



# Research Proposal



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## 1. Introduction

Fabletics is an American online subscription retailer recognized for selling affordable high-quality sportswear, footwear and accessories for women. It was launched in October 2013 by JustFab Inc., Don Ressler, Adam Goldenberg and Kate Hudson (Fabletics, 2013). They shipped over one million orders in the first six months, which makes it one of the fastest growing fashion brands in history (TechStyle fashion group, 2020). By now the company has expanded their shipping services to the United Kingdom, France, Germany, Canada, Australia, Spain, Denmark, Sweden, and the Netherlands. Apart from the US, Fabletics is fully internationally operational in the online fashion market. As Fabletics revenue continued to grow, the company was able to open its first physical stores in 2015 in the US. This progress was also the kick-starter for the Fabletics Men line. As a result, Fabletics Men started on April 21<sup>st</sup> 2020. The company's follower base consists of over four million followers.

In Europe Fabletics gains most its revenue from the markets in the UK, France and Germany. Their headquarter is currently located in the centre of Berlin, Germany. Fabletics Men has been available for German customers since the spring of 2020 (Fabletics, 2013). Although the business marketing endeavours for the Europe market were primarily focused on these three core markets, Fabletics Men experienced less response to the brand launch from their German target group. The official ad. for the brands' launch in Germany, which is in English, did not generate the same amount of sales as in the English-speaking countries. A plausible cause for the disappointing response is the language barrier and cultural differences between Germany and the US, as suggested by the CEO (Fabletics, 2013).

Fabletics Men suffers from a lack of brand visibility and recognition among the German male population. Low engagement from the consumers with the company ultimately results into low brand equity. This brings us to the core problem of Fabletics Men: Brand Awareness. The goal of this research is to obtain valuable information on brand awareness, which can be applied to the target group so that Fabletics Men can build an effective and adaptive brand building strategy.

## 2. Problem Orientation

### 2.1 Problem Analysis

Although on a global scale, Fabletics had a revenue of over \$300 Million in 2018 (Fabletics 2013), the launch of his family brand Fabletics Men experiences issues in certain European countries. The company seemingly unsuccessful attempt to target a new group of clients by launching Fabletics Men infers that it faces Marketing communication problem. The sales do not convert well enough in countries such as Germany and France, unlike other countries in Europe, and the US.

However, the revenue that Fabletics usually gains in Europe, comes mostly from Germany, France, and the UK. Before the launch of Fabletics Men, the main focus of the parental brand has been on Germany, France and the UK, especially in influencer marketing. The problem that was suggested by the CEO with the Men's collection is that their campaign advertisement is in English. This could not only take away the possibility of the non-English speaking target market to connect with the brand, and what they sell, but it can also result into ignorance. Cultural differences might have also contributed to the problem because different values, beliefs, and needs complicate the universal use of an international advertising campaign and are quite difficult to reveal (Milenkovic, 2009).

The wrongly established communication, as assumed by the CEO of the company, appears to have had its negative outcome. In that case, the communication execution of the company in non-English speaking countries seems to have resulted into lack of sufficient brand awareness which, in turn, could affect negatively the desired involvement of the customers, their emotional relationship with the brand and purchase engagement.

For this research the target group will be narrowed down to millennials specifically, as they are currently the biggest living generation that also holds the highest online purchasing power. (Torsello, 2018)

### 2.2 Problem Definition

The problem that Fabletics Men faces in Germany is a lack of brand awareness amongst their target audience because they do not have a sufficient marketing strategy to engage with their potential customers.

### 2.3 Research Objective

This research will be conducted to provide Fabletics Men with suitable knowledge on brand awareness and the online consumer behaviour of the German target group, so that the company can build an effective and adaptive brand building strategy.

### 3. Theoretical Framework

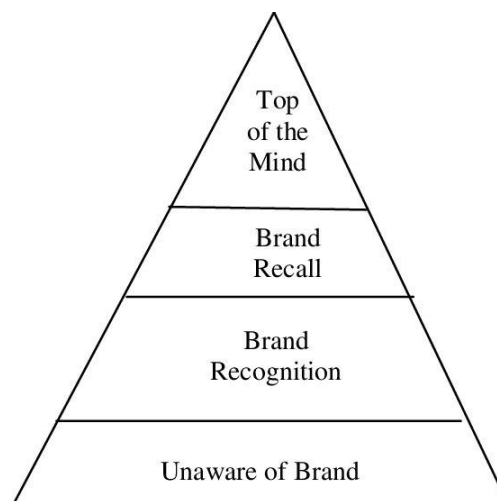
This part involves and accounts for the theories and concepts that are going to be used in the development of this research and how they will conduce to its proper accomplishment.

#### 3.1 Brand Awareness

The first brand which a client comes up with, when he desires to purchase a good or service, indicates that this product possesses higher brand awareness. Dodds, Monroe, and Grewal believe that customer buying decisions can be affected by a higher level of brand awareness (Malik, Ghafoor, & Iqbal, 2013).

That is why brand awareness enhances the efficiency of a marketing campaign and is examined in this section.

It is proposed that brand awareness designates "whether consumers can recall or recognize a brand" or if they are aware of a brand (Huang & Sarigöllü, 2014). Brands that customers are familiarized with have a higher likelihood to be part of the consumers' consideration set (Macdonald & Sharp, 2000).



*Figure 1: The awareness Pyramid (Latif, Islam, & Mohd Noor, 2013)*

##### 3.1.1 Brand Awareness measurement

According to Pahwa (2019), "brand awareness includes brand recognition, brand recall, and top-of-mind awareness" (Type of Brand Awareness section).

###### 1. Brand recognition

He proposes that brand recognition takes place when the brand is identified and distinguished among other brands by the customer when he or she is imposed to it. In this situation, the name of the brand does not need to be recalled. Brand recognition concentrates on "whether the customer can recognize it when it is presented at the point-of-sale or when he witnesses the visual packaging" (Pahwa, 2020, Types of brand awareness section, para. 3). For assessment of brand recognition, a recognition task is carried out. In it, customers "see a stimulus such as an ad or a brand name" and they mention "whether they have seen it before- e.g. last night on television, in magazine X, etc." (Chandon, 2003, p. 2).

## 2. Brand recall

Pahwa outlines brand recall as the situation in which a consumer instinctively calls up a specific brand from his mindset when a particular product category is brought forward to him. He states that usually only three to five brand names can be elicited (2019, Types of brand awareness, para. 4). Brand elements such as a firm's marketing strategy have an impact on brand recall as well as individual characteristics such as the usage of the product and education status. For an assessment of the brand recall a recall questionnaire can be applied (Chandon, 2003).

Chandon concludes that for this goal, "it is vital to measure both the recall (the percentage of people who know the brand) and the width of recall (the cues that lead to brand recall)"(2003, p. 2). Emphasis is put on the significance of choosing what cues will be utilized in the recall question. When forming it, questions such as "who, when, where, and how the brand will be used in the recall question" have to be taken into consideration. He points out "subcategories, consumption goals, places, and people" as being essential cues (Chandon, 2003, p.2).

## 3. Top-of-mind awareness

Pahwa (2019) describes top-of-mind awareness as "a set of three brands which the customer always purchases" and as the "consideration set of the customer" (Type of Brand Awareness section, para. 5).

### 3.2. Social Media Usage

Brand awareness can be gained and developed through social media. (Tsimonis & Dimitriadis, 2014) That is the reason for introducing the impact of social media management on brand awareness in this section.

Social media management relies on utilizing Web 2.0. platforms and devices to achieve specific organizational goals (Montalvo, 2011). The Web 2.0 platforms originate from the World Wide Web and are mainly used because of the interactivity between users and the users' ability to generate content by themselves. According to Montalvo (2011, p.92), using social media as a tool to increase brand awareness, enables companies to establish a stronger and more tangible presence on networking sites. Brand's visibility can be boosted by a regular delivery of content using blogging and tweeting on behalf of an organization. He observes that "social media management requires competencies in strategy development that is grounded in the analytics of data which, in turn, requires a high degree of creativity and collaboration" (Montalvo, 2011)

When applying this method of raising brand awareness, the frequency of usage and the most preferred type of social media platform by the Fabletics Men target demographic should be taken into consideration.

Figure 2 contains information about how frequently European Millennials make use of social media in their day-to-day lives. This graphic proves the heavy reliance of the target group on networking platforms and their mobile gadgets (Torsello, 2018).

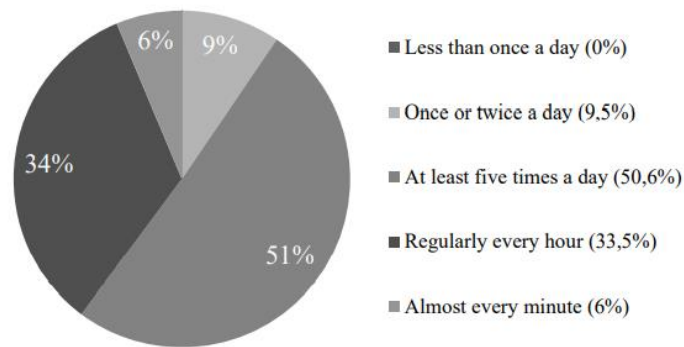


Figure 1: European Millennials' social media usage (Torsello, 2018, p. 78)

By using the following graphic (Figure 3), Torsello (2018) concludes that the most preferred platforms among European Millennials are Facebook (94,4%), Instagram (77,8%), and YouTube (67,7%). Additional media platforms which are also of high application are Spotify (57%) and LinkedIn (55,7%). It is shown that other popular platforms that are, however, not prevalently used by the target group, are Twitter (16,5%) and Snapchat (20,9%) (Torsello, 2018)

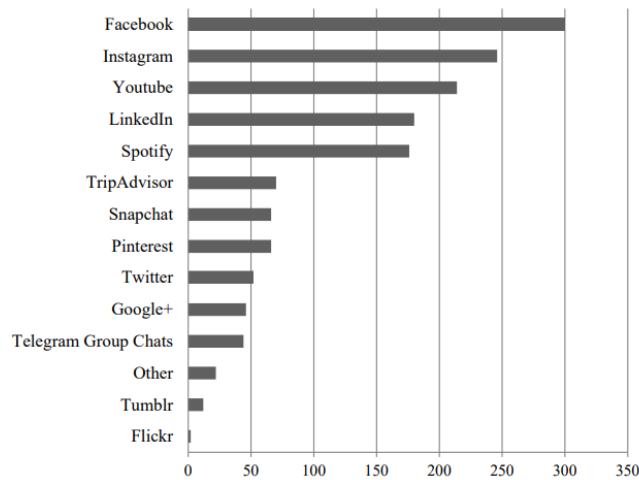


Figure 2: Most used social networks among European Millennials (Torsello, 2018, p. 77)

However, as the results from Figure 3 show the usage of social networks from European Millennials in 2018, the results from the general German population from 2020 contradict these given results. As shown in Figure 4, WhatsApp (not included in European Millennial study) is the most used social media platform. Followed by YouTube (69%), and Facebook (63%) (Statista, 2020). It is recommended to conduct further research to exclude contradictory results and obtain accurate knowledge on the most used social media platforms by the male part of the German Millennial generation.

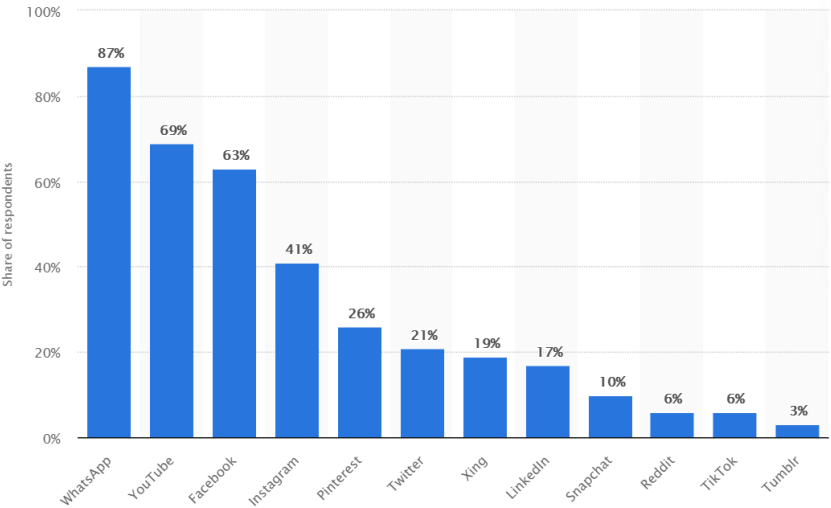


Figure 3: Social media platforms used among Germans in 2020 (Statista, 2020)

### 3.3 Cultural differences

Successful global marketing consists of in-depth knowledge on the values and beliefs of one's culture. The statement by Sir Patrick Geddes; "Think globally, act locally" summarises this perfectly. Culture will often be reflected through consumer behaviour (Yalcin & Cimendag, 2012).

The data matrix of Hofstede's *Six Dimensions of Culture* can be used to compare the German culture with the American culture. When comparing the scores on the six dimensions, America and Germany are most at odds with the *Long-Term Dimension*. According to Hofstede's *Six Dimensions of Culture* German people score relatively high on the *Long-Term Orientation dimension*. Hofstede states "value of thrift and perseverance, future rewards and value saving orientated, and adaptable" as the characteristics for Long-Term orientated countries. Germans learn from an early age to be sensible and cautious when it comes to spending money. They are focussed on the future and view investments as multiple-year plans for it to come to fruition. The US scores relatively low on the *Long-Term Orientation dimension*, which makes them a Short-Term orientated culture. The given characteristics for Short-Term orientation are: value virtues related to the past and present, fast achievements with fast results, and associate spending money with great wealth and social status (Hofstede, 2017). In Fabletics Men's case, the male part of the millennial generation in Germany needs to be acknowledged as a subculture, as this group will hold additional, or different, values and beliefs.

#### 3.3.1 Language barrier

A collaboratively conducted study by German company YouGov and by Endmark GmbH surveyed 6000 German participants, from all socioeconomic classes, to better understand the impact of English slogans in German advertising. The study focussed on how well the participants understood the slogan, their attitude towards the slogan/brand, and their ability to recognize the brand afterwards. Only 28% of the people that participated could perfectly comprehend and translate the slogans. However, this had little influence on their attitude towards the slogans as 90% of the participants held positive feelings towards them. The opposite appeared to be the case when it comes to brand recognition as 81% of the participants could not appoint the slogan to the corresponding product. (Partsch, 2017)

As Friederike Partsch states: " *Although the attitudes towards the English language are generally positive, Germans tend not to be able to translate the slogans accurately, nor assign them correctly to their product or brand.*" (Partsch, 2017) It is recommended to conduct a similar survey on the target group to be able to exclude a possible difference in the results stated above.

## 4 Research Questions

### Main research question

“How can Fabletics Men engage with their target group and improve brand awareness by reintroducing a more sufficient marketing strategy?”

### Sub questions

- 1.1. What is the current awareness level of Fabletics Men among the male part of the German Millennial generation?
  - 1.1.2 What is the brand recognition score for Fabletics Men amongst their target group?
  - 1.1.3 What are the depth and width of the brand recall by their target group?
  - 1.1.4 What percentage of the target group has a top-of-the-mind awareness on Fabletics Men?
- 1.2. Which cues should be used in the Fabletics Men recall questionnaire?
- 1.3. How can Fabletics Men become a top-of-the-mind brand when sports apparel is prompted towards the target group?
- 1.4. How does the brand increase its visibility on the social media platforms used by the target market?
- 1.5. What are the values and beliefs of the target group on sports apparel?
- 1.6. What is the correlation between the use of the English language in advertising and brand recognition among the target group?

## Validity/Reliability

Title	Author	Publication date	Why I think it would help me	Expertise author
Sports Retail Study 2018 <i>Findings from a German consumer survey</i>	Deloitte GmbH Wirtschaftsprüfungsgesellschaft  <a href="https://www2.deloitte.com/content/dam/Deloitte/de/Documents/consumer-business/Deloitte_Sportmarktstudie2018.pdf">https://www2.deloitte.com/content/dam/Deloitte/de/Documents/consumer-business/Deloitte_Sportmarktstudie2018.pdf</a>	04/2018	This study has conducted a survey on German sports behaviour and sports expenditure. The results from the sports expenditure are categorized and narrow down e.g. age, gender, annual income etc. These will be most useful.	Deloitte (Germany) is a service company that is specialised in audits, risk advisements, tax advisements, financial advisements, and consultancy.
English Slogans in German Advertising: Comprehensibility and Perception by Germans	Friederike Partsch  <a href="https://www.hpu.edu/research-publications/tesol-working-papers/2017/2017-new-with-metadata/02rikepartsch_slogans.pdf">https://www.hpu.edu/research-publications/tesol-working-papers/2017/2017-new-with-metadata/02rikepartsch_slogans.pdf</a>	2017	This study is specifically focused on German's perceptions of English slogans used in advertisements.	Friederike Partsch Holds 2 MA's from from Hawaii Pacific University and Christian-Albrechts-University of Kiel, Germany. She teaches English and Germany in high-school.
Effect of Social Networks on Consumer Behaviour: Complex buying	Jonida Xhema  <a href="https://www.sciencedirect.com/science/article/pii/S2405896319325157">https://www.sciencedirect.com/science/article/pii/S2405896319325157</a>	2019  (IFAC- <i>PapersOnLine</i> , Volume 52, Issue 25, Pages 504-508)	The literature study consists of valuable information on <i>Customer Loyalty, Online Word-Of-Mouth, Social Networks and People's Behaviour, and Customer Behaviour</i> , from reliable scientific sources.	Jonida Xhema currently works at the Management, Business and Economics, University for Business and Technology. Jonida does research in Marketing, Entrepreneurial Economics and Behavioural Economics. This work has been peer reviewed and published.
Exploring Gender Differences in Online Consumer Purchase Decision Making: An Online Product Presentation Perspective.	Lin, X., Featherman, M., Brooks, S.L., Hajli, N.  <a href="https://link.springer.com/article/10.1007/s10796-018-9831-1#citeas">https://link.springer.com/article/10.1007/s10796-018-9831-1#citeas</a>  <a href="https://doi.org/10.1007/s10796-018-9831-1">https://doi.org/10.1007/s10796-018-9831-1</a>	28/2/2018  Issue Date:  October 2019	In this study the Researches not only explain the differences between male and female online consuming behaviour, but it also points out which elements women engage with better, and which elements men engage with.	Each of the cited authors is an academic Researcher, attached to an University.

Brand awareness- Definition, Importance, Strategy & Examples	Aashish Pahwa <a href="https://www.feedough.com/brand-awareness-a-comprehensive-guide/21">https://www.feedough.com/brand-awareness-a-comprehensive-guide/21</a>	21/07/2019	The website provides clearly compartmentalised information about subtopics derived from brand awareness In details and with examples.	The website ranked as the <u>17th best startup website</u> in the world and are paving our way to the top. Aashish was a college student back in 2013 when he launched the website Feedough.
Note on Measuring Brand Awareness, brand Image, Brand Equity and Brand Value	Pierre Chandon <a href="https://flora.insead.edu/fichiersti_wp/insead_wp2003/2003-19.pdf">https://flora.insead.edu/fichiersti_wp/insead_wp2003/2003-19.pdf</a>	2003	Although the year is not a recent one, the theory seems applicable nowadays and the persona behind it – trustworthy resource	He is L’Oreal Chaired Professor of Marketing, Assistant Professor of Marketing at INSEAD (Business school of the world) <a href="https://www.insead.edu/">https://www.insead.edu/</a>
Social Media Management	Roberto E Montalvo <a href="https://www.clutejournals.com/index.php/IJ/MIS/article/view/4645/4734">https://www.clutejournals.com/index.php/IJ/MIS/article/view/4645/4734</a>	2011	Explains what role social media play in increasing brand awareness.	Ph.D., University of the Incarnate Word, USA
The Role of Social Media in Influencing Millennials' Consumer Behaviour: A study on consumers' perception and the purchase decision process	Melanie Torsello <a href="https://osuva.uwasa.fi/bitstream/handle/10024/9587/osuva_8074.pdf?sequence=1&amp;isAllowed=y">https://osuva.uwasa.fi/bitstream/handle/10024/9587/osuva_8074.pdf?sequence=1&amp;isAllowed=y</a>	2018	It represents more in depth what type of media the Fabletics target group prefer using and how time they devote to it.	Melanie Torsello holds a MA in Business Administration.

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