacefulness replaced ruggedness in both countries (Schmitt, 2012). On this basis a personality revisit in relation to Europeans would be sensible for ANF to do.

Brand Relationship
Research has shown that there exist up till 15 types of consumer brand relationships: arranged marriages, casual friends/buddies, marriages of convenience, committed partners, best friendships, compartmentalized friendships, kinships, rebounds/avoidance driven relationships, childhood friendships, courtships, dependencies, flings, enmities, secret affairs and enslavements (ibid.). Where ANF’s loyal consumers engage in a close best friendship or a love/romantic relationship with the brand, the non-consumers just engage in a kinship or maybe an avoidance driven relationship with the brand. The reason for the type of relationship non-consumers develop with ANF is connected to interpersonal relationship norms. In brand relationships the norms of social relationships and social rules that govern society are used as guiding principles in brand interactions. When a brands action violates the relationship norms, consumers assess the brand more negatively than when the brands actions are consistent with those relationship norms.

Furthermore a theory of self-expansion suggests that in early stages, close relationships are motivated by the acquisition of resources, perspectives and identities that enhance one’s ability to accomplish goals (Reimann et. al. 2012). Similar to loved ones, brands can create a warm feeling and generate an experience of being cared for, which bonds consumers in a close connection. Brands can give consumers ideal selves to aspire to as the representation of self through possessions allows consumers to differ from what may be their real selves, which is the exact case with the loyal
consumers in ANF. Indeed this rapid expansion of the self is inherently positive and arousing, as forming relationships results in high levels of excitement, however this is only an initial period of brief exhilaration. The newly formed relation with the brand rapidly expands the consumers self, however the opportunities for further rapid expansion inevitably decrease and the relationship satisfaction will typically decline and be maintained at a lower level (ibid.).

My point is that even loyal consumers can loose interest in the ANF brand. Everything can become boring if it is not developed or maintained. This problem of becoming mainstream can make loyal consumers devaluate the brand in the long term, and they will eventually divorce it. A relationship between humans are only fulfilling if their needs to grow and expand are met, as the partners readily engage in new activities together. To uphold a brand relationship the same rules apply, as the partners in the equation must find continuous opportunities to engage in inspiring, exciting and novel activities. Novelty challenges are often accompanied by arousal, and with arousal rapid self-expansion increases. However, as consumers have explained earlier in the interviews, the ANF brand doesn’t change, which inevitably leads to slow or non-existent self-expansion where the emotional arousal is minimal (ibid.). This leads me to indicate, that even though the in store experience and concept is exiting at first and it takes time to get used to, it can still become boring for loyal consumers, as ANF doesn’t invest in any novel activities with them. The consequence in the long-term will then not only be a decrease in brand equity but a complete economic downfall, if loyal consumers initiate “affairs” with other competing brands and completely detach themselves from ANF.

CONNECTING

Brand Attachment
Brand attachment and brand attitude have distinct conceptual properties and formation processes and thus different behavioral implications, like for the loyal consumers (attached) and non-consumers (attitude). Brand attachment predicts consumer intentions to perform behaviors that use significant resources, such as time, money and reputation, better than brand attitudes, and it may be viewed as an antecedent of true loyalty (Schmitt, 2012).

Non-consumers are not attached to ANF, and therefore they lack the loyal consumers willingness to make sacrifices. Here I mean that highly devoted consumers are more forgiving and tolerant in case of transgression from the side of the brand. However there are other factors that can make loyal
consumers detach from ANF. Loved objects determine our self-concept, contribute to our self-definition and also demarcate the boundaries between ourselves and the identities we reject (Hemetsberger et. al. 2009). In the light of this, brand love might actually be highly relevant for times of change and personal transformation. Research of brand detachment found particular life events and transition phases to be causes for brand detachment or switching. Termination will not be a spontaneous decision by loyal consumers but an ongoing process of dissolution, which can follow two typical patterns; entropy or stress. The entropy model is based on the assumption that relationships fall apart if they are not actively maintained, as mentioned earlier. The stress model refers to the forceful destructions of brand relationships through brand dyadic (someone braking the rules of the relationship), personal (life or personality changes) or environmental (moving to another place) stress factors (ibid.). For example loyal consumers might become parents, move for a job after ended education etc., which also can detach them from ANF.

**Brand Community**

Brand community includes a sense of emotional involvement and connection with a group. Yet, brand communities are not only providing emotional bonds. They create shared goals among members, who may engage in joint actions to accomplish these collective goals. For brand loyals the brand community around ANF provide help and support, recommendations, and interaction with like-minded consumers. However a community can also be created around a brand on a negative basis. For example non-consumers that dislike the brand can connect with other non-consumers who share their hate or annoyance with ANF, which can become very damaging for the brand image. As social entities brand communities also have their own norms and rituals, and consumers tend to agree with the communities objectives, norms and rituals that are positively or negatively founded (Schmitt, 2012).

**EXPERIENCING**

**Brand Participation**

The only level that is not reached by both non-consumer and loyal consumers is the social engagement level of brand participation. At this stage the consumers are no longer just passive recipients of information, but active participants, as experiencing and doing are intertwined as part of the behavioral experience (ibid.). Unfortunately ANF do not have a strategy of including consumers in a two-way communication, where they can express their needs and demands directly. Brand participation is a key contributor for building brand equity, as consumers as never before seek
customized solutions. ANF has all the opportunities for creating an interactive atmosphere in the retail environment, by decreasing the intensity of the stimuli to begin with. The participatory experience could hereby occur in a customization of the product features in relation to the consumers’ cultural and self-regulatory demands. ANF should see the consumers’ knowledge and preferences as a platform from where they can contribute with ideas for new products, services and activities (ibid.).

**SUB CONCLUSION**

As there exist incongruence at more than one engagement level in the consumer/brand relationship, the brand lacks to function as an identity signal for non-consumers, which inhibits them from wanting to engage in ANF. Because ANF symbolizes an American archetype, the European non-consumers have difficulties relating to the brand as their cultural backgrounds bias valuations in perceiving the brand as a negative stereotype. Thus non-consumers do not want to initiate a relationship with the type of “person” they perceive ANF to be, because the personalization of the brand does not fit with their personal self-schemas. Relatively when ANF’s loyal consumers engage in a close best friendship or a love/romantic relationship with the brand, the non-consumers just engage in a kinship or an avoidance driven relationship.

I also discovered that a newly formed relation with a brand rapidly expands the loyal consumers’ self, however the opportunities for further rapid expansion inevitably decrease and the relationship satisfaction will decline and be maintained at a lower level. Even though the concept is exciting at first it can still become mainstream for loyal consumers making them detach from the brand, as ANF does not invest in any novel activities.
VALUE STAGE 4:
MARKET PERFORMANCE

At this value stage I will address the external micro- and macro environmental conditions that surround ANF and relate these to the analysis results in an assessment of the brands performance in the European market. By understanding the market place conditions ANF faces with the expansion into Europe, it will become clear, how the different threats and opportunities can have an effect on the company’s overall brand equity. I will begin with a brief introduction of ANF’s position in the European Apparel Market for fashion and retail followed by an assessment of the current European Business Cycle. Hereafter I will consider ANF in relation to Porters Five Forces in an assessment of the market trends, consumer trends and competitors.

EUROPEAN APPAREL INDUSTRY

ANF entered the European Apparel Market in 2007 with a flagship store in London. Since then the company has opened stores in Denmark, Italy, France, Spain, Germany, Belgium and Ireland. The non-U.S. store count is currently 99 stores (including Asia) out of 1045 stores in total. In this relation the U.S. stores are responsible for 74,8%, Europe 19,8% and Asia 5,5% of the total store sales in 2011 (Annual Report 2011) (Appendix D).

Sales by Geography  |  2009  |  2010  |  2011  
-------------------|--------|--------|--------
Total U.S.         | 87,7%  | 81,4%  | 74,8%  
Europe             | 7,8%   | 12,8%  | 19,8%  
Other Int'l        | 4,5%   | 5,9%   | 5,5%   

Source: (Appendix D)

It is interesting to note that in spite of ANF’s dominant U.S. store count in relation to the few non-U.S. stores, the non-U.S. stores in Europe have become an increasing carrier of the total revenue. This tendency indeed proves how dependent ANF is of the expansion to Europe as it is currently the most rentable sector of the company, however it also indicates a stronger sensitivity to economic fluctuations in Europe. The European apparel market has not performed well in recent years, with weak growth in 2008 and a decline in 2009. The market recovered with moderate growth in 2010 and continued in 2011. This moderate growth is predicted to the end of the forecast period in 2016. The European apparel and non-apparel manufacturing market had total revenues of $153.1 billion in 2011, representing a compound annual growth rate (CAGR) of 0.4% between 2007 and 2011. The apparel segment was the market’s most lucrative in 2011, with total revenues of $97.9 billion, equivalent to 63.9% of the market's overall value. The performance of the market is forecast to
accelerate, with an anticipated CAGR of 2.9% for the five-year period 2011 - 2016, which is expected to drive the market to a value of $176.7 billion by the end of 2016 (Appendix E).

EU27 BUSINESS CYCLE

The economic uncertainty in Europe has adverse effects on ANF’s results of operations, liquidity, and capital resources if reduced consumer demand for the merchandise should occur. It could also impact ANF’s ability to fund growth and result in the brand becoming reliant on external financing, the availability of which may be uncertain. The business cycle in Europe exacerbates factors like unemployment, growth in GNP and inflation, all of which can affect ANF. The European Commission has made a spring prognosis from 2012-2013 that considers exactly these factors for the 27 EU countries (Appendix F):

Economical Growth (GNP)

The commission expects economical growth for the entire EU from 0,0% in 2012 to 1,3% in 2013. ANF’s expansion in Europe will likely be affected negatively by the stagnation in the economical growth in 2012, which is a problem that might mean at least a couple of years with modest growth. Nonetheless the growth in the individual EU countries will be different from each other. For example the growth in the Euro Zone will be slightly lower than the European average (Appendix F), which means that ANF’s current store’s productivity could be affected and new store openings could be delayed, as the recession puts strain on available resources and can interrupt the flow of merchandise from key vendors and manufacturers.

Unemployment

The commission expects that the unemployment level will continue to be high. The level for 2011 and 2012 is expected to stay at 10,3% in the entire EU (Appendix F). The continuous unemployment in Europe has serious consequences for ANF, as consumer demand will be affected negatively at different levels. For example households that are struggling with income will focus on debt reduction, which will affect the private consumption negatively.

Inflation, Price and Currency

The inflation is expected to slow down in Europe from a level of 2,6% in 2012 to 1,9% in 2013. However in this relation the private consumption is still weakened from a negative real wage growth, as the inflation continually will be higher than wages in 2013. Furthermore ANF has already been affected negatively caused by the company’s pricing strategy maintaining high prices in spite of the
recession. The reason is that the brand officially is valued as middle range by professionals, in spite of ANF’s self-titled “casual luxury”, why some consumers refuse to pay the high prices for the clothes (Clifford, 2012). The consumers will therefore continue to seek lower prices, value for money and special offers and avoid overpricing.

Fluctuations in foreign currency exchange rates can also adversely impact ANF’s financial condition and results of operations. The functional currency of ANF’s European subsidiaries is generally the local currency in which each operates. However ANF’s consolidated financial statements are presented in U.S. dollars, why the company must translate revenues, expenses, assets and liabilities. In addition ANF’s European subsidiaries transact in currencies other than their functional currency, including intercompany transactions, which could result in foreign currency transaction gains or losses (Annual Report 2011). Furthermore, ANF purchases substantially its entire inventory in U.S. dollars. As a result, the company’s gross margin rate from non-U.S. operations is subject to volatility from movements in exchange rates over time, which could have an adverse effect on the financial condition and results of operations and profitability from the growth desired from non-U.S. operations.

The economic crisis and downfall in the economical growth still affects EU’s official finances, why ANF stands against weak European growth, countries in debt and economical uncertainties, which affects the mood in the business as well as the consumers negatively. ANF has thus with the expansion into Europe experienced a transformation in the primary market trend from a confident bull market to a pessimistic and fearful bear market. This secular (long term) trend, negative as it is, nevertheless includes several secondary trends, which can affect the microenvironment that I will address these trends in the following section.

PORTERS FIVE FORCES
I will use Porters Five Forces as a framework for assessing ANF’s opportunities and challenges in the microenvironment. This next section will thus consider primary and secondary competitors, consumer buyer power and trends, supplier power and new entrants, which will create a snapshot of ANF’s position in the microenvironment.
**Degree of Rivalry**

ANF’s primary competitors in Europe include Urban Outfitters and The Gap as they offer a nearly identical clothing product through differentiated store experiences and concepts. American Eagle Outfitters who is ANF’s main competitor in the U.S. is not represented in Europe and will not be considered in relation to the primary competitors in this section. The European apparel market remains fragmented and the large number of players present boost rivalry due to ease of entry. Exit barriers are high, as it would be relatively hard to divest specialized assets, such as industry-specific production equipment. In many cases, the apparel production business is highly important to a company’s operations, meaning rivalry is intensified. Overall, considering ANF’s strong primary competitors, the fragmented apparel market, undifferentiated products but differentiated store experiences, the degree of rivalry is **strong**.

**Buyer Power**

ANF faces several demographic changes and consumer trends across Europe, which has both positive and negative effects on consumer behavior (Euromonitor Int. TOP 10 Consumer Trends & Generation Z, 2012). Kids are for example maturing at an increasingly young age both physically and psychologically, which has spawn the age compression phenomenon also known as KGOY (Kids Getting Older Younger). The KGOY’s are also associated with Gen Z that represent today’s tweens and teens, who are also known as the iGeneration or Net Generation, as they have been brought up with digital technology. ANF can take advantage of this change as it increases the size of the target audience segment and creates an opportunity to address them digitally. Along with the smart phone universe the social media phenomenon is widely used by companies to brand products, advertise and create communities for Gen Z consumers. This way of branding creates possibilities for ANF to get closer to the online personas of consumers, and connect with them on their terms. Nevertheless, the people power of social networking and viral videos are having a profound influence. Consumers use their online personas to stress opinions about products and brands, positively or negatively, from honest subjective perspectives. Many other consumers follow these bloggers or gurus online with a fan-based nature and consider their recommendations to be truer than the brands marketing messages, which proposes a threat for ANF.

Tweens and teens are becoming age blurred, which makes it more difficult for ANF to segment the target audience, as mentioned by an employee in the focus group. Despite the fact that children are growing up faster, a new generation of helicopter parents is exerting more control over them than
ever before. In today’s culture parents believe they have to befriend their children and are scared to parent, but at the same time they are overprotective and anxious, which makes the kids less independent. This trend also relates to the Focus Group statements from employees, who often noticed parents visiting the stores to purchase clothing for their children. ANF should thereby be attentive to the adult audience in addition to the young consumer segment.

The older generation in their 20ies known as Gen Y, or the Millennials/Eco Boomers, left school early, are still studying or embarking on their careers. Many members of this generation are still single as they delay marriage and childbirth in favor of education or to live life to the fullest. However, caused by the European economic situation an increasing number of the Gen Y’s are unemployed or living at home, which negatively affects ANF, as the consumers’ private consumption will be limited.

Consumers in 2012 are enjoying the feeling of greater control over their personas. Status has become more than what you consume, it is about who you are and more crucially about how your brand is linked to and ranked by others. The importance of the greater need for control over lifestyle and persona is brought into sharper relief by the financial uncertainty of the recession. In this climate, non-monetary forms of status such as skills, eco-credentials, generosity and connectivity are higher priorities, which create a challenge for ANF, who focuses on consumers with a higher financial status.

For ANF individual customers have little financial muscle, however the large number of them means increased buyer power. As players offer largely undifferentiated products, the buyers are able to shop around and look for the cheapest offer. The tendency to switch is strong: brand consciousness is substantial but brand loyalty is largely negligible and tends not to be the overriding factor in a consumers’ decision making: price, style and quality tend to be more important, as I also found in the analysis regarding non-consumers. Therefore the buyer power is strong.

**Threat of New Entrants**

Costly barriers like investment in specialist production equipment, reasonably large premises and a trained workforce may put off potential new competitive entrants. New manufacturers must also be able to compete with large existing incumbents, which already has significant economies of scale. Potential new entrants may furthermore be put off by regulations, which may refer to technological and environmental standards, as well as standards relating to the workforce, such as conditions, pay and safety. ANF has already experienced that adhering to such strict regulations and laws is costly,
with regards to both money and time. However, excluding 2009, the European apparel and non-apparel manufacturing market has experienced moderate growth in recent years, which still makes it a potential fertile market for ANF and it may also attract new entrants. Additionally clothing lines are cheap to produce, easy to brand and little capital is required to open clothing stores online or in malls. Therefore the threat of new entrants can be valued as moderate.

**Threat of Substitute Products**
Substitute products and other retailer’s strategies, which spawn from current market trends, threatens ANF. It is especially secondary competitors that match these market trends with products that can be related to the same type of clothing ANF offers. The individual consumers may rather acquire apparel from these other sources, as they can offer a wide range and quality to lower prices. In Europe these fast fashion retailers include Inditex, H&M and Bestseller, which are economically stronger companies than ANF appealing to the same target audience. I furthermore find these secondary competitors relevant in relation to ANF, as the focus group participants also mentioned them in comparison during interviewing. Ultimately these secondary competitors makes the generic clothing easily accessible for consumers, and as retail market leaders they provide serious threat to ANF, why the threat of substitute products can be assessed as strong.

**Supplier Power**
Suppliers in the market vary in size and offer a range of different products. The industry remains fragmented, with the large number of suppliers present within it reducing supplier power. Suppliers are reliant on apparel manufacturers’ commerce for revenues, and retail manufacturers can also choose to use many different raw material types such as cotton, silk, wool and synthetic fibers, which also weakens supplier power. However, ANF is overtly reliant on cotton suppliers, why their power is strengthened. Supplier power is further enhanced by ANF’s need for quality products. Generally the products offered by suppliers are fairly undifferentiated, meaning that retail manufacturers have more opportunity to shop around. This means suppliers are under pressure to offer quality products at competitive prices. ANF is reliant on cotton suppliers, however these suppliers currently have lower prices on the international market, which minimizes costs for ANF, why the supplier power can be assessed as moderate.
SUB CONCLUSION

The external environment dictates how ANF’s brand equity will be influenced by different opportunities and threats. As Porters model has 3 strong and 2 moderate forces it is evident that the company mostly faces challenges in the European market. Thus it is likely that ANF will be influenced negatively by economic uncertainties like modest growth, high unemployment rates and inflation. Furthermore the company is positioned in a highly competitive market and is in risk of being outperformed. The few favorable opportunities for ANF to survive in this market indeed resides with the behavioral trends of consumers.
VALUE STAGE 5:

SHAREHOLDER VALUE

At this last value stage I will address ANF from a financial perspective and discuss what implications the company might face in this relation. Based on the foregoing value stages and the available online information about ANF’s stock position as well as the Annual Report 2011, it is possible for me to assess the brand equity in monetary terms. The financial marketplace formulates opinions and assessments that have very direct financial implications for ANF’s brand equity. The particularly important indicators here are Stock Price, P/E ratio, Market Cap and Return on Investment, which I will account for in a positive and negative forecast from 2012 - 2015. By aligning the forecast with the investor sentiment and thereby assessing the brand equity in relation to if the company is fertile or risky for shareholders, I can conclude which future I believe ANF faces in Europe. Before introducing the forecast I will sum up ANF’s personal statements from the Annual Report 2011 regarding the future outlook for the company.

ANF’S OUTLOOK

The results for Fiscal 2011 were below ANF’s expectations as the company faced all-time high cotton costs, resulting in higher average unit costs. Furthermore the company was not able to offset the increases in the costs with increased average unit retail prices due to a highly aggressive promotional environment as well as an economically challenging Europe. Nevertheless, ANF expects to see a significant margin improvement in Fiscal 2012 due primarily to the expected performance of the new non-U.S. stores and direct-to-consumer business. ANF apparently remains confident that the company is on track in regard to its long-term strategy of leveraging the international appeal of its brands to build a highly profitable, sustainable, global business. There are some key elements ANF state are crucial for the long term strategy:

- A continuation to provide high quality, trend-right merchandise and a compelling and differentiated store experience.
- A continuation to close underperforming U.S. chain stores. During Fiscal 2011, ANF closed another 68 U.S. chain stores, bringing the total stores closed over the last two years to 135 stores.
- A continuation to focus the non-U.S. real estate plan. In Fiscal 2012, the company expects to open ANF flagship stores in Hamburg, Hong Kong, Munich, Amsterdam and Dublin, as well as up to 40 Hollister non-U.S. stores.
Based on these factors, ANF anticipates strong EPS growth in Fiscal 2012, notwithstanding an approximately flat same-store sales assumption. Longer-term, ANF’s objective remains to deliver consistent and sustainable growth in sales and EPS. ANF believes trend rates of close to 15% in sales and somewhat above that in EPS are realistic goals. ANF’s Investing activities are primarily related to new store construction and information technology investments, as well as the acquisition of intangible assets. Cash outflows for capital expenditures were higher in Fiscal 2011 than in Fiscal 2010, due to an increase in the number of new international retail locations, including flagship locations, as well as Home Office, Distribution Centers and Information Technology infrastructure projects. Cash inflows from investing activities were less in Fiscal 2011 due to a reduction in proceeds from sales of marketable securities (Annual Report 2011).

**FORECAST 2012-2015**

Relying on ANF’s own outlook, the quarterly information from fiscal years 2008 – 2011, the Annual Report (2011) and the foregoing analysis, I can present a positive, negative and realistic projection for 2012-2015 (Appendix G & H).

*Positive Scenario*

If Europe continues to have a moderate positive and stable growth, ANF will experience an increase in net income and thereby also a positive growth in EPS. With a positive growth in the market ANF could continue to expand and thereby invest in new stores as planned, which also would provide an increasing ROI, if they become profitable. Caused by lowering stock prices in 2009 and 2010 ANF would perceive the stock as being undervalued. The company would therefore in perform share repurchases to cut back on the shares outstanding and thereby increase the value of the remaining shares. The reduction of the traded shares means that even if profits remain the same, the EPS increases. Therefore ANF repurchasing shares when the share price is undervalued benefits non-selling shareholders and extracts value from shareholders who sell. In this case the P/E ratio would also be lowering, which means that investors would be paying less for each unit of current net income, why the stock would be more attractive. In a positive scenario ANF would thus sustain brand equity and continue to range as a mid cap company with some degree of stability. *Source: (Appendix G)*

<table>
<thead>
<tr>
<th>Positive Scenario</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Price</td>
<td>35,2</td>
<td>42,2</td>
<td>54,9</td>
<td>82,4</td>
</tr>
<tr>
<td>Growth, %:</td>
<td>110%</td>
<td>120%</td>
<td>130%</td>
<td>150%</td>
</tr>
<tr>
<td>P/E</td>
<td>21,5</td>
<td>20,2</td>
<td>16,8</td>
<td>13</td>
</tr>
<tr>
<td>Market Cap., USD Million</td>
<td>3151702</td>
<td>3403839</td>
<td>3539992</td>
<td>3716992</td>
</tr>
<tr>
<td>ROI, %</td>
<td>37</td>
<td>30</td>
<td>31</td>
<td>40</td>
</tr>
</tbody>
</table>
**Negative Scenario**

It seems certain that the recession will have an affect for years to come. ANF will thus probably not experience the significant growth needed in the European market, which will prevent new store openings and negatively affect current stores productivity, why EPS and ROI will be lowering. Moreover ANF has already experienced cannibalization in Europe, which is another reason the growth in non-U.S. same store sales further might be disappointing. ANF is furthermore currently not able to continue share repurchases, which means more shares outstanding, undervaluation and escalating shareholder dependency. Therefore stock prices will be lowering, which means less value for existing shareholders. It is also likely that ANF will experience an increasing P/E ratio caused by the continuous challenging environment, which means that investors will be paying more for each unit of current net income, making the stock unattractive. In a negative scenario ANF’s brand equity would be harmed as the company moves towards a small market cap, making creating risks for investors.

<table>
<thead>
<tr>
<th>Negative Scenario</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Price</td>
<td>35,2</td>
<td>24,6</td>
<td>12,3</td>
<td>3,7</td>
</tr>
<tr>
<td>Growth, %:</td>
<td>110%</td>
<td>70%</td>
<td>50%</td>
<td>30%</td>
</tr>
<tr>
<td>P/E</td>
<td>24,7</td>
<td>31,7</td>
<td>47,5</td>
<td>61,8</td>
</tr>
<tr>
<td>Market Cap., USD Million</td>
<td>3151702</td>
<td>2426811</td>
<td>1456087</td>
<td>567874</td>
</tr>
<tr>
<td>ROI, %</td>
<td>32</td>
<td>32</td>
<td>16</td>
<td>5</td>
</tr>
</tbody>
</table>

*Source: (Appendix G)*

The positive and negative scenario indicates exaggerated outcomes of a possible future for ANF, as a means to underst ate the complicated span in which the company is positioned. It would seem like there are possibilities of the company moving both ways, however I believe there are factors that will determine to which degree one of these scenarios is most likely to occur.

**Realistic Scenario**

The expansion has initially had a positive effect on the profitability of the company in 2011. After the American market became saturated, there has been an increase in costs in relation to exit charges of U.S. store closures as well as investments in new non-US shops. In spite of increasing costs, the total revenue of the company has been positive, as a result of income sales from the non-U.S. stores (Annual Report 2011). Nevertheless, positive as it might have begun, the analysis of the consumer behavior has proven that the consumer sentiment is negative and that there is a general fatigue with the brand. Furthermore, as the European market is in correction mode investor’s will valuate opportunities with careful discretion. The mood of the investors in this relation relies on their belief about the number of years it will take before the economy regains strength. Based on these facts I
believe the investor sentiment to be bearish, because they will sense that ANF’s equity has a strong sensitivity to changes in the economic outlook. The situation will ultimately allow the investor sentiment to guide the strategy of ANF, which leads me to accept a more negative scenario to be realistic compared to ANF’s own long term forecast.

In a realistic scenario ANF would probably experience continued increased revenues for a couple of years to come, as the expansion and buzz around the controversial concept allures curious consumers. However I believe that when the brand has finished moving into the new European markets as planned, the consumer fatigue will spread, why ANF also here will move into a mature stage and shortly after a slow decline in the brands life cycle. Even if the tendency in spite the negative forecast would be more positive, I believe the growth would be too slow for ANF’s optimistic expanding pace. The long-term strategy seems flawed as the company leaves a trail of store closures whenever growth stalls like in the U.S. I therefore assume the same tendency will be experienced in Europe. Ultimately ANF will not be able to sustain brand equity, as the company perceive the option for survival as closures of ill performing stores, in stead of acknowledging the real issues: the lack of recognizing the seriousness of the micro- and macro forces as well as the persistence to not customize the concept by becoming responsive to consumer sentiment. The calculations of a realistic forecast are thus based on an expected continuous growth that will begin to decline Shortly after due to these challenges.

<table>
<thead>
<tr>
<th>Realistic Scenario</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Price</td>
<td>35</td>
<td>42</td>
<td>42</td>
<td>34</td>
</tr>
<tr>
<td>Growth, %:</td>
<td>110%</td>
<td>120%</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>P/E</td>
<td>21,5</td>
<td>20,4</td>
<td>24,9</td>
<td>27</td>
</tr>
<tr>
<td>Market Cap., USD Million</td>
<td>3151702</td>
<td>3592941</td>
<td>3952235</td>
<td>3636056</td>
</tr>
<tr>
<td>ROI, %</td>
<td>37</td>
<td>40</td>
<td>34</td>
<td>31</td>
</tr>
</tbody>
</table>

I believe that there roughly is a 60% chance of the realistic scenario-, 25% chance of the negative scenario and 15% chance of the positive scenario becoming a reality. I am confident that ANF has entered the end of it’s life cycle, which ultimately will become visible in Europe, but the future will tell how many years it will take before the company enters a declining faze, when expansion no longer is possible.
CONCLUSION

When creating a store atmosphere by combining stimuli affecting multiple modalities simultaneously consumers are believed to engage emotionally in the brand. Nevertheless new implications for managers have developed, why I in this thesis wanted to study how multisensory branding would have consequences for brand equity. My main research question was:

How does the multisensory branding strategy affect ANF’s brand equity during the expansion to Europe?

To answer the research question three sub questions guided the analysis;

How does the in store experience affect the European consumers’ multisensory perception, decision-making and thus valuation of the brand?

When consumers enter the store they feel overwhelmed and confused by the intensity and incongruence of the different stimuli. The decision-making process is thus affected by several internal basic systems that created emotional conflicts. Visual attention and selection initiate the process in discovering the store from outside, but is quickly challenged, as the sense of vision was one of the last activated in store. Thereby the most salient and intense stimuli affects the decision makers along with their brand expectations, why the visual and tactile attention on the actual clothes is inhibited, making purchase difficult.

Because loyal consumers know the concept and feel like they receive a material and psychological reward they valuate the brand as positive. In comparison non-consumers feel unrewarded as the experience inhibits them from buying anything, however their curiosity is satisfied. Non-consumers memorize the stimuli they found most intense and both explicit episodic- and unconscious implicit memory are strongly affected, forming a learning loop, as non-consumers will be biased by the memories next time they visit the store. The non-consumers decision-making process was also driven by cognitive systems of intuition and reasoning. Intuitive immediate emotions are strongly awoken, when consumers are curious about the brand, however they quickly interact with anticipated emotions that drive the system for reasoning. This cognitive system rationalizes over the conflicting emotions, resolving in non-consumers disapproving ANF consciously.
The valuation of the brand is also founded in the perceived lack of innovation. The design of the clothes is described to be uninteresting, which makes it clear that ANF’s brand equity is predominantly founded in the in store experience. The lack of innovation and the fact that ANF is relying on a stereotypical concept that is difficult to change leads to a general fatigue with the brand, affecting value negatively.

At what cognitive psychological level does the consumers engage with ANF, and at which level can the relationship be improved?

Incongruence exists at more than one engagement level in the consumer/brand relationship leading to an incompletion of non-consumers self-schemas, which inhibits them from expanding their selves by wanting to engage more in ANF. Because ANF symbolizes an American archetype, the European non-consumers have difficulties relating to the brand as their cultural backgrounds bias valuations, by perceiving the brand as a negative stereotype. Both non-consumers and loyal consumers anthropomorphize ANF by ascribing human characteristics to the brand. However non-consumers do not want to initiate a relationship with the type of “person” they perceive ANF to be, because the personalization of the brand doesn’t fit with their personal self-schemas. Relatively the brand relationship becomes a consequence of the personalization. When ANF’s loyal consumers engage in a close best friendship or a love/romantic relationship with the brand, the non-consumers just engage in a kinship or an avoidance driven relationship.

A newly formed relation with a brand rapidly expands the loyal consumers’ self, however the opportunities for further expansion inevitably decrease and the relationship satisfaction will decline and be maintained at a lower level. So even though the in store experience and concept is exciting at first, it can also become mainstream for loyal consumers, as ANF does not invest in novel activities.

How does the external micro- and macro forces in Europe affect shareholder value?

The external environment dictates how ANF’s brand equity will be influenced by different opportunities and threats. As Porters Five Forces proves to have 3 strong and 2 moderate forces, it is evident that the company mostly faces challenges and it is likely that the brand also will be influenced negatively by economic uncertainties like modest growth, high unemployment rates and inflation. ANF is also positioned in a highly competitive market with risk of being outperformed. The few favorable opportunities for ANF to survive indeed reside with the behavioral trends of consumers.
Realistically I believe when the brand has finished moving into the European markets, consumer fatigue will spread and ANF’s brand equity will decline. The modest growth in Europe will be too slow for the company’s optimistic expanding pace and thus the long-term strategy is flawed, as the company leaves a trail of store closures whenever growth stalls. I assume the same tendency will be experienced in Europe. Thus ANF will not be able to sustain brand equity, as the company perceives the option for survival as closures of ill performing stores and expanding with an unchangeable concept into new markets. Following figure sums up the brand value chain:

As external factors are not something ANF can change, the company must instead be the changing factor if brand equity is to be sustained. ANF needs to find a balance in customizing the concept by becoming responsive to consumer behavior without loosing the differentiating memorable effects of the multisensory strategy. According to the principles of multisensory perception, ANF is successful in creating value, as the stimuli arise at the same location at the same time. However the stimuli ANF presents is exaggerated in intensity and thus strong in isolation. Through a value-generating process, the multisensory experience offers behavioral, emotional, cognitive, sensorial, and symbolic value at a deeper level. However the findings offer insights to the implications of managing a multisensory concept, as the brand equity only is positively affected if the stimuli are congruent and subtle, engaging consumers on an unconscious cognitive psychological level.
RECOMMENDATIONS

ANF stands against a difficult challenge in sustaining brand equity. There is a fine balance between honoring the concept, which is the epitome of the brand identity, and changing fundamental aspects of the strategy. I believe that addressing human sensitivity should be done in moderation. Additionally a brand is most successful when the consumer can recognize it immediately, in spite of one or more brand elements being removed. In this relation the analysis revealed that ANF is only recognized for the sensory stimulation, why the brand would be common and unnoticeable without it. Thus I will not discard of the multisensory strategy, however I have some recommendations for improvement of congruency in relation to the analysis results. ANF should:

• Tone down the somatic markers scent and music. Making them subtle will enhance their intended function as unconscious somatic markers for potential new consumers.
• Enhance the somatic markers lighting and clothing. By turning up the lights and modernizing the décor the visual sense will be initiated faster making touch more inviting.
• Change the non-consumers view of the brand as a negative stereotype, by respecting the cultural values of the European countries. ANF should acknowledge that Europe is a more “low key” place, where it is not reputable to brag. Therefore a revisited brand personality scale for Europe, for example: sincerity, competence, sophistication, mutual respect and assertiveness, will exhibit more cross-cultural validity from the U.S. to the European markets.
• Alter the behavioral patterns of employees, as some countries are more tolerant than others of exaggerated manners. In this relation the greeting and service in English could be modified to the respective mother tongue of the specific country.
• Adapt to seasonality and different holidays in Europe, presenting customized collections by well-known designers (still with the ANF feel) and special offers. Changing collections and designs in relation to fashion trends will keep the brand fresh and consumers interested.
• Encourage feedback by integrating a two-way communication strategy reinforcing brand participation with both non-consumers and loyal consumers on a conscious level. This enables innovation based on consumer ideas evolved from the original concept. Thus new relationships can be founded and existing ones maintained, why value will be sustained.
• Collaborate with influential bloggers and create digital communities with advantages for members through social media. This would be a fertile way of communicating with the digital Generation Z.
• Focus on segmentation in relation to the phenomenon of KGOYS’s and thus helicopter parents, as this segment has a direct influence on consumers.

The review of the external environment and the financial forecasts created fertile ground for other recommendations. ANF should:

• Pause/slow down the expansion and focus on productivity of current stores instead of leaving a trail of closures.
• Improve domestic sales and profitability with merchandising enhancements, conservative planning, a shorter production schedule and better consumer research.
• Gain greater market share and more elastic responses to price decreases and inelastic responses to price increases.

If ANF were to pull back on non-U.S. growth, the company would be able to preserve capital and better handle challenges of growth. In the short term I realize this strategy likely will result in slower earnings growth. Thus, as the domestic business currently runs at margins and sales productivity is below peak levels, I believe it would be a good strategy for ANF in the long term, as I see a potential for substantial leverage if a more flexible branding strategy is adopted.

**FUTURE PERSPECTIVES**

There are other interesting areas to explore within the field of multisensory branding which could be beneficial for the understanding of consumer behavior. Furthermore other methodological approaches could have been illuminating and validating for the results.

**Method**

The traditional consumer behavior measurements in this thesis could advantageously be combined with neurological testing. By using brainwave measurements to determine which specific elements of a brand are most salient and compelling to the brain, both conscious and unconscious brain activity in cognitive and emotional decision making would be better understood. Electroencephalography (EEG), eye tracking, and galvanic skin response (GSR) is the most effective combination of technologies for this purpose. The technologies combined would reveal exactly where in the store and by what stimuli consumers feel emotional or use cognitive reasoning to decide (Baars & Gage, 2010).
Interviews with other nationalities in Europe would also be interesting, as they would add a broader dimension to the results, minimizing the bias of generalizing Danish consumer behavior across Europe. Furthermore a triangulating method, where quantitative surveys support the qualitative interviews, would also be valuable, as the greater the compliance there might be between the different sources regarding the same phenomenon, the greater the reliability (Jick, 1979).

**ANF**

If I have had the option to collaborate with ANF on this project, the analysis results would have been different. The thesis written from an internal perspective would make the above-mentioned neurological tests possible. Furthermore gaining access to marketing and advertising information would provide an understanding the objectives behind the sensory strategy. Research and development information would also illuminate which efforts ANF has made to understand consumer behavior, non-U.S. culture and market trends behind the expansion into Europe, which could be aligned with the analysis.

For further investigation of the ANF case an analysis of the expansion into the Asian market would be interesting, as a possible contrast to the current negative outcome. The Chinese market is a fertile ground for luxury brands with its financial stamina, why the perspective on ANF might end up more positive. Nevertheless it has by several successful retail brands been proven that Asia is a difficult place to succeed, as Asian consumer behavior is complex and markets are different. Many companies under evaluate competition and innovation as a result of unrealistic expectations of their business in China. This challenge would be attractive to analyze from a multisensory perspective along with an analysis of current fashion trends in cultural preferences (Zuxi, 2012).

Another influencer relevant to consider in relation to a potential refocus of ANF’s strategy to the U.S. market is the reelection of America’s President Barack Obama. A presidential election of this dimension has effects on the global economy, the stock markets and consumer behavior. Barack Obama winning the election means a hopeful continuation of him creating more jobs, lowering taxes for the middle class and dropping fewer regulations on the business life, creating a fertile ground for ANF as well as improved disposable income for consumers (Foster, 2012) (Francis, 2012).
Theory

Social decision-making or socio-cognition would be an interesting field to address in further considering the influence of parents, friends and employees during valuation. This perspective would also reveal if the feeling of group identity between for example loyal consumers has influence on individual choice and brand valuation (Rilling et. al. 2008).

Within the field of multisensory branding it would be relevant to address what brands can do online. Without the physical store environment sensory stimulation in stead becomes important in the delivery of the product. Using better quality, quirky and scented packaging would help deliver a large increase in brand loyalty and demand (Rosa & Malter, 2003). Ultimately it would be useful to conduct research on the multi-sensory interplay between the human senses in value-generating processes, to understand at what connectivity-, intensity- and category level value is most likely evolved (Hultén, 2009).
LITERATURE

Books & Articles:


Web Pages & Links:


APPENDIX A

Brainstorm of assumptions:
- ANF’s brand value is affected by consumer decision making
- ANF’s brand value is affected negatively more than positively by the in store experience
- ANF does not do substantial consumer research on the non-us markets
- ANF’s brand value lies only in the experience, not in the products
- ANF appeals more to men than women, the store identity is masculine
- ANF’s in store experience play on unconscious emotional triggers in the audience
- ANF’s sensory in store experience has a significant effect on the brand value.
- ANF’s American Hollywood movie theme in store is not perceived as intended by the customers in Europe.
- ANF might be challenged by an image/identity gap because the European customers would react better to the sensory stimuli if it was adjusted in relation to the European culture.
- The in store stimuli, addressing all the senses heavily at the same time, makes it difficult for consumers to make a decision of whether or not to buy.
- ANF addressing all senses at once makes the audience confused and more prone to have a negative feeling about the brand than a positive.
- The stimuli in store taps into the cognitive processes in the brain.
- When ANF uses sensory priming effects, the brand will be more memorable in the long term.

Hypotheses:
- **H1**: The multisensory stimulus in store taps into the cognitive and emotional processes in the brain, and affects the consumer decision-making process.
- **H2**: By using sensory stimuli, the brand will be more memorable in the long term.
- **H3**: The sensory in store experience has a significant negative effect on the brand equity.
- **H4**: The in store experience has a significant differentiating effect for the brand, but is also a hurdle in the long term for sustaining brand equity.
APPENDIX B

The Focus Group Interview

In Store Visit:
The participants must take notice of the entire in-store experience. They will not be told to specifically notice the smells, music or visual images. They will be told to take a tour through the entire store, as if they were on a normal shopping trip, not looking for anything in particular. The stay in the store will last approximately 10 minutes, as this should be in sync with the time it normally takes to tour a big store on a shopping trip. They are allowed to walk together, but should also divide and walk alone, to be more open to the store experience. I want the trip to be as natural as possible, without us biasing it, by giving information regarding what to be aware of.

Information to participants after in-store experience, but before the interview:
Participants will only be told, that the purpose of the interview is to assess the brand value of ANF through a deeper understanding of the consumer in-store experience. They will not be told about the hypothesis that is wanted answered directly, but questions during the interview will draw on the hypothesis. They will be told the interview is anonymous, and therefore they can answer honestly. The interview will be taped and transcribed.

Introductive questions before the actual interview:
Do you own a piece of ANF clothing or perfume?
Have many times have you visited an ANF store?
Have you visited an ANF store abroad?

<table>
<thead>
<tr>
<th>H#</th>
<th>Scientific Question</th>
<th>Interview Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>1. How is ANF’s brand value perceived, in relation to the multisensory in-store experience?</td>
<td>a) How would you describe the brand, with your own words from your honest perception?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b) How would you describe the overall in-store experience?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c) What is the very first thing you notice when you enter the store?</td>
</tr>
</tbody>
</table>
### H3

2. How does the in-store experience affect the value of the brand?

<table>
<thead>
<tr>
<th>a)</th>
<th>Do you like visiting the store/the in-store experience?</th>
</tr>
</thead>
<tbody>
<tr>
<td>b)</td>
<td>Do you have a positive or negative attitude towards the brand after visiting the store?</td>
</tr>
<tr>
<td>c)</td>
<td>Does the store experience have a positive or negative effect on your purchase intention?</td>
</tr>
<tr>
<td>d)</td>
<td>Would you tell anyone about the store experience? What would you tell them?</td>
</tr>
</tbody>
</table>

### H3

3. If all the sensory stimuli were removed from the in-store experience, what effect would it have on the brand value?

<table>
<thead>
<tr>
<th>a)</th>
<th>How would you perceive the store if none of the sensory stimuli was present? Would it still be different and luxurious (the clothes)?</th>
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</thead>
<tbody>
<tr>
<td>b)</td>
<td>If, instead, you could change the in-store experience, how would it then be?</td>
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</tbody>
</table>

### H1

4. Does the perception of the brand value and image, have an effect on the subjects/individuals self image?

- Is the decision-making process high or low involvement, positive or negative motivated decisions?
- Is the emotional event aversive when in store (fear vs. relief)?
- Is the emotional event rewarding when in store?

<table>
<thead>
<tr>
<th>a)</th>
<th>What signals do you want to send when wearing a piece of ANF clothing?</th>
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<tbody>
<tr>
<td>b)</td>
<td>Describe what feelings wearing ANF clothes invoke in you?</td>
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<tr>
<td>c)</td>
<td>Describe a typical ANF consumer (age, lifestyle, education)?</td>
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<tr>
<td>d)</td>
<td>Do you identify yourself with the typical consumer?</td>
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<tr>
<td>e)</td>
<td>Does wearing ANF clothes give you a rewarding feeling? What feeling?</td>
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</table>

### H2

5. Are the customers aware of the sensory priming effects in-store?

<table>
<thead>
<tr>
<th>a)</th>
<th>How does the ANF store differ from other fashion stores?</th>
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<tbody>
<tr>
<td>b)</td>
<td>Describe the store in relation to design, service, product, sound, smell, feel, and exclusivity.</td>
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<td></td>
<td>c) What is your attitude towards the experience, and why do you think ANF uses this method?</td>
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</tbody>
</table>
| H2 | 6. What kind of memory is involved (implicit or explicit)? Which different aspects of the in store experience affect brand memory? | a) What do you remember most significantly/clearly/easily from the in-store experience?  
   b) Does the store experience tap into a specific memory or situation you remember? |
| H3 | 7. How is the decision making process affected by the unconscious/conscious sensory effects? | a) Are you likely to spend more or less time in the store because of the store experience? Why? |
| H1 | 8. What emotions are awoken by the in-store experience? | a) Does the store focus more on one gender over the other?  
   b) Would you describe the store experience as masculine, feminine or both?  
   c) Does the many forms of sensory stimuli make you feel overexposed?  
   d) Do you perceive the store experience as if you were in a Hollywood movie?  
   e) Do you perceive the store experience as if you were in a night club?  
   f) What do you feel when being presented with the smell, naked models, design and lighting? |
| H4 | 9. Does it make sense/have positive results for the brand value that the store concept is directly copied from the US to Europe? | a) Do you think the brand is stereotypically American?  
   b) Do you think the American theme fits the European customer and culture? |
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<td><strong>H3</strong></td>
<td>10. Is the quality of the clothes in sync with the casual luxury image and the store experience?</td>
</tr>
<tr>
<td><strong>H4</strong></td>
<td></td>
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</table>

**c)** How would you describe a typical European customer? What is the common denominator for European consumers?

**d)** How would you describe yourself as a consumer?

**10.** Is the quality of the clothes in sync with the casual luxury image and the store experience?

**a)** How would you describe the clothes in terms of quality, design, price, purpose, and exclusivity?

**b)** Does the casual luxury purpose of the clothes fit with the sensory in-store experience?
APPENDIX C

Transcription – Focus Group 1

2 hours

I: Interviewer
A: 21, Police academy aspirant, huge customer, knows the brand very well, owns a lot of clothes, visited stores world wide.
E: 19, working in a kinder garden, not customer but knows the brand, do not own the brand, have visited store I CPH a couple of times.
J: 17, 1 year of high school, customer and knows the brand, owns perfume and clothes from the store, visited store many times world wide.
T: 19, DTU student in physics and nano-technology, knows the brand, not a regular customer, does not own anything, have visited store several times.
I: How would you describe the brand? What do you think when we say ANF?
E: I instantly think of a night club in California, where you’ll meet a couple of half naked guys, maybe wearing wood men’s shirts. They try to party and create a happy setting, without truthfully and actually being happy.
A: I think about American college and of how you dress in the states. Completely normal clothes to a customer group of 18-25 years olds – primarily students I would say.
J: I think it can seem a little false when experiencing the store in a country as Denmark, because in the US the clothing style is what they all actually wear, but when you bring it to Denmark, and you see these half naked guys in a cold country, pretending to party all day long, it seems forced and false. And that, I don’t like. Maybe I’m mostly thinking about the service, it just seems so... When the guys run around and... I don’t know...
A: They are very much over you all the time.
T: They are very focused on you. It is not you that are happy, because you actually are happy, you feel the pressure to be happy and enter that mode because they are. They way they act seem superficial and dishonest, also when they greet you at the door. I have heard they get lines to say when interacting with customers, and if that is true, its obvious that it become less and less real when you say it a 100 times every day. It becomes standardized. The “hey how you doin’” seems fake because they were told to say it, and you can feel that right away.
A: Something that annoys me it that many of the sales personnel, in Denmark, speaks English, even though they are Danes. Compared to for example Jack and Jones, that personnel is not as much over you, as they are in ANF. And you get to walk around yourself without being watched all the time, which you do in ANF and that annoys me endlessly, because then i cant relax in the store.
E: I also think you get a little confused, because I experienced that there was 3 assistants talking to me, and 2 spoke English ad one couldn’t speak proper Danish, but actually spoke a little to me anyways, which made my head spin.

I: How would you then describe the in store experience (you experienced an hour ago)?
A: Well, I have great difficulties having to watch naked men. I think it is completely odd. But it is a very male fixated brand, even though when you enter the store you meet two guys wrestling with each other, which is very weird. I get distracted because it is so fixated on masculinity. I would rather look at the clothes, but you get distracted as there is so much focus on the male body.

I: (to A) but you are the one here who is a loyal customer, why do you the keep on shopping in the store if you don’t like the male universe?

A: Because I like the clothes. When I got my first piece of clothing from ANF, it was new and it wasn’t seen before, the fabric was nice and the clothes was both functional and looked good, so I started wearing it, and became more and more positive towards the quality of the clothes. The clothes is of high quality, it is thick and sturdy – it is not the clothes there is something wrong with, it is the way it is being branded I think is wrong.

J: There actually went some time by, from when my mother brought back the clothes from the US, to I actually went into the store myself to experience how it was to be in there...

I: (to J) Did you then think there was a link/cohesiveness between the clothes and the in store experience?

J: Not at all! The first clothes I got to wear from ANF seemed like any other normal average clothing brand, which you would be able to find anywhere else. It is only because it is branded this way that it becomes different to wear and creates a different feeling about the ANF brand.

E: Well, the first thing I though when entering the store was nightclub, because you are met of this odor of perfume which emasculates everything else in the store. You smell the perfume and its dark. Then when you enter further into the store it becomes a little brighter, but the only things lid up by spots is the clothes. You can’t really navigate around the store, the only thing you can see is the clothes. And the clothes seem to me kind of like beach wear in a way, the assistants run around in sandals, shots and converse sneakers and have these woodman’s shirts on that are open to the chest. And then you get the night clubby feel as well, and I don’t think it accompanies each other in my head.
T: I also think that when you enter the store you are bombarded with impressions in all kinds of ways. Like E says, there is this strong odor that fills up your head immediately, the music is very loud and there is dim lighting, and I think you pretty fast get kind of confused and stressed out. There is also mirrors all over which is also a stress factor. It is almost like you get stressed into buying some clothes, just to get out of the store again quickly.

I: What is then the very first thing you notice when entering the store?
T: The very first thing I notice is of course the two people standing just inside the door – a half naked guy and a pretty lightly dressed girl. They stand with this camera and want to take a picture of you with the male model while greeting you.

I: And you all feel that way?
E: Well yes, and the odor!
J: I think it doest take very long from when you enter the store till you get a very strenuous feeling. There is a lot at one you have to consider all of a sudden. Walking around in there makes my head hurt, and I cant almost make it to the first floor before I want to run out to breathe.

I: So the clothes are not the first things you notice when entering the store?
All: NO!

I: And the clothes aren’t what dominate the experience in the store either?
E: Well no, but the funny thing is that the spots they have, which is the only lighting in there is only on the clothes. But it still isn’t the clothes I notice; I notice all kinds of other things.
T: Yeah, even though the clothes is the only thing you really can see, it is not what you notice.
A: It reminds me of walking into a wardrobe.
E: I guess it is because there are so many sensory impressions that you don’t even get to think for a second. Your eyes register something, but you are at the same time thinking of something different, because you also are experiencing with your nose, or how you want to say it.
I: Can you say anything positive about the experience?

A: The quality of the clothes and the style of it.

T: I actually become a little fascinated about them making such a big and significant concept. It is not because I’m a fan of it, but I think it is fascinating that a brand like ANF has followed a concept through completely and achieved to become so much more different from others. It might also be the thing that made me visit the store to begin with, because I admired this concept. I wanted to experience the concept and not the clothes.

E: Actually when I noticed the clothes, I saw that it was color coordinated and placed completely straight perfect on the shelves like it was measured with a ruler. It makes it easier to find the clothes then, which is smart. And then the wall paintings I thought was well done. It displayed warriors of some kind or very athletic men – I don’t think there were any women on these paintings – but I don’t see how they fit with the identity of the brand, in the way they are branding themselves.

T: I think the wall paintings kind of symbolize the working class, but the clothes is not really working class. Like the brand doesn’t appeal to the working class but it tries to show that working class can wear it or something...

I: The men you saw on the paintings, did they wear ANF clothes?

All: No...

J: They typically didn’t wear any clothes.

A: They didn’t wear any clothes at all?

E: They didn’t wear a lot of clothes, and I noticed some of them wore belts and other things – but actually I don’t remember it that well, because you mostly remember their bare upper bodies, like the model standing just inside the entrance. Like, you don’t remember as much the clothes they wore.

A: I would say they wore typical jeans, but it could be any other brand though. So they wore sandal, jeans and a bare upper torso as I remember it. And here I mean both the models and the men in the wall paintings.
J: I think it’s very impressive that one can, just by looking at a man with a nice trained body in a black and white photo, associate it with Abercrombie. Because it is just a naked man, you can’t really see that it says ANF anywhere on the jeans or on the shirt if he is wearing one. But still you it is ANF and that it can sell, which I find kind of crazy when they don’t even show the clothes on the men in the pictures or on the models.

I: Do you then think you would automatically think of ANF when you see a man with a bare upper body?

J: Maybe a little because I have seen the picture with the half naked model for their perfume fierce so many times...

E: If I saw a close up of a man like that, totally shaved with that preppy look not being completely dressed, I think I would be reminded of their brand. Again because it was the first thing you noticed when you entered the store as well.

T: I definitely know that I do, because I remember H&M had a campaign rolling some time ago with underwear from David Beckham, where they had made bags with black and white pictures of him on them. When you walked past one of these bags you couldn’t see it was David Beckham, you could only see a man with a naked upper torso, and everytime I thought of ANF and not H&M!

I: What is it from the very beginning that you have felt drawn by, to walk into the store?

A: Well because I knew the clothes before I had visited a store, I felt like I had to see how they branded it. But I think there is a big difference in the experience after what time of the day you visit the store. Because it there isn’t a lot of customers in there, things are calmer and in order, I think. For me it is very disturbing when the shot if packed with people, where if I’m alone in there, there is another calmness about the atmosphere, which gives me the chance to buy some clothes.

J: I don’t think there is anything calm about the store. I can’t find any space for relaxation, because there is so loud music and the scent in there is so strong, so I don’t think I can find a calm place for my mind. And it makes it even more exhausting when there is a lot of people and no room to walk around, because there is a lack of space.
E: When I went into the store the first time, I was standing outside of the store, that was very dark, the façade and windows, and there was no sight of their clothes or anything in the windows. All I saw in the windows was old pairs of skis and shotguns, and it makes you think, “what is that?” And then you enter the store and the experience is something completely else that what you expected. I think it is interesting that you enter the store and experience something you didn’t expect from the outside.

I: So you don’t feel that what you see in the window display doesn’t match with the in store experience?
All: No not at all actually.
I: Do you even know why it is exactly these things you see in the window display? 
E: I’ve heard something about when ANF was founded once, it was something sports-ich...

I: They actually started as a nature sports brand, selling luxury outdoor products to wealthy people, who wanted to experience the outdoors.
E: Yeah, but the brand has obviously changed from back then, and that is why you don’t understand why they display these things as primary in their windows still today. The paintings inside also have an old school feel to them, though the men are like young guys you would see today, but what they wear in the pictures has a cohesiveness with the display in the windows outside.
A: I think it reminds me a lot of Ralph Laurens stores, as it is kind of the same concept though targeted an older generation. The logo is almost the same as well. It is like you wear ANF for a phase in your life, and the when you get older you switch to for example Ralph Lauren.

I: Does this mean, because Ralph Lauren is a luxury brand, that you also see ANF as a luxury brand just for a younger audience?
All: Yeah, actually in a way.... Yes.
A: I think it is high fashion and expensive clothes that more wealthy people can afford. Not that I only see it like that, but it seem like that is what ANF wants to be considered as.
I: But then again, how fashionable is it really? Because it is only plain jeans, t-shirts, diced shirts and so on.

J: Yeah, You can find it anywhere else!

E: If you look at the clothes, it looks like something you can buy in any other store, so I wouldn’t buy anything in there. Because for me it wouldn’t be worth the money, because I know I can find something very similar any other place.

I: So you don’t feel that the brand value and store experience makes the clothes worth the money?

E: no it don’t, because I feel confused about everything, and about being in the store. I don’t feel they sell the products to me because they have a brand that the clothes don’t fit into, if that makes sense.

I: So in general, did you even like visiting the store, was it a good experience in there today?

E: I think it was fun... And it was fun because it was different. I have never experienced stores like this one, which makes it a store you remember. You remember the scent and the naked men and so on, which make it very characteristic for that brand.

A: I think there is a big difference shopping in there, if you are a man or a woman. The departments of clothes are also completely separated. One storey is only for men and the one above is only for women. And there aren’t as many women displayed in the store as men.

I: Does the in store visit give you a positive or negative view of ANF?

T: I wouldn’t say that I agree in the way that they brand themselves, but I’m still evenly fascinated every time I visit the store because it is so thorough in its ways. I mean the store is organized in completely straight lines and there are no wholes in the brand or obvious flaws.
A: To return to something we talked about before about quality, I think there is a vast difference between the quality of the jeans in ANF in relation to for example Jack and Jones. I would definitely recommend jeans from ANF.

J: I just find that a little weird, because it is JUST jeans, an you can find some similar everywhere also in H&M and Jack and Jones...

A: I just think the materials are different.

E: Now I’m not saying you should wear Jack and Jones in stead, but I just think there are many other stores I would rather visit. Even if the prices were the same, and the quality, I would still be attracted to another type of brand.

I: Then, lets just say that we have ANF and Jack and Jones, and you can buy a pair of jeans in both stores that look exactly alike, with the same quality the price is just higher in ANF and it is that logo on the jeans, would you the still prefer ANF?

A: I would because I want a cohesiveness in my wardrobe, because I only wear ANF.

I: It that because it says Abercrombie on the clothes?

A: I think so yes.

E: So you wouldn’t wear a piece of ANF clothing together with another piece that wasn’t ANF?

A: I probably would, but the fact is that I only own ANF.

I: Do you think the store experience has a positive or negative influence on your desire to buy something from ANF?

J: I think it affected me negatively with all the stress factors in store. It is easier to send my mother in to buy something for me in the US for example. I think after having visited the store, both in DK and abroad, I don’t feel like visiting the store again for a long period of time. I have to get used to it slowly. You need to have the desire, the time and the energy to go into a store like that.
I: Or you have to have decided beforehand what you want to buy before going in to the store?

E: I don’t think it affects me directly negatively, but I like to have focus when I go shopping for something specific, but I lose my focus in this store. And the assistants in there try to help you to find something you like, but the music is so loud that you can't understand what they are saying, so there is no hope of finding what I want I think...

T: I think it’s a hard question to ask, because I have never went in to the store to buy something actually, I have always gone in there for the experience. But if I decided to buy for example a shirt in there, I think I would come out with the wrong one because I would be stressed to just buy something.

I: Is it a store you will walk into randomly and do some impulse shopping you think?

All: no not really...

A: No to that, because when I go in there I already know what I’m going to buy. I go after specific things all the time, and these are things that I find on the ANF webpage on the Internet.

E: It is almost a brand you have to know well before you go in there and buy something specifically. I wouldn’t go in there on a normal shopping spree.

A: I go after specific colors in there, mostly white and blue...

I: But they have all the colors of the rainbow in there though...

A: Yeah, but I only like the blues and whites.

I: And not anything red, because it is American the brand?

A: Actually not no.

I: Is the store experience something you tell friends and family about?

E: I wouldn’t say you simply must or mustn’t try this, I would tell about it but let it be up to people to decide if it sounds interesting. Just because I thing there is a lack of cohesiveness in the brand.
I: but in general, is it interesting enough that you think it is worth talking about with others?
J: Definitely, no matter if it is positive or negative I think it is memorable and worth telling others about.
A: I wouldn’t just walk around spreading the word. I mean when it is a thing I like and care about I wouldn’t just randomly chat about it, because I would want to keep it for myself. I wouldn’t share it because it is special and unique. When I heard the first time that they were opening a store in Copenhagen I just thought, oh no! Because I just knew it would become mainstream. What made it unique was that it only existed in the US, and that if you wore it in DK you were the only one who had it.

I: This matches with what the brand really stands for as well, the typical American. But now they are expanding to Europe, Milan, London, Amsterdam and Stockholm as well as an entrance on the Asian market as well. So do you think the special value of the brand is disappearing with the expansion worldwide?
A: Totally. Not that I would stop wearing the clothes but it has a negative effect. The exclusivity isn’t the same.

I: If we now have the store without the special in store experience, but only the clothes as in a normal store, how would you the perceive it?
E: Completely boring actually...
All: Yeah, agreed...
E: Because the clothes are so simple on its own, shorts, tees, jeans, it looks alike and it is the same all year around. So if they didn’t carry such a strong brand, I don’t think people would be interested in the store at all in relation to other competing stores with the same clothes.

I: So the unique thing about the brand isn’t at all the product, but the special experience you combine the brand with?
E: Yes, definitely.
T: It wouldn’t be eye catching in any way because the clothes is of a certain quality, no doubt about that, but you cant see that, you only would know if you went in and touched it, but you wouldn’t go into a store in the first place because it looked so boring from the outside with the type of clothing.

J: it would become like H&M... Like a luxury H&M sort of... because H&M are also known for their really plain basics, and I thin ANF are kind of plain without very many details in their clothing. The more I think about it actually, the more boring the clothes really gets.

A: It is like, if people see you on the street, they don’t think wow this clothes or style is so unique, but when they see the logo of ANF they might think, okey wow, this person shops in this unique store where all these things happen and that is cool...

I: if you could decide what to change about the store/ the store experience, what would it be?

A. Turn down the music and the odor. Don’t make the assistants almost attack you the second you walk in. Let the clothes speak more for itself.

E. If they just turned down the music and turned up the lights. Then they could still have the interior and everything. Maybe lighter walls or something. The wall paintings and the models could stay. I just think that he doesn’t fit completely with the nightclub theme.

T: I could agree with the others, but then I think, why should I even go in there then? Because if it wasn’t because it was dark, stank of perfume and so on, then the store wouldn’t be special enough for me. What makes me go in there is that the concept is so over the top, and it might be the only reason I would ever buy something in there, or else it wouldn’t appeal to me at all.

I: What signals do you think one sends by wearing ANF?

A: Exclusivity

E: Yeah...

J: I only think it exclusive if everything you are wearing is ANF. If you only own one piece, and otherwise wear normal clothes, it is not exclusive. Though, if you follow through with the style and wear only ANF together with the perfume, it becomes more over kill in a way, and more noticeable.
A: You show that you have money. You stand out when being young and being able to afford or wear expensive clothes.

T: I don’t think you signal that you are especially modern. Not that it is un-modern, but you don’t show you are very high fashion. But you show you like wearing quality clothes, which becomes more exclusive than it being modern.

A: When I started wearing it, my goal wasn’t for people to think; “oh, how nice and how high quality clothes he is wearing”. I thought to myself, that I have something the others don’t have. But people didn’t know the brand at that time, so they didn’t really notice it, but I feel good in it, in relation to what they wore, because my clothes was different. It made me more confident. That is also what made me keep on buying it, because it was so unique.

I: How would you describe the typical ANF customer?

A: American college dude. I say this because I don’t think they sell the clothes to women the same way they do to men. I felt it was targeted the American college boy who plays baseball or cricket – that type of American stereotypical youth.

I: Do you then think the male model in the store by the entrance is supposed to charm the girls or promote the clothes for men?

A: Actually… that’s a good question… I really don’t know. I just know I was a little scared of him standing there. But then again, the clothes are for sporty people, so it kind of didn’t surprise me that the model was trained and had a healthy body. At the same time I felt a little provoked by being met by such a trimmed guy. I also care a lot about sports, so meeting the model kind of determined the sporty feel of the store for me.

E: I think he is their way to lure both men and women in to the store.

J: I don’t understand why he is there, because if ANF is a brand that originally mostly targeted men, then I don’t understand there is a half naked man in the store.

E: I would say that, when you enter the store as a guy, and you see this trimmed male model, and you smell the masculine odor, you probably think, I would like to look like that, even though your confidence might get at notch lower. And because I want to be like him, I want to wear the clothes. And as a girl, you don’t mind a good-looking guy saying hello. But
it doesn’t make me want to buy the clothes more as a girl, it seems like it is mostly for show. It must be mostly for the guys. But to get back to the question, I think the typical customers are both boys and girls in the age of 16-22, but the clothes are mostly for men, and the small section for women is only for very young girls. The clothes are not for older men and women. And I would say that it is more for guys in their first 20’es and younger teenage girls.

T: I think there are to types of customers. Those who swear by it and only wear this brand, and he would typically be a man. And the we have the other group who likes the clothes and wants to show of the exclusivity to a certain extent, and that would mostly be girls.

E: I agree... a college guy and a younger schoolgirl.

I: Can you identify yourselves as this stereotypical consumer we just talked about?

T, E, J: No...

A: I could, but mostly when I was in high school. But it would also matter which school I went to, if it was a school for rich kids or a school for the more alternative hipster kids. I chose the clothes because it made me stand out in a good way I think. Where I go to the police academy now, I am the only one wearing ANF, and therefore I feel a bit like an outsider, in a good way.

J: Where I go to school, if I wore an ANF shirt one day, people would comment on it, but not in an overtly positive way. Because it is an alternative place, no one would be wowed over it.

T: Well, the ANF clothes is very ordinary again...

E: Yeah, it is so damn plain. It is boring. You could put any other brand on the clothes and it wouldn’t make a difference for your perception of it. It is the same pair of jeans, and the same polo shirt in the same 10 different colors. And you can find it all over, the same type of clothes. But if you put another brand over it, people wouldn’t think much of it.

I: What makes the ANF store unique in relation to other stores in DK?

A: The atmosphere is very heavy. You kind of get it pushed upon you. The smell, the music, everything, is just like heavy weight on your shoulders. The clothes as well, is also very heavy in the fabric, thick and sturdy where if you visit an other designer store in Denmark the clothes will be delicate and fine.
T: Well as said before the clothes in there is very plain, but with this said, there is nothing in there you couldn’t or wouldn’t own. None of the clothes is so different that it is ugly. At least, in the men’s department.

E: It is not the clothes, which make the store different. It is the atmosphere.

I: So why do you think ANF uses this way of branding the store and the very plain clothes?

E: Because it is the only way they can make consumers buy the clothes. At least from my point of view, if the store were like any other store but with the same clothes, they probably wouldn’t do so well, especially not in the financial crisis.

A: What makes it really special is that they are the only ones doing it like that, also in the US. You haven’t seen anything like it, why it is eye-catching.

T: it is the concept that sells... Everybody wants to be unique, and if you don’t have unique clothes you must have a unique concept.

I: What do you remember the best from your visit in the store today?

A: The male models in a negative way. I don’t need to be reminded about at guy with a six-pack when I go shopping. It’s too intimate and crosses the line a little bit.

J: It’s the very recognizable scent. When you buy a piece of clothing you also buy a piece of the store, and get to take it back home with you.

T: I’ve heard that they spray the shopping bags with the perfume...

J: Yeah, and you also smell of it yourself when you leave the store, it clings to you.

I: Have you the ever been in the public and recognized the scent on another person?

All: We can recognize the smell in public definitely. We have all known someone, or been in room with someone who wore the scent.

J: I was once on a bike trip, where someone on a bike several meters in front of me wore the scent, and I could clearly smell it and recognize that this someone was wearing ANF.

E: No matter who wears it, the scent is very recognizable. Even though they are not wearing the clothes, you still know that the perfume is ANF.
T: I think it is very admirable that a brand has achieved to make a perfume where the scent makes you recognize the brand. Normally you only know that this person smells nice, not that the scents is from Gucci or Ralph Lauren for example.

I: Let us say you walk past someone on the street wearing ANF clothes from top to bottom, but the person is not wearing the perfume and another person who the wears the perfume, then...

E: Then I would totally recognize ANF on the person with the perfume, and not think further about the person wearing the clothes.

T: I really noticed the lighting in there as well, because the only thing you can see it the things that are dedicated to the spotlight. The clothes then become very visually attractive with the bright colors. I don’t really notice the interior at all, because it in contrast is very dark.

A: The interior looks like a living room, I wouldn’t mind if there were a cozy fireplace as well.

J: Some stores abroad actually have fireplaces, and I once saw a big stuffed moose’s head.

E: I noticed the naked men the most. They are the first things you meet and the last thing you see before you leave the store. They are also all over the store in the wall paintings. That is what you think of the most, and then the perfume as well of course.

I: Can you recall seeing ANF other places in the store, in the public, television and so on?

E: Actually not, they only brand them selves in the store I think...

J: Only before they opened the store in Copenhagen because of the big ad with a naked man in front of the store.

A: when I lived in the US for 3 months I didn’t see one single ad from ANF. It is only within the store they brand themselves, and there they do it superiorly. Though the brand is not so unique in the US any longer, it is very unique in DK still, because we are behind. But the stores are kind of empty in the US, and not crowded and popular as they were in the beginning. I think I DK the stores are more male fixated than in the US. Here it is only the man that is in the center of the universe. There aren’t as many naked models either in the US, it has a more normal feeling.
J: In the flagship store in New York they have male models, and more than one of them walking around. But in Chicago for example there are none. It is probably only in the big flagship stores and the new stores around the world they have the male models to create attention.

I: Is there something about the store experience that reminds you of other situations or memories?
A: it reminded me about my trip to the us, and college guys.

J: I think about relaxing clothes and soft clothes... it reminds me of a casual Sunday...

E: reminds me of a night club.

T: draws many parallels to the night life, but in the store it doesn’t really remind me of anything. I don’t have the energy to pull out stuff from my library of memories... I can only focus on what happens here and now in the store... I even that.

I: Do you feel like spending more time in the store because of the store experience?
E: NO!

T: Both yes and no. The concept is made to lure you in, but it is also so fierce that you can stay there for very long. All the sensory triggers makes you want to go, but the entirety of the concept makes you curious and want to stay. I’m psychologically drawn to the store, but physically repelled by it when I enter.

A: When I go shopping I’m very goal driven. I don’t make impulse purchases. I go for something and then I’m out of there. So I don’t feel like staying in there for very long, but it is again because I am very focused, and I have a list of the things I need to buy.

J: I think it is too bad that all the clothes are so alike, because then you don’t have the need to stay in there for hours, because you have seen all of the clothes before. It isn’t the wildest experience every time you go in there because the clothes don’t change.

A: I think when their new collections hit the stores, that I have seen this before, and then again I haven’t. I keep updated about the changes and the new collection over the internet.
E: The weird thing for me is that I find it kind of cozy to be in there. Because it reminds me of a night out, where you talk with your friends and hang out at places with loud music and a lot of people.

I: So is it a place where you end up staying for longer, regardless of the positive or negative experiences you get, in relation to other stores?

E: Not for me, because of the scent. But it is fun talking to the staff as you were talking to someone in a club when going out. It is not like I run away screaming from the store, because when you go further in there, you get this more fun feeling, than the scared feeling you get when you just walk in the door and get surprised by all the sensory inputs.

T: you use much more time in the store, than what you actually benefit from when being in there. Where when you use a lot of time in other stores you use the time to rule out what you need and don’t need to buy. The you get some form of reward from being in there. But when you get into ANF you look at the clothes and don’t know if you like it or not, because you have to get out of there again relatively fast. The time you spend in there is to perceive the experience, and not so much the clothes, why the time you spend is in a way unrewarded.

I: Do you think the store focuses on one gender more than the other? (01:13)

All: yes, mostly men.

A: The women’s department is almost hidden away, like pushed to the corner or the first floor. When you walk in you only see the men’s clothes, and that drew me in as well to begin with. Often it’s the female models that dominate fashion, but here it is the men who dominate the brand.

E: It is clearly fixated on men. The male models are made appealing to men, they want the clothes and want to be like him, and the girls like to look at him too. Every woman would go in there, not to buy clothes but to look at the male models.

J: The signature scent fierce is also very masculine and was originally a perfume for men. But after a while when ANF’s popularity enhanced, the perfume was made unisex, because girls wanted it too. Many girls wear it because the clothes smell like it, and therefore they want it. I don’t think it is weird if a girl wears it, even though it is a masculine scent.
T: It has more become the scent of ANF than the scent of a man.
J: The store is very masculine as well. The façade, the interior, the logo as a moose.

I: do you feel overwhelmed by the sensory stimuli in store?
J: if you don’t know the brand yes.
A: Yes if you don’t know the brand you get kind of choked.
E: I don’t get choked, but overwhelmed every time even though I know what I am walking into. You get overwhelmed because it is so strong.
T: I agree. You get very overwhelmed. It is like your brain can’t hold any more visual, auditory or sensory inputs at the same time. You get too much of the good thing.

I: Do you feel one sensory impression overdoes another in there?
T: I think the balance between the lights, sound and scent is fine and balanced. There are equal amounts of all of it. The clothes are not one of the balanced things in there, because you might see the clothes but you don’t really perceive it.
J: I can’t handle more than these three things at the same time. I get overloaded and can’t decide what to do.
E: I still think the service in there is overdone...
A: Yeah, they really pressure you in there, and more at the same time.

I: don’t you think the way they act in store is because it is typical American, and that is how the Americans like to be addressed service wise.
All: probably...

I: And don’t you think that the American customer likes that the staff bows to them, and will do everything for them?
E: I’m sure they do, and I do as well, but I don’t like 4 people kind of attacking me at once.
A: I feel like, when they do everything to help you, that they expect you to buy the clothes.

I: what do you feel the assistant’s jobs are then?
J: Nothing really. I don’t need them to be so many in there.
A: Aren’t we just used to in DK that there is one behind the cash and one on the floor. And then we get annoyed and irritated when there suddenly are 4.

**I: do you think the brand is typical American?**

All: Yes very.

E: Even though I have never been to the US, it is very stereotypically American for me. It is like something you see on TV. Not the brand, but the people in there, is something you have seen on TV. It is nothing like anything I have seen in Europe.

**I: do you then think that this American brand fit the European consumer and our culture?**

A: yes and no. The clothes is typical American I think, but Europe has a tendency to get Americanized a lot and quickly also. So it kind of overlaps each other.

T: I don’t think the brand fits the European consumer overall, but I think the reason it can be successful is because it is different and unique. The concept could also be Chinese or African or something, and these would the same way also be able to gain success. It is because it is so aggressive and so different.

**I: what if we tell you that the brand isn’t that successful in Europe yet as it was in the US.**

T: it isn’t? Then it probably is because it doesn’t fit the European consumer.

E: according to my opinion, I don’t think it fits the European consumer, but at the same time I think it is kind of coincidental that a brand like Joe and the Juice and for example hooters, they survive in the same way. For example ANF have the naked men, hooters the naked women and Joe and the juice the young guys and loud music. These stores all survive, but I don’t think they come out on the other side with a big surplus. It isn’t like you see hundreds of these stores around Denmark, only the few.

**I: Why do you think the Europeans have such a tough time accepting this concept?**

A: I guess it is because it gets thrown at you that way. I want clothes I pick, and not something that was forced on me under these circumstances. You kind of feel if you are not American, it pressures you in another way.
E: yeah, and Europeans are more down to earth maybe, than Americans whom have this out-there appearance, and they like to experience these things every day, but it is not everyday a European want to visit such a store because they don’t feel at home the same way.

T: I agree in relation to for example hooter and especially Joe and the Juice who reminds me of ANF in many ways. Joe and the juice have success I think, because the guys inside seem much cooler and distanced from you, whereas in ANF thy almost attack you. It is like a display in Joe, where in ANF they are more directly addressing you.

E: but why is it cool that they are arrogant in Joe?

T: because it appeals more to Europeans...

A: I like that more...

T: It just seems more realistic, because if you look at the European culture we are much more distanced and cold, and we don’t chit chat with people sitting next to you in the bus. But the Americans do this more – they are kind of used to the “hey how are you doin” “im fine how are you” and then it goes like that all the way through the store experience as it was the most normal thing. In Europe we want to be left alone, and be like “don’t come into my comfort zone”...

E: Its funny... I really don’t understand why we Europeans want to be so private when Americans want to be catered to. I think it is weird... Why is it like that?

T: it just pure culture I think...

A: I think, if you look at Europe, the countries are very different from each other, where as in the US, all the states are fundamentally the same. In the US they all speak English, have the same culture and the same president and so on. But in Europe all the different countries have different cultures, languages and so on. And because the cultures are so different Europe in general looks differently at ANF, in relation to how an American would perceive it. Just guessing...

I: how would you describe a typical European consumer?

E: I guess that we are very private... In a way... I don’t know...
I: if you have to describe yourselves as consumers then?
J: I like to go shopping with friends... I like to get advice from friends about clothes I have to
decide to buy, than from the assistants, because they are forced to tell you that you look
good in the clothes no matter what because they want to sell.
E: They only have to help me if I ask for it. To me I rather want to experience the clothes, and
thereafter contact them, rather than I want to be attacked right away. Or else you wont get
a chance to evaluate and decide for yourself. But I like to walk from store to store and chill...
A: I think it is very annoying to do it like that, I would rather research beforehand and then
go in and buy what I need and get it over with.
J: I guess it depends if you are a guy or a girl... Girls make an entire day a shopping day... like
4-5 hours where we go from store to store and eat lunch in between.
A: I would die doing that..
E: Why don’t you just shop online on the ANF page then?
A: Because I like to feel the clothes and see it with my own eyes before I buy. And then I can
pick the right size. If I shop online I feel like it isn’t my decision completely, then I would
rather go pick the specific things up myself.
J: Don’t you get disappointed then? Because I think that the clothes you see online isn’t the
same at all as in the stores...
A: Yeah you are right about that.
J: You might see a shirt online you really want, but when you get in store it is not the same
pattern or the details are different in a way or they don’t have the color you need...
A: Both yes and no. If they don’t have exactly what I want, it is easy to find an alternative to
it, because the clothes are so alike.

I: do you then thin it is typical that men and women are different in the way that women
like better to go shopping in store?
E: I don’t think so... I think it depends on the individual. Generally I think women enjoy this
kind of shopping, but I think men do as well while they hang out with friends.
T: I do like shopping an entire day, but I know many more guys that hate shopping than guys
that love it.
A: I hate shopping with friends; I need to do that privately by myself.
E: I think women are more satisfied with their purchase if they have gone through the entire market first, and have been through all the stores and now know that this is the place I get most value for money and therefore I am more satisfied.

I: Do you think ANF is a store where you go shopping together as a group or is it a shop where you shop individually?
All: you cant really communicate with the others... It is not a place you shop in a group.
J: Furthermore I don’t think it is a place where you take a lot of things from the shelves to try them on and then decide, where after you walk out and do the same thing all over again. You have to be determined and know what you are looking for.
T: it’s a little funny, because when we went into the store I just turned around to talk to the other 3 and then people were already gone in all directions. You don’t have the ability to focus on a conversation as well.
A: to compare the store in DK with the store in Chicago, the store I Chicago is much bigger where the Danish store is more compact. I feel like when the Danes Americanize something it become very concentrated. That is how I experience it.
J: maybe that is the reason for all the mirrors in the store in DK, to make the store seem bigger. Though I get confused and loose my sense of direction because of them. There are no mirrors in the stores in the US, only in the fitting rooms.

I: Did you meet more men than women or opposite visiting the store today?
J: I noticed a lot of young girls.
E: I just noticed that there were more male assistants than female. The men dominated the place, including the employees.
( Some discussion about the language of the assistants again – same as earlier)
A: I think you have to speak the language of the consumer in the store.
E: but they have a lot of assistants that don’t speak Danish.
J: I though they pulled people from the US to come work in DK, or then they must have the demand that the assistants speak fluently English besides Danish.
E: I had a job interview there, and we were 8 people, and of the 8 only 3 didn’t speak Danish, and still the entire interview was in English. They were also more interested in how good you looked in a Polaroid than how educated or experienced you were.

J: that has been debated a lot in the US, because you must be a beautiful model looking person to work in the store. You can’t be overweight or have acne for example.

E: I find it a little grotesque that they have assistants that don’t sell things because they know a lot about the products, but they sell on their charm and good looks.

J: it is probably the classical American dream they want to portray... Red roses and red doors... girl next door.

I: they describe the brand as casual luxury, can you recognize this?
All: mostly in the clothes then..

J: yeah it is a lot of money to pay for a pair of sweat pants you only wear a Sunday evening.

A: I don’t like their training clothes, it doesn’t fit well.

I: do you think the theme seems like you were in a Hollywood movie?
All: doesn’t ring any bell...

J: maybe a little when you see the assistants behavior, which is like acting, and over exaggerated.

E: Maybe a little when you walk in on a red carpet and get your picture taken with the model... but otherwise no.

A: it is more like downtown la disco or living room...

J: it is mixed, because the lighting seems kind of spot light-ich – which makes it a little movie like or Hollywood like... where the store décor is more like a living room.

(01.54)
APPENDIX C

Transcription – Focus Group 2

1 hour

I: Interviewer

A: 21, student, not a customer, but knows the brand very well, being a former employee at the ANF store in CPH.

B: 22, student, not currently a customer but knows the brand well as it was very hyped when in highschool, owns clothes from the store but mostly basic items.

P: 20, student, customer and knows the brand fairly well, have visited store in CPH a couple of times.
I: How would you describe the brand? What is ANF to you?
B: Very American
A: And hyped without reason. It’s very expensive despite being a little similar to H&M. It’s soft and nice but very American, with a big logo, “Look at me, I’m a brand”.
B: I agree that it’s hyped without reason. They focus on the smell, loud music, and naked men but you expect something more than just sweatshirts.

I: But how is it American?
B: I’m reminded of surfer dudes.
A: When I was hired I was told to imagine being rich and having a cottage in upper-New York.
B: Maybe we think it’s American only because we think it’s what Americans wear.

I: But if you think that is what Americans wear, is that because of movies, music, or visits to the US?
B: Movies mostly. I remember it being hugely popular in high school, and going online seeing the promotional pictures. I think it’s very European. But then again, I’m wearing very dark clothes and today in the shop I saw a pink summer dress with a flower.

I: How would you then describe the in store experience (you experienced an hour ago)?
P: Violent, very noisy, I got a small headache. From previous visits I remember the smell being stronger. I think they’ve turned the smell level down, and I liked that. But the music was still too loud.
B: I remember from a visit to the London store, which was my first visit to an ANF store, that I was surprised at the noise level. I had trouble concentrating. Then I bought a shirt and they sprayed both the shirt and the bag with way too much perfume. It took weeks for the smell to disappear from the shirt. It’s a good perfume but it’s too much.
A: I think the smell has been ruined by overuse.
B: I don’t like that the staff are speaking English, saying “How are you doing?” It’s too superficial. I agree that staff at a clothing store has to be welcoming, but ANF staff is almost assaulting you when entering the store.
A: It doesn’t seem like real enthusiasm.

P: This is why I think the brand is very American, very superficial.
A: I think the whole store experience is confusing, because of the mirrors, it’s dark, you don’t know where you are going?

B: Plus the stairs both up and down without signs of what clothes is at the other levels.

I: (to A) When you were an employee, were you told of the reason behind the interior?
A: Again, we were told to imagine a cottage in the woods in upper-New York. Furthermore, the paintings on the walls are of men working in the woods. Additionally, and I don’t know if anyone of you saw this, but I was told of the ceiling having gold leaf which apparently was very exclusive. I thought it was way too much. The managers on the beginning were Americans and my boss’ name was Chad. We had to wear flip-flops to work despite it being November.

B: I remember the one in London being very similar to the CPH store.

I: We talked about the service. How was it today and how many employees did you see?

A: There was one greeter but no one to get your picture taken with, which there normally is.  
P: I saw three downstairs and to at floor level.  
B: It might have been because the store was closing for the day.

I: Do you think there was a link/cohesiveness between the clothes and the in store experience?

A: Yes, because of the uniform the employees are permitted to wear. There are five, I believe, basic items that you have to wear plus either their own flip flops or black Converse. Furthermore you are not allowed to wear jewelry or a lot of make-up or have died hair. It has to be natural.

A: The clothes are very colorful compared to the overall theme of the store.

P: The clothes are distinctive compared to the store.
B: The clothes don’t fit at all, to the decorations in the windows facing the street. In the windows are skis and winter gear. When I first saw the store I remember thinking if the decorations were to be changed, but they haven’t been.

I: What is then the very first thing you notice when entering the store?
B: Nude men.
P: The wall of jeans
B: And the picture of a forest.

I: (to B) Why do you notice this?
B: Because it’s big and lighted and doesn’t fit with the clothes. When I think ANF I think of surfer dudes but the theme of the picture is fall/winter. It’s dark.

I: Do you like visiting the store?
P: I think it’s fun. It’s different from other clothing stores in CPH. I like the feel, but I’ve never bought anything.
B: If I enter the store it’s only for fun. I don’t think I’ve ever bought anything in the store in CPH. I remember when the store opened; that I had finished high school and the hype amongst my friends had diminished. But still, we visited to see the store and compare it to the experience we had had in London ... and because of the topless men. In London we all had fun, getting our picture taken with this good-looking greeter but when the CPH store opened there was nothing new. I think it’s a fun concept, but it doesn’t fit in Denmark.

I: Is the store experience something you tell friends and family about?
A: In the beginning, yes. But now everyone knows it. Sometimes at Købmagergade you hear people from Jutland saying, “look in there, what do you think that is”, and recognize that it’s something special. But if you walk by often then, well, where’s the news in that.
B: When ANF was very hyped in high school, people who had visited the store in London told about the music, the good smell, the hot guys, that everyone was dancing, and it was a party. I thought it was fun to hear about and it was fun to finally see for myself. I wasn’t at
all disappointed when I experienced it. Afterwards, obviously, I told my friends about the trip, but I don’t do that anymore and haven’t done that with the store in CPH.

I: Has it become boring?
B: I think it has become a cliché.
A: And it’s always the same, they don’t change anything, or evolve. Now you’ve tried it, and the experience wasn’t that good.
B: It makes sense that ANF is hyped in the US. It seems to me that it’s the cheerleader-type girls who are wearing it. In high school it was the cool girls who’s mothers had brought it home from the US.

I: Which signals does ANF clothing send?
B: It’s different now than five years ago. The brands in the back of the shirts are fairly big so in high school we were talking about the girls who were wearing it, and from where they had got it. My friend’s mom bought bucket loads of ANF clothes for her and she hardly wore anything else. All in all, ANF was what the cool kids were wearing.
A: A year ago I was substitute teacher to 8th graders and amongst them, ANF was the coolest you could wear. I don’t know anyone my own age that neither wears it nor likes the brand.
B: A friend of mine bought some pajamas pants a while ago and they were soft, good quality, and if I was to buy anything in there that would be it.
P: There were a lot of kids in the store today. Maybe 12-13 year olds. That kills some of the exclusivity for me.
A: Maybe that’s more the age where you are focused on clothing brands.

I: ANF describe their target segment as 18-22 year olds. Is that a wrong estimate?
B: In Denmark, yes, but I don’t know about Americans. Maybe guys rather than girls. Girls in Denmark are wearing too dark clothing, whereas ANF clothes for girls are colored summer dresses. A year or so ago, I thought about buying an ANF shirt but decided not to because of the price. The shirt was cool but I remember it being a negative that the brand was ANF.
I: How would you describe the typical ANF customer in terms of age, education, lifestyle, etc.?
A: My first thought is 14-16 years old, whose parents can afford it. I think the brand is cool for that segment.
B: I’d say beginning of high school. It’s for the preppy girls with ponytails and the guys with multi-colored shirts. The design is very basic, but with big logos and very bright colors.
A: ANF doesn’t follow general fashion trends.

I: (to A) Has the design changed since you worked there?
A: No, it’s exactly the same.
B: And it’s the same as the girls from my high school wore. The shirt I bought around four years ago in London is still on display in the store.

I: Previously, we’ve talked about what was the first thing you saw when entering the store, but what do you remember best from your visit today?
P: The smell and the loud music.
A: And the relief when exiting.
I: It’s not a place you stay for a while?
P: I’ve never stayed, but I’ve often visited just for the fun of it.
I: Is it a store you can do impulse shopping in?
B: No. In Zara or H&M I often buy stuff I hadn’t planned on, but I think it’s because you don’t know what you are going to find when entering those stores. It changes a lot. In ANF it’s always the same.

I: do you feel like spending more time in the store because of the store experience?
All: No.
A: It’s confusing.
B: And it’s overwhelming.

I: Does one have to know the brand to shop in the store?
B: If you don’t, being greeted by a naked man might be a bit too much. I think I might leave or at least be on my defenses if I hadn’t seen that coming.

I: Does the store focus on one gender more than the other?
B: Maybe guys can be a bit challenged by a very fit, nude man in the entrance. But apart from that I’d say that it focuses on men. It’s dark, has a men’s perfume.

I: (to P) as a man, do you feel catered for in the store?
P: It’s hard to say, fairly even I’d say. The interior is masculine but the naked men have a negative effect on me.

I: In relation to the store design, where do you find the women’s and men’s clothing?
P: Men’s clothing was at ground level and in the basement. Women’s clothing was upstairs.
A: It has more men’s clothing than women’s.

I: So the focus is men’s clothing?
A: I’ve never thought about it before, but yes. The men’s clothing is what you see when you enter.

I: Is that similar to other clothing stores?
P: Not at all. In bigger stores, men’s clothing is always upstairs hidden away.
A: That’s very interesting actually. Talking, and thinking, about it, I’d say the store has a big focus on men.
B: I’d still say masculine, as well. As when we talked about the typical ANF consumer, I think of a man, attending an American college. But in high school I remember it being amongst the girls that ANF was hyped.

I: But if the store is masculine, but has a naked man in the entrance, which (to P) has a negative effect on you, why are the naked men there?
B: Good question. But it draws girls. Maybe some guys think they want to be like him?
P: On the price tags there was a picture of a topless man, which didn’t do any good for me. But the naked guys are representing the ANF lifestyle, and maybe that’s what you buy into? But I still think the overall effect on guys is negative.

I: Do you think the fashion trends are similar in the US and Denmark?
B: It depends on where in the US. I see ANF as something you wear if you’re a college/surfer dude on the west coast. But on the east coast, around New York, it might be darker colors, more similar to what we wear in Europe. Especially for the girls, ANF is very colorful and it doesn’t fit with Danish girls.

I: Are you influenced, positively or negatively, by hearing “this is what they wear in USA”?
B: In high school it was popular in part because of the quality, but also because of the exclusivity. Not only was it from the US, but you couldn’t buy it in Denmark. Wearing ANF was a way to show that you had been in the US or could afford getting it shipped.
A: In general I’m not influenced by stuff coming from the US.
P: I don’t see fashion sense and Americans being linked.

I: How would you describe the clothes?
P: It’s quite soft, good quality. But it’s too pricey.
B: It’s very soft yes. If I was to buy a pajamas or comfortable clothes to wear on Sundays, I’d buy ANF. but never anything with big logos to wear in the public.
P: The design is a bit like H&M as almost everything in there was basic.
A: If a guy wore a shirt with an ANF logo on, it’d give me a negative view on him because of the brand. But in general I’m not a big fan of logos on clothes.
B: But what if a similar guy wore a Ralph Lauren shirt?
A: That would be better. I don’t really know why but I just like the brand better.

I: What’s the price on a basic Ralph Lauren shirt in CPH?
A: 700-800 DKR.
I: And what of a similar ANF shirt?
A: Around 500. Almost the same.
B: But I see Ralph Lauren is a brand for people older than the typical ANF consumer. Maybe when you’ve outgrown ANF you switch to Ralph Lauren.

I: ANF describe their own brand as *casual luxury*, how does that fit with your perception?
A: I don’t remember that description from working there, but it fits with the image of an upper-New York cottage in the woods. And it sounds like we all agree that the quality is good. Actually, I’d love to have a pair of ANF sweatpants but I refuse to pay the price ANF demands.

I: Does the description fit the store experience?
P: The interior fits, because of the dark wood.
B: If they want to achieve the casual luxury they should turn down the music and the scent. I agree that the dark wood interior fits casual luxury.

I: But the experience combined, what does the store remind you of?
B: A club. Added wood. When leaving the store in London I remember the feeling of just having been to a club. But that doesn’t really fit with A and I, only being interested in their sweatpants. And the club feeling was down to the music and the scent. Walking around in CPH, it’s very easy to smell if anyone near you are wearing the signature perfume, and I think guys use it as a means to pick up girls. Personally, I like the scent, but I think it has been ruined because you smell it everywhere.

I: What brands would you say are similar to ANF?
B: I’d say Tommy Hilfiger and Gant, but again they serve another segment. A much older segment.

P: Tommy Hilfiger, yes. It’s very colorful, has similar logos, and is mostly basic items.
A: It reminds me of L.O.G.G. the H&M brand. L.O.G.G. has sweatpants and similar clothes to relax in. ANF is similar, but better quality and considerably more expensive.
I: Who would you say are ANF’s main competitors? What does 18-22 year olds in Denmark wear?
P: I wear primarily Scandinavian brands; Samsoe&Samsoe, NN07 and the likes.
B: As I’ve said earlier, girls in Denmark and Scandinavia wear less colorful clothes like what you find in H&M, Zara, Topshop, etc.

I: Say the current store experience didn’t exist, either because it was a brand only being sold in other fashion stores, or if the ANF store was similar to “normal” fashion stores in CPH. How would the brand be different from what it is now?
B: I think the store experience is everything. Absolutely everything. Amongst the girls from high school, some had visited a store in London or USA and some hadn’t. But those who hadn’t visited a store themselves had all heard about it, and, as I said, whenever someone went to London they visited the store there and told the rest about it.

I: With the brand coming to Europe, does it have an effect on the perception of the brand?
B: The hype had already diminished a bit when the store opened in CPH so no, I don’t think so.
A: Being from the US isn’t, by itself, a quality stamp for me, so for me it had the effect that I got to know the brand.
APPENDIX C

Transcription – Focus Group 3

1 hour
I: Interviewer
C: 21, waiter and bartender, knowledge on the brand originally from his mother, has worked in the ANF store in CPH.
E: 20, student at KU, not customer but knows the brand, do not own the brand, applied for a job in ANF.
V: 20, student at CBS, employed at the ANF store in CPH and has been since it opened in September 2010, knew of the brand from a friend visiting the US.
S: 20, student at CBS, employed at the ANF store in CPH, although not a big fan of the brand.
I: How would you describe the brand? What do you think when we say ANF?

V: Very American. And as they describe themselves: laid back, casual, and sophisticated. In the store they divide rooms by the clothes, that being either sporty, cute, etc.

E: I agree that it’s casual daywear, but it seems Californian to me with the choice of colors and patterns.

S: Lots of colors, yes, but no black.

I: How would you then describe the in store experience?

V: Very overwhelming. I think that’s what most people feel. It’s very dark, as we’d like to give people the feel of a nightclub. The models asking “what’s going on” can be a bit confusing as well.

S: And the topless model in the door.

E: I think of the distinct smell and the very loud music. When entering you can’t really see anything other than the male model, because the area around him is lit up.

I: As an employee, how does this feel as a working environment?

V: When at work, S and I are mostly in the back of the store. Our job description is called Impacts and we work mainly in the stockroom fetching clothes for the models that have the direct customer contact.

C: I was working as an Over night, meaning I was prepping the store after close. Despite only working when the store was closed, the music was still as loud as normally. It was the same music playing on repeat all evening.

V: That’s not the case anymore, now people are allowed to listen to their own music on an iPod meanwhile.

C: The perfume dispensers in the ceiling were active as well, spraying perfume every ten minutes. My experience working there wasn’t the best.

S: That has been stopped as well. Now stylists are spraying with the perfume, but during opening hours only.
I: Do you experience customer pausing when entering the store, or do most customers know of the concept?

S: The façade doesn’t resemble a clothing store. When my parents wanted to see where I worked they couldn’t find it, because there are no clothes in the windows. You have to know the brand to even know that it’s a clothing store, but generally, once you enter you want to see more.

V: And it’s possible to smell the store even when you can’t see it and I think that attracts customers. But some people regret it as well, as it’s a very confusing place. Employees are often asked about where special items are and where the cash register is.

I: As employees, are you given special instructions about the concept? I.e. why the music and the smell is as it is?

V: Not exactly why, but they know that this is what differentiates ANF from their competitors.

C: It influences sales. The smell is generally seen as attractive to customers.

V: I’ve been told that it’s about engaging more senses at once.

S: Once we had another type of music out back but we had to stop that because as it might confuse the customers, so now we hear the same music as in the rest of the store, which is more dance/house style.

V: They have their own DJ’s creating these mixes that can be based on regular pop music but then added a heavy beat, that doesn’t fit at all.

I: Do you think there is a link/cohesiveness between the clothes and the in store experience?

C: No. I think the clothes are very Californian, surfer dude, laid back, and casual but this doesn’t fit with the interior design of the store and the music as well as the smell.

V: I might be a bit too used to it, to be able to answer this. But in the beginning we were told to not wear too much make up because it has to be natural.

C: And men have to be shaven and not have longer sideburns than halfway down your ear.

S: Nail coating is only allowed on your toes and that has to be red or pink.
I: (to V) Earlier you said that you knew the clothes before you had seen the store. Now, do you think that the clothes you had matches the store concept?

V: Not really no, but I’ve never thought of that before. I think the clothes are too laid back compared to the store.

I: What is then the very first thing you notice when entering the store?

V: The guys.

S: And after that you see this big picture of to men, which I believe might send some wrong signals.

E: Firstly you notice the smell and then, when entering the store, you notice this guy standing in the light where the rest is dark.

V: When greeting customers in the door, many seem a bit confused maybe because they are overwhelmed. Friends have told me that it seems like all employees are on drugs, because they are very hyped, dancing and jumping around.

E: They are gathering a lot of attention but if they didn’t, customers might not notice them because of everything else going on around them.

S: *Camera girl* told me that when she’s standing in the entrance greeting customers she has to be positioned in a special angle and distance towards the shirtless model. And the shirtless model is very popular amongst younger girls.

V: It gives the store a sort of a Hollywood vibe. Furthermore, the entrance is the only place customers are allowed to have their picture taken.

I: Why are you not allowed to take pictures?

V: I think it’s a way to keep the experience special and memorable. It forces people to enter the store themselves if they want the experience.

I: How do guys react to the shirtless model in the entrance?

C: I think it’s a bit too much. A friend of mine was one of the shirtless models once. He liked the attention but very quickly it became an annoyance.
I: (to C) Which feelings does it evoke in a guy to be greeted by a shirtless male model in the entrance?
C: It makes me not want to visit the store.

I: Are there more girls than guys in the store?
S: I’d say it’s about the same.

I: But it seems that there is more men’s wear than women’s wear?
S: Men’s clothing is at ground level and in the basement where women’s clothing is at first floor, so yes. But maybe the women’s wear is stacked more.

I: Is the store experience something you tell friends and family about?
C: Friends and family of mine all know of the store.
V: In summer and fall 2010 when the store was about to open, there was a big sign along Købmagergade and generally the hype was very big and the employees were psyched. We were told that ANF was the highest grossing store in CPH at some point.
S: I think the customers are getting younger. I talked to a woman with a 13-year-old daughter who told me that amongst her daughters friends, ANF was the thing to wear.
V: But they have several brands, including Hollister that targets a younger segment and Abercrombie Kids. ANF is targeting the oldest segment amongst these, but you can discuss whether this is a target group they actually reach. I think that the hype amongst people my age has been bigger than it is now.

I: Which signals do you send when wearing ANF?
S: I can’t stop laughing about it actually, I recognize ANF clothes all the time. The brand wouldn’t be for me if I didn’t work there.

I: (to S) but laughing?
S: I just think it’s fun that they’ve been to the store and actually bought something. Every day there is a huge line to the dressing rooms and the cash registers. Not having more than five dressing rooms is a part of the concept, but I don’t really get it.

I: Do you wear the clothes because you want to be perceived as an American college type?
S: It depends on the country. There is a part Dane part American girl working with us in the store, and she’s annoyed that she has to buy the clothes to wear to work, because she’s never going to wear it when she gets back to the US. She’s in college now, but in the US it’s a brand for high school kids.
V: Years ago when my friend brought clothes with her from the US it was very hyped in Denmark but I’m so tired of it now. When it got to Denmark it was really hyped but then became a brand everybody bought into. I think that’s the case with most things that become too popular, like the Kawasaki shoes that everyone ended up wearing. It just became too mainstream.

I: (to V) When being in the US and visiting stores there, did you get a sense of how the brand was perceived amongst Americans?
V: It seemed like a popular brand but I didn’t really get a sense of it being very hyped or not.

I: Can you describe the standard ANF consumer?
V: They want it to be college kids, but I’d say the standard consumer is younger. Teenagers perhaps. Not the youngest teenagers because ANF doesn’t make sizes that small, but mid-teenager up to 20-year-olds.
S: And adults, but that might be just to buy clothes for their kids.
C: My cousin is very dedicated to the brand and her mother buys clothes for her at holidays and her birthday. She is a Justin Bieber fan and that is what I think the standard ANF consumer is. She and her friends are quite fashionable and knowledgeable about the latest trend.
V: I think the male customers are older than the female. The men’s wear is not that colorful and we sell a lot of checkered shirts.
I: It sounds like the brand is more popular when it is exclusive and hard to get, but when an ANF store opens in your city, it becomes mainstream?

V: You have to recognize the big price difference. As an employee you get 50% discount on the AAA attire (clothes employees are required to wear to work) and 30% on the rest but with this discount the prices only match normal non-discount prices in the US. And if you find a store with a clearance sale the prices are as low as $10-15 for a shirt.

S: When they have a sale in our store, it’s low key in the back.

V: But then again, I remember the clearance sales in the US to be smaller.

I: Do you feel like spending more time in the store because of the store experience? Or as employees, does the concept make the customers spend more time than they otherwise would?

V: Most customers get annoyed, because of the lines for both the dressing rooms and then the cash register. I’ve experienced people leaving when standing in line for the register.

E: It seems like they try to stress people, I guess to make them buy stuff and immediately leave.

All: All in all customers don’t spend extra time in the store just to hang out.

I: So the things that differentiates the store is what stresses people as well?

S: Yes, but I think that it’s efficient at getting people to visit the store.

I: Do you recognize customers that visit often?

S: Fun fact, groups of young girls does and they all wear ANF clothes. Maybe they want to be like the employees.

V: Guys are more focused when shopping, enter – buy – leave.

I: Is it like a ritual that customers have to wear ANF clothes, to be a part of the family?

All: Yes.

V: The loyal customers do.

E: It’s strange that customers want to be seen as employees.
I: But the employees represent a lifestyle. You have to be outgoing and beautiful to be hired and this might be a way to be a part of it?

V: Maybe they have lowered their standards, or maybe it’s just hyped, but the guys and girls working in ANF are regular looking. It’s a problem though, that especially the models feel like they are more valuable.

E: I was at a job interview and it was quite obvious that they searched for the best looking people and not the most qualified. If you haven’t worked in a clothing shop before, ANF can be quite stressful maybe the employees have been scared away. Maybe this is the reason they’ve lowered their standards.

S: There are job interviews twice a week so it changes a lot.

V: But there are many employees on the payroll with very few shifts. As an example, I haven’t been there for a month now. Your contract says 0 hours a week, so you are not required to work and they are not required to assign you shifts. This makes it very flexible if you are a student, but a concern if you have bills to pay. I know that many are annoyed at this. Most people are students but still it’s not a stable place to work.

S: And most have a second job at the side.

I: Do you visit the store for the shopping or for the experience?

S: I’d say the experience. Before being hired, I remember visiting the store without any intention to buy anything.

C: The hype gathers attention, and pulls people in. But if you don’t like the clothes you don’t come back.

V: You have to know the brand in order to shop.

I: Does customers visit the website before entering the store so they know exactly what they want?

V: A lot visit the website beforehand, and as we talked about regarding parents buying clothes for their kids, almost all have a little note with the name and size of the clothes they want. The clothes we have in DK are not always the same as that displayed on the website.
S: Sometimes clothes displayed on mannequins despite it not being for sale. I don’t really get that.

**I: Which gender does the store focus on, if any at all?**

C: Girls get drawn by the topless model in the entrance.

All: Men.

**I: Then what about the interior design?**

V: That’s masculine. The logo is a moose and the walls are decorated by images of hunting. And a moose’s head on the back wall. And the perfume as well. Now it’s unisex but really it’s a men perfume, despite many girls wearing it.

S: The mirrors as well, that’s masculine to me.

**I: How does the masculine hunting-theme fit with the upbeat music and casual clothes? What’s the link?**

V: I think the men’s wear fits the concept well. The women’s wear is very colorful and the men’s wear darker colors.

**I: We’ve talked about the brand being perceived as very American, but are the trends in the US the same as in Europe?**

S: We’ve discussed that a lot actually, but I don’t really know if the trends are alike. My point is that lots of the designs don’t really fit with what Danes wear.

**I: Let’s split it into men’s and women’s wear. Are the trends alike then?**

V: Not at all. Girls wear much darker colors in Denmark. I talked to a manager about this once and told him that they wear similar colorful clothes in Poland. He told me that they were contemplating opening a store there because of this. Now if a piece of clothing isn’t sold in one country, it gets transferred to another store and sold at normal price. They know that the clothes don’t really fit with the Danish market, but they still try. If it doesn’t get sold they simply send it on.
I: What about ANF’s men’s clothing, is that something guys in DK normally wear?
C: There is a much better fit, yes. Men’s clothing is more laidback and casual and is less colorful. And it’s okay quality.

I: Does the clothes price, design, and quality match?
C: I think the prices in Denmark are higher than they should be, in terms of clothes quality. The prices are as they are because of the brand. This is one of the reasons I don’t buy ANF clothes.
V: The direct competitor is American Eagle, which is available in DK as well, and as I recall that brand is a little cheaper than ANF. I think they were optimistic when setting the prices in DK. I’d rather buy the clothes in the US.
S: The quality of the clothes is not bad but better than H&M for example.
V: The ANF clothes I bought in the US were better quality than what’s on sale here. It’s small worries like loose threads and buttons falling off, but still there’s a difference.
E: It isn’t made the same place?
V: Yes, but when clothes aren’t sold in the US they send it here which is very obvious to see from the tags actually. And if a piece of clothing wasn’t sold it might be because of a loose thread or a button being missing, but it’s still send here. This policy makes sense based on the number of shops they own, but it reduces quality.

I: What brands does ANF remind you of?
V: Hilfiger.
E: Ralph Lauren, in terms of men’s wear at least. There is a brand in Magasin, Marlborough I think it’s called, that is similar because of the hunting theme.
V: Esprit, and their sporting goods.
E: Quality wise I think H&M is similar to ANF.
V: A good thing about ANF quality, if you’ve bought a piece of clothing that’s faulty you can have it replaced free of charge. And that’s possible despite what shop and what country you have bought it in.
E: I’ve worked in a lingerie store where we offered something similar.

I: Earlier American Eagle was mentioned as a main competitor, but who would you say is amongst their main competitors in DK?

V: Esprit, as I mentioned before.

E: Jack & Jones is cheaper but I’d say their men’s wear is fairly similar.

C: I’d rather buy clothes in Jack & Jones, because of the price.

V: I think it’s hard to categorize ANF as distinct as we’ve done today. Some seasons ANF is sporty and competes with one brand, where the next season might be more sophisticated and compete with another.

I: Would the clothes be competitive if not for the store experience? (1:02m)

C: I think they’d have more success if not for extreme concept, especially if they had more changing rooms, less noisy music, a little lighter music. The models are really providing value but if they just eased up a little in the rest, then they’d be better of.

E: I think it depends on the market you are competing in. In Europe the nightclub theme might not be as successful but more an environment that fit’s the clothes.

V: Maybe they’d have a better chance reaching the desired target group if more people were comfortable in the store.

I: If ANF clothes were displayed in a “normal” fashion store (more lights, less noises, no smells, etc.) how would you then perceive ANF?

V: Then there’d be nothing special about it. Buying clothes in ANF, the clothes smell good for a while after, and despite being a little sick of the perfume I like that it’s different. Without the concept it’d be ruined.

S: Brighter lighting would be a good thing. I’ve seen a lot of customers having a hard time seeing exactly what color a piece of clothing is.

V: The smell distinguishes your ANF clothes from other clothing brands in your closet. It’s being washed a hundred times, but still every time I open my closet in the morning, I’m hit with the smell.
C: After a shift, and despite not wearing the perfume, you had it on you. Even my laundry basket smelled of ANF.
V: Fierce stuff.

I: Has it had an effect on the turnover that the actual customers are younger than they were when the store opened? Or just generally, how is ANF doing in DK?
S: We aren’t given the precise numbers so it’s a bit hard to say. But we have the numbers on pieces of clothing sold during the day, and in my experience that number hasn’t dwindled.
V: Only the managers know the numbers and they are the ones who close the cash register and handle the money every night. In terms of customers it peaks in the weekends. On working days the store is completely dead.

I: Don’t you have a sense of the company you work with doing good or bad? Are people being hired as regularly as always, have people been fired, etc.?
V: Actually, yes. From the beginning of 2012 until around May it was impossible to get any shifts and we were told this was because the store was doing badly.

I: But that has been reversed?
S: We can get shifts again, yes.
I: The following might be a bit hard to answer, but try as best as you can. How does ANF perceive the world? Is it a place to grow, full of opportunities or a place with dangers, driven by competitors taking over?
V: First of all, they don’t try and adapt to the market they are in. not once have I been told to do something because that’s what Danes like. Every tiny part of how we run the shop in DK is dictated by the American concept. I think it’s because of the American “we are the best” attitude.
S: Agree.
V: There’s a clear hierarchy as well. It’s very far from a Danish working culture.
S: And we are not allowed to be out at parties where the managers are present as well. You are not allowed to see them outside work.
V: ANF seeks this exclusive feel. From the street, the store is very discreet and the ones inside are the VIP’s.

C: I’ve seen queues in front of the store, despite there being room for many more people inside. But that’s a part of the nightclub feel.

E: It’s amazing people put up with this.

V: But that’s what being an employee is, jumping the queue.

I: What effects does the European and Asian expansions have on the brand?

V: I’d say it loses exclusivity.

S: But it’s a way to keep attention on the brand.

E: Maybe it’s not that interesting if it’s available everywhere.

V: I’ve heard the expansion is because it was going badly in the US.
APPENDIX D

### Sales by Geography

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### Sales by geography

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APPENDIX E

Market Value Forecast

Table 4: Europe apparel & non-apparel manufacturing market value forecast: $ billion, 2011–16

<table>
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<th>Year</th>
<th>$ billion</th>
<th>€ billion</th>
<th>[% Growth]</th>
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<tr>
<td>2011</td>
<td>153.1</td>
<td>110.1</td>
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<tr>
<td>2012</td>
<td>157.0</td>
<td>112.8</td>
<td>2.5%</td>
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<tr>
<td>2013</td>
<td>161.2</td>
<td>115.9</td>
<td>2.7%</td>
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<tr>
<td>2014</td>
<td>165.9</td>
<td>119.2</td>
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<tr>
<td>2015</td>
<td>171.2</td>
<td>123.0</td>
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<tr>
<td>2016</td>
<td>176.7</td>
<td>127.0</td>
<td>3.3%</td>
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CAGR: 2011–16 2.9%

SOURCE: MARKETLINE

Five Forces Analysis of European Apparel & Non-Apparel Market

Figure 5: Forces driving competition in the apparel & non-apparel manufacturing market in Europe, 2011

SOURCE: MARKETLINE
Buyer Power

Figure 6: Drivers of buyer power in the apparel & non-apparel manufacturing market in Europe, 2011

Supplier Power

Figure 7: Drivers of supplier power in the apparel & non-apparel manufacturing market in Europe, 2011
New Entrants

Figure 8: Factors influencing the likelihood of new entrants in the apparel & non-apparel manufacturing market in Europe, 2011

SOURCE: MARKETLINE

Threat of Substitutes

Figure 9: Factors influencing the threat of substitutes in the apparel & non-apparel manufacturing market in Europe, 2011

SOURCE: MARKETLINE
Degree of Rivalry

## APPENDIX F

Selected key variables from the EU-Commission Prognosis 2012-2013.

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<td>(annual change in percent)</td>
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<td>(percentage of GNP)</td>
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Source: [http://ec.europa.eu/index_en.htm](http://ec.europa.eu/index_en.htm)
## APPENDIX G

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<td>15%</td>
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<td>176,2</td>
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<td>318,6</td>
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**Positive Scen.**

<table>
<thead>
<tr>
<th>Positive Scen., Growth %</th>
<th>26%</th>
<th>40%</th>
<th>20%</th>
<th>5%</th>
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<tr>
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<td>560,0</td>
<td>672,0</td>
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**Negative Scen.**

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<th>-40%</th>
<th>-20%</th>
<th>-5%</th>
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**Realistic Scen.**

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<th>10%</th>
<th>5%</th>
<th>-5%</th>
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**2012**

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<td>150%</td>
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<tr>
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<td>31</td>
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**Negative Scen.**

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**Realistic Scen.**

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## APPENDIX H

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### Notes:
- All financial figures are in thousands, except for per share data and store data.
- The table above is a snapshot of Alabron & Ritch Co. Quarterly Financial Information.