

Within the Transformation

Exploring the Factors Driving a Brand Transformation Process from a Corporate Governance Perspective: A Case Study of Björn Borg

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Bachelor Thesis in Marketing

Stockholm School of Economics

2024



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Abstract

This thesis investigates the internal factors that drive successful brand transformations, focusing on the case of Swedish sports fashion company Björn Borg. The study examines how insights from prior marketing brand transformation theories apply in a real-world context, particularly emphasizing an internal, corporate governance perspective. A qualitative case study approach is employed, with data gathered from semi-structured interviews with Björn Borg's CEO, CMO, shareholders, and board members, supported by quantitative data from internal company reports. Findings reveal that successful brand transformations rely on strong shareholder support, leadership, and cohesive organizational alignment. The introduction of offering extensions, combined with feedback loops from both employees and consumers, is shown to mitigate risks and maintain trust during brand transformation. Moreover, the study highlights the importance of aligning internal branding efforts with external marketing strategies to reinforce the brand's new identity. The study introduces the *Blitz Dalén Framework (2024)*, offering a process-driven model for companies navigating brand transformations. Practical implications include actionable insights for managers and shareholders aiming to align organizational structures and strategies with market shifts. The research contributes to the literature by addressing gaps in internal-focused brand transformation studies and offers guidance for future brand transformations.

Keywords:

Brand Transformation, Corporate Governance Perspective, Marketing, Case Study

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Acknowledgments

We want to extend our gratitude to Emma Bengtsson, Henrik Bunge, Martin Bjäringer, and the other interviewees for taking the time to be interviewed. We also want to thank the entire Björn Borg team for letting us participate in your workout.

We are also grateful to our supervisor, Ksenia Mischa Rundin, for her support, feedback, and insightful guidance. Additionally, we want to thank Per Andersson and Magnus Söderlund for their valuable lectures and engagement.

Finally, we would like to thank our friends and family for their support and valuable feedback throughout this process.

Vera Blitz Lövstedt & Louise Dalén

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1. INTRODUCTION

In today's dynamic and competitive business landscape, change is a critical and inevitable process for companies seeking to maintain relevance and sustained growth. Despite its importance, the internal mechanisms that drive such transformations often remain underexplored, particularly from a corporate governance perspective. This thesis therefore aims to answer the research question: *What key internal factors drive a successful brand transformation process as seen from a corporate governance perspective?*

To answer this question, this thesis applies a case study approach analyzing Björn Borg - a Swedish company that transitioned from being known primarily for underwear to a sports fashion brand over the past decade. By integrating insights from existing literature with a detailed case study, this thesis contributes to brand transformation research, offering a practical framework for understanding and implementing successful internal rebranding efforts.

The thesis begins with an overview of Björn Borg's key events from its founding in 1989 to the present. It then narrows its focus to the actual scope of the case study, the brand's sports-focused transformation, analyzing the ten-year period from 2013 to 2023. The geographical scope of the study is limited to the markets in which Björn Borg currently operates.

Distinctively, this thesis adopts an internal perspective, diverging from the predominant consumer-focused lens seen in much of the existing literature. The internal focus is directed towards the shareholder and top management at Björn Borg. To understand the internal perspective, interviews were conducted with two individuals with ownership stakes in the company and two from the top level of management: the current Henrik Bunge (CEO), Emma Bengtsson (CMO), Interviewee 1 (the former chairman of the board and current board member), and Interviewee 2 (the largest private shareholder). It is, however, important to recognize that the customer perspective is crucial to note, as shareholders have an inherent interest in this perspective. Hence, this thesis is supported by customer-driven data demonstrating the success of the brand transformation.

1.1 Background and Case Description

1.1.1 Company Background

The following background information is drawn from a comprehensive qualitative, semi-structured interview conducted with a member of Björn Borg's board of directors. Rather than relying on publicly available or generic sources, this background provides a unique, firsthand account that offers deeper understanding into Björn Borg's strategic journey, decisions, and challenges during its rebranding efforts. The timeline below offers an overview of the earlier years of the company.



Fig. 1 - Company Background Timeline

The Björn Borg brand was founded in the late 1980s by legendary Swedish tennis player Björn Borg and entrepreneur Lars Skarke, with designer Rohdi Heintz creating its initial collection. Despite its famous name and designer, the company faced financial troubles and went bankrupt, leading Borg to regain the licensing rights for products like shoes, glasses, bags, underwear, and fragrance (Interviewee 1, online interview, November 9, 2024).

Following the bankruptcy, five former associates acquired these licenses individually, forming a new company. Among them, A. Arnborger secured the underwear license, which became the most successful category, ultimately shaping the brand's future focus (Interviewee 1, online interview, November 9, 2024).

1.1.2 Worldwide Brand Management

Due to fragmented ownership of licensing rights, the Björn Borg brand suffered from a scattered identity. In 1997, the licenses were consolidated under Worldwide Brand Management to enable cohesive marketing. However, inconsistencies persisted (Interviewee 1, online interview, November 9, 2024).

1.1.3 New Share Issue

In 1998–1999, a new share issue raised 25 million SEK, during which Interviewee 2 joined the board of directors (Interviewee 1, online interview, November 9, 2024).

1.1.4 Minority Shareholder Buyout

By 2003, the current majority shareholder proposed buying out the minority shareholders. However, the minority shareholders countered, insisting on equal valuation terms. This led to them choosing to buy out the majority shareholder at a valuation of approximately 50 million SEK. This transaction introduced Interviewee 1 to the company, with the current CFO appointed as CEO (Interviewee 1, online interview, November 9, 2024).

1.1.5 IPO and Björn Borg AB

Under new leadership, Björn Borg AB launched an IPO on the Stockholm Stock Exchange, raising additional capital and achieving a valuation of 110 million SEK. This marked the start of a rapid growth period, with revenue soaring from 100 million SEK to nearly 500 million SEK and the stock price peaking at a valuation of 3 billion SEK. A particularly successful product at this time was the female version of the already successful men’s underwear line (Interviewee 1, online interview, November 9, 2024).

1.1.6 New Chairman and Brand Acquisition

In 2005, Interviewee 1 assumed the role of chairman, overseeing negotiations with the Borg family to acquire the licensing rights for 123 million SEK, alongside a 10-year agreement. While Borg’s involvement in brand events was initially planned, his financial demands ultimately ended his association with the brand by 2016 (Interviewee 1, online interview, November 9, 2024).

1.1.7 Gant CEO Appointment

In 2008, the board recognized that although the current CEO had successfully managed the business’s operational growth, there were limited advancements in new product development. As a result, they recruited the CEO from Gant. With him, he brought a vision of making the brand more adventurous, especially on the women’s side. However, despite these efforts, from 2008

until his departure, the company maintained steady profitability but struggled to sustain the momentum necessary to expand significantly beyond its core product categories, which led to Björn Borg's growth plateauing (Interviewee 1, online interview, November 9, 2024).

1.2 Market Overview

1.2.1 Current External Environment

Adaptability and being capable of change such as a brand transformation is increasingly important for brands due to today's environment with rapid technological advancements, shifting consumer values, economic uncertainty, social media impact, and growing demands for sustainability. Staying relevant requires aligning with changing preferences and cultural trends, while responding to market changes. Social media and technological advancements have accelerated the pace of shifts in consumer values and demands, which further highlights the importance of adaptability. Moreover, navigating economic fluctuations means that brands can adapt their strategies to handle difficult financial periods, like recessions or market downturns. In a fast-changing world, brands that evolve remain competitive, resilient, and connected to their audience long-term (pwc, 2021).

1.2.2 The Current Sportswear Fashion Market

Björn Borg has operated within the sportswear fashion market since their change of direction in 2014 (Interviewee 1, online interview, November 9, 2024). Sportswear encompasses functional, comfortable, fashionable, and leisure-focused apparel. In 2014, the global sportswear market was valued at \$282 billion and had a 7% annual growth rate. The United States accounted for over 35% of sales where Nike and Adidas dominate the US market. Key growth drivers include increasing health consciousness, the rise of athleisure as a fashion trend, and expanding markets in China, India, and Russia. Moreover, consumer preferences are shifting toward performance-oriented yet stylish designs and that women represent a critical growth demographic (Hayes & Venkatraman, 2016).

1.2.3 Björn Borg Today

Today, Björn Borg has four product areas, including underwear, sports apparel, footwear, and other products such as bags. Although their marketing communication only focuses on

sportswear, underwear still accounts for 55% shares of total sales, while sports apparel accounts for 21% (Björn Borg 2023). Their largest markets are Sweden (35%), where it has established strong trust and recognition, but also the Netherlands (23%) and Finland (13%). Worldwide, Björn Borg has over 212 employees. They also operate in Germany, Norway, Belgium, Denmark, England, and the rest of the world. Their main sales channels are external retailers, their own stores, and e-commerce (Corporate Björn Borg, 2024).

Björn Borg’s primary audience consists of both men and women aged 20–45. This audience is characterized by a high interest in fashion. Consumers rate themselves between 7 and 10 on a 10-point scale for fashion enthusiasm. They are also fitness-oriented, engaging in regular weekly training, and are highly active on social media, spending an average of over two hours daily, with a minimum of 30 minutes. These behaviors reflect a digitally connected and health-conscious demographic. Customers see training as a means to enhance overall life quality rather than for elite athletic performance, which aligns with the brand’s own values such as “Train to Live”. The target audience seeks stylish yet functional sportswear that fits into everyday activities like gym training and casual wear. They also seek dual-purpose apparel that bridges sportswear with casual fashion (E. Bengtsson, in-person interview, October 8, 2024).

1.3 Case Study of Björn Borg

The following timeline provides an overview of the key events as described in the case study below.



Fig. 2 - Case Study Timeline

1.3.1 Development of Björn Borg Framework and Strategic Product Evolution

In 2013, following several years of stagnating growth, the board recognized the need for new energy and leadership within the company. After a rigorous recruitment process, Henrik Bunge was appointed CEO. With a background in sports, including serving as the CEO of Peak Performance, a well-known winter sports brand, and managing director at Adidas, a sports fashion brand rooted in its footwear heritage, Bunge proposed a strategy to realign the Björn

Borg brand closer to its namesake by incorporating a focus on sports. Initially met with mixed reactions from the board, Bunge argued that the sports focus could drive higher sales within the already profitable underwear segment which ultimately led to the board's support for his vision (Interviewee 1, online interview, November 9, 2024). His first step was to develop the Björn Borg framework, which consists of five guiding questions, each paired with a corresponding goal as its answer:

Where are we going?	Where are we now?	What do we do?	How do we do things?	Why do we do this?
"To be the #1 sports fashion brand for people who want to feel active and attractive."	This is described by their current financial position in the annual reports	They have three cross-functional strategic themes: win the consumer at the point of sale, create a winning team, and brand alignment	This is based on five values that drive their behaviour: passion, empowering, winning attitude, bold, and magnetic	"We inspire people to be more, through our belief that sports will make our minds, souls and bodies become something more than what they are today, and that anyone can become anything."

Fig. 3 - Björn Borg Framework

This framework outlined the brand purpose, core values, and long-term vision and communicated these elements to stakeholders. Products were aligned with the company's strategic direction. To transition from underwear to sports fashion, the company introduced sports underwear as a transitional product. After establishing this category in the market, the company expanded into broader sports-related product lines.

Employees were involved in product development by testing designs and providing input before market release. Some employees initially indicated that the clothing designs did not align with their preferences. Feedback was incorporated into the development process, and adjustments were made. In 2019, a new Creative Director was appointed, contributing to subsequent product development.

1.3.2 Company Culture

One of Bunge's main priorities has been to create unity within the company, a focus reflected in his strategic framework. To achieve this, he implemented company-wide Monday meetings where the framework is reviewed alongside other organizational updates and developments. This initiative aimed to foster alignment and a sense of team within the company (H. Bunge, in-person interview, October 8, 2024). Additionally, he implemented a mandatory sports hour for

all employees on Fridays, an initiative that received significant media coverage, including an article in the Harvard Business Review (Cederström & Thanem, 2018). Furthermore, they regularly evaluate employees' physical health through rigorous fitness testing. This measure is aimed to align employees with the brand's sports-focused identity and embody the active lifestyle promoted by the brand while also improving employee well-being. This is further embodied in their tagline "train to live" which aims to foster a healthy relationship to physical health as opposed to many other sports brands who promote a "live to train" mentality where performance and outcome are prioritized over physical and mental health. Björn Borg differentiates themselves in this way from other competitors, such as Nike. Furthermore, the ambassadors of the brand are regular influencers rather than athletes to further amplify this vision. This mindset extends to the company's design philosophy, where a careful balance is maintained between functionality and performance. The goal is to avoid incorporating features that are overly advanced or performance-focused, as these might be underutilized by everyday consumers seeking to maintain a healthy lifestyle. Instead, the company prioritizes practical features that align with the needs of this audience, ensuring accessibility while avoiding unnecessary price inflation (H. Bunge, in-person interview, October 8, 2024).

Moreover, they found that despite shortening the workday by an hour, this increased productivity significantly, leading to a designated optional sports hour from 11-12 every day along with the already mandatory one on Fridays. Furthermore, the company organizes regular retreats called global brand summits to enhance unity among employees as well as supplying the offices with branded merchandise such as Björn Borg energy drinks that are exclusively available to employees (H. Bunge, in-person interview, October 8, 2024).

1.3.3 Marketing Evolution

Over time, Björn Borg's marketing strategies have undergone significant development. In its earlier years, the company relied heavily on public relations agencies and large-scale campaigns that were expensive to produce. These campaigns generated significant visibility and gained extensive free media coverage, enabling the company to justify the high production costs. However, this visibility was short-lived, typically lasting only a few weeks. Moreover, due to the high costs, such campaigns could only be produced a few times a year. With the rise of social

media, the print media landscape underwent a transformation. Traditional print media began to struggle and increasingly demanded payment for news coverage, effectively doubling the costs of these campaigns. As a result, the traditional approach became financially unsustainable. Recognizing the shifting dynamics of the market, Björn Borg made the strategic decision to pivot away from these high-cost campaigns and embrace social media as a primary marketing channel. Using influencers, the company recognized having others promote the brand was more impactful than traditional self-promotion (E. Bengtsson, in-person interview, October 8, 2024).

In December 2021, to support this new direction, the company established a dedicated influencer marketing team, recruiting talent from organizations already excelling in this type of marketing. They also introduced Alice Stenlöf, a famous Swedish lifestyle-influencer, as a brand ambassador to further strengthen their connection with their target demographic. Additionally, they started collaborating with other brands in the same or related industries to further expand their reach audiences. Recognizing the growing importance of digital visibility, they also focused on improving their search engine optimization (SEO) efforts to ensure their products and campaigns were easily discoverable online. This new marketing strategy had positive consequences as the social media campaigns directed consumers to their own e-commerce website instead of retailers that traditionally have been the largest distributors of their products (E. Bengtsson, in-person interview, October 8, 2024). Simultaneously as the implementation of this strategy, profitability increased (Appendix 1). Furthermore, they also initiated collaborations with other companies, such as Tyngre – producers of products like Nocco and Barebells – and Barry’s Bootcamp, as well as sponsoring events such as Tough Viking.

1.3.4 Governance Management and Shareholders

Governance and management at Björn Borg demonstrate several distinctive characteristics. One notable aspect is the stability of the major shareholders, which has remained largely unchanged since the early 2000s (Interviewee 1, online interview, November 9, 2024). In contrast, the management team underwent significant turnover following Henrik Bunge’s appointment as CEO, with most of the team being replaced within a year – a common occurrence when new leadership is introduced (H. Bunge, in-person interview, October 8, 2024). The board has consistently maintained a highly involved and hands-on approach to the company’s operations.

In 2017, a governance shift occurred when the chairman of the board stepped down and another board member from Germany assumed the role. This new chairman brought a fresh, international perspective to the executive level of the company, positively influencing the company's international expansion (Interviewee 1, online interview, November 9, 2024).

1.3.5 Data

Observing data such as operating profit and operating revenue reveals the financial health of the company. It indicates sales performance and market demand as well as reflecting the efficiency of managing expenses and profitability from main operations. In this thesis, it may act as a measure of the success of the changes implemented at Björn Borg. Moreover, the data showing the key performance indicators (KPI's) awareness, purchase intent, and seen/heard, are sourced from internal surveys conducted by Björn Borg. In order to get a more representative view of the current market position of which they currently operate, the graph excludes the three largest companies as they distort the growth data of small and medium-sized enterprises. The internal data that was used, only takes into account their sports division of the company as different numbers are seen in regards to the underwear segment. Moreover, the surveys on which the data is based included the following questions:

<p>Awareness What sports clothing brands are you aware of? (Open ended)</p>	<p>Seen/Heard News Can you recall reading, seeing or hearing any news about the following brands? Multiple choice, brands listed</p>	<p>Purchase intention How likely would you say you are to buy sports clothing from the following brands in the near future? Single choice, brands listed 1 Very unlikely, 2,3,4,5,6,7 Very likely + Don't know (5-7 counts as purchase intent)</p>
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Fig.4 - Björn Borg KPI's

The operating profit shows fluctuations, with some minor decreases in 2017 and 2022 and a significant decrease in 2020. Recent years, since around 2020, indicate a recovery and stabilization of profit margins. However, the overall trendline shows steady growth (Appendix 1). Operating revenue showed a consistent increase with only minor dips. (Appendix 2)

The data provides insights into Björn Borg's performance and competitive position in the market. Company awareness has increased by 164.71% when comparing from 2016 through 2023. Although the initial awareness was relatively low, growth is evident. The companies that are far above Björn Borg in awareness are companies operating on the US market, which, as stated in

the market overview, is the largest market. Considering this, Björn Borg has the highest awareness compared with companies operating in similar markets (Appendix 3).

Purchase intentions show a steady increase, although it was quite high initially for a category that the company was not yet offering. Comparing 2016 and 2023, it increased by 89.94%. Their levels are high in comparison to their competitors. Overall, companies included in the graph seem to follow a similar trend (Appendix 5). This may indicate a growing consumer interest in sportswear, effective use of digital marketing strategies, or increased awareness of health and fitness, which are benefiting the industry as a whole.

Seen/Heard indicate visibility of the companies in the media. This metric has grown by 57.69% from 2016 through 2023. They have the highest seen/heard levels compared to other competitors in the data. (Appendix 4)

Overall, the data show significant improvements and increases in the different KPIs and in both operating profit and operating revenue. However, Björn Borg remains a smaller player in comparison to the largest market players when looking at a worldwide market. The data also show a number of new competitors since around 2019 that quickly have managed to achieve a strong market position, indicating an increasingly crowded and competitive market with both established and new players taking market share.

2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

This section seeks to deliver a thorough analysis of existing research on marketing theories related to brand transformation. Brand transformation will be introduced, followed by both general foundational concepts and key frameworks on the subject. The research gap and contribution will then be discussed based on insights from the literature review. Research was conducted using the Stockholm School of Economics library database, Google Scholar, JSTOR, Elsevier, Scopus, ResearchGate, and the citation mapping tool Litmaps. The keywords used when searching were, for example, brand transformation, brand change, the process of rebranding, rebranding, brand revitalization, brand rejuvenation, brand shift, internal brand change, management perspective on brand shifts, brand change case study, brand image change,

brand identity transformation, internal brand transformation case study, and other combinations of these words.

2.1 Introduction to Brand Transformation

In the context of today's highly competitive marketplace, companies must consistently adapt and evolve their brands to maintain relevance. Within the literature, terms such as *brand revitalization*, *brand transformation*, *rebranding*, and *brand change* or *shift* are often used interchangeably or with varying definitions. Furthermore, many studies define brand transformation primarily through changes in surface-level elements, such as name or logo modifications. However, this perspective can be considered overly superficial and insufficient to capture the depth and complexity of true brand transformation. To establish conceptual clarity and consistency, this thesis adopts the term *brand transformation* and defines it as a strategic process through which a company renews its brand identity, positioning, product offerings, or vision to align with its evolving goals and objectives. However, the terminology and definitions employed in the reviewed literature have been retained for the sake of clarity and coherence when engaging with existing research. Beyond the literature review, however, this thesis will consistently utilize its own definition and terminology, as defined above.

This review begins by outlining the foundational concepts of brand identity, brand image, and brand equity to establish a theoretical basis. These foundational theories serve as a framework upon which the more complex theories of brand transformation are subsequently explored. Furthermore, studies adopting an internal perspective have been prioritized to align with and support the internal focus of this thesis.

2.2 Theories and Previous Research

2.2.1 Foundational Theories

The need for strategic brand management has given rise to several models that conceptualize the process of brand-building, identity, and equity. A foundational approach is *Kotler's 6-step conceptual brand model*, which outlines the key steps a brand needs to take in order to build a successful brand. This strategic brand management model offers a structured approach to building, defining, and maintaining a brand's value. It starts with brand purpose, then brand identity, brand trust, and finally their beneficence to society as a whole (Kotler, 2016).

Kapferer builds on to the identity step in Kotler's 6-step branding conceptual model by introducing his brand identity prism model that breaks down *brand identity* into six interconnected aspects: physique, personality, culture, relationship, reflection, and self-image. The model further divides these aspects into two axes: the constructed source versus the constructed receiver, and externalization versus internalization (Kapferer, 2004) Furthermore, Aaker's brand identity model explains how various factors of a brand form a unified perception by building the core and extended dimensions of brand identity. The concept "core identity", represents the essence of a brand which embodies the brands primary values and purpose. Surrounding the core is the "extended identity", consisting of brand as a product, organization, person, and symbol. These dimensions allow for flexibility and adaptation while still aligning with the brand's core (Aaker, 2011).

In contrast to Aaker's brand identity model and Kapferer's brand identity prism, which depict brand identity as internally created and a holistic concept, *brand image* is shaped externally through consumer perceptions, attitudes, and experiences. Keller defines brand image as "perceptions about a brand as reflected by the brand associations held in consumer memory." emphasizing the mental aspect of brand image in consumers' minds (Keller, 2013). This implies that while brands may strategically create their own identity, consumers interpret and organize these signals based on past personal experiences and perceptions.

Brand equity builds on the foundational elements of brand image and identity. Aaker explains brand equity as brand assets and liabilities linked to the brand, adding or subtracting value from an offering. That includes both brand names and symbols. Building on this, Aaker developed a Brand Equity Model that breaks down brand equity into 3 variables: Brand loyalty, brand awareness, and brand associations (Aaker, 2014). Keller interprets brand equity slightly differently, as explained in Keller's Brand Equity Model. It emphasizes how brands create value in consumers' minds. The model proposes that strong brand equity arises when consumers have favorable, strong, and unique brand associations (Keller, 2013)

2.2.2 Brand Transformation Theories

Building on the foundational models, this literature review will now transition to more advanced and complex models that specifically address the intricacies of brand transformation.

Furthermore, the following research and models have been selected based on their differing and unique perspectives on brand transformation. Together, it provides a comprehensive overview of the current research on Brand Transformation as it applies to the case study.

2.2.2.1 Brand Ambidexterity Model

A key challenge in brand management lies in balancing two competing priorities: maintaining brand consistency, which ensures a stable and cohesive identity, and achieving brand relevance, which demands continuous adaptation and innovation to meet changing market dynamics.

Beverland, Wilner, and Micheli (2015) address this challenge through the concept of *brand ambidexterity*. This approach emphasizes integrating both consistency and relevance, enabling brands to navigate this tension effectively and sustain long-term brand equity. In their research, they introduce *design thinking* as a strategic tool for balancing this difficult decision by allowing brands to innovate without losing their core identity. They define this as “a creative and strategic process characterized by the following hallmarks: abductive reasoning, iterative thinking and experimentation, holistic perspective, and human-centeredness.” (Beverland, Wilner, and Micheli (2015)). Design thinking fosters brand ambidexterity by leveraging creative, iterative, and human-centered practices to address entrenched assumptions and develop innovative brand solutions. This is framed as a three-stage process: destabilization, where existing brand conventions are challenged through techniques like contextual immersion and naïve questioning, definition and development, which focuses on aligning innovative solutions with the brand’s identity, and transformation, where new ideas are integrated to reshape the brand while preserving its essence. By balancing incremental and radical innovation, design thinking enables brands to stay relevant without sacrificing coherence (Beverland et al., 2015).

To visualize this, Beverland, Wilner, and Micheli (2015) place brands on a two-dimensional plane where the vertical axis of their model represents brand consistency and the horizontal axis represents brand relevance. According to this model, only the bottom left quadrant should be avoided as this represents low relevance and consistency. The remaining quadrants, however,

show opportunities for companies to grow their brands by either being more relevant or more consistent. Furthermore, Beverland et al. (2015) provide examples of brands across industries that successfully employed design thinking to navigate consistency-relevance tensions. For example, they show how a sportswear brand balanced its focus on technical performance with consumer demands for better looks and fit by having brand managers experience how customers use their products in real life. “This practice of **contextual immersion** challenged brand management’s assumptions about the market and allowed both the brand and design teams to think more broadly about technological superiority and performance” (Beverland et al., 2015). This approach revealed insights that traditional brand management processes often overlook, facilitating innovation that enhanced both relevance and consistency. (Beverland et al., 2015)

2.2.2.2 Brand Extensions

Keller and Aaker explore the sequential introduction of brand extensions, which involves launching new products under the same brand name. They examine how earlier brand extensions influence the success of current and future extensions, as well as their effect on customer evaluations and perceptions of the core brand. Their study discusses four parameters that are believed to impact the perception of future extensions, including product similarity to previous extensions, the success rate of previous extensions, core brand quality, and company credibility (Keller & Aaker, 1992).

In the study, Keller and Aaker found that successful extensions generally enhance the core brand’s image and credibility, while unsuccessful extensions rarely damage it. This suggests that brand image is relatively resilient and immune to negative effects from unsuccessful extensions. This finding supports that brands can explore new product categories and expansions with minimal risk on customer perception of new products and the core brand (Keller & Aaker, 1992).

The article helps us understand brand equity theory better by showing that a brand’s past success with new products can build trust and make it easier to introduce more products under the same brand. It highlights that strong brands can manage launching more new products without damaging their image, even if some products don’t do well. This shows that a brand’s reputation, or equity, can grow stronger with carefully planned product launches (Keller & Aaker, 1992).

2.2.2.3 Radical Brand Evolution

Unlike brand extensions, which involve adding to an existing brand, brand evolution focuses on fundamentally transforming the brand. Merrilees (2005) delves deeper into this concept and offers a comprehensive approach to understanding the complexities of brand evolution. This study explains the three stages of brand evolution, moving from brand visioning to the brand orientation process and finally to strategic brand implementation. This framework, known as the “Merrilees: Rebranding Trilogy”, builds on earlier frameworks from Park, Jaworski, and MacInnis as well as the Goodyear model (1996) which later was refined by McEnally and de Chernatony (1999). The Merrilees framework identifies three fundamental elements for a successful brand evolution. Brand vision entails a clear redefinition of a brand's identity to highlight its values and purpose while keeping important parts of the core. This process integrates consumer insights and managerial intuition to identify opportunities for repositioning the brand in alignment with the market. Merrilees argues that a clear and compelling brand vision serves as the cornerstone of any successful rebranding efforts (Merrilees, 2005). Brand orientation emphasizes the alignment of the organization with the new direction of the brand vision. This requires commitment from all stakeholders across all levels of the organization to ensure the brand becomes a unifying force within the company. Furthermore, Merrilees highlights the need for structured communication, stakeholder engagement, and internal education to create a shared understanding and enthusiasm for the redefined brand identity. Finally, the brand strategy implementation phase ensures a cohesive implementation of the brand evolution strategy. This is done through integrated marketing communications and operational changes. Merrilees emphasizes the fact that rebranding efforts must go beyond external messaging to deliver consistent experiences for customers, thereby reinforcing the new brand identity (Merrilees, 2005).

Additionally, Merrilees expands on previous models by addressing an important gap, specifically the lack of explanation about the “*transition* from one stage to another”. Furthermore, he also goes beyond the often emphasized consumer-focused aspects of branding that neglect the supply-side processes, such as management-driven strategy and internal alignment. By integrating these demand-side (consumer-focused) and supply-side (management-driven) considerations, Merrilees provides a holistic model that enables organizations to navigate the

complexities of radical brand evolution effectively. Moreover, the literature underscores that rebranding requires substantial changes beyond advertising, such as improvements in product offerings and customer experience, to ensure a meaningful brand evolution (Merrilees, 2005).

2.2.2.4 Corporate Rebranding

Merrilees and Miller (2007) study the importance of corporate rebranding. The authors refer to corporate rebranding as “the disjunction or change between an initially formulated corporate brand and a new formulation” (Merrilees & Miller, 2007). In order to implement this “new formulation”, a structured change management process is required where the focus should be on ensuring that all units keep policy and procedure requirements consistent. Additionally, all units must undergo a collective shift from one mindset or culture to another (Merrilees & Miller, 2007).

Merrilees and Miller give a framework of six actionable principles aiming to guide successful corporate rebranding efforts. The first three principles are about the process of redefining the vision of the brand. The fourth principle includes achieving internal support or “buy-in” to the new vision. The two last principles are about implementing the new corporate brand strategy (Merrilees & Miller, 2007).

The first principle is about balancing brand vision by preserving the core brand while introducing innovations to stay relevant. This highlights the importance of maintaining strong branding and embracing change. Second, successful corporate rebranding involves maintaining strong connections between old and new brand identities while fostering trust and acceptance among stakeholders to make the transition more streamlined and natural for them. The third principle involves expanding the market segments while balancing existing customer needs by, for example, adding attributes to appeal to changing demands and ensuring the brand remains relevant (Merrilees & Miller, 2007).

The fourth principle addresses the importance of having a strong brand orientation. “Brand orientation occurs when the brand is core to the essence of the company and its strategies, that is when all stakeholders (especially employees) have ownership of the brand and live the brand in

their daily script”(Urde, 1999). With this, communication, training, and leadership are key to fostering internal branding and securing stakeholder buy-in is essential for successful corporate rebranding (Merrilees & Miller, 2007).

The fifth principle centers around strategic alignment, which requires integrating all aspects of the marketing mix with the updated new formulation. This includes product or service design, customer service, distribution, pricing, and relationship management. The last principle highlights effective promotion. This implies that a comprehensive communication strategy is used that leverages mass media and targeted methods, such as public relations. This ensures that stakeholders are fully aware of and engaged with the rebranding efforts (Merrilees & Miller, 2007).

Furthermore, Muzellec and Lambkin (2006) explore the drivers of corporate rebranding processes and their implications for brand equity. Their definition of rebranding is limited to "The creation of a new name, term, symbol, design or a combination of these for an established brand with the intention of developing a differentiated (new) position in the mind of stakeholders and competitors." (Muzellec & Lambkin, 2006). They describe corporate rebranding as a spectrum ranging from evolutionary changes to revolutionary changes, for example, subtle updates to logos or slogans versus complete name changes. The study indicates that rebranding typically is driven by structural changes, which have a profound impact on the corporation's identity and core strategy. Findings also indicate that changes in marketing aesthetics have a smaller impact on brand equity compared to factors like employee behavior. Moreover, the importance of aligning internal and external stakeholders with the rebranding initiative is highlighted. Successful rebranding is dependent on closing the gaps between communicated brand identity and actual stakeholder perceptions (Muzellec & Lambkin, 2006).

Their framework explains the key drivers of corporate rebranding and includes changes in ownership structure, corporate strategy, external environment, or competitive position. The rebranding process is motivated by two broad objectives or goals: reflecting a new identity or creating a new image. It also highlights the importance of internalization and externalization for rebranding. That is, ensuring employees adopt the new brand values and communicating the new

identity to stakeholders effectively. Muzellec and Lambkin describe this as a way of mitigating the gap between the projected and actual brand identity (Muzellec & Lambkin, 2006).

2.2.2.5 Internal Marketing

Finney and Scherrebeck-Hansen (2010) provide a perspective on the role of internal marketing (IM) in the context of creating or facilitating change in organizational behavior and rebranding. Finney and Scherrebeck-Hansen's research shows that IM serves various purposes, such as fostering an internal customer orientation, increasing employee motivation to work toward a common goal, increasing productivity, improving staffing procedures, and changing organizational culture. They construct a framework by combining adapted elements from Piercy and Morgan's (1991) Internal Marketing Model and Nadler's (1981) change management principle (Finney & Scherrebeck-Hansen, 2010).

The framework addresses key levels in internal marketing, including rational, resistance, power, and control. These processes are examined from a product, price, communication, and distribution perspective (Finney & Scherrebeck-Hansen, 2010).

The rational level ensures that all stakeholders are informed by explaining the change logically with clear information and plans. The resistance level addresses possible emotional or ideological hesitations that employees and stakeholders might have. Thereafter, it counteracts these hesitations by promoting the brand's new image and aligning shared values. The power level addresses stakeholder dynamics by managing shifts in roles, influence, and responsibilities. The control level ensures a seamless and well-organized transition by including the need for monitoring while balancing the old and new brand, and maintaining communication to manage uncertainties (Finney & Scherrebeck-Hansen, 2010).

The aforementioned levels are examined through the following perspectives: product refers to the new brand identity and the actual change being introduced to employees, price is the cost employees carry in order to adopt the change and is not necessarily financial but often psychological or practical, communication addresses how information about the change is shared among employees to help them understand and accept it, and distribution refers to the methods

and channels used to deliver the change. It also covers its associated messages to employees (Finney & Scherrebeck-Hansen, 2010).

2.3 Research Gap and Contribution

Brand transformation is a complex and broad subject and can be viewed from multiple perspectives across existing literature. Theories and studies in this field contain gaps or present opportunities for further research, exploration, and development.

Firstly, much of the existing literature adopts an overly narrow focus or definition of brand transformation, often limiting it to changes in a company's name or logo redesigns. This focus on the visual identity of the company logo only covers a superficial element and neglects the deeper complexities that brand transformation entails. This creates a significant gap in understanding how companies effectively realign their internal structures, processes, and culture to support a new brand identity. This approach fails to capture the transformative potential of brand transformation, which is essential for achieving long-term brand alignment and market success. Consequently, it could lead to a lack of actionable insights for businesses undergoing brand transformation.

Furthermore, previous research often has a customer-centric perspective, highlighting how customers perceive the brand and its external market performance. Although this is an important viewpoint, it leaves out the internal perspective of brand transformation. Understanding the role of internal stakeholders, including management and decision-makers is vital. This gap makes the broader understanding of what makes brand transformation successful incomplete, as external changes must be supported by cohesive internal processes for long-term impact. These actions are fundamental to the sustained success of a brand transformation initiative.

Additionally, much of the existing literature lacks a practical, actionable approach to brand transformation. Instead, theories regarding brand transformation are abstract and difficult to apply in a business setting. This creates a gap for managers trying to apply frameworks in practice. Many theories do not offer a comprehensive overview of the entire brand

transformation process and rather offer fragmented segments. This leads to a lack of understanding for the brand transformation process as a whole.

Moreover, the connection between brand transformation and shifts in marketing communication strategies is not explored comprehensively in existing studies. While research on brand revitalization and marketing communication exists separately, few studies explore their interplay during the brand transformation processes.

Geographically, Scandinavian contexts remain largely under-explored in brand transformation literature, despite the region's distinctive business culture, which emphasizes innovation, sustainability, and progressive management practices.

Both the narrowness in previous research and the lack of internal perspective lead to a disconnect between real-life practices and theory. Considering the increasing relevance of the area, as highlighted in the market overview, not exploring the area from these angles could be disadvantageous for companies undergoing or planning to undergo a brand transformation process. Hence, using case studies could bridge this gap, revealing a more dynamic, tailored, and adaptive approach to brand transformation. This thesis therefore aims to contribute by addressing these gaps identified in existing literature. This is done through the case study where Björn Borg's brand transformation process is compared with existing theories and literature. The comparison will focus on the company's internal processes and explore the under-examined connection between internal brand transformation and marketing communication strategy. The analysis will be done under the assumption that brand transformation has a broader definition than changing a company name or logo. It rather contains shifts in management decisions, culture, products, etcetera. We aim to address this gap in the lack of a holistic perspective by developing our own framework while combining and integrating the fragmented pieces of existing literature on brand transformation. By bridging theory and practice, the study provides actionable insights for companies navigating complex brand transformation efforts and sustaining long-term success. Additionally, incorporating Björn Borg as a case study provides an opportunity to address this geographical gap and contribute valuable insights into the region's unique approach to brand transformation.

3. METHODOLOGY

This section aims to describe the scientific approach employed in this study. The study primarily utilizes a qualitative research approach, using a case study. Data was collected through a combination of semi-structured interviews with Björn Borg's current CEO, CMO, the largest private shareholder, as well as former chairman of the board and current board member. Additionally, the study is supported by an analysis of internal data provided by the company. A thematic analysis of the data was conducted to identify patterns and insights demonstrating the success of the brand transformation. Finally, the validity and reliability of the chosen method will be reviewed.

3.1 Scientific Approach to the Research Design

As the study aims to understand the process, perspectives, and experiences of internal management at Björn Borg during the brand transformation, a qualitative research approach with an interpretivist perspective was applied. This approach was suitable since the focus was on uncovering subjective meanings and interpretations rather than testing prior hypotheses. Moreover, interviews with the different stakeholders give subjective views and experiences. This is central to understanding the brand shift, as it gives an in-depth and unique understanding of brand transformation. Björn Borg's brand transformation provides a valuable case for exploring how internal strategies and perceptions either align or differ from established marketing theories. Using qualitative research allows for a nuanced understanding of complex factors and human elements involved in these processes, especially when exploring aspects of change (Bell et al., 2022).

Further, the study employs an abductive reasoning approach. Marketing theories on brand transformation provide a guiding framework for the investigation, but insights from interviews are continuously compared with these theories. This process allows for flexibility as new findings emerge and inform the theoretical understanding. By moving back and forth between qualitative data and theory, the research allows patterns to emerge naturally, facilitating an understanding of specific observations within the broader theoretical context (Bell et al., 2022).

The second part of the scientific approach involves the use of quantitative data, sourced from Björn Borg's annual reports and internally conducted customer surveys. This data has been organized into tables and graphs, included in the appendix, to facilitate analysis. It supports the qualitative findings by offering measurable evidence of the brand transformation's impact.

The annual reports provide insights into financial performance, while the customer surveys highlight perceptions through the KPIs of purchase intent, seen/heard, and awareness. The KPIs highlight the effectiveness of Björn Borg's brand transformation and its resonance with the target audience. The quantitative data supports and strengthens the qualitative insights, ensuring a clear connection between interviewees' perspectives regarding the change and the actual results. This integration of subjective and objective evidence strengthens the study, offering a robust understanding of the success of Björn Borg's brand transformation.

As this thesis is mainly based on qualitative research, which is context-bound, complete objectivity and neutrality are impossible to achieve. Because of this, qualitative data triangulation is used along with support from quantitative brand data. By combining interviews (qualitative) and supporting it with internal data (quantitative), findings are validated across different methods. Simultaneously, data triangulation is used when interviewing diverse company roles, ensuring that several perspectives are represented, enabling a comprehensive view of the topic. These factors will ensure a study is as accurate as possible (Bell et al., 2022).

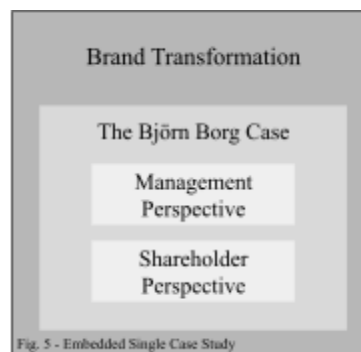
3.2 Using a Case Study

Given that the chosen research question - 'What key internal factors drive a successful brand transformation process as seen from a corporate governance perspective?' - addresses an explanatory question, a case study approach is the most suitable method for investigation (Corley et al., 2011). Additionally, previous research highlights the value and significance of conducting additional single case studies to further advance understanding within this area (Merrilees & Miller, 2007). Accordingly, this study employs a single embedded case study design.

When selecting the case study approach, various companies with relevant connections to marketing theories were considered. Björn Borg was identified as demonstrating a distinct and significant shift in the brand image compared to its previous positioning. This transformation

aligns with what Corley and Gioia (2011) classify as a 'remarkable event.' This thesis defines the case study as an analysis of Björn Borg's brand transformation, examined from the internal perspective of management and shareholders, and evaluated in relation to established marketing theories on brand transformation.

Secondly, concentrating on a single case allows for a deep exploration of a specific event, providing detailed insights that might be overlooked if multiple cases were included. In the context of our research question, a single-case approach is particularly effective. Since the study incorporates multiple internal perspectives, including those of both management and shareholders, it adopts an embedded case study design (Corley et al., 2011). This enables the comparison of different viewpoints, adding depth to the analysis. Furthermore, it enhances validity by illustrating how various roles within management and leadership influence the brand transformation process.



Thirdly, theory has been used to develop the research question and refine the case study. Established marketing theories about brand transformation guided the Björn Borg case study. These theories shaped the research framework, defining key concepts, focusing on data collection, and structuring the analysis. While the theoretical framework provided a foundation, the approach remained open to refining or challenging these ideas based on insights from interviews and customer data. This ensured a systematic and credible study, enabling a comparison of Björn Borg's practices with theoretical recommendations and the discovery of new insights about the brand transformation process (Corley et al., 2011).

3.3 Data Collection: Interviews

Individual semi-structured interviews were conducted with key stakeholders at Björn Borg, including the CEO, CMO, the second-largest owner, the largest private owner and board member, as well as the former chairman of the board and current board member. These interviews serve as the primary foundation for the case study. The interview method was designed to maximize quality and information flow while minimizing biases.

The thesis considers the following three principles outlined by Shensul et al. (1999) to maintain the quality of interviews (Qu, S. & Dumay, J., 2011):

1. maintaining the flow of the interviewee's story;
2. maintaining a positive relationship with the interviewee; and
3. avoiding interviewer bias

Interviewees were informed about how their identities and responses would be handled within the thesis. Consent was obtained to record the interviews, and participants were informed that the recordings would be used for analysis in the thesis. Participants were also offered the opportunity to review the findings to see how their contributions were utilized. This approach aimed to increase transparency, demonstrate respect for the time and insights provided, and maintain trust and a positive relationship with the organization.

Recording enabled a full focus on the conversation without the need for extensive note-taking. This facilitated a natural and uninterrupted dialogue, allowing for additional questions to be asked when needed. It also provided the opportunity to revisit the interviews during the analysis phase, ensuring no crucial details were missed and enhancing the reliability of the findings. The recordings were transcribed using AI tools.

The selected interviewees are directly involved in the brand's strategic decisions, which enables the study to capture the internal driving forces behind the brand transformation from multiple managerial and shareholder perspectives. The CEO and CMO have been part of Björn Borg since 2014 and 2015, respectively. The largest private shareholder has been involved since the 1990s, and the former chairman of the board and now board member has been involved since 2003

(Interviewee 1, online interview, November 9, 2024). They have thus all been involved during the entire brand transformation process, providing the study with a timeframe that spans throughout the complete transition, offering a fuller perspective and insights into each stage of the shift. This sampling also ensures that the data collected reflects the views of the key people who have been most familiar with and influential in the brand transformation process. Additionally, they reflect different levels at the company, which contributes to the embedded case study format, aiming to for example give insights into possible conflicting or aligning intentions in the shift.

The interview design incorporated several questions that were similar or identical for different interviewees. This intentional approach facilitated triangulation and validation of information. By posing the same questions to multiple individuals, responses could be cross-verified, enhancing the reliability of the findings. Consistent answers across participants indicated a stronger likelihood of reflecting a shared perspective or experience within the organization, contributing to the credibility of the data. Conversely, differences in responses added valuable depth and opportunities for comparison. While some questions were consistent across all interviewees, unique questions were also included to achieve depth and gather specific, relevant information. Each interviewee's unique position within the organization shaped their perspective on the brand shift, and tailored questions allowed exploration of their specific knowledge and experiences. The questions posed to the interviewees are included in the appendix (Appendix 6).

Semi-structured interviews were chosen for their effectiveness and flexibility. Questions were prepared in advance, with additional questions introduced during the interviews to enhance the flow and relevance of responses. This approach allowed interviewees to speak relatively freely, sharing information they considered important. Such openness was essential, as the study aimed to capture the unique perspectives of key individuals regarding the brand transformation. Given that brand transformations often emerge from a "hidden environment," the objective was to bring these underlying discussions into the open (Qu, S. & Dumay, J., 2011).

The interview questions were sent to participants in advance. Providing the questions beforehand allowed participants to reflect on their responses, likely enhancing the depth and thoughtfulness

of the information shared. This approach also minimized cognitive load during the interviews, reducing the risk of on-the-spot pressure that might have influenced their answers. By having time to consider the context and specifics of their roles and experiences within the brand's transformation, participants were able to provide more meaningful insights.

The interviews were conducted in Swedish, the participant's first language, to create a comfortable and familiar environment where they could express their views freely and accurately. Using their native language likely minimized potential misunderstandings and enabled a richer, more nuanced exchange, as participants could articulate their thoughts more naturally. This approach was well-suited to capturing the internal perspectives within Björn Borg on the brand shift, ensuring that linguistic barriers did not hinder the expression of complex ideas or emotions related to the topic.

To effectively utilize the data collected from the interviews, a thorough analysis was conducted by identifying recurring themes and common emerging patterns across the responses. Comparing the answers from different participants helped detect shared perspectives, recurring challenges, and notable differences. These patterns provided valuable insights, enabling well-supported conclusions about the internal brand transformation process and its perceived impact within the organization.

To ensure a comprehensive understanding, questions were formulated to address gaps identified during earlier interviews, making it a continuous and iterative process that guided the research journey. After completing all the interviews, the data was revisited, and the responses were analyzed once more to confirm and refine common themes in relation to prior findings.

The research was conducted from an interpretivist ontological and epistemological standpoint, emphasizing the subjective meanings derived from individual experiences and the contextual nature of organizational change. By focusing on how participants interpreted and internalized the brand transformation, the study captured rich, qualitative insights that would have been overlooked in a purely quantitative study.

3.4 Reliability and Validity

Reliability was ensured in this thesis by using data triangulation, combining semi-structured interviews with internal quantitative data as well as interviewing several people from the same perspective. The interviewees got both identical questions and some individual questions. This enabled cross-verification while also gathering unique data. Furthermore, a consistent, systematic interview process and detailed transcription were used. Validity was strengthened through diverse perspectives from both shareholders and management, validating the findings. Additionally, conducting the interviews in Swedish allowed participants to express themselves freely, minimizing misunderstandings. Efforts to reduce interviewer bias by using open-ended questions further enhanced the credibility of the data. These measures ensure the study is both reliable and valid, providing a robust analysis of Björn Borg's brand transformation process.

4. RESULTS

This section analyzes and articulates the key factors that contributed to the success of Björn Borg's brand transformation. Drawing from the insights gathered through interviews, data collected, and previous research, this section seeks to provide a comprehensive understanding of the strategies, decisions, and actions that played a pivotal role in their brand transformation process. By looking into these success factors, the underlying mechanisms and approaches that enabled the company to navigate the challenges of brand transformation and achieve sustainable growth are highlighted.

4.1 Why did Björn Borg Succeed?

4.1.1 Strategic Direction

One of the key factors contributing to Björn Borg's brand transformation success lies in the fact that their expansion into sportswear was not too far from their original brand identity or implemented in a fragmented way. While sportswear and underwear are distinctly different categories, the transition made sense strategically because it built on their existing reputation and expertise in creating functional and high-quality products. “We dressed people for going to and from the gym, but not at the gym. Now, we’ve started dressing them at the gym too.” (Interviewee 2, in-person interview, November 19, 2024). The company began by introducing sports underwear, a category that aligned with its established expertise in underwear while

simultaneously meeting the functional demands of athletic performance. By gaining consumer trust in this category, Björn Borg built credibility and confidence in their ability to deliver high-quality sportswear. Over time, this gradual approach facilitated the expansion into broader sports apparel categories, culminating in the launch of sportswear. This methodical progression ensured a seamless evolution that resonated with both existing and new consumer segments.

Björn Borg further anchored their brand transformation in the brand's foundational narrative by transitioning into sports apparel, as it was a natural progression given Björn Borg's legacy as a sports icon. This strategy not only strengthened the brand's authenticity but also leveraged its existing heritage. Importantly, the transition was executed incrementally rather than abruptly.

4.1.2 Clear Vision and Leadership

Another critical factor contributing to Björn Borg's successful brand transformation was the appointment of Henrik Bunge as CEO. Bunge's leadership is characterized by a strong and unwavering vision - "Bunge was very clear: that's where we're going. We're going to run there, and we won't stray from the path." (Interviewee 2, in-person interview, November 19, 2024) - has guided the company's brand transformation since his arrival. His ability to inspire belief in his vision is exceptional, fostering a deep sense of alignment and enthusiasm across the organization.

One of his most impactful contributions was reshaping the company culture to align with the brand's new identity. Under his leadership, employees began "living the brand," exemplified by initiatives such as the mandatory weekly sports hour for all employees and the optional yet encouraged daily sports hour. He also implemented regular fitness testing for all employees. The whole company, including shareholders, also has yearly global brand summits, which foster alignment through multiple levels of the company. These initiatives embedded physical activity and well-being into the company's daily operations, reinforcing the brand's tagline of "train to live." This philosophy encourages a balanced approach to health and fitness, focusing on training to enhance life rather than obsessively pursuing perfection.

Bunge also fostered a unique organizational culture that emphasizes personal well-being, collaboration, and openness. His direct and driven communication style ensures clarity and momentum within the organization, while his openness to ideas from all levels of the company empowers employees and encourages innovation. This inclusive approach, combined with his ability to implement structural and cultural changes effectively, has been crucial in Björn Borg's successful brand transformation and sustained growth.

4.1.3 Shareholder Trust and Longevity Thinking

Another main factor likely to have contributed to Björn Borg's success is the unique shareholder structure that is characterized by long-term commitment and trust. The current major shareholders have maintained their ownership for over 20 years "We, as major shareholders in the company, have been owners for at least 20 years." (Interviewee 1, online interview, November 9, 2024), a rarity in today's corporate landscape. As one shareholder expressed, "This is not a stock you sell; you pass it on to your children" (Interviewee 2, in-person interview, November 19, 2024). This enduring ownership reflects a philosophy of longevity, fostering a stable foundation for the company's operations, strategy and leadership.

This stability has provided Bunge with a level of security that is uncommon in many companies. The shareholders' support is not contingent solely on positive results; instead, they stand by the management during challenging periods as well. This long-term perspective has allowed Bunge to implement transformative strategies without the fear of short-term pressures or reactionary decision-making. As one shareholder reflected, "It wasn't when we cheered and patted them on the back after a good quarterly report; it was especially when there was a bad report or when something had gone wrong. That's when he (Henrik) felt he truly had our support. I thought that was nice to hear. It was a compliment to us as owners—that we can look beyond the noise and see this from a long-term perspective. I see myself working with Björn Borg for the long run." (Interviewee 2, in-person interview, November 19, 2024). This unwavering support reinforces a culture of resilience and strategic focus.

Moreover, the commitment to "see beyond the noise" and prioritize the long-term vision has enabled Björn Borg to stay consistent in its transformation journey. Through this mindset, the

shareholders have cultivated an environment where innovation, cultural shifts, and long-term strategies can flourish, ensuring the brand's sustained growth and relevance in a competitive market.

4.1.4 Company Alignment, Internal Branding

Another finding contributing to the success of Björn Borg's brand transformation is their internal company alignment. The interviews suggest that both management and shareholders agree there is a strong, tight-knit company culture. This seems to be fostered by keeping close contact and having open discussions between the parties. One shareholder states that "He is very much a father figure to them in many ways. He has strong support, both from the board and from us as shareholders. He knows he can always call." (Interviewee 2, in-person interview, November 19, 2024) and "I believe he appreciates a sense of long-term commitment, collegiality, and camaraderie between the owners, the board, and himself as the management." (Interviewee 2, in-person interview, November 19, 2024). Since most of the management team was replaced early in Bunge's appointment, this likely ensured that the leadership team was fully aligned with his vision and strategy.

As mentioned in the strategic alignment section of the results, the company has implemented mandatory sports hours, fitness testing, and annual global brand summits. This serves yet another purpose apart from only solidifying the direction of the company, as it also contributes to the internal company alignment. This is exemplified through the employees "living the brand," which aligns with the tagline "train to live." Since the employees are active in the evaluation process of the products, this likely has a positive effect on product development. Aligning behavior with the vision, rather than keeping it as a mere slogan, fosters authenticity and strengthens trust and belief in the company. "Have you ever participated in the sports hour? [...] It's super cool. It really builds a sense of team spirit." (Interviewee 2, in-person interview, November 19, 2024), and "He has tremendous support and backing across the broad base, among the employees." (Interviewee 2, in-person interview, November 19, 2024).

Their Monday meetings, where they review their framework, ensure that the company employees clearly understand and align with the brand's vision, purpose, and values. The framework

provides a cohesive guide for employees by addressing key questions about the brand's direction, current state, and operational strategies. It keeps the employees informed and engaged, fostering a shared sense of purpose and enthusiasm across the organization.

4.1.5 Marketing Communication Evolution

Another success factor for Björn Borg's brand transformation can be largely attributed to the evolution of its marketing communication strategy. Transitioning from a traditional approach focused on print media and conventional advertising, the company embraced modern methods such as influencer marketing and broader social media engagement. This shift not only aligned with emerging consumer behavior but also proved to be both timely and cost-effective, enabling the brand to maximize its reach while optimizing marketing expenditures. By leveraging influencer partnerships and creating engaging digital content, Björn Borg strengthened its connection with a younger audience, strategically adapting its communication to align with where its target demographic is most active. This alignment ensured that their messaging resonated with the right audience through the right channels, maximizing engagement and relevance. By meeting consumers where they are, the company effectively enhanced its brand presence, deepened customer connections, and positioned itself for long-term success in a competitive market.

Strategic collaborations further reinforced this transformation. Björn Borg partnered with fitness-oriented brands such as Nocco and Barry's Bootcamp and sponsored events like Tough Viking. These initiatives amplified the brand's visibility while firmly aligning it with an active, health-conscious lifestyle, a key attribute of its target market. By integrating these partnerships into its broader strategy, the company cultivated a strong association with the fitness and wellness space, further solidifying its market position.

The company also identified the power of influencer marketing as a tool for amplifying its brand message. Reflecting on this strategic shift, Emma Bengtsson (in-person interview, October 8, 2024) commented: "We also realized how powerful it was to let someone else talk about us. Either we stand there as Björn Borg and say, 'Hey, this is what we stand for,' or we use another

individual who shares similar values to speak on our behalf. After that, we started accelerating influencer marketing." (E. Bengtsson, in-person interview, October 8, 2024).

By leveraging influencers who shared its values, Björn Borg successfully adapted to the changing marketing landscape, ensuring continued visibility and resonance with its audience in a more authentic and sustainable manner. This adaptability underscores the brand's agility and its ability to respond proactively to evolving market trends, ensuring its relevance and competitive edge in a rapidly changing industry.

5. ANALYSIS AND DISCUSSION

This section aims to analyze Björn Borg's success through the theoretical perspectives outlined in the literature review. Additionally, it examines how the company's approach diverges from traditional literature and established models. Finally, the discussion transitions to an exploration of a proposed framework, offering a novel perspective on the brand's transformation and strategic positioning. Then, future research and managerial implications are discussed.

5.1 Björn Borg Case Comparison with Theory

5.1.1 Brand Ambidexterity Model

Björn Borg's transformation demonstrates a practical application of brand ambidexterity by effectively balancing the tension between consistency and relevance. The company prioritized relevance to update its market positioning, shifting from its traditional focus on underwear to sportswear. However, they kept the consistency part of the framework by starting their shift by making sports underwear, a combination of where the brand was and where it wanted to go. Furthermore, the process as outlined in the framework, consisting of the destabilization of existing assumptions, the creation and development of alternative perspectives, and the resolution of tensions through reinterpretation, can be applied to the Björn Borg case.

The first stage, destabilization, involved Björn Borg actively challenging its existing assumptions about its brand identity. Recognizing the limitations of relying solely on its traditional focus on underwear, the company disrupted its established positioning. This destabilization was not limited to external perceptions but extended internally, where it questioned long-held beliefs

about its growth trajectory and market relevance. This phase created a sense of urgency for change, setting the stage for exploration and innovation.

In the second stage, the disruption opened opportunities to define and develop alternative perspectives. Björn Borg capitalized on this by pivoting toward sportswear, a category with deeper emotional and functional resonance for consumers. "You can't build any emotional value in a pair of underwear. [...] Very few people will go to Mall of Scandinavia with the sole purpose of saying, 'I'm going to buy a three-pack of underwear.' Maybe they go there to see a movie or buy a winter jacket, and then they just happen to think, 'Oh, there are underwear here too.'" (H. Bunge, in-person interview, October 8, 2024).

The final stage involved resolving the tension between consistency and relevance by reinterpreting the brand's original meaning rather than discarding it. Björn Borg effectively moved from its past identity to its newer one by creating sports underwear as a bridge from the underwear sector to incorporate its historical identity into the new sportswear focus.

Furthermore, the principles of design thinking within the brand ambidexterity framework are also evident in Björn Borg's approach: abductive reasoning, iterative and experimentation, a holistic perspective, and human-centeredness. Firstly, Björn Borg adopted an iterative and experimental mindset, refining its product offerings through continuous prototyping and incorporating feedback from customers to ensure alignment with their expectations. This iterative process allowed the company to respond dynamically to market demands, ensuring its products remained functional and desirable. As for the human-centeredness part of design thinking, Björn Borg aligns with this with their focus on the usability and performance of their products. Moreover, as for the holistic perspective in design thinking, Björn Borg's transformation considered the brand's legacy as a sports-associated entity, rooted in its namesake's heritage as a professional athlete. By leveraging its heritage while embracing innovation, the company has emerged as a modern and relevant brand rooted in its legacy yet aligned with contemporary consumer demands. Björn Borg's transformation exemplifies the application of the three-stage process for resolving consistency-relevance tension, demonstrating how destabilization, exploration, and reinterpretation can drive successful brand revitalization.

However, while this theory aligns well with many aspects of Björn Borg's transformation, it fails to capture certain critical elements, risking an incomplete understanding of the holistic nature of brand transformation. For instance, the model does not address the pivotal role of leadership in driving organizational change, which is a fundamental aspect of successful brand transformations. Similarly, it overlooks the importance of shareholder support, which has been a significant factor in the Björn Borg case. Furthermore, while the theory discusses contextual immersion, it neglects the internalization of the brand by employees. At Björn Borg, employees not only embrace the brand within the workplace but also embody its values outside of work, effectively "living the brand" in a way that has been integral to the company's transformation.

5.1.2 Brand Extension Model

The brand extension model highlights launching new products under the same name, which is something that Björn Borg does in their brand transformation. Björn Borg's transformation does not put as much emphasis on the specific, sequential order that all products launch and how they interrelate, however, their first product used to initiate the change was well thought out and therefore aligns with Keller and Aaker's model. Therefore, this is something that will be incorporated in the proposed framework in the next section.

Moreover, Keller and Aaker (1992) explain that brand image is relatively resilient and immune to negative effects from unsuccessful extensions. Hence, shareholders carry no significant risk to damage the brand image by doing a brand transformation. This is something that Björn Borg's shareholders also recognized. This also highlights the importance of shareholder support in brand transformation, which is something that the proposed framework also will indicate.

5.1.3 Radical Brand Evolution Model

The framework of Radical Brand Evolution (Merrilees, 2005) applies to Björn Borg's transformation through its three core constructs: brand vision, brand orientation, and brand strategy implementation. These interconnected elements offer a comprehensive lens to analyze how the brand has evolved from its roots as an underwear company to its current identity as a sports-fashion brand.

The first construct, brand vision, reflects Björn Borg's ability to redefine its core brand identity by aligning its offerings with sportswear. Björn Borg's vision incorporated a deep understanding of consumer trends, emphasizing performance and usability to appeal to its target audience.

The second construct, brand orientation, is seen in the internal processes that Björn Borg employed to align the company with its new vision. This included a strategic reorientation of its internal culture to fully integrate the sportswear focus into all facets of operations. Initiatives such as the optional daily sports hour, the mandatory sports hour for all employees, and the introduction of fitness tests became key components of embedding this brand orientation within the organization. Furthermore, the replacement of the management team ensured that leadership at all levels fully supported and embodied the brand's strategic direction and thereby further strengthened its brand orientation in alignment with Merrilees (2005) framework.

The third construct, strategic brand implementation, aligns with Björn Borg's efforts to execute its brand transformation strategy through an integrated approach to marketing and operations. This included a shift to social media and influencer marketing, which aligned with the sportswear category's appeal to younger, digitally engaged audiences. Collaborations with fitness brands, such as Nocco and Barry's Bootcamp, and the introduction of brand ambassadors like Alice Stenlöf, further emphasized the brand's commitment to its sports-driven identity. These initiatives ensured that the new brand strategy resonated with its audience and positioned Björn Borg as a credible player in the sportswear market.

Furthermore, a notable advantage of applying this model to the Björn Borg case lies in its compatibility with the case study methodology, which inherently captures and analyzes processes. This aligns well with the objectives of the Björn Borg case and mirrors the process-oriented approach that is incorporated in the proposed framework. Moreover, this framework is broader than just the traditional customer-centric focus often seen in traditional literature, which fits well with the Björn Borg case as internal alignment and management-driven strategies are important factors to the brand transformation process.

Although there is a close alignment between this model and the Björn Borg case, it is evident that the model, like the ambidexterity model, is too narrow and overlooks key aspects of the brand transformation process. This encompasses the corporate governance perspective, the transitional offerings that bridge the brand's evolution, the principle of preserving core brand values, and the necessity of strong leadership to drive and sustain the transformation. As such, this framework serves only as a supporting component of the proposed model, as additional elements are essential to achieving a more comprehensive understanding of the brand transformation process.

5.1.4 Corporate Rebranding

Rebranding has several components that match Björn Borg's rebranding process. Merrilees and Miller's definition of rebranding is broad and encompasses a process of change, using their framework of six actionable principles. These principles align relatively well with Björn Borg's rebranding process (Merrilees & Miller, 2007).

Björn Borg implemented the first and second principles mentioned in Merrilees and Miller's (2007) study, both in regards to the products sold but also when looking at the internal company structure. As they introduced the new direction of Björn Borg, launching as a sportswear fashion brand, they kept their core by still producing and selling underwear. From the shareholders' perspective, this approach helped mitigate the risks associated with the brand transformation, as the new vision not only aligned well with the core brand but also ensured continued revenue from existing products. They also kept their core in another perspective, reconnecting the brand to its foundation of the athlete Björn Borg. Additionally, they again applied the first principle by maintaining the same shareholders, ensuring unity within the company, while introducing a new management team that could drive new innovative ideas. According to the theory, this likely contributed to the success of Björn Borg's brand transformation.

The third principle was also implemented in the case of Björn Borg, as their brand transformation led to an expansion of their market segments. Expanding into sportswear enabled Björn Borg to capitalize on the growing athleisure market and reach a broader audience.

As concluded in the interviews with the management at Björn Borg, the company has significant internal brand orientation, as is the main concept in the fourth principle. The employees live the brand in their everyday lives, having the motto “train to live.” This is evident in their weekly mandatory workouts and Monday meetings, where they consistently reinforce their shared goals and vision. Their tight-knit structure also contributes to this internal marketing and ensures stakeholder buy-in.

The fifth principle, emphasizing strategic alignment and the integration of the marketing mix with the new vision, is clearly demonstrated in the Björn Borg case. As part of their brand transformation, their marketing communication changed too and became more effective, shifting from costly big events and fashion shows to influencer marketing. Their products also naturally shifted when they became a sportswear company. Their pricing kept aligned with their previous price-category. Distribution channels changed according to the new vision. This resulted in an effective external marketing communication strategy, however, this also targeted and ensured alignment among stakeholders. This highlights the last, sixth principle. However, the focus is on the connection between brand transformation and aligning all aspects of the marketing mix is mainly internal. In the Björn Borg case, external marketing communication likely played a significant role in the success of the brand transformation. The success is evident in how the brand underwent a complete external transformation while still achieving increased revenues and sustained company growth. The external communication can therefore in the case of Björn Borg be linked to their success, which is something that is missing from the theory.

In the case of Björn Borg, key individuals played a pivotal role in their brand transformation, driving the process and ensuring its implementation throughout the company. This aspect, however, is not emphasized in the framework presented in the article. For instance, appointing Bunge as CEO was a critical decision, as his vision, experience, drive, and belief in the company set the foundation for change. Bunge further strengthened this transformation by appointing an entirely new management team. This serves as a foundation that is further developed in the proposed brand transformation framework in the next section.

Comparing Muzellec and Lambkin (2006) framework with the case of Björn Borg, the first difference concerns the definition of brand transformation. This thesis uses a broader perspective of brand transformation. However, the framework demonstrates broader applicability to the Björn Borg case, as key themes of brand transformation can be adapted and applied across varying definitions and contexts.

Another point that Muzellec and Lambkin (2006) discuss is that brand transformations typically are driven by structural changes. This can be seen in the case of Björn Borg, where structural changes had a significant impact on their brand transformation process, however, it was not the only primary catalyst. The brand transformation was also driven by the identification of a need for change in parallel with structural shifts, including changes in management and the appointment of a new CEO. Björn Borg thereafter had the goal to create a new image rather than reflecting a new identity created externally. Muzellec's and Lambkin's (2006) focus on aligning external and internal stakeholders' views of the brand identity is also something that aligns with what Björn Borg has done through their brand transformation process. This has effectively mitigated the gap between the projected and actual brand identity.

5.1.6 Internal Marketing

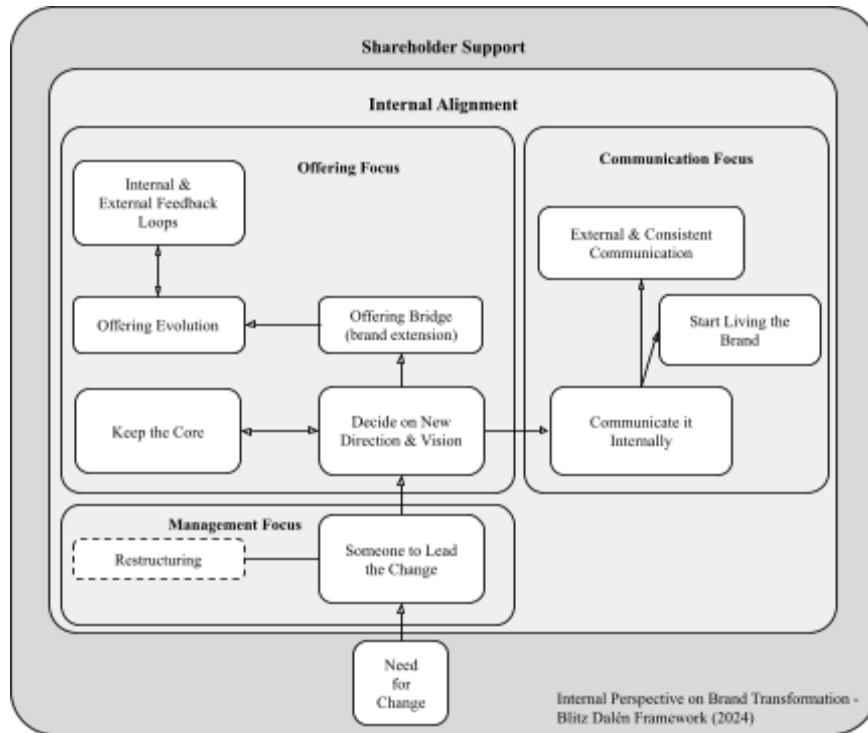
Internal marketing is something that is essential in the case of Björn Borg's brand transformation process. Finney and Scherrebeck-Hansen (2010) describe internal marketing as a factor that creates and facilitates change.

Björn Borg's company culture creates a form of internal marketing as employees "live the brand" both at work but also in their lives outside of work. Management and shareholders have a strong belief in the company and see enormous potential in what the company can achieve. Finney and Scherrebeck-Hansen's (2010) research shows that internal marketing fosters an internal customer orientation, increasing employee motivation to work toward a common goal, increasing productivity, improving staffing procedures, and changing organizational culture. This correlation could be seen at Björn Borg.

Finney and Scherrebeck-Hansen's (2010) framework can further be applied to the case. The rational level is well executed from the perspectives of product, price, communication, and distribution. As neither shareholders nor management showed much resistance or skepticism to the brand transformation initially, the resistance level from the four perspectives was quite low. Here, the theory does not match the case very well as it wasn't a "necessary" step in this specific case and will therefore be omitted from the proposed framework in the following section. A reason for this was most likely the restructuring and replacement of management in connection to Bunge's appointment. The power level highlights the shift in roles, dynamics, influence, and responsibilities that comes with brand transformation. The restructuring of management had an effect on the power level too, as the dynamics between employees automatically changed, especially in regards to communication and distribution but also when it comes to the price factor. Lastly, the control level can also be observed in the Björn Borg case. For example, when it comes to maintaining communication both internally and externally, they also used the control level when balancing the old and new brand by first introducing sports underwear as a bridge between the old and new vision.

5.2 Internal Perspective on Brand Transformation - Blitz Dalén Framework (2024)

The components included in the Internal Perspective on Brand Transformation - Blitz Dalén Framework (2024) are all strongly supported by the literature referenced above. Any elements not directly derived from the literature have been explicitly justified in previous sections, where their relevance and origin within the case context have been explained. Conversely, aspects of the literature models that are absent from the framework were excluded either because they were deemed unnecessary for this particular analysis or because they were not observed within the case. As such, these omissions likely indicate that these elements were not critical to the model's applicability in this specific context. Furthermore, since these dynamics can be observed in the Björn Borg case they can likely be applied to other companies undergoing similar brand transformations.



5.2.1 Shareholder Support, Internal Alignment & Need for Change

Shareholder Support: The foundation of this framework is shareholder support. This implies that shareholders that have a vested interest in the company, such as board members and investors, support the transformation process. Shareholders need to approve of general changes and use of resources since they bear most of the risk involved in a brand transformation process. Their support is critical for ensuring that strategic decisions during the brand transformation process align with the company's financial goals and long-term objectives. Without this support, it can be challenging to build the progress needed for the transformation or allocate resources to make changes. This makes it an essential part of any successful brand transformation effort. Moreover, their support is crucial for enabling the CEO to confidently test, make decisions, and implement changes. Open and clear communication between shareholders and the CEO is crucial. This long-term backing provides the assurance that occasional mistakes will not undermine the overall trust in the CEO's leadership, as the focus remains on achieving sustainable success over time.

Internal Alignment: Internal alignment is another foundational part of brand transformation. It ensures that all parts of the organization are on the same page. This implies working cohesively

to achieve the goals of the brand transformation and that everyone within the organization understands, supports, and actively participates in the brand transformation process. Alignment between people, teams, processes, leadership, culture, and communication is of high importance. For a brand transformation effort to succeed, everyone within the organization must understand, believe in, and embody the new brand vision. Misalignment can lead to confusion, internal resistance, or inconsistent execution. Internal alignment also covers the three outlined components, offering focus, communication focus, and management focus, indicating that all of these parts and its contents should be aligned.

Need for Change: The first step in the model is for the company to recognize the need for change. This is the initial underlying motivation for beginning the brand transformation process. This need could arise from multiple reasons, such as changing market conditions, shifts in consumer expectations, or internal challenges such as declining performance or outdated branding. Recognizing and articulating the need for change is essential to justifying the effort, time, and resources required for a brand transformation. It provides clarity and focus, ensuring that the transformation addresses specific issues or opportunities rather than being a reactionary or superficial exercise. Often, this need for change is recognized by shareholders and also requires their support, therefore, it is placed in the shareholder support area in the Internal Perspective on Brand Transformation - Blitz Dalén Framework (2024).

5.2.2 Management Focus

Someone to Lead the Change: The management focus is a critical element in driving successful brand transformation. Central to this focus is identifying and empowering a strong leader who can effectively guide the company through the change process. This individual, whether newly appointed or already within the organization, must possess a deep understanding of the company's operations, culture, and history. Equally important is their ability to articulate and implement a clear vision for the company's new direction, ensuring alignment across all levels of the organization.

Leadership has a significant role in brand transformation. The CEO needs to be able to initiate a cohesive and well-defined transformation strategy. Moreover, their personality needs to fit with

the new direction of the company, as prior experiences and personal interests have the possibility of significantly influencing the company's new vision and strategic direction.

Moreover, in some cases, the transformation process may necessitate a restructuring of the management team to ensure that senior leaders are fully aligned with the new direction.

Misalignment at this level can hinder the entire transformation process. However, as this might not always be necessary, this box has been outlined with a dashed line.

5.2.3 Offering Focus

Decide on New Direction & Vision: Moving on to the area focusing on the offering, this area begins by the CEO deciding on the new direction and vision. This is done after management has been chosen and possibly restructured. In this step, direction can be chosen depending on many different factors. It could be by analyzing market trends, having new customer insights, or depending on the experience and knowledge of the person chosen to lead the transformation. According to our definition of what a brand transformation is, this “new direction” could imply various changes, such as finding a new position in the market, creating a new brand image, brand vision, or brand identity. It is important to ensure that the new direction aligns with its vision and the need for change.

Keep the Core: While the company has recognized a need for change and initiated this process by appointing a leader, potentially restructuring management, and thereafter identifying a new direction and vision, it is essential to keep the core. This refers to the balance of transforming the brand and its vision while simultaneously preserving some of its identity. Balancing the new vision and the company's existing image can seem like natural evolution. Even when expanding into a new market or category, brands can "keep their core" by staying true to their original values and leveraging elements of their established identity to maintain authenticity, customer and shareholder trust and loyalty. This approach allows for innovation and growth while preserving a connection to the brand's heritage. This approach allows brands to innovate and stay relevant without losing the trust and recognition built over time. It's about evolving with purpose while honoring the brand's roots, creating a transformation that feels both meaningful and authentic.

Offering Bridge: The offering bridge is a crucial first step in transitioning a brand's offerings toward its new direction. This phase emphasizes the importance of introducing a product or service that acts as a bridge between the company's existing consumer trust and its future strategic goals. By leveraging credibility in an already established area, the bridging product creates a smooth entry point for consumers into the new offering. This strategy leverages consumer trust from one area and channels it into a new category. The product bridge not only stands independently as the first move but also lays the groundwork for subsequent steps, as it provides a foundation for the company to expand its offerings while mitigating the risk of alienating its existing customer base.

Product Evolution and Feedback Loops: Building upon the trust and momentum created by the product bridge, the product evolution phase focuses on further developing the brand's offerings in alignment with its new direction. This phase allows for the introduction of products even further from the core offering of the company. However, it is important to make sure the new offerings align with the new vision for the company. Furthermore, the product evolution step is aided by the internal and external feedback loops, which work in tandem to help the company evolve its offerings. Internal feedback originates from employees, while external feedback encompasses input from customers, market research, and other external sources. These feedback mechanisms are depicted as bidirectional, reflecting the continuous cycle of improvement. As the company develops a product, employees and consumers provide insights on its performance, prompting the company to implement adjustments and further enhancements, thereby forming a loop. For example, an internal feedback loop could be encouraging employees to test the product the company is developing. This hands-on approach allows them to directly experience the performance of the products, providing valuable insights and reactions that inform further development and refinement.

5.2.4 Communication Focus

Communicate it Internally: The communication focus bridges the gap between the internal and external communication as well as highlighting the importance of keeping a robust company culture. When the direction and vision are decided, this should be internally communicated to

engage employees and ensure that they understand how their roles contribute to achieving the transformation. Everyone in the company should have a clear understanding of the new direction and vision. This could be done through for example meetings, workshops, and internal events.

Start living the brand: This means that employees start to integrate, internalize, and embody the brand's values, vision, and identity. This emphasizes aligning company culture and internal marketing efforts to ensure that employees not only understand the brand but also are a part of it. Employees represent the brand through their daily actions, behaviors, and attitudes. “Start Living the Brand” unifies organizational identity and ensures that the brand values delivered externally are authentic.

External & Consistent Communication: The last step is to externally communicate the new brand. The new communication should reflect the new brand image to the customers and should be implemented at all touchpoints. This communication should be consistent, contributing to a clear and uniform brand image. A well-executed communication strategy ensures a smooth transition by building trust, avoiding misunderstandings, and fostering a sense of enthusiasm and acceptance around the brand transformation efforts. It is a critical element in reinforcing the new brand identity and gaining widespread support.

6. CONCLUSION

6.1 Main Findings & Theoretical Implication

The primary theoretical contribution of this thesis lies in the development of the framework, which serves as a key theoretical implication of the study. While the framework incorporates elements from existing models and frameworks, its significance lies in the integration of these components into a cohesive structure. This structured approach offers a holistic perspective that can enhance understanding and application of brand transformation.

The main findings emphasize the critical elements for a successful brand transformation process. Shareholder support is foundational for the whole brand transformation process, providing the approval, resources, and support necessary for long-term strategic changes while mitigating risks. Internal alignment ensures that all levels of the organization understand and embody the

new brand vision. Moreover, recognizing the need for change is vital to justify investments and focus efforts on addressing specific challenges or opportunities. Thereafter, strong leadership drives the process by balancing innovation with the brand's core identity and aligning management with the new direction. The offering bridge acts as a trust retention while transitioning to the new vision, supported by continuous feedback loops for refinement. Finally, effective communication aligns employees internally and ensures consistent messaging externally, building trust and reinforcing the new brand identity.

6.2 Limitations & Future Research

One primary limitation of this study lies in its reliance on a single case. While this approach provides in-depth insights and context-specific understanding, it also may limit the robustness of the findings. The results are inherently tied to the unique circumstances and characteristics of this specific case, which may not fully represent the experiences or dynamics of other companies.

Moreover, given that market dynamics are constantly evolving, developing a framework that remains universally applicable over time is inherently challenging. A robust framework must adapt alongside changes in the external environment. Consequently, a limitation of this thesis is its potential time-sensitivity, as the findings may require adaptation to remain relevant.

Another limitation of this thesis is its retrospective analysis. The study's reliance on historical data and interviews introduces the potential for hindsight bias and incomplete recollections from participants. Retrospective analyses are inherently susceptible to selection bias; if interviewees predominantly consist of individuals with positive experiences or those in key decision-making roles, their perspectives may not accurately represent the broader organizational experience. Additionally, the study risks falling into survivorship bias, as focusing solely on current employees or data that has "survived" the transformation may inadvertently exclude the valuable insights of individuals who departed the organization during this period. These limitations show that while our findings offer valuable insights, it also highlights the need for further research to enhance the validity and robustness of our proposed framework.

Future research should focus on conducting additional case studies to test our framework across multiple companies within the same industry. This would help determine whether the observed patterns are consistent or if they vary based on organizational characteristics, market position, or brand identity. Furthermore, applying the framework to companies in different industries or markets would provide a broader perspective, revealing potential industry-specific factors or universal principles in brand transformation. Expanding research to diverse companies and contexts can refine the Blitz Dalén framework (2024), enhancing its adaptability and practical relevance across varying market dynamics and organizational settings. Furthermore, we also see the need for conducting a study that does not have a retrospective approach but rather is able to follow the company along on its journey since this will limit biases. Furthermore, there is a clear need for a study that adopts a prospective approach, tracking the company in real time throughout its transformation. Such an approach would mitigate the biases inherent in retrospective studies.

6.3 Managerial and Shareholder Implications

The findings in this thesis highlight several factors involved in a brand transformation that managers and companies can use in practice. The Blitz Dalén framework (2024) provides a comprehensive outline of these key factors, serving as a structured approach to navigating the complexities of brand transformation. Applying this framework in a real-life context can act as a guideline with actionable steps for companies undergoing a brand transformation. The Blitz Dalén framework (2024) can moreover be valuable for shareholders by providing a structured approach to evaluating and supporting brand transformation efforts. It equips shareholders with insights into internal dynamics, enabling them to better assess risks, monitor progress, and support management. Additionally, it highlights the importance of their involvement in approving strategic decisions, allocating resources, and fostering alignment with long-term goals.

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8. APPENDICES

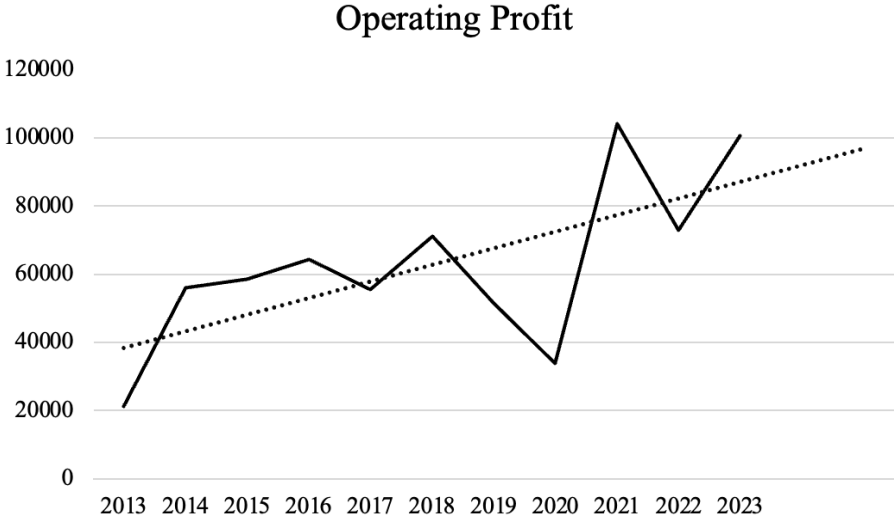
8.1 Disclosure of AI-tools use

Interviews were transcribed using a non-generative AI tool called TurboScribe, and each transcription was double-checked for accuracy to the original content. Additionally, AI tools were used during the writing process to identify and correct grammar, spelling, and formulation mistakes, as well as any structural inconsistencies. This approach helped ensure that the findings were communicated in a cohesive and structured manner.

However, the use of AI in this process can sometimes result in the loss of nuanced meaning or lead to misinterpretations of key messages. To mitigate this risk, the use of AI tools was intentionally limited and carefully monitored. All suggested changes made by AI were reviewed to ensure alignment with the intended meaning and message. If any part of the text was

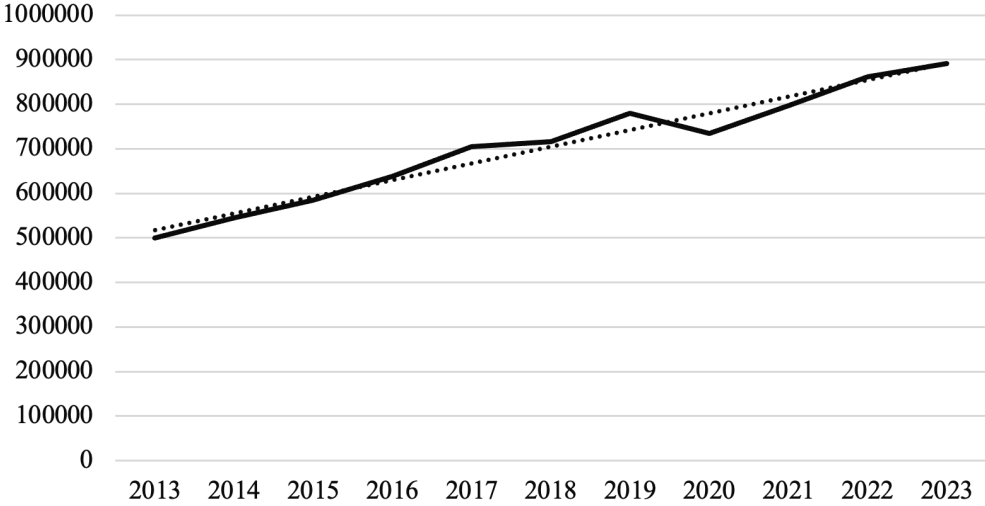
misunderstood by the AI, it indicated that the phrasing may have been unclear. In such cases, revisions were made to enhance clarity and ensure that the message resonated with the reader as intended.

8.2 Graphs

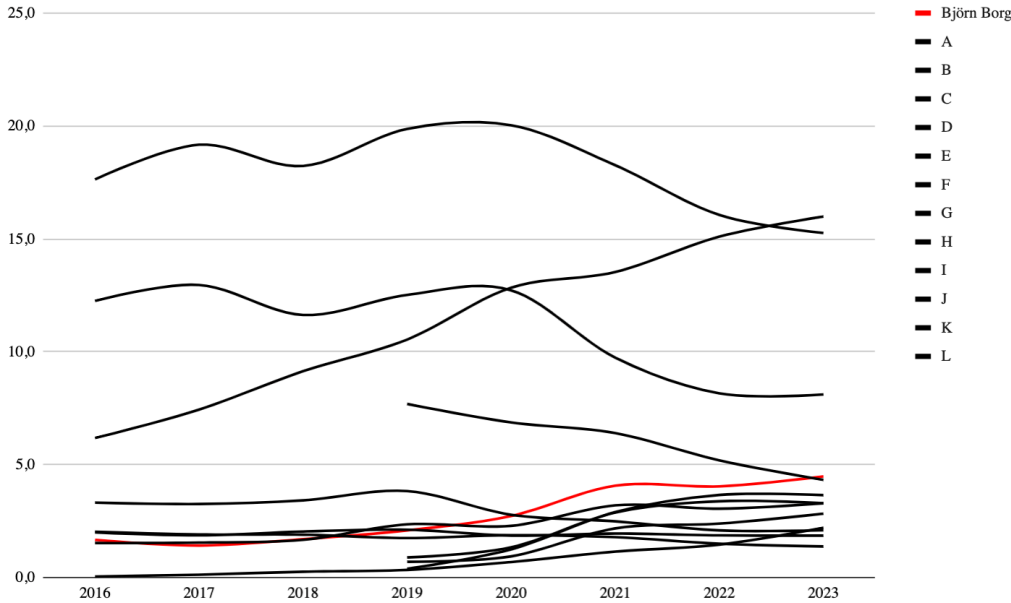


Appendix 1: Operating Profit

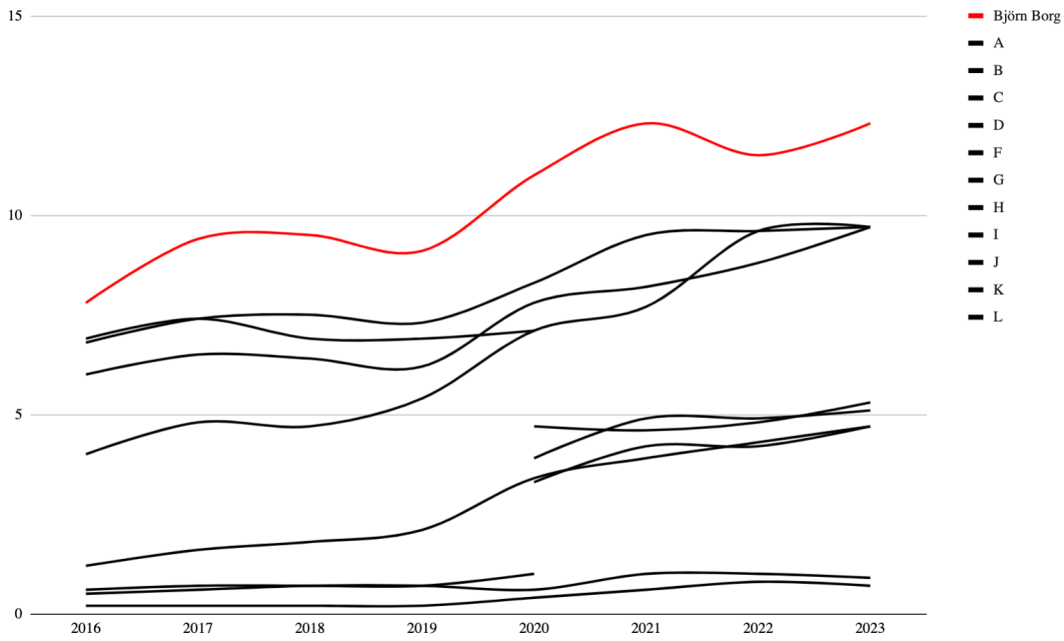
Operating Revenue



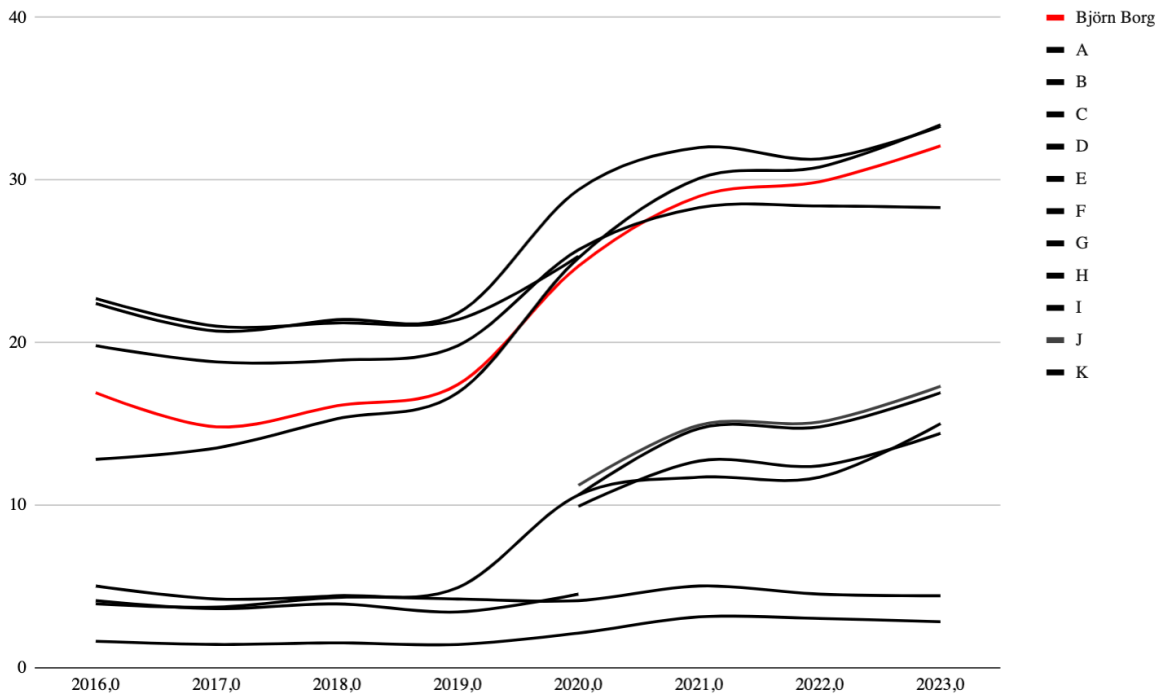
Appendix 2: Operating Revenue



Appendix 3: Awareness Björn Borg



Appendix 4: Seen/Heard News Björn Borg



Appendix 5: Purchase Intention Björn Borg

8.3 Quote Translations

Original (Swedish)	Translated (English)
“Vi klädde folk till och från gymmet, men inte på gymmet. Nu började vi klä dem på gymmet också”	“We dressed people for going to and from the gym, but not at the gym. Now, we’ve started dressing them at the gym too.”
“Bunge var väldigt tydlig. Dit ska vi. Vi ska springa dit. Vi ska inte avvika från spåret”	"Bunge was very clear: that's where we're going. We're going to run there, and we won't stray from the path."
“Vi som är stora ägare i bolaget har varit ägare i 20 år i alla fall”	"We, as major shareholders in the company, have been owners for at least 20 years."
“Det här är ingen aktie som man säljer. Det är något som man lämnar över till nästa generation.”	"This is not a stock you sell; you pass it on to your children"
“Det var inte när vi hejade och klappade dem på ryggen när vi gjort en bra kvartalsrapport, det var framförallt när det kom en dålig rapport eller när någonting hade gått snett. Det var då han (Henrik) kände att han hade fått vårt stöd. Det kände jag var kul att höra. Det var en eloge till oss som ägare. Att vi kan se över bruset och se det här från the long haul. Jag ser framför mig att jag kommer att jobba med Björn Borg in the long run.”	"It wasn't when we cheered and patted them on the back after a good quarterly report; it was especially when there was a bad report or when something had gone wrong. That's when he (Henrik) felt he truly had our support. I thought that was nice to hear. It was a compliment to us as owners—that we can look beyond the noise and see this from a long-term perspective. I see myself working with Björn Borg for the long run."
“Han är en fadersfigur i mångt och mycket hos dem. Han har väldigt bra support. Både i styrelsen och hos oss ägare. Han vet att han alltid kan ringa.”	"He is very much a father figure to them in many ways. He has strong support, both from the board and from us as shareholders. He knows he can always call."
“Jag tror att han uppskattar en långsiktighet och en kollegialitet och en kamratskap mellan ägare, styrelse och han som ledning.”	"I believe he appreciates a sense of long-term commitment, collegiality, and camaraderie between the owners, the board, and himself as the management."
“Har ni varit med på sport timmen någon gång? [...] Det är superhäftigt. Det bygger en teamkänsla.”	"Have you ever participated in the sports hour? [...] It's super cool. It really builds a sense of team spirit."
“Han har ett enormt stöd och support i de breda lagrerna, hos de anställda.”	"He has tremendous support and backing across the broad base, among the employees."

<p>"Vi insåg också hur kraftfullt det var att låta någon annan prata om oss. Antingen står vi där som Björn Borg och säger 'hej det här står vi för' eller så använder vi en annan individ som står för liknande värderingar som oss som också kan prata om oss, därefter började vi gasa influencer marketing."</p>	<p>"We also realized how powerful it was to let someone else talk about us. Either we stand there as Björn Borg and say, 'Hey, this is what we stand for,' or we use another individual who shares similar values to speak on our behalf. After that, we started accelerating influencer marketing."</p>
<p>"Det går inte att bygga något emotionellt värde i ett par kalsonger. [...] väldigt få kommer att åka in till Mall of Scandinavia med enda syftet att 'jag ska handla ett trepack kalsonger'. Man kanske åker dit för att kolla på bio eller köpa en vinterjacka, och sen så bara, 'oj det finns kalsonger här också'"</p>	<p>"You can't build any emotional value in a pair of underwear. [...] Very few people will go to Mall of Scandinavia with the sole purpose of saying, 'I'm going to buy a three-pack of underwear.' Maybe they go there to see a movie or buy a winter jacket, and then they just happen to think, 'Oh, there are underwear here too.'"</p>

Appendix 6: Translation of quotes from interviews

8.4 Interview Questions

Questions for Emma Bengtsson (CEO)

1. What were the central marketing strategies used to transform Björn Borg from an underwear brand to a sports fashion brand?
2. What internal decisions would you say were the most crucial for the brand's rebranding? And how were those decisions made?
3. How would you describe the changes that have occurred in your marketing communication?
4. What role did digital marketing and social media play in Björn Borg's rebranding?
5. How did you adapt Björn Borg's brand communication to align with its new identity in sports fashion? And how did you ensure consistent brand communication and identity throughout the transformation, both internally (within the company) and externally (towards consumers)?
6. Specifically, which segment are you targeting now compared to before (e.g., time spent on social media, etc.)? And how did you approach this new customer base?

7. How has Björn Borg's visual identity (logos, colors, and imagery) evolved as part of the rebranding, and what was the strategy behind these changes?
8. Would you say the timing of the shift was “right”?
9. How did you collaborate with various departments (e.g., product development, design, and sales) to ensure a cohesive brand identity during the transformation?
10. Do you believe the brand has fully transitioned into the sports fashion category, or is there more work to be done?

Questions for Henrik Bunge (CEO)

1. What changes has the company undergone since you became CEO?
2. What motivated the decision to transition from being an underwear-focused brand to a sports fashion brand?
3. What or who would you say were the main driving forces behind this transformation process?
4. What were the most important steps and decisions involved in transitioning from an underwear brand to a broader sports fashion brand?
5. How have you internally created alignment within the team/company/between different units around the vision for Björn Borg’s new direction? How has this affected the company’s internal culture and employee engagement?
6. Which internal strategies and challenges did you find most crucial in driving the brand's transformation? Were there any specific strategies or methods used?
7. How did you handle any resistance or skepticism within the company regarding the shift from an underwear brand to a broader sports fashion identity?
8. How do you measure the success of Björn Borg’s current brand identity and positioning?
9. Would you say the timing of the shift was “right”?
10. How did you balance maintaining the brand's heritage during the transition to sports fashion, and how has this affected relationships with long-standing customers as well as customer loyalty and demographics, both locally and globally?
11. What are the biggest competitive advantages you believe Björn Borg has gained and lost through this transformation?

12. Has it been easier to change consumers' perception of Björn Borg in markets where you were already established as an underwear brand, or has it been easier to establish yourselves as a new sportswear brand in new markets?

Questions for Interviewee 1

1. How long have you been involved with Björn Borg? Can you tell us a bit about the earlier years, including Björn's involvement and the timeline?
2. Why did you choose to get involved with Björn Borg?
3. Why did you decide to change the CEO? Was it a deliberate choice?
4. Why did you specifically hire Henrik?
5. What issues led to the need for change?
6. How did Henrik convince you to shift the company's direction? What was the initial reaction from the board? Were there any specific studies or analyses conducted to confirm the decision to change the brand's direction?
7. How did you assess the risks of agreeing to the transformation?
8. How was the company affected by the leadership change around 2015?
9. Did you notice any general skepticism within the management team regarding the transformation?
10. What internal decisions would you say were the most crucial for the brand's rebranding? And how were those decisions made?
11. What changes would you say the leadership team has undergone?
12. How involved has the leadership been in the transformation?
13. What do you think the company would look like today if you hadn't repositioned and changed leadership?
14. Would you say the shareholders are satisfied in hindsight? Were there any decisions you regretted along the way, and if so, which ones?
15. Was there another direction you considered but chose not to pursue? What would you have done differently?
16. What type of leadership do you think was required to execute the transformation? Has this changed over time?

17. How did the staff react to the repositioning, and were there any internal challenges to overcome? How did you communicate the change, and what were the reactions?
18. Do you believe the brand's current direction is sustainable in the long term? What are you planning to do to maintain momentum?
19. How important has the international perspective been in your repositioning strategy? Have you noticed any regional differences in reception?
20. What do you see as the biggest challenge ahead for Björn Borg, now that you have a new position in the market?

Questions for Interviewee 2

1. How long have you been involved with Björn Borg? Can you tell us a bit about the earlier years?
2. Why did you choose to get involved with Björn Borg?
3. How did Henrik convince you to change the company's direction? What was the initial reaction from the board? Were there any specific studies or analyses conducted to confirm the decision to shift the brand's direction?
4. How did you assess the risks of agreeing to the transformation?
5. How was the company affected by the leadership change around 2015?
6. Did you notice any general skepticism within the leadership team regarding the transformation?
7. What internal decisions would you say were the most crucial for the brand's rebranding? And how were those decisions made?
8. What do you think the company would look like today if you hadn't repositioned and changed leadership?
9. Would you say the shareholders are satisfied in hindsight? Were there any decisions you regretted along the way, and if so, which ones?
10. Was there another direction you considered but chose not to pursue? What would you have done differently?
11. How did the staff react to the repositioning, and were there any internal challenges to overcome? How did you communicate the change, and what were the reactions?

12. Do you believe the brand's current direction is sustainable in the long term? What are you planning to do to maintain momentum?
13. What do you see as the biggest challenge ahead for Björn Borg, now that you have a new position in the market?
14. What lessons would you take with you if you were to be part of another brand transformation?
15. Are you involved with any other brands similar to Björn Borg?

Interview Transcripts

Transcripts from the interviews conducted for this study are available upon request. For access, please contact 25640@student.hhs.se or 25694@student.hhs.se