

FATFACE



COMPANY CASE STUDY: SWEDEN

Maya Kapur, Gustav Kern,
Sjard Briese

CCS6A2 Cross-Cultural
Perspectives in Management

Robert Johnson

Regent's University London

16 December 2019



INTRODUCTION

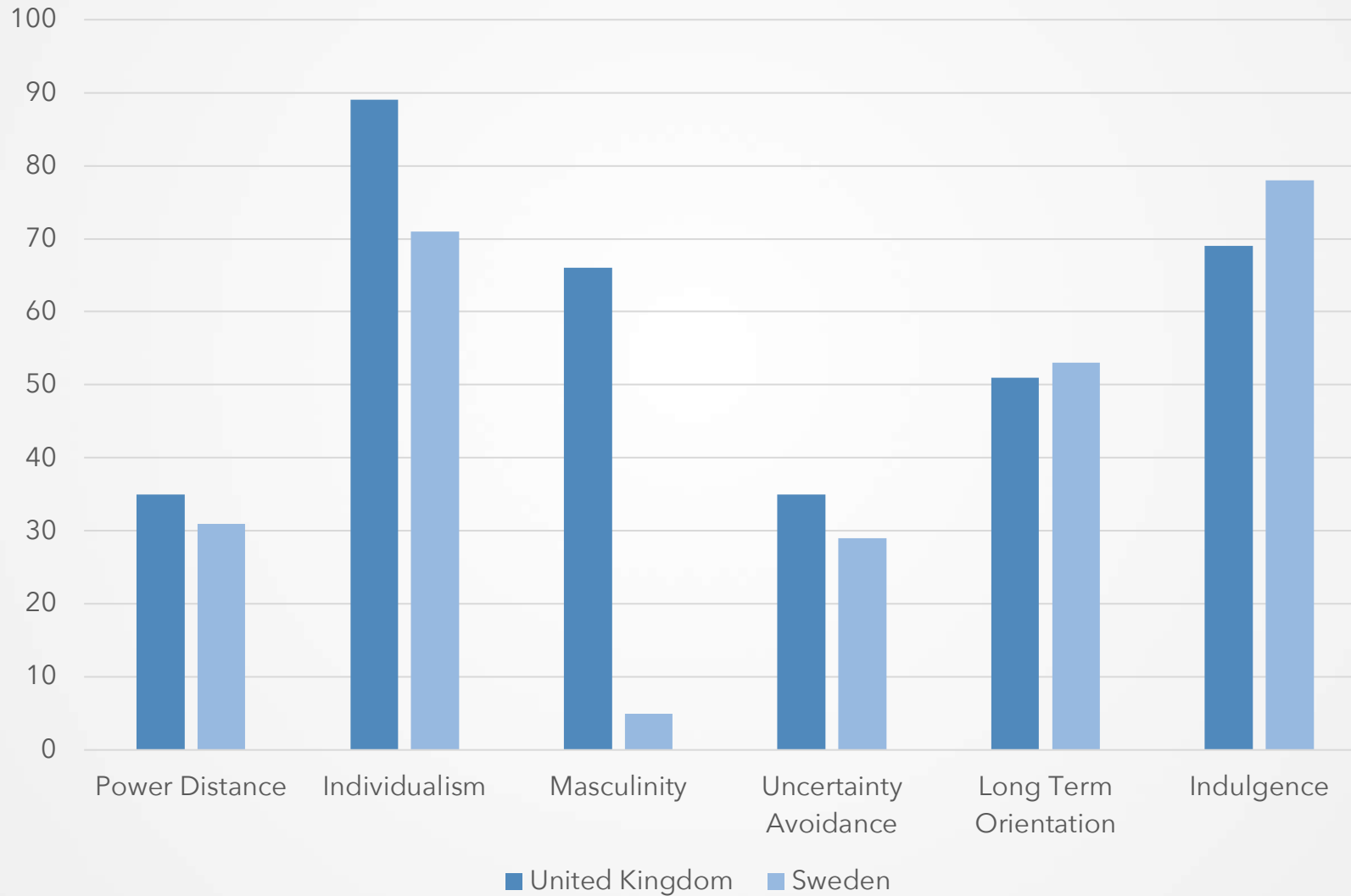
BRAND CULTURE



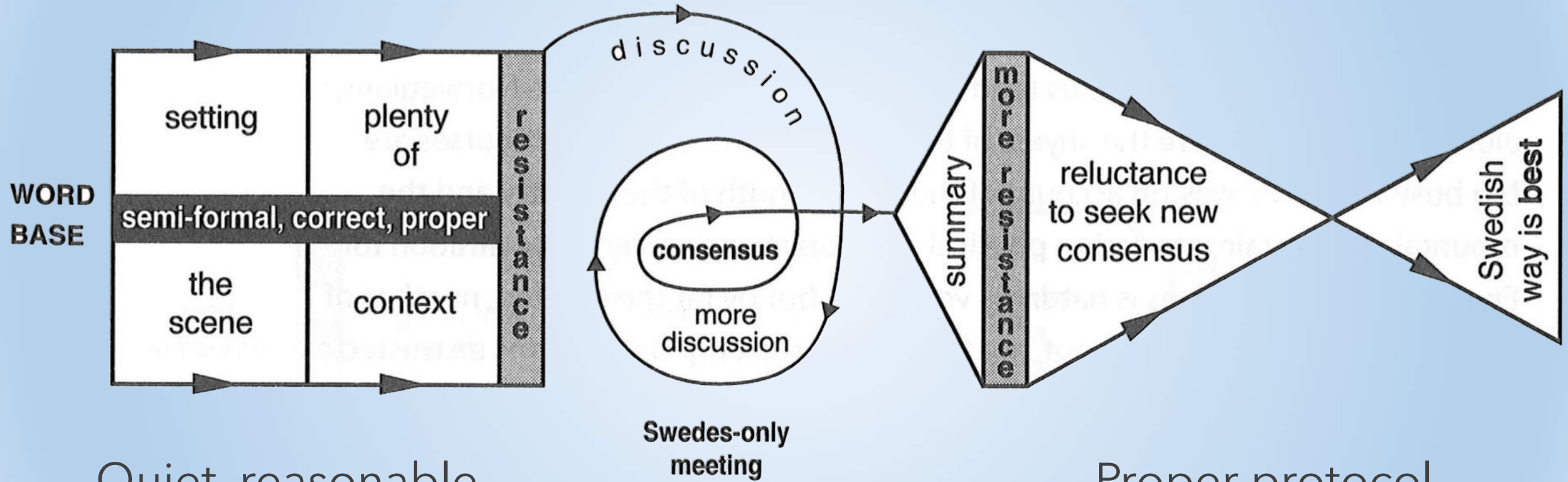
BRAND VALUES



HOFSTEDE'S DIMENSIONS



SWEDEN



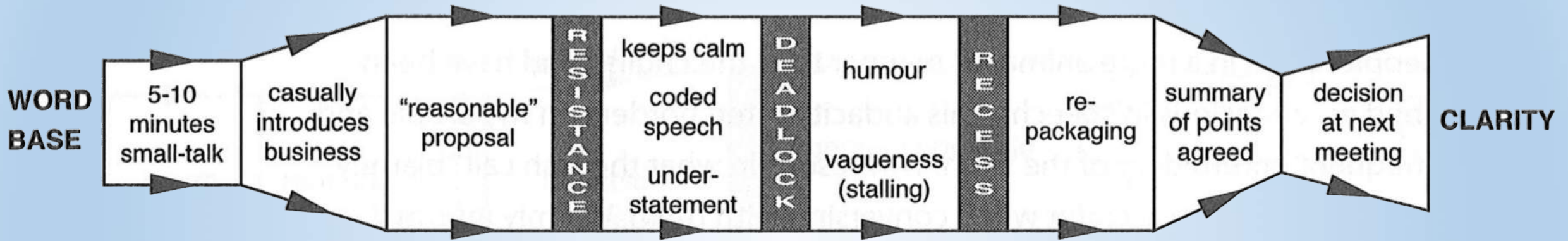
Quiet, reasonable

Rarely use aggression

Proper protocol

Swedish consensus

UNITED KINGDOM



'don't rock the boat'

Polite, modesty, restraint

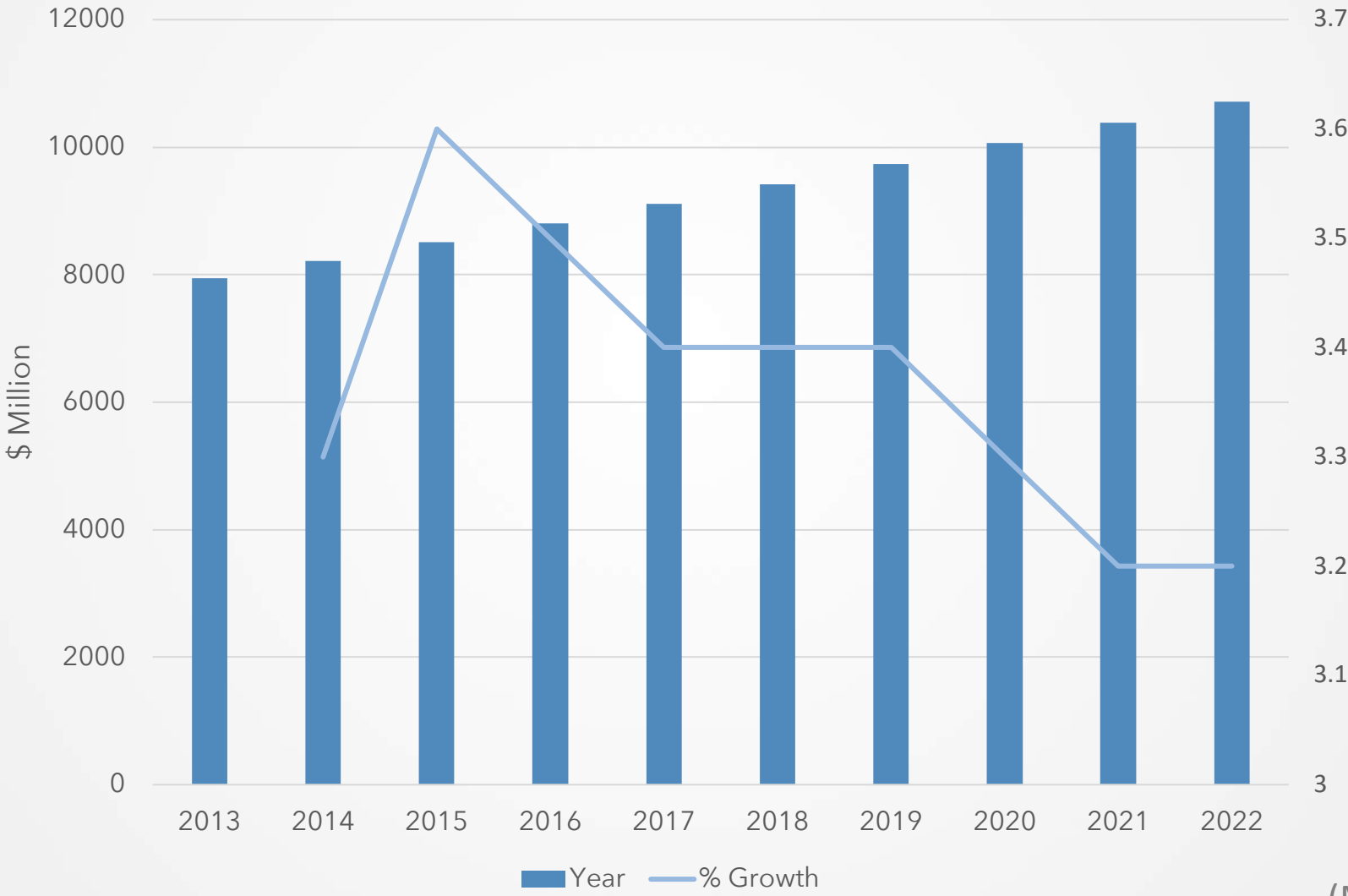
Understatement

Humor

Vagueness, stalling

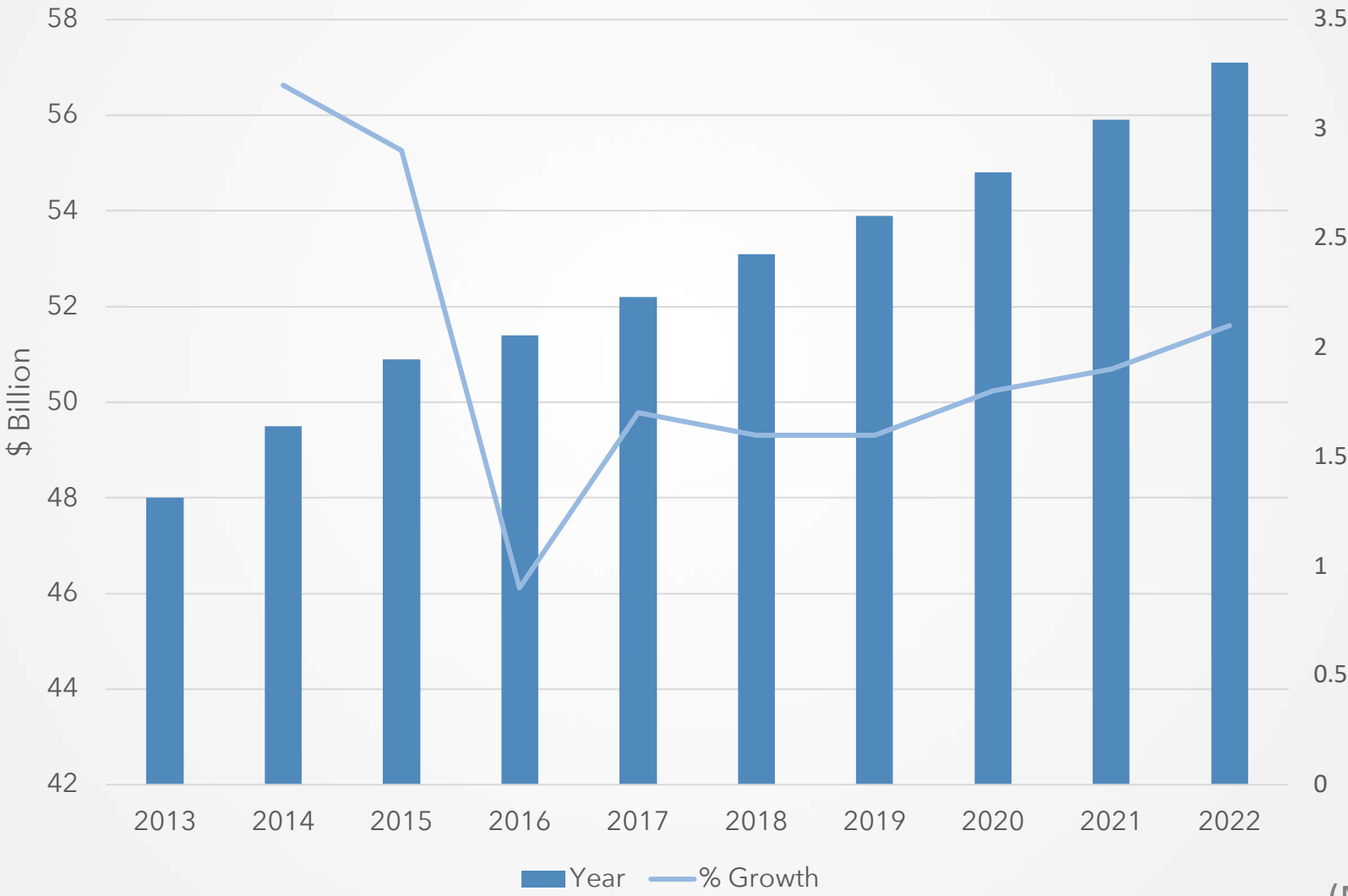
PESTELI

SWEDEN APPAREL RETAIL ECONOMY



(MarketLine.com, 2019)

UK APPAREL RETAIL ECONOMY




(MarketLine.com, 2019)

SOCIAL-CULTURAL

WHAT IS JANTELAGEN?

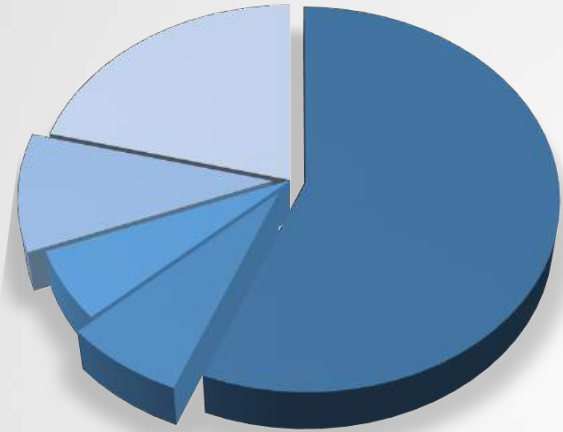
"You are not better than anyone else"



The image shows a clothing store with a rustic aesthetic. In the foreground, there are several black metal clothing racks filled with various garments, including jackets, sweaters, and shirts. A prominent hanging lamp with a metal cage and a warm-toned bulb is suspended from the ceiling. To the left, a mannequin is visible in a display case. The background shows more clothing racks and a person in a white shirt and dark shorts, possibly a customer or staff member, looking at items. The overall lighting is warm and focused on the merchandise.

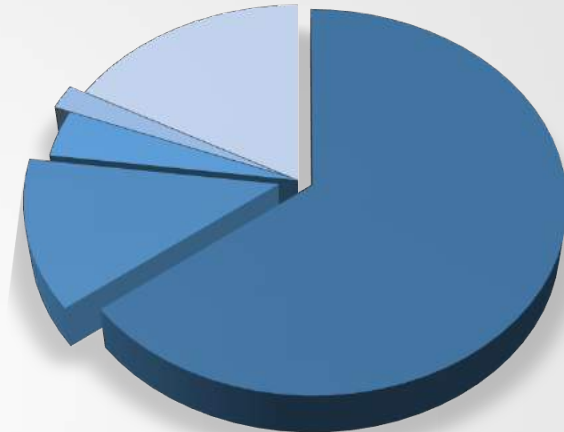
“There is a large industry for non-designer apparel retail, especially among customers with lower disposable incomes as customers in the region are increasingly favoring off-price stores that offer fashion at an attractive price”

TECHNOLOGICAL



- Clothing, Footwear, and Accessories Specialists
- Department Stores
- Online Pureplay
- Hypermarkets, Supermarkets, and Hard Discounters
- Other

United Kingdom



- Clothing, Footwear, and Accessories Specialists
- Department Stores
- Online Pureplay
- Hypermarkets, Supermarkets, and Hard Discounters
- Other

Sweden

ENVIRONMENTAL



73% of Swedes

Discuss sustainability with friends and family.



74% of Swedish Consumers

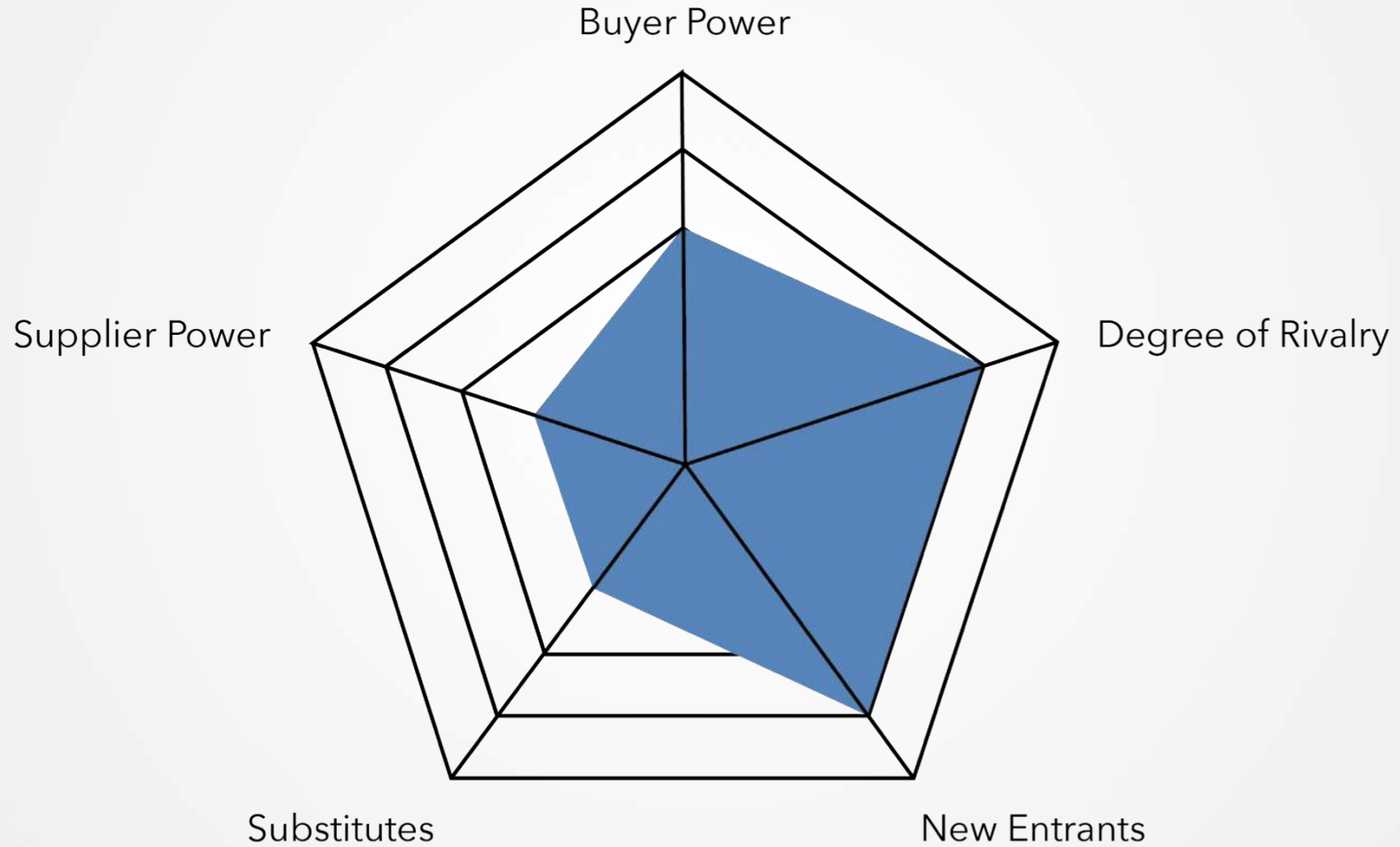
Say that sustainability impacts their buying decisions.



37% of Swedish Consumers

Are willing to pay 10% more for a sustainable alternative.

INDUSTRY



MARKET ANALYSIS CONCLUSION

- Sweden is a smaller pie, but FatFace can have a bigger slice!
 - The industry is well known
 - Market is smaller but growing
- Jantelagen fits with FatFace's company values
- Higher SAM allows a potentially higher SOM



CONSUMER ANALYSIS

- **Target Customer:** Families, active lifestyle, functionality and quality, sustainability
- **Demographics:** 25-40 (young parents)
- **Customer Behavior:** Active, outdoor oriented which is a necessity for functional clothing
- **Price Range:** 30-100 Pounds
- **Values:** Durability and sustainability



STRATEGY

PRODUCT RANGE



1

Focus on sustainability

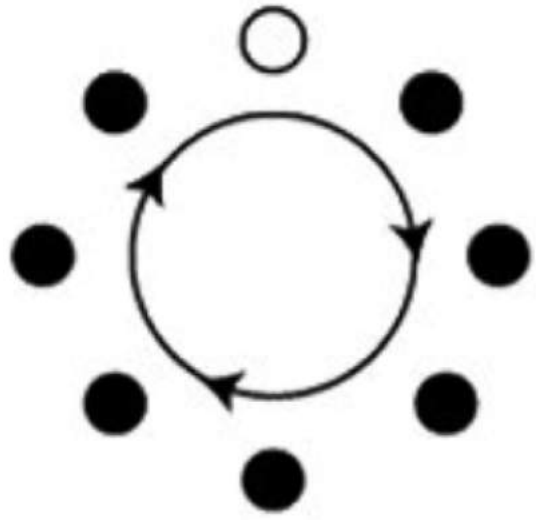
2

Outdoor and active oriented

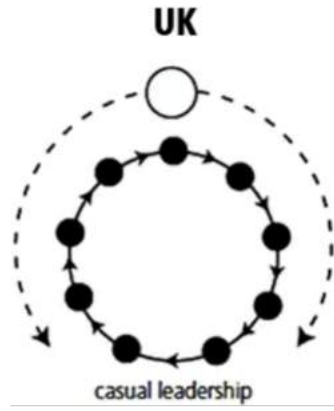
3

Prioritized non-designer apparel

SWEDEN



primus inter pares



MANAGEMENT OPERATIONAL PROCESS

Lewis Model

**WHAT CAN
FATFACE LEARN?**

Abercrombie & Fitch

IN JAPAN

Imposed the American strategy on new market



Did not work with local partners for insights



Their style, clashed dramatically with consumer needs



Staff failed to follow Japanese customs

What are the
cultural values
in the targeted
country?

What is my
current
strategy?

Values

Morals

Habits

Mix to form
new strategy

CONCLUSIONS

AS A BRITISH COMPANY

Former FatFace Employees:

- Flexible but long hours
- Little hierarchy
- Low formality
- Promotion and recruitment based on experience



Typically British!



AS A BRITISH COMPANY

Is this an issue?

1. Communication patterns in meetings are not far off
2. The market has high potential and demands for the products
3. The management processes are closely related
4. The culture can be adopted with an ethnocentric strategy

RECOMMENDATIONS

1

VALUES

Present differences in cultural values by briefing teams in both countries

2

ADJUST

Ethnocentric strategy
Internally, focus less on hierarchy in Swedish management

3

FOCUS

Higher environmental standards lends itself to more focus

REFERENCES

- Fatface.com. (2019). *About FatFace*. [online] Available at: <https://www.fatface.com/about-fatface/about-fatface-landing.html>.
- Hofstede Insights. (2019). *Compare countries*. [online] Available at: <https://www.hofstede-insights.com/product/compare-countries/>.
- Lewis, R. (2006). *When cultures collide*. Boston: Nicholas Brealey.
- Lewis, R. (2008). *Cross cultural communication*. Warnford, Hampshire, U.K.: Transcreen Publications, pp.2-3, 14-15.
- MarketLine (2018). *Sweden - Apparel Retail*.
- MarketLine (2018). *United Kingdom - Apparel Retail*.
- Marx, W. (2010). *In Tokyo, Abercrombie Misses Its Mark*. [online] The Business of Fashion. Available at: <https://www.businessoffashion.com/articles/intelligence/in-tokyo-abercrombie-misses-its-mark>.
- Sustainable Brand Index. (2019). *Sweden 2019*. [online] Available at: <https://www.sb-index.com/sweden>.
- The Business Plan Shop (2019). *TAM SAM SOM - what it means and why it matters*. [online] Available at: https://www.thebusinessplanshop.com/blog/en/entry/tam_sam_som?fbclid=IwAR1JHZFFFtKKRYGuPZYMTwD2wgYJD9WtYNUzr6vzfp8JbEfOTLg0jJWgTWM.